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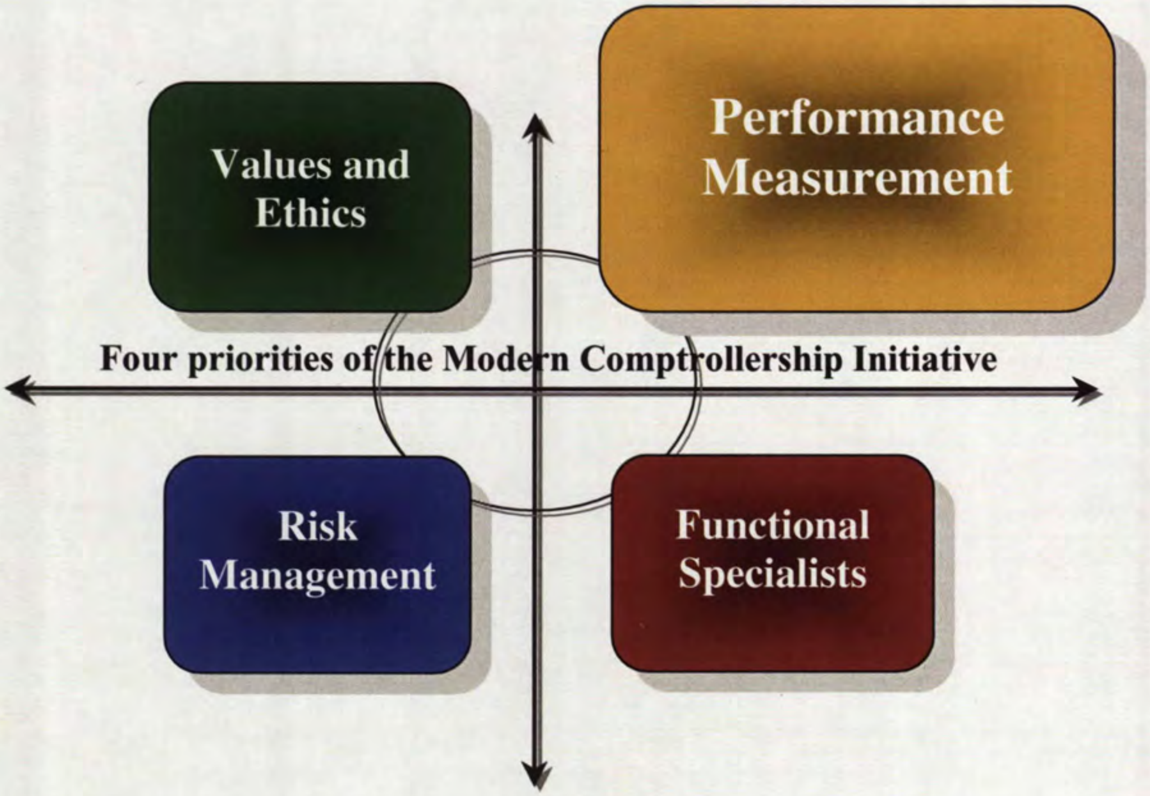
Performance Measurement:

A Guide to Building and Using a Performance Measurement Framework



"Building on Industry Canada's Priorities Chart"

Planning and Performance Directorate
Comptroller's Branch

Canada

Corporate Comptroller's Message

I am pleased to present Industry Canada's guide to implementing Performance Measurement. The guide has been developed by the Planning and Performance Directorate (PPD), Comptroller's Branch, and is intended to be a practical tool that will explain and promote the development and use of Performance Measurement Frameworks across the Department.

I believe that Performance Measurement is an important tool that facilitates good management by allowing us to measure progress towards our goals and the Department's five Strategic Objectives. As Performance Measurement has been identified as one of the four priorities of the Modern Comptrollership Initiative (MCI) at Industry Canada, the completion of this guide is timely and will ensure a common understanding of Performance Measurement across the Department.

Experience has shown that a simple approach to Performance Measurement is often the most useful - it can be easily understood by the organisation and can be implemented effectively. With this in mind, and following Treasury Board Secretariat policy and guidelines, PPD developed this guide and the accompanying checklists. The template and checklists are not intended to be prescriptive, rather they are intended to serve as aids and to illustrate the underlying principles of Performance Measurement.

I would like to acknowledge the work on Performance Measurement already underway in many branches and sectors across Industry Canada. While a variety of methods have been used in developing frameworks, the principles of linking our activities to outcomes remains consistent. The Department is also recognized for the progress it has made in Performance Measurement and for its priorities chart outlining the five strategic objectives and associated key results commitments.

The Comptroller's Branch is mandated to provide advice and guidance across the Department on how to implement Performance Measurement and as the directorate responsible, PPD is committed to serving as a centre of excellence on Performance Measurement. I encourage you to contact my staff as you consider how you can begin to use Performance Measurement as a tool in your organization. They will be able to assist you in the development and implementation of your Performance Measurement Framework.

Jennifer Benimadhu

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Planning and Performance Directorate,
Comptroller's Branch
Industry Canada

Planning and Performance Directorate, Comptroller's Branch
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Contents

Introduction

Purpose of this Guide

Partners in any departmental initiative (policy, program, project or other initiative) want their initiative to get off the ground. They need to know if it is on the right track as well as how to improve it, and they need to work productively with their partners throughout the initiative.

Managers reporting on the ongoing performance of initiatives or on the ultimate achievement of expected results want to be able to tell the "whole performance story."

To do these things well requires a solid and objective performance measurement framework, reliable data, and an understanding of the broader environmental context within which the initiative is being delivered.

Attributing results to an initiative can be daunting, but this should not become a roadblock to developing a performance measurement framework. Although the framework aims to establish a clear line of cause and effect between the initiative's outputs and a set of outcomes, it is unreasonable to believe that the accountability for ultimate outcomes resides with a single individual or organization. The complexities of the economy, society and management dictate otherwise. A performance measurement framework provides the ability to define and make a case for which results the initiative partners can reasonably be held accountable, particularly when many stakeholders and socio-economic factors can influence outcomes.

This guide explains how to build and use a performance measurement framework. The process of developing a framework also represents an opportunity to involve your partners in the Department in a discussion on performance measurement. Specifically those partners with whom you:

- share authority and responsibility for results;
- jointly invest resources (such as time, funding and expertise);
- share risks; and
- work toward achieving common goals and generating mutual benefits.

Benefits of Performance Measurement for Industry Canada

A performance measurement framework is intended to help in developing the following:

- **a sound governance structure** that describes clear roles and responsibilities for the main players involved in delivery of the initiative;
- **a clear picture of the initiative** that shows a logical link between resources, activities, outputs and a sequence of outcomes;
- **a sound performance measurement strategy** to track progress, measure outcomes, support the evaluation work, and enable continuous learning and improvement; and
- **reporting capability** to provide balanced and credible information for reporting on the initiative's performance.

When successfully developed, a performance measurement framework provides:

- a common understanding of what you and your partners aim to achieve, how you plan to work together, and how you will measure and report on results;
- a tool for better management, learning and accountability throughout the initiative;
- a key planning tool; and

- an early indication that the initiative is set up logically, has a strong commitment to results and has a good chance of succeeding.

Structure of this Guide

This guide aims to provide practical advice on how to develop and apply an effective performance measurement framework for departmental initiatives. It addresses the following:

- **Working with others:** Identifying the people to involve in the process to develop the performance measurement framework, as well as some basic ground rules for starting the process on the right foot.
- **Developing the framework:** Identifying and focussing on the initiative's expected outcomes, examining alternative means to achieve outcomes, and incorporating the results of data analysis into improving the initiative.
- **Using the framework for continuous learning and improvement:** Collecting performance information, analysing data and measuring performance.
- **Being responsive and accountable:** Reporting on performance to clients, partners, stakeholders, parliamentarians and staff, assessing the attribution of results.

The guide contains the following sections:

1. **Getting Started:** Involving the appropriate players to develop the performance measurement framework
2. **Building and Using the Framework:** Profiling the initiative; completing the performance measurement framework template (in Appendix 1); and using it for measuring, evaluating and reporting on performance
3. **Key Considerations:** Discussing the attribution of results and sharing some useful tips from past experiences.

As we at Industry Canada continue to learn collectively from working with performance measurement frameworks, we will further increase our comfort level and our demand for performance information, as well as further enhance our performance management capability and capacity. Appendix 2 invites you to consider where you could potentially apply a performance measurement framework to help you in the various aspects of management.

We encourage you to use this guide and the accompanying templates and checklists for starting up or modifying initiatives. We hope that this will provide practical tips to support your resourcing plan and strategies, as well as help to ensure success and accountability.

For more information or guidance, please contact the **Planning and Performance Directorate, Comptroller's Branch**, Industry Canada at (613) 954-5390.

1. Getting Started

The first step in developing a performance measurement framework is to gain a better understanding of its purpose and associated vocabulary, as well as how to work with it. This can be done through the following:

- reviewing this guide;
- contacting the **Planning and Performance Directorate** who can provide you with advice and guidance as you build and use your Performance Measurement Framework;
- talking to others in the Department who are using the performance measurement framework;
- browsing the Treasury Board of Canada, Secretariat, Web site (**http://www.tbs-sct.gc.ca**);

Developing a performance measurement framework requires commitment from the appropriate individuals. During the early planning phase of the initiative's life cycle, leadership is a key element that can influence the subsequent success of the initiative. This section explores who are the appropriate people and how to work with them to launch the process of developing a performance measurement framework.

1.1 Involving the Appropriate Players

Involving the appropriate people at an early stage will get the initiative moving forward and establish the foundation for trust, support and networking that will be required throughout the initiative's life cycle. It may be preferable to have certain individuals form a core team to develop the performance measurement framework and to engage others on an as-required basis. In identifying which individuals to involve, the following should be considered:

Expertise, skills and experience: Aim for an optimal mix of the following:

- **Managers and delivery partners** who share authority and responsibility for the initiative, join their resources, and share in the benefits and risks of the initiative. They are responsible for the accuracy of the performance measurement framework and for its ability to reflect the design and operation of the initiative, for data being collected accordingly, and for all reporting requirements.

- **Initiative stakeholders**, i.e., people who are targeted by the initiative and those who influence its outcomes (this can include internal and external stakeholders where appropriate). Their contribution aids in defining outcomes and potential strategies or actions to achieve them and in validating the "if-then" assumptions (i.e. if this output, then this outcome) that are an integral part of an initiative.

- **Evaluation specialists** who can provide advice on implementing sound evaluation methodologies, provide a broad perspective of the Department and its programs and initiatives, and provide advice on data collection and analysis.

- **People experienced in program development** who bring a view of the big picture to the "if-then" assumptions as well as insight into the past effectiveness of certain strategies to achieve outcomes.

- **People with negotiating and decision-making authority** who are able to align or link the overall objectives of the initiative to the priorities of partnering organizations are essential in initiatives that transcend organizational boundaries. They should also have the ability to make decisions and to commit their organization.

Size: Try to keep the core team small enough to allow all members to participate fully, yet large enough to include a mix of the appropriate players: six to eight members is ideal. If you need to garner the participation or input of more people, rather than adding more permanent members, consider involving them on a consultative basis, or as expert resources.

1.2 Launching the Process

The diversity of interests and professional specializations within the team means that members often come to the task of developing a performance measurement framework with a very different set of assumptions as to the what-how-why-when of both the performance measurement framework development process and the initiative itself. The team should select, or it should be stated at the outset, which individual is responsible for leading the team toward a shared understanding of both. Having someone who is skilled in group dynamics and dialogue is an asset.

The following are some aspects to include in launching the performance measurement framework process.

Purpose of the performance measurement framework: Present the performance measurement framework as a planning tool, an integrating and leveraging mechanism, and a source of information for the initiative's managers as well as for policy makers.

Lead organization: Define who will take the lead on the initiative and what this role entails. This helps to clarify the team's understanding of the initiative. In many cases the role is conferred in a Memorandum to Cabinet, a Treasury Board submission or other senior-level directives or decisions.

Genesis and purpose: Present the history of the initiative and the issue or gap it is trying to address or opportunity it is trying to create. Outline pre-established parameters and identify areas that are still unclear. Use this as a vehicle to stimulate discussions and explore the diversity of understanding that exists within the team.

Buy-in: Obtain from the initiative's senior partners a clear statement of commitment to the process to develop the performance measurement framework, and share this with team members. This helps ensure that competing organizational priorities do not affect team members' availability.

Common terminology: Do not assume that team members have an equal degree of awareness or understanding of the performance measurement framework in terms of concepts, terminology, process and benefits. Invest some time early in the launch to create a level playing field by circulating and talking about this guide and how it applies to the initiative, and by agreeing on the use of technical terms. It can also be valuable to talk to others in the Department who are using a performance measurement framework to get their perspective on what worked well and what they would do differently.

Value for team members: The "what's in it for me and my organization" question is always valid, particularly when the performance measurement framework process requires a significant amount of members' time and energy. Engage team members in exploring and articulating the value they add and derive from their respective involvement in the performance measurement framework development process. This may include members sharing best practices and lessons learned. The lead organization may create value for partnering organizations by reducing the workload associated with coordinating, measuring, evaluating and reporting. When each member acknowledges what he/she will contribute and receive, the commitment to the performance measurement framework process and to the team grows.

Operating norms: Discuss the ways in which members will communicate and participate in the development of the performance measurement framework. For example, will it always be with the whole team present? Will weekly or bi-weekly meetings be held? Will notes be taken? If so, to whom will they be circulated? How will decisions be made (by consensus or unanimity, and will there be a right to veto)? What is the dispute resolution mechanism? How will partners outside of the performance measurement framework development team be informed? Who will sign off decisions on their behalf?

Open and honest participation: Through words and actions, encourage team members to participate openly. Emphasize that mutual understanding is achieved by inquiring into each other's ideas and assumptions. Participation is both talking and listening. It may be worthwhile to open and end team meetings with a quick round table asking members to share if they believe there is an unfinished issue the team should plan to address. Keeping track of these issues, and whether or not they have been addressed, is good practice.

These points could be covered in one or two meetings with the team, giving members time to think over the concepts and to raise their level of comfort with their role in the process. The next step is to start building the performance measurement framework.

2. Building and Using the Framework

A performance measurement framework is a document that typically includes written text as well as the logic framework. The document contains the following components:

1. the profile of the initiative;
2. the logical links between activities and outcomes;
3. the performance measurement strategy;
4. the evaluation; and
5. the reporting strategy.

2.1 The Profile of the Initiative

The first component of the performance measurement framework is the profile.
It concisely describes the initiative to give an independent reader a clear description of what the initiative aims to achieve, why, with what resources, and what target population it intends to reach. It also clearly describes the delivery strategy and the governance structure for the initiative.

If a performance measurement framework is being developed for an existing initiative, much of the information required for the profile has been prepared already. It may be sufficient to review existing documentation, including business plans or memoranda of understanding. Talk to initiative partners and stakeholders to clarify whether or not there have been any adjustments to the design of the initiative or to the target population during implementation, and to confirm that they still have a shared understanding of the initiative's ultimate outcomes.

If a performance measurement framework is being developed for a new initiative, then the information gathering process will require more effort. This includes the following:

- reviewing legislation, the Speech from the Throne, the federal budget, regulations, Industry Canada's priorities chart, program documents, Memorandums to Cabinet, Treasury Board submissions, strategic plans, annual reports, evaluation and audit reports, research results, statistics; and

- consulting with partners, stakeholders, groups of probable beneficiaries of the initiative, researchers, and specialists in the field; consultations can take many forms, including interviews, focus groups, surveys and whole system participation.

In the profile, include a brief description of the following.

- **Purpose:** Clearly describe the initiative and the identified needs it aims to address. Explain the initiative's origin, identify the primary intended beneficiaries of the initiative's outputs and describe how the initiative is intended to reach them.
- **Resources:** Outline what resources will be allocated to the initiative over the funding period, and how those resources will be distributed among, and used by, the various partners.
- **Partner roles and responsibilities:** Define and present the broad contributions of each partner, their respective roles and responsibilities, and their accountabilities. Their contributions can include financial and non-financial resources, expertise, knowledge, and so on. Their roles can cover a variety of initiative-related activities, such as research, program administration, partnership management, service delivery, or management-related activities such as negotiating with colleagues or stakeholders, retrieving information, forming a consensus within his or her organization, and so on. They can have exclusive or joint responsibilities in terms of the production of outputs, creation of outcomes and achievement of goals.

- **Governance structure:** The management of an initiative that cuts across organizational boundaries requires an effective governance structure. In the governance structure, describe the coordination mechanisms, decision-making processes, and dispute resolution mechanisms that will shepherd the initiative through its life cycle. Clearly outline how partners will be accountable to each other for their contribution commitments as well as for how their responsibilities are discharged. Describe the structure that will be used to obtain approval throughout the development of the framework. This could include reporting to a joint higher-level steering group, (an existing group or one created for the purpose of approving the framework), a common assistant deputy minister and so on. The importance of communication with senior decision makers cannot be stressed enough. Without their buy-in and approval, the framework will stand little chance of being implemented. This governance structure also indicates the audience to whom subsequent reporting on performance will be directed. The following diagram illustrates the relationship between the various governing bodies.

2.2 The Logical Links Between Activities and Outcomes

The second component of the performance measurement framework is the logic inherent in the initiative. It illustrates how, in theory, the initiative is expected to lead to a set of intended outcomes: immediate, intermediate and long-term. Appendix 1 provides an example of a complete performance measurement framework template using a hypothetical Industry Canada initiative.

Industry Canada's Strategic Objectives				
Activities	**Outputs**	**Immediate Outcomes**	**Intermediate Outcomes**	**Long-Term Outcomes** **(Key Results Commitments)**

The template defines results as encompassing outputs and a range of outcomes. Immediate outcomes are the first consequences of the outputs on the target population. They tend to be manifested by an awareness or knowledge of the output. Intermediate outcomes tend to be associated with changes in behaviour or state in the target population as a consequence of being informed. Finally, the long-term outcomes tend to manifest themselves by changes in societal behaviour, beyond the initial target population. These are represented on Industry Canada's priorities chart as key results commitments.

- **Activities:** In which key activities are the initiative staff engaging? (activities contributing to initiative outputs, not administrative activities).
- **Outputs:** What are the outputs of the key activities? Outputs are the products or services generated by the activities; they provide evidence that the activity occurred.

- **Immediate outcomes:** These represent the consequences of the activities and outputs on the target population and are often associated with enhancing awareness or creating knowledge. They are usually manifested in the first year or two of the initiative.
- **Intermediate outcomes:** These are often associated with a change in behaviour in the target population or its system as a result of enhanced awareness and knowledge. These expected changes are articulated in Industry Canada's strategic objectives and key results. They tend to be realized within the second and third years of the initiative.
- **Long-term outcomes / Key results commitments:** These are generally associated with changes in societal conditions. They are often subject to influences beyond the initiative itself, and take a longer time to be realized.
- **Strategic objectives:** These refer to Industry Canada's objectives, as defined on its priorities chart: **innovation, connectedness, marketplace, investment** and **trade**.

Consider the following points when completing the performance measurement framework template.

- **Involve all partners:** The logical links represent the most fundamental expression of an initiative's purpose: from activities to expected results. Ensure that each of the partnering organizations is involved, and include initiative staff, evaluation specialists, and subject matter experts in the process. One way to do this is by holding a two-day working session — it is intensive and it generates a reasonable product in a short period of time.
- **Be results-focussed:** Ensure that the performance measurement framework is focussed on results. The initiative is established not just to create goods and services, but more specifically to have an impact on a target population.
- **Keep it simple:** Resist the pressure to create a template that is overly detailed and complex, as this will jeopardize the utility of the performance measurement framework. Try to limit the number of outputs, total outcomes, and the number of indicators for each output and outcome to one or two. Remind the performance measurement framework team that the template will not provide a detailed picture of each participating organization's discrete activities, outputs and outcomes. Aim for team members to develop a strong understanding of how their own contributions fit in the logic underlying the initiative. Invite knowledgeable people who were not part of the two-day session to comment on the initiative's logical links.
- **Don't aim for perfection:** Be realistic in how much of an initiative's complexity can be captured in a one-page template and aim to create an acceptable proxy of the initiative and the linkages between activities, outputs and outcomes. As the initiative progresses in its life cycle and as data are collected, you will learn where to improve the original performance measurement framework template. By all means, make the changes that make sense to the performance measurement framework team and participating organizations.

The initiative's logical links are now the point of reference for the performance measurement strategy, periodic evaluation and reporting strategy.

2.3 The Performance Measurement Strategy

Ongoing performance measurement is the regular collection of information for monitoring how the initiative is doing at any point in time. The purpose of these regular performance snapshots is to improve the management of the initiative.

Obtaining objective and relevant performance data requires a robust performance measurement strategy that addresses the following:

1. performance indicators;
2. data collection; and
3. the analysis and use of data.

2.3.1 Identifying Indicators

Indicators are based on the initiative's logical links and provide qualitative and quantitative information about the occurrence of an activity, output or outcome.

- **Qualitative information:** This is expressed in a narrative form, for example, people reporting easier access to information.
- **Quantitative information:** This is expressed numerically, for example, the percentage of rural communities equipped with high-speed Internet access.

The performance measurement framework team has to identify indicators for each of the outputs and outcomes. The indicators will provide a measure of the success of the initiative in terms of efficiency and effectiveness. Is the initiative effective in meeting its intended outcomes, within budget and without unwanted negative outcomes? Is the initiative making progress toward the achievement of the final outcomes?

When selecting performance indicators, it is important to bear the following in mind:

- **Uses and users:** Ask partners, senior management and other stakeholders what their information wants and needs are (they may have specific reporting commitments or important management decision time lines which will benefit from your initiative's indicators).
- **Comparability:** Select indicators that are consistent with usage in other Industry Canada initiatives, other departments or foreign governments. This allows comparisons to be made and helps in gauging the relative effectiveness of the initiative.
- **Timing:** Certain indicators will show earlier progress and others will require more time to enable relevant interpretation. Aim to schedule a progression of indicators to support timely decision making and reporting.
- **Balancing:** Achieve a balance between both qualitative and quantitative indicators to create a more powerful performance story about the impact of the initiative.
- **Feasibility and cost:** Consider the ease and cost of data collection and inquire into what other information Industry Canada has collected or collects as part of the delivery of its programs.

The performance measurement framework team leads the process for developing performance indicators. It is essential to include a validation with partners, as they are accountable for demonstrating success against these indicators.

2.3.2 Collecting Data

Measuring performance against indicators requires a supporting data collection strategy, a system to store and retrieve data, and the data itself.

The following factors should be considered when developing a data collection strategy:

- **Method of collection:** Choose a data collection method that is good match for the type of indicator and purpose of the data being gathered. For example, qualitative feedback is often gathered through interviews, focus groups and case studies. Quantitative feedback is often gathered from questionnaires, and initiative records such as number of applicants or recipients. Each collection method has its advantages and inconveniences. See Appendix 4 for more information.

- **Frequency and timing of collection:** Establish the frequency and timing of collection, based on needs such as reporting commitments or important management decision time lines.

- **Responsibility for collection:** When determining partners' roles and responsibilities, be sure to define who is responsible for collecting and analysing which data throughout the initiative's life cycle and that appropriate resources are available.

- **Cost:** Estimate the human resource and financial requirements for collecting data.

A data collection system can be as simple as a paper system to collect data against a few indicators, a spreadsheet collecting actual data against a target, or a centralized automated data collection system that feeds off program transactions and other outputs. A small system is often sufficient for data collection. The cost of any system should be considered in relation to the size of the initiative being measured. As the data collection process begins, it will become apparent what works well and what does not, and modifications can be made along the way.

Try to establish a baseline measure for at least some of the indicators, i.e., establishing the "pre-initiative" performance picture. This baseline will help in establishing "in-initiative" and "post-initiative" targets and in gauging the progress made. Targets can be expressed quantitatively, as an absolute or relative value, or qualitatively.

The performance measurement framework team is responsible for leading the development of the data collection strategy. Ultimately, the strategy will be an appropriate trade-off between ease of collection, balance, time lines, relevancy and cost. Remember to seek partners' involvement in the process and to obtain their approval before going ahead with the strategy.

2.3.3 Evaluation

Evaluation is a periodic in-depth look at how the initiative is doing. It is used early in the initiative's lifecycle to identify opportunities for improvements, to facilitate the achievement of outcomes, and later in the cycle to determine the degree to which the initiative led to the achievement of desired outcomes.

In order to be able to evaluate the initiative, data that respond to specific evaluation issues must be collected. Identify these issues early in the initiative and, ideally, with the participation of evaluation specialists. The periodic or formative evaluation focusses on examining management issues such as how the initiative is being implemented, whether or not adjustments are necessary, and whether or not progress toward the achievement of outcomes is occurring. The later or summative evaluation is undertaken when the initiative has been in place long enough to realistically expect that some outcomes have been achieved. The evaluation focusses on the following three primary issues:

- **Relevance:** Does the initiative continue to be consistent with departmental and government-wide priorities, and does it realistically address an actual need?
- **Cost-effectiveness:** Are the most appropriate and efficient means being used to achieve outcomes relative to alternative design and delivery approaches?
- **Efficiency:** This is a measure of how a program's resources (inputs) and activities result in its outputs. Indicators can include, for example, cycle times, and unit cost per output.

It is important to identify the initiative-specific criteria that relate to the evaluation issues and to plan how to collect the data that will support these criteria. Ideally, aim to integrate the collection methods for the evaluation data with those for the ongoing performance measurement.

Identify specific source of funds that will be used for each phase of the evaluation strategy.

2.4 Analysing Data and Using Information

Sections 2.1 to 2.3 introduced the components of a performance measurement framework.

From an application perspective, there will be a time lapse between building the performance measurement framework and using it to manage better. Between the data collection and performance reporting phases of the lifecycle, it is necessary to *analyse data and interpret* what the numbers and qualitative feedback are saying. Although the performance measurement framework team may not be responsible for conducting the analysis, it has to identify who will be analysing data and who will be involved in the attribution conversations *(section 3.1 addresses the attribution of results).*

The performance measurement framework team is responsible for planning how the initiative's data will be analysed and how performance information will be shared among partners.

Data analysis begins with reviewing the data for accuracy, completeness, and consistency and then choosing the analytical strategy that provides the best evidence upon which to make decisions. Data can be summarized and organized using some of the following techniques.

- **Describing and counting:** These are two of the most common analytical techniques, and are often required as the basis or context for further data analysis.

- **Aggregating:** This is the process of grouping (or clustering) data by identifying characteristics or patterns that seem to link them. It is the beginning of the process to determine whether or not relationships exist among different variables.

- **Disaggregating**: This means breaking down (or factoring) information into smaller units. Disaggregated data can be examined in different ways (e.g. over time, across different populations and between two comparison groups). If the data are coded, they may already be broken down into categories.

- **Comparing:** This covers a range of methods that can be used to draw conclusions about the relationships among data and make generalizations to large populations. It involves contrasting a person or population against itself or another comparison group/standard, and is typically done later in the initiative's life cycle. Data can also be compared using a variety of analytical approaches, such as regression and correlation analyses.

- **Using independent assessments:** In the case of a large, high profile, initiative to which significant funding has been allocated, it may be necessary, to involve independent experts in the field, such as academics, auditors, consultants and independent think-tanks to assist in the data analysis and interpretation process. This will also promote a perception of fairness and objectivity in the assessment of results.

The analysed data become the evidence that the performance measurement framework team and partners will use in assessing the efficiency and effectiveness of the initiative and in determining where modifications could create performance improvements (e.g. modifying the target population, producing additional volume of outputs, changing the delivery mechanism to beneficiaries, modifying outputs and so on).

2.5 Reporting Strategy

The reporting strategy outlines a plan for systematically reporting on performance results gleaned from ongoing measurement, and formative and summative evaluations.

The performance measurement framework team has already begun to create the reporting strategy when developing the initiative's governance structure, and considering the needs of various audiences interested in the initiative's performance. These two elements provide an excellent starting point. The following additional elements complete the reporting strategy.

- **Time lines:** Establish clear reporting time lines for each partner and take into account Industry Canada's and the government's reporting cycles.
- **Reporting formats:** Although it may be appropriate to create a separate report for a high-profile / high-visibility initiative, in addition to reporting the information in the Departmental Performance Report, existing performance reports are usually acceptable and sufficient for reporting on the performance of intra-departmental initiatives.
- **Selecting evidence:** Select, from the analysed data, the pieces of evidence that collectively tell the balanced story, and not just the "subjective best story." Judgment and transparency should prevail.
- **Discussing attribution:** Use the report to illustrate the cause and effect between the initiative's outputs and the set of outcomes as well as to discuss how other factors have influenced results.
- **Making the report accessible:** Know whom you are trying to reach with the reports and how to make the reports accessible to them on a timely basis. Include a communications and distribution plan in the reporting strategy.
- **Estimating costs:** Determine the funding necessary to successfully carry out the reporting strategy.

The reporting strategy reinforces transparency and disclosure, and helps partners meet their reporting and governance obligations. The product is a clear strategy for what will be reported, when, by whom, and how.

3. Key Considerations

3.1 Attributing Results to the Initiative

An initiative is established to have an impact on the target population, the population in general, and perhaps on some socio-economic factors. One of the most daunting tasks for the performance measurement framework team and partnering organizations is to determine where their accountability ends on the outcomes continuum. [1] In the majority of cases, it is impossible to hold an initiative or group solely accountable for the achievement of, or failure to achieve, long-term outcomes. In the case of Industry Canada, it is clear that other government departments and non-governmental organizations have a role in advancing innovation, connectedness, marketplace, investment and trade in Canada or are working toward the same results. It is also clear that factors outside of the partners' sphere of influence, such as the environment, immigration, technological advances or the socio-economic climate, have positive or negative effects on the achievement of stated long-term outcomes. Considering this, how can an initiative's performance be explained?

- Make a convincing argument (founded in the initiative's logical links and its related set of indicators) demonstrating that the initiative is likely to contribute to long-term outcomes.
- Make a convincing case that the initiative is being managed for results, even if a causal link between its outputs and the expected long-term results cannot always be proven.
- Find a way to demonstrate that the initiative is achieving results at some meaningful level, such as intermediate outcomes, even if a direct link cannot be made between the program and the ultimate outcomes.

This does not diminish the importance of studying attribution, particularly if the initiative is a long-term intervention. If changes are taking place in the long-term outcomes, attribution analysis helps determine what caused them. Over the years, it may be possible to separate the impact of the Industry Canada initiative from the effect of other external factors on expected outcomes, and to establish a correlation between various environmental factors, the initiative, and the results. This information will become part of the knowledge base that Industry Canada and others working toward similar results will use to shape new initiatives.

3.2 Other Tips for Success

These final tips will help you and the performance measurement framework team develop the initiative's framework.

- **Get senior support:** The support of a senior-level champion for the development of a performance measurement framework can raise the profile of the initiative and motivate the team.
- **Assess the relative value of the initiative:** The resources invested in the development and implementation of the performance measurement framework should be in proportion to the initiative (i.e. do not spend more to measure than to deliver).

1. For additional reading, refer to "Addressing Attribution Through Contribution Analysis: Using Performance Measures Sensibly", by John Mayne, Ottawa: Office of the Auditor General of Canada, 1999.

- **Remain flexible:** The performance measurement framework is not static. Remember to adapt it to the changing context and as more information is gained on the progress of the initiative.

- **Set realistic time lines:** The development of a performance measurement framework is a project in itself. When developing the work plan and time lines, be mindful of the partners' other commitments, yet create a robust enough pace to achieve the momentum needed to create the initial version of the performance measurement framework.

- **Involve the right people at the right time:** Remember to involve partners, stakeholders and specialists.

- **Communicate, communicate, communicate:** Keep the performance measurement framework team members up-to-date and well informed. This will help build trust, help move the team through lulls and challenges in the process, and enable consensus building.

- **Learn:** Establish early on with the performance measurement framework team members how information will be shared. Learn from each other and from the ups and downs of the development process. Occasional problems are only natural and can be a helpful part of the learning process. Being open about recognizing them and being committed to working them out establishes a climate of collaboration and security.

- **Access other sources of information:** Talk to other groups or other departments that have developed performance measurement frameworks. Ask them what worked well, what did not work and what they would do differently next time. Also, refer to other resources available to you. See the Resources Section.

- **Bear in mind that the framework is a means, not an end:** A performance measurement framework is the means to creating better programs that make a positive contribution to the lives of Canadians.

Resources and References

Industry Canada's Comptroller's Branch intranet site – Planning and Performance
– Modern Comptrollership
http://icintra.ic.gc.ca/comptroller3/WhatsNew/WhatsNew_E.stm

Industry Canada's Modern Comptrollership Initiative (MCI) Website
http://www.ic.gc.ca/mci

Results-Based Management and Accountability Lexicon
http://www.tbs-sct.gc.ca/eval/pubs/RMAF-CGRR/rmaf-cgrr-06-e.asp

Guide for the Development of Results-based Management and Accountability Frameworks
http://www.tbs-sct.gc.ca/eval/tools_outils/rmaf_crgar_e.asp

Health Canada's Performance Management and Measurement E-Learning
pmm_gmr@hc-sc.gc.ca

Not a "Tool Kit": Practitioner's Guide to Measuring the Performance of Public Programs, Mark Schacter, Institute on Governance, Ottawa, 2002.
www.iog.ca/publications/Guide.pdf

Addressing Attribution Through Contribution Analysis: Using Performance Measures Sensibly," John Mayne, Office of the Auditor General of Canada, Ottawa, 1999.
http://www.oag-bvg.gc.ca/domino/other.nsf/html/99pubm_e.html

Report of the Auditor General of Canada, December 2002, Chapter 9 — *Modernizing Accountability in the Public Sector*
http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20021209ce.html

Appendix 1: Sample Template: Program for High-Speed Internet Access in Communities

Strategic Objective: Connectedness				
Activities	**Outputs**	**Immediate Outcomes**	**Intermediate Outcomes**	**Long-Term Outcomes (KRC)**
1) Develop and Support community capacity building events	Information kits available Events held in communities	Community access sites	Libraries, Schools, Businesses, homes connected	Canadians Connected to each other and the world in a way that is affordable and accessible
2) Develop incentive programs for technology research	Funding incentives for research	Other technologies available		
3) Develop incentive programs for suppliers and users	Funding incentives to Cable distribution and telephone companies Funding incentives to first time users	High-speed telephone lines available	High speed access capability Affordable access	
4) Develop & conduct Awareness campaigns (SchoolNet, CAP Computers for schools)	Advertising on local TV Various media	User awareness of products and benefits	Increased use by target population	

Measurement Strategy	**Indicator**	**Data Source**	**Indicator**	**Data Source**	**Indicator**	**Data Source**	**Indicator**	**Data Source**
	# of events held # communities reached # of incentives $ value of incentives # reach venues (ads) cost of reach (ads)	Admin Records	# new community sites # of new technologies and availability reach coverage	Admin Records User Surveys	% connected by type of user Affordability Speed of access User satisfaction	User survey/ focus groups Cost comparison survey	User rates among target population Cost Speed	TB Discussed

NOTE: This is an example for illustration purposes only - it is not intended to represent current or planned departmental initiative

Appendix 2: Performance Management Framework Applications

Developing a Performance Measurement Framework requires, staff, stakeholders and partners to think hard about what it is they are doing, why they are doing it, how they define success and how this success adds value to Canadians. The nature of the discussions and the collaborative approach for this process produce information that flows with the department's management cycle of planning, delivering, and reporting.

In which management areas in your organization can you leverage the Performance Measurement Framework approach?

Planned uses of the Performance Measurement Framework in:	6 – 12 months ✓	12 – 24 months ✓	24 –36 months ✓
Governance			
o departmental strategic direction			
o corporate oversight			
o continuous learning and adapting			
Planning process			
o strategic planning			
o business planning			
o resource allocation			
o resource reviews			
o human resource planning			
Delivery process			
o operational management			
o service standards			
o organizational learning			
o agreements with delivery partners			
Measuring process			
o risk management			
o management oversight			
o quality management			
o internal review			
Accountability and reporting process			
o accountability contracts			
o mid-year and year-end accountability sessions			
o departmental reporting			
o recognition and rewards			

Appendix 3: Data Collection Sources and Methods

Source/ Method	Advantages	Disadvantages
Industry Canada's Administrative Systems and Records	• Contain a wealth of information about program processes and people • The information organized so that it can be easily manipulated and extracted	• May not contain accurate, up-to-date information • May not contain data corresponding with what is being measured • Expensive to set up when new information management systems are needed
Interviews	• Inexpensive • Flexible	• Potential to influence interviewees answers • Response rate for mail or telephone interviews may be low • Travel costs for in-person interviews can be high
Focus Groups	• Helpful in revealing interactions and relationships between various initiatives • May uncover insights on the rationale behind common perceptions and reactions	• May not put participants at ease to discuss personal beliefs and attitudes • Data generated in a focus group tend to be quick responses, instead of considered answers
Comparative Studies	• A powerful way of collecting data for comparative purposes	• Finding reasonable comparative groups, structuring valid studies and analysing data is time and money intensive.
Expert Panels	• Can provide opinions and recommendations on an initiative or approach • Low-cost and fast	• Opinion may offer very little useful insight • Experts can tend to hold a particular view or opinion that may affect their perception of a program or approach
Questionnaires and Surveys	• Large feedback base • Can cover a range of subjects • Respondent can provide considered answers	• Low response rate • Risk of using a non-representative sample • Can be costly
Systematic Literature Review	• Quick, inexpensive and up-to-date • Existence of current databases • Access to a pool of international expertise	• Quality of systematic review may vary
Case Studies	• More holistic analysis • Consideration of the inter-relationships among the elements of a particular situation	• Complex method of data organization • Difficult to draw general conclusions
External Administrative Systems and Records	• Timely and cost-efficient • Avoids duplication	• Data availability and applicability

Appendix 4: Performance Management Framework Checklists

If you find checklists helpful, here are four of them: Getting Started; Building the Framework; Evaluating and Measuring Performance; and Reporting Strategy. These are NOT prescriptive so feel free to adapt them to what works for you!

Checklist #1: Getting Started

Item	By Date	Done	Note
1. Identify the initiative partners			
2. Identify the initiative stakeholders			
3. Select development team and define roles and responsibilities			
4. Orient team to Performance measurement in the context of the initiative			
5. Launch the process and prepare for step 2			

Checklist #2: Building the Framework

Item	By Date	Done	Note
1. For a new or existing initiative: Develop research and consultation plan (approach, workplan, resources)			
2. For a new or existing initiative: Conduct research and consultation			
3. For a new or existing initiative: Develop the team's understanding of the genesis for the initiative and the needs it intends to address			
4. Update governance structure for the team and draft governance structure for the initiative (may require additional steps)			
5. Draft initiative profile			
6. Plan working session for logical links, invite/confirm participation and finalize logistics			
7. Hold the working session			
8. Draft the initiative logical links and validate with team			
9. Validate with external parties			
10. Update initiative profile, governance structure and logical links			

Checklist #3: Measuring Performance (obtain partner sign-off for each item)

Item	By Date	Done	Note
1. Identify indicators, particularly for the output and outcome components of the logical links. Ensure they are: • a blend of qualitative and quantitative indicators • time-phased and timely • measuring efficiency and effectiveness • comparable • feasible			
2. Develop the baseline e.g., what is the pre-initiative performance status?			
3. Develop performance targets for the on-going and/or post-initiative results against the identified indicators			
4. Develop data collection strategy including: • sources and methods • frequency and timing • responsibility for collection • information system requirements • effort and cost			
5. Develop evaluation strategy with Industry Canada's evaluation specialists regarding the initiative's issues: • relevance • success • cost-effectiveness			
6. Plan for data analysis including: • Methods • expert resources (in-house & independent) • sharing of information • effort and costs			
7. Plan for attribution analysis: • identify other government departments and NGOs who work towards results similar to the initiative's • identify external influences on the initiative's success that are beyond Industry Canada's sphere of influence			

Checklist #4: Reporting Strategy

Item	By Date	Done	Note
1. Identify results measurement events, e.g., ongoing measurement, mid year review, DPR input, formative or summative evaluation			
2. Identify lead reporting partner			
3. Identify reporting format and develop appropriate distribution plan			
4. Specify reporting period and report production deadline			
5. Develop reporting workplan and estimate timelines and resource requirements			