

## Blog Post: “Recipe for Metrics Success”

Across our work, we aim to strengthen organizations that strengthen communities. But, to know if we are strengthening an organization or it is in turn strengthening a community, there has to be a clearly defined method for measuring impact. When thinking about how to design and implement effective performance management practices at your organization, we recommend focusing on three key elements: culture, systems, and reporting. Specifically, we mean:

1. Establishing a culture that is data-driven and performance-oriented
2. Developing systems and data-collection processes that are scalable and sustainable
3. Designing reporting tools that are targeted for specific audiences and inform actions

### Recipe for Metrics Success



Bowl Created by Tawny Whatmore, Butter by Imogen Oh, Cherries by H.Alberto Gongora, Flour by Imogen Oh, Kitchen Time by Joe Pictos, Measuring Jug by Tawny Whatmore, Measuring Spoons Created by Tawny Whatmore, Oven Created by Tawny Whatmore, Pie Created by Anbilenu Adaleru, Pumpkin Pie by Anbilenu Adaleru, Rolling Pin by Lastspark, Sugar by Assiya Dauyek, Thermometer Created by Nook Fulloption, Whisk by Marvin Wilhelm

The activities that feed these three elements include the development of new or refined KPIs and metrics, systems for collecting data, tools for reporting progress, and processes for incorporating findings to improve future work. We’re often asked, and rightfully so, “What is the difference between a KPI and a metric?” KPIs, Key Performance Indicators, show how effective a program or project is at achieving its *goals*. A metric measures *ongoing performance* of a program or project, but may not be tied to a specific goal or goals. Rule of thumb: all KPIs are metrics, but not all metrics are KPIs. For example, a workforce services provider might track the number of walk-ins that inquire about services, but might not have a target number of walk-ins (here, walk-ins are a metric). On the other hand, they might track the placement rate for graduates of a training program, and be driving toward an identified placement percentage (here, the placement rate is a KPI).

### **Culture that is data-driven and performance-oriented**

The first place to start is building a culture that embraces the power of data-collection and performance management so that these practices take hold and thrive at your organization. This can only happen successfully if a clear understanding of goals, accountability, and necessity are integrated at all levels of staff, not just those designated as a “data” team. In our work with Change Capital Fund, a collaborative of 16 funders, which invests in community organizations to increase economic mobility in persistently low-income neighborhoods, four local development organizations are working on a collective effort to alleviate poverty through affordable housing, workforce, youth, and adult education programs. We’ve worked with these organizations to develop a set of common metrics to measure individual and collective impact and also discussed best practices for engaging executive, program, and front-line staff in the metrics process. A recent op-ed by Eileen Auld at Citi, one of the Change Capital Fund funders, demonstrates how this culture has taken root and driven results across the grantees.

### **Systems and processes that are scalable and sustainable**

With a data-driven culture in place, you then want to make sure you are focused on measuring ongoing performance, not just completing a one-off process that’s difficult to repeat on a recurring basis. This requires processes and responsibilities that are clearly defined, realistic, and integrated into day-to-day work. You will need to be able to answer questions such as when and how is data going to be collected and who is responsible? For example, the Change Capital Fund organizations are utilizing existing touchpoints with program participants, including at intake and program completion, to collect data. The organizations have also worked on building or refining their data-tracking systems to more seamlessly track participant progress across programs. So, even as the number of program participants grew from 5,400 to over 8,600 in the course of a year, data collection processes were positioned to scale with that growth.

### **Reporting tools that are targeted and inform actions**

Successful metrics reports will have a clearly defined user and provide key information necessary for that user to adjust. An easy analogy is a speedometer in a car: the defined user is the driver and displaying the speed of the vehicle allows the driver to adjust and be accountable with changing speed limits. In the Change Capital Fund example, individual organizations have detailed internal reports for staff and a separate report for the Change Capital funders themselves with higher-level information and a summary across organizations. Having tailored reports for different levels of staff or stakeholders allows unique groups to inform their decision-making in a way that’s most relevant to their area of responsibility.

We love data, but numbers are only part of the recipe for success. Incorporating performance management into your organization positions you to evaluate the current state, identify where you want to be in the future, and build tools and processes to track progress towards goals. Culture, systems, and reporting are ingredients that will help you set up an infrastructure that is conducive for successful performance management and measuring your organization’s impact.

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