

DP ACE-252 99507

**REENGINEERING
EXECUTIVE EDUCATION
SEMINAR**

EXECUTIVE EDUCATION SEMINAR
FEBRUARY 22 - 23
DAY ONE

MORNING

09 00 INTRODUCTIONS - Facilitators
-- Course Objectives
-- Participant Introductions
-- Review Agenda

09 20 DISCUSSION OF PPC SEMINAR OBJECTIVES- AA/PPC Colin Bradford What do we want to accomplish in this seminar and what comes next?

09 30 THE WHAT AND THE WHY of REENGINEERING - Facilitators

10 00 BREAK

10 15 UPDATE ON REENGINEERING ISSUES - What's happened since PPC TOT Training?
-- How far has USAID gone?
-- What are the implications for PPC?
Richard Byess and John Bierke
-- Review of NMS Implementation Schedule
Larry Tanner

11 15 STATUS OF PPC REENGINEERING - TOT Training
Brief Overview of Bureau TOT Training and accomplishments, What does the Bureau Know, What is the knowledge base among PPC Staff- Jim Hester
Management Issues from TOT Training - Annette Bennedyke
Planning Issues for Moving Forward with Reengineering - Rose Marie-Depp

12 15 LUNCH

1 30 TEAMING AND TEAM BUILDING - What's new?
-- Types of Team Roles in PPC
-- Decision making, Leadership and Delegation
-- Team Communication within the Bureau and as Virtual Team Members

2 15 BREAK

2 30 REENGINEERING EXPERIENCES IN WASHINGTON/MISSIONS
-- M/AS Cathy Smith
-- Guatemala Liz Warfield

3 15 TEAM ISSUES FOR SO's and CUSTOMER SERVICE PLANS

3 45 EVALUATION/REFLECTION

4 00 END OF DAY ONE

EXECUTIVE EDUCATION SEMINAR
FEBRUARY 22 - 23
DAY TWO

MORNING

09 00 FEEDBACK/REFLECTIONS AND AREAS OF INTEREST,
PLANNING FOR TODAYS AGENDA

09 15 DEVELOPING STRATEGIC OBJECTIVES, CUSTOMER SERVICE
PLANS AND RESULTS FRAMEWORKS FOR PPC--What do we
need to do?

10 00 BREAK

10 15 CONTINUATION

11 15 REPORT BACK FROM TEAMS AND DISCUSSION WITH AA/DAAs

12 15 LUNCH

1 30 OPERATIONS PLANNING

What changes are necessary on the part of PPC
Managers to implement reengineering plans?

2 45 BREAK

3 00 AGENDA FOR PPC'S RETREAT

3 45 EVALUATION

4 00 END OF SEMINAR

PPC ACTION AGENDA FY 96

THREE PRIORITIES (1) MANAGING FOR RESULTS AND STRATEGIC PLANNING

(2) POLICY DETERMINATION/CLARIFICATION

(3) PROGRAM COORDINATION

(1) MANAGING FOR RESULTS

A **AGENCY STRATEGIC PLAN:** PPC will manage the process of developing the Agency's Strategic Plan as called for by OMB. An executive working group (PPC and other concerned Bureaus) will prepare a timeline by the end of November which will include a detailed outline, specific taskings and deadlines and a process for vetting the Plan through the Agency. Date of Completion (DOC) September 30, 1996 (JBallantyne)

B **BUDGET:** PPC will advise Agency management on budget allocations for the current FY and outyears. PPC will act as the Agency's "honest broker" in advising on regional and sectoral budget allocations, taking into consideration overall Agency and Administration priorities. This involved active contributions to the overall Agency budget process, including the following tasks (a) FY 97 OMB submission and defense, (b) final FY 96 OYB allocations, (c) Narrative for FY 97 CP, and (d) guidance for FY 98 budget submissions. DOC Ongoing (RMDepp/PBC Staff)

C **ANNUAL PERFORMANCE REPORT** PPC will work with other bureaus to complete the 1996 Annual Performance Plan. The 1996 Annual Report will contain sections on Managing for Results as well as a general stocktaking on operations reengineering. DOC (a) Final draft ready for clearance November 10, 1995, (b) Final Report to printer by December 15, 1995 (SSmith/CDIE Staff)

D **CDIE IMPACT EVALUATIONS:** CDIE will conduct up to ten additional Impact Evaluation studies, in the areas of legislative development energy conservation, and food aid, including synthesis reports, which will report concisely on the **RESULTS** of long-standing USAID financed initiatives. DOC Ongoing throughout year (SSmith/CDIE Staff)

(2) POLICY DETERMINATION/CLARIFICATION:

A **SYNTHESIS OF USAID POLICIES** PPC will undertake an analysis of all existing policies, coming up with a master list of all current policies, including (a) date published, (b) brief NTE one page synopsis of current policy, and (c) recommendations of where current policy needs to be updated. DOC January 30, 1996 (RGreen/CWeiskirch)

B STOCKTAKING EXERCISE. WHERE ARE WE IN MEETING STATED AGENCY OBJECTIVES AND GOALS, ESTABLISHED AT THE BEGINNING OF THIS ADMINISTRATION. THESE WILL BE 'STATE OF THE ISSUE' INFORMATION MEMORANDA TO THE ADMINISTRATOR INCLUDING ESTABLISHING AN AGENDA FOR FUTURE ACTIVITIES, WITH A TIMELINE. STOCKTAKING EXERCISES WILL LOOK AT IMPACT AND ACTUAL RESULTS OF ACTIVITIES WITHIN SECTORS,

- Agency Research Agenda which develops a cross-sectoral vision which articulates the role of research in USAID's mission to promote sustainable development DOC December 20, 1995 (FCarr)
- Participation Initiative DOC December 20, 1995 (DLavoy)
- Follow-up to Cairo Population Summit, Copenhagen Social Summit, Beijing Women's Summit, DOC December 20, 1995 (NDaulaire)
- Donor Coordination where we are on Common Agenda with Japan, Agenda with EU, other "Partnering" agenda items, DOC December 20, 1995 (CThorup)
- Democracy Initiatives, DOC December 30, 1995 (LGarber)
- Environmental Initiatives, DOC December 30, 1995 (GPrickett)
- Gender Plan of Action DOC December 20, 1995 (PBagasao)

C ISSUANCE OF NEW OR UPDATED POLICY PAPERS: Will include, but not be limited to the following:

- Final Guidelines on Nonpresence Countries DOC November 30, 1995 (LGarber)
- Biodiversity Policy Paper DOC December 20, 1995, (GPrickett)
- Food Security Policy Paper DOC April 30, 1996 (NDaulaire)
- Graduation//Exit Strategy Policy Paper DOC April 30, 1996 (MCrosswell)
- Civil Society Policy Paper DOC December 20, 1995 (LGarber)
- Higher Education Policy Paper, DOC April 30, 1996 (CWeiskirch)

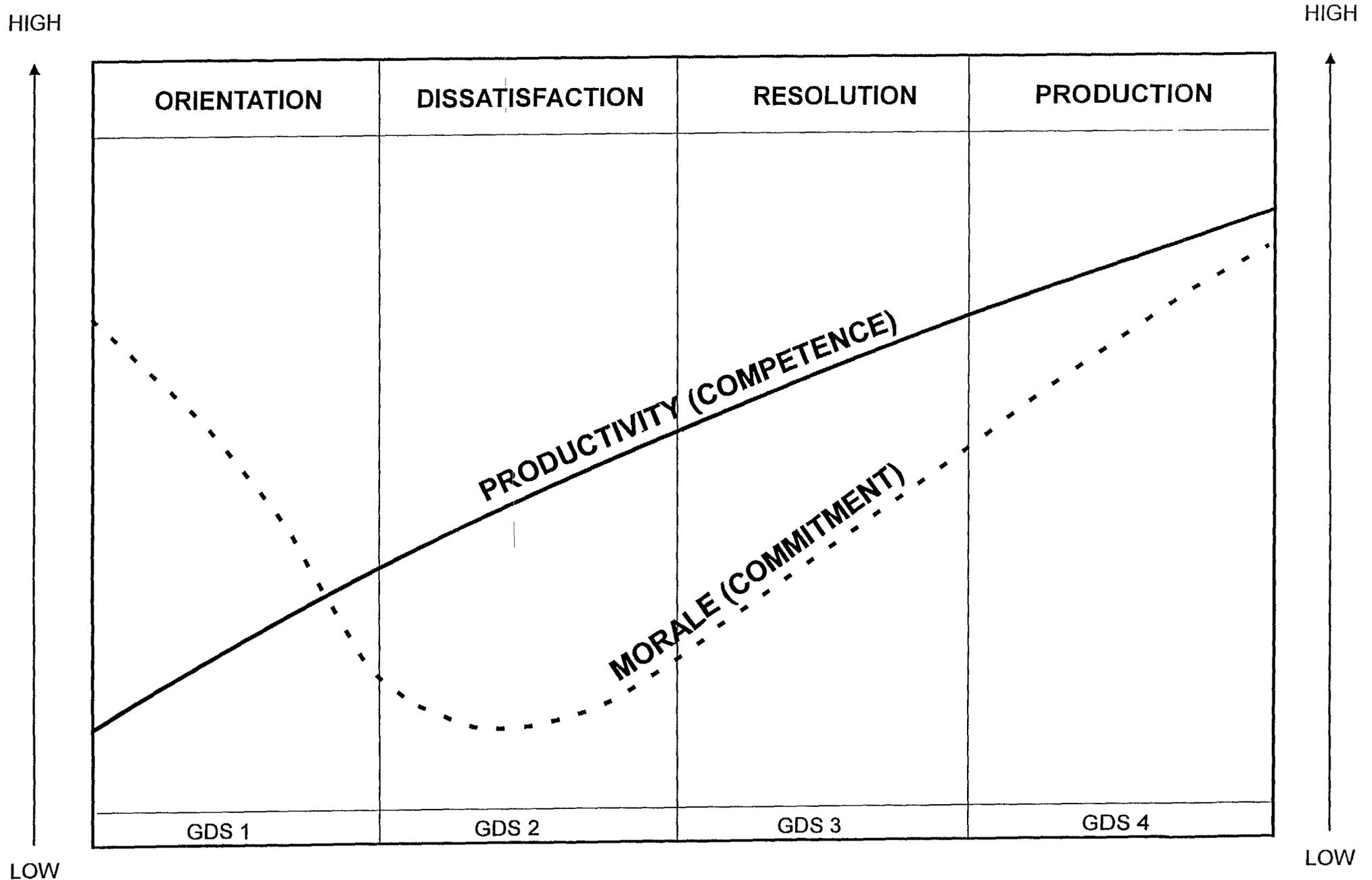
(3) PROGRAM COORDINATION:

A **FOCUSSED PARTNERSHIP GUIDELINES:** PPC will develop selective strategies with other donor agencies and institutions on specifically identified areas of complementary actions within the context of reduced budgetary resources PPC will coordinate strategies for downsizing the elements of the development cooperation system Actions will focus on (a) bilateral donors, (b) multilateral development banks, (c) UN agencies, and (d) others DOC For New Guidelines June 30, 1996 (CBradford)

B **NEW PARTNERSHIP INITIATIVE (NPI).** PPC will lead Task Force to pilot test NPI, including establishing and testing NPI models with selected Leading Edge Missions, and working with donor partners to test their interest/ability to include NPI in field programs DOC Ongoing (CThorup/DC Staff)

STAGES OF GROUP DEVELOPMENT

Adapted from R B Lacoursiere, *The Life Cycle of Groups Group Development Stage Theory* (New York Human Service Press, 1980)



IF

THEN

PRODUCTIVITY: MORALE:	LOW MODERATELY HIGH	STAGE 1 — ORIENTATION
PRODUCTIVITY MORALE	LOW – MODERATE LOW	STAGE 2 — DISSATISFACTION
PRODUCTIVITY: MORALE:	MODERATELY HIGH VARIABLE and IMPROVING	STAGE 3 — RESOLUTION
PRODUCTIVITY. MORALE.	HIGH HIGH	STAGE 4 — PRODUCTION A HIGH-PERFORMING TEAM!

LEADERSHIP AND STRUCTURE OF TEAMS

SOME CASES FROM THE DRAFT ONE-YEAR CEL REPORT

USAID DOMINICAN REPUBLIC - Contracts established between team and team leader, each team negotiated and defined leaders role; front office held leaders accountable for fulfilling the job as defined in the contract with the team

USAID MALI - The Steering Committee proposed a short list to the Director for each team leader position, once selected by the Director, each team leader developed his/her own team organization chart; the Mission conducted open bidding on team members, who were selected by team leaders

USAID PHILIPPINES - Retained office structure alongside a team structure for administrative reasons and to give employees a sense of security, some confusion with the parallel structure but it gives flexibility to adjust team structures and calls for greater reliance on professional judgement in more independent work environments

HOW MIGHT THE FOLLOWING POINTS FROM REPORTS BY CELS ON USAID'S EXPERIENCE WITH TEAMS OVER THE PAST YEAR INFORM DECISIONS BY PPC ON ORGANIZING FOR OPTIMUM EFFECTIVENESS WITHIN THE AGENCY?

- Success of future work will depend to a large extent on inculcating the value of multifunctional, empowered teams,
- Widespread buy-in to the team concept is key to successful reengineering,
- The team structure requires more fluid, less structured, job descriptions,
- What makes the teamwork concept excel is definite commitment by all members to carry the team's mandate forward,
- Extensive training, especially team building training, is critical to successful reengineering,
- Information flow is a crucial quid pro quo for assuring the success of the team structure,
- Teamwork led to increased empowerment and ownership by staff

2/21/96

Building Teamwork in USAID's Dominican Republic Mission

In 1994 USAID's Mission in the Dominican Republic was designated a country experimental laboratory for Agency reengineering efforts. That fall, Mission management completed several activities to prepare its staff for a team-based approach to operations. Specifically, it

- Scheduled a Missionwide retreat, which developed a vision and values statement, built a shared understanding of reengineering concepts, and committed staff to changing the way business is done
- Created a reengineering task force
- Established an Employee Development Committee that helped conduct career enhancement activities
- Organized a strategic management workshop to obtain input and commitment to the Mission's strategic objectives
- Formed strategic objective working groups responsible for sharpening the Mission's strategic objectives

As Mission staff began to implement reengineering concepts, they became aware that many of these concepts were *significantly* changing the way the Mission did business. Mission management, committed to reengineering's core values of empowerment and participation, wanted to avoid imposing strategies and decisions. Management understood widespread acceptance of new concepts was essential for success. Mission staff needed to understand changes and participate in analyzing options and making choices. Staff needed to make thoughtful decisions about the composition of strategic objective (SO) and results package (RP) teams, selection and responsibilities of team leaders, team relationships with the front office and support offices, and procedures to work closely with customers.

In May 1995, Mission management asked the Training Resources Group (TRG)

to help design and conduct a series of workshops on team-based approaches to development. This report describes that effort and includes recommendations for using teams in Mission activities. The goals of the workshops were for Mission staff to

- Understand the team approach and make a commitment to using it for Mission operations
- Decide how the Mission would organize and operate to support new teams
- Build skills and knowledge to be effective team members
- Clarify team leader role and build skills needed to be effective
- Identify next steps and create an action plan

Workshop Activities and Outcomes

The table below lists major workshop activities and required skills, followed by a session-by-session discussion of the workshop series.

Mission Team-building Exercise Conducted

The entire Mission (67 participants) attended a half-day, team-building workshop. The agenda included a presentation by the facilitator entitled "Why Organizations Use Teams: What Does It Get You," and a team-building exercise. The exercise helped participants learn about teamwork.

Strategic Objective Teams Created

The 33 staff members who would become members of strategic objective (SO) teams participated, along with the director and deputy director. The facilitator made a presentation about effective teams, followed

USAID/Dominican Republic Teamwork Workshop Activities

Decision-making and Planning Activities

- Determine MISSION structure to support teams
- Agree on SO team membership
- Select team leaders, clarify their roles
- Agree on role of front office
- Plan/start SO team activities
 - Purpose of the team
 - Performance goals
 - Working agreements
 - Workplan
- Plan next steps for establishing RP teams

Skills and Knowledge Gained

- Understand benefits of team approach
- Build new mental models for teamwork
- Understand team leader's role and how to relate to team members
- Build team skills
 - Problem-solving, decision-making
 - Participative problem-solving or decision-making meetings
 - Facilitating team member interactions
 - Basic communication skills
 - Giving/receiving feedback
- Create and maintain team learning framework for continuous improvement

by discussion. The group reviewed the purpose and mandate of SO teams. Individuals were asked to select the strategic objective they were most interested in, agreeing to devote 80 percent of their time to that one strategic objective.

Through analysis and discussion, teams were formed. One issue needed further work before decisions could be made: how much time team members could expect from support offices (controller, project development, and contracts office), and where these team members would sit.

The first assignment of the newly formed SO teams was to identify who would be on their extended (virtual) team. Teams discussed the roles and responsibilities of extended team members and how they might involve extended team members in day-to-day activities.

Principal outcomes

- Individuals designated to work on an SO team selected the team they were most interested in, decisions were not imposed.
- Teams began forming themselves—initiating the process of team-building and

Empowered teams

To foster productive teamwork, Mission staff needed to learn new skills and embrace different attitudes. Empowered teams must

- Commit to a team approach for Mission operations, including an understanding of the advantages of team models and expected benefits
- Conduct appropriate team startup activities that enable teams to clarify their mandate and purpose, establish performance goals, develop and agree on team working agreements, and develop a work plan
- Create and maintain a team learning framework that will enable the team to be conscious of its learning and manage its continuous improvement
- Test and develop models of high-performing teams: small groups of staff with complementary skills who are committed to a common purpose, work closely together, hold themselves mutually accountable, and produce extraordinary results
- Develop technical, problem-solving, and interpersonal skills to function effectively as a team—this involves several new skills for USAID staff
- Help team leaders understand their role and how it differs from a supervisory role. Team leaders must be willing and able to perform in a facilitative, nonhierarchical manner (this is a significant cultural change for USAID staff, involving a number of new skills)

adopting the values of empowerment and mutual accountability

- SO teams began to share resources, building a win-win, collaborative approach. For example, since human resources were limited, one team's having more resources would jeopardize the success of all other SO teams. With give and take, each team had to work out the best allocation of human resources among them
- Decisions were made jointly by the 33 staff members. The director and deputy engaged in discussions but did not impose solutions, which indicated the extent to which the teams were empowered

Leadership Issues Resolved

In one session, participants engaged in discussions on leadership. Previous reading assignments had helped participants understand how other organizations define leadership of self-managing work teams. The facilitator made a presentation on leadership roles and responsibilities, followed by discussion.

Although the director and deputy appointed team leaders, they did not clarify the leaders' role. SO teams met to define their approach to leadership and all discussed various leadership options. Teams worked together to define the role of their team leader. The director made the following statement to team leaders:

We think you are a good choice for the role of team leader, however, we want to be clear. You will be expected to carry out this role as your team has described it. We see it as a contract between you and your team, and we in the front office will hold you accountable for fulfilling the job as it has been described. If you would rather not take the assignment for any reason, that is okay. But if you do accept, you are accepting it as defined.

Each team leader responded to this statement in front of all participants. Each leader said that this was the right way to go and that he or she looked forward to working as a team leader and being a facilitative leader. All agreed to carry out the job to the best of their ability, as the teams had requested. This was a powerful moment for the teams, and

moved them to a deeper level of empowerment and mutual accountability. The teams agreed to turn the definition they had developed for their team leader into a contract between the team and its leader.

Principal Outcomes

- Teams defined the job of team leader for themselves, thus achieving empowerment
- Team leaders committed to a contract with their teams that calls for them to be facilitative
- All participants developed a common vision of leadership on self-managing teams
- Front office agreed to support teams and team leaders as they set the stage for a different style of leadership

Mission Organization Determined

The director and deputy asked SO teams for suggestions on Mission reorganization to support the teams. After discussions and negotiations between teams and support offices, the group reached the following agreements:

SO teams would replace technical offices. Staff thought the Mission's size was a key factor in determining organization structure. Having both a traditional office structure and an additional structure of SO teams might create conflicting structural frameworks, making change more difficult. The group was determined not to "put old wine in new bottles," a clear consensus agreed to by the director and deputy.

Extent of support office participation on SO teams was decided. A more difficult issue was how much staff time each SO team could have from support offices. The group worked to reach agreement in very collaborative, analytical ways. The support offices described their work volume, shared their concerns about assigning specific individuals to SO teams, made it clear they were willing to work under the team approach, and made offers regarding how much time they could devote to supporting SO teams. Both the SO teams and support offices were satisfied with the agreements reached. Throughout the process, the deputy and director offered suggestions, clarified the big picture, and let the teams and support offices reach their own

agreements on how they would work together.

Office space task force created. Another difficult issue was where to locate the desks of the individuals assigned to both a SO team and a support office. Several of the affected staff volunteered to sit with their SO teams, others were more hesitant. After some discussion, the group agreed to appoint an office space task force that would make recommendations on how to allocate space in support of SO teams. This was an exciting development, since key decisions once again were being developed by teams and offices in an empowered environment.

Secretarial support task force created. The group also agreed to appoint a task force to study the secretarial support needs of SO teams, talk with secretaries to determine their interests, and make recommendations on how to include secretaries on SO teams.

Principal Outcomes

- The director and deputy participated in discussions, but critical decisions were the result of group consensus
- SO teams were pleased with their organizational decisions and committed themselves to making them work
- SO teams and the support offices negotiated how they would share staff in a collaborative, win-win manner, old turf wars were put aside and anxieties began to diminish
- Office space would be allocated in ways that support the teams' work, in addition, SO teams developed the idea of rearranging space and will work together to reach agreements

Front Office Role Clarified

Each SO team met to discuss the role and responsibilities of the Mission director and deputy, and to describe their expectations. The front office also identified and described its role and responsibilities. The teams and the front office then related their perspectives and agreements were reached. Some of the front office responsibilities agreed to by participants are shown in the box below.

Front Office Role is to

- Provide clear understanding of the Mission's strategic and political context
- Establish vision and direction
- Empower SO teams to make decisions
- Facilitate conflict resolution among SO teams if necessary
- Maintain open communication
- Provide direct and honest feedback
- Create a learning organization by forgiving mistakes as the Mission learns new ways of operating

Principal Outcomes

- The front office clearly stated it intend to use a facilitative, coaching management style
- SO teams participated in establishing this management style

Agreements Communicated to Entire Mission

Since SO teams and the front office had reached several agreements, the rest of the Mission needed to be informed. The entire Mission was asked to attend an additional one-day workshop. At the beginning, each SO team workshop participant paired up with one person who had not attended earlier sessions and discussed the decisions that were made. All flipcharts were displayed and each pair walked through the "gallery" and discussed each point. This proved an effective way to develop Mission ownership of the changes.

Team Startup Activities Planned

High-performing teams plan their work before beginning it. This set of actions is called team startup activities. During the workshops, SO teams had time to think about the four startup activities (see below), work on some of them, and plan how and when the

startup activities would be completed. The four startup activities are:

1 Within each team, clarify and develop a common understanding of the purpose of the team—its mandate for action.

2 Develop performance goals for the next 6 to 12 months—actual work products and accomplishments to be achieved and for which the team is willing to be held accountable.

3 Develop a set of standards or operating agreements for the team—ways of working together that each team member can agree to and be held accountable for.

4 Develop a work plan for the next 6 to 12 months.

Effective Team Knowledge and Skills Built

Effective teams have 1) technical skills for their area of work, 2) team problem-solving and decision-making skills, and 3) interpersonal communication skills. Workshop sessions were devoted to developing team problem-solving and decision-making and interpersonal communications skills. The teams' actual work was used for simulated sessions where specific new skills could be practiced.

For example, a session was held on how to plan and facilitate productive problem-solving and decision-making meetings. The facilitator presented a model, which was used by the teams in their work on real situations. The integration of actual work with a forum to practice new skills is especially effective. It makes training less artificial and accomplishes real work.

Principal Outcomes

- Individuals assessed their own interpersonal communication skills, identified areas for improvement, and worked on these areas.
- Teams learned how to plan meetings to solve problems and make decisions by setting meeting outcomes (accomplishments) that are doable within the allotted time and by developing an agenda or step-by-step process to follow to reach the outcomes.

- Teams learned and practiced simple team problem-solving models and decision-making techniques
- Teams learned and practiced team communication skills and how to do team facilitation Team facilitation involves listening to each other, taking turns speaking, constructively confronting differences, staying focused on topics, reaching conclusions, recording agreements, summarizing and ending on time

Recommendations

The experience of the USAID/Dominican Republic staff is a good example of how to initiate effective teamwork in an international development setting TRG appreciates the openness of the USAID/Dominican Republic staff and their willingness to share their experience so others can learn from it TRG's recommendations for USAID/Dominican Republic's continued success in teamwork include the following

1 Create a team learning framework SO teams need to create and maintain a "team learning" framework to be conscious of the teamwork process how they work together, what is working well, and what gets in the way Teams that focus only on work products without an awareness of process risk being less effective teams Teams need to be conscious and purposeful about learning how to learn

2 Provide regular feedback to team leaders Team leaders need to be very conscious of the impact of their behavior on the team Since this is a new role, team leaders should be reflective and open to feedback from team members Team leaders should ask the following questions from time to time

- What am I doing that you find helpful?
- What am I doing that isn't helpful?
- What can I do differently?

Team members must in turn be forthcoming—it is important to talk face-to-face with team leaders about differences

3 Consider how extended team members are used Teams will have to think through

the involvement of extended team members and plan an approach Just letting it happen may not lead to desired results What is expected from extended members? How will core team members communicate with them?

4 SO teams must learn to coach Since SO teams also will be responsible for starting up RP teams, they need to be conscious of their coaching role in helping RP teams be effective Since RP teams will include stakeholders, partners, contractors, and others, the coaching role may be more difficult RP team members may need training (and coaching) in effective teamwork

5 RP teams need startup activities RP teams need to go through the same startup activities as SO teams Neglecting this startup stage could result in problems later Teams should start from clear agreements, instead of trying to fix things when the inevitable disappointments, frustrations, or anger occur Fixing "broken" teams is difficult and can require costly external organization development skills Broken teams can be even more costly when results are not achieved

6 Empower FSN staff Teams that have a dual class structure—the Americans who make important decisions and the FSNs who do not—will be less productive The Mission and USAID/Washington need to do all they can to delegate to and empower FSN staff FSN staff need support, coaching, and confidence-building to achieve their potential And FSNs should be assigned as team leaders, at least on RP teams

7 Front office must keep on coaching The Mission director and deputy must maintain their role as coaches and continue to empower teams This is a delicate balancing act How can the front office disagree with teams without disempowering them? How can they give advice without imposing decisions? Without micromanaging, how can they monitor team performance and intervene when necessary? How can they move from a command-and-control style to facilitative coaching? TRG will soon be writing suggested guidelines for Mission directors and deputies about coaching and their contribution to the growth of team performance

8 Maintain a positive attitude A positive attitude will be an important ingredient

5

during the next year Change is difficult—people try new behaviors and they make mistakes Here are some ideas on how to create a positive environment

- Create small wins and celebrate them
- Find ways to reward extraordinary team performance
- Share and celebrate progress
- Celebrate the boldness to try new things
- Treat mistakes as learning points
- Nurture people who are trying, create safe environments
- Celebrate learning
- Encourage one another
- Avoid complaining or being overly critical
- Use humor—laugh! Be purposeful about having fun

UNRESOLVED ISSUES RAISED IN PPC'S REENGINEERING TRAINING

Managing Reengineering

- ▶ How do we make this happen? What skills and approaches are needed, e.g. how to delegate?
- ▶ Will RE help us manage?
- ▶ How will teams and empowerment of teams be reconciled with hierarchy/current structure?
- ▶ Skepticism about RE as radical change, when some trends in USAID are towards less empowerment and more centralization of decisions (e.g. when M Bureau must approve every individual travel request)

- ▶ How can we put more emphasis on USAID employees as "customers"?
- ▶ How do we encourage "risk takers"?
- ▶ How can personnel system protect challengers and risk taking?

- ▶ Who will do PPC's customer service plan?

- ▶ Brown bag seminars and case studies as a follow-up!

Operating Systems

- ▶ How PPC will handle the budget reviews (issue for senior managers reengineering training)
- ▶ Have to have a sense of budget levels to plan and do strategies
- ▶ Predictability of resources for multi-years vs. annually having to revisit budget levels
- ▶ Strategic plans remain an advocacy plan for higher levels of funding and are, therefore, unrealistic
- ▶ The R4 process perpetuates the planning and we don't "do"

- ▶ How can you do RE without funds and personnel? (i.e. need to reform procurement, budget and personnel systems to make RE work)
- ▶ Contracting fundamentally not changed -- let contract officers do the big purchases and other development officers do the small stuff
- ▶ Need more fundamental changes in the operating systems, e.g., budgeting

Automation

- ▶ Will there be sufficient delegation to enable OPU to achieve their objectives?
- ▶ Do we really have the hardware for virtual teamwork?

Suggestions for How Reengineering Can Be Applied to PPC

Each of the six PPC reengineering training classes ended with an exercise in which participants were asked to come up with ideas and suggestions for "How do we take this (reengineering) information and apply it to PPC?" Two of the six classes did the exercise as one group, whereas the remaining four divided into "Right Bank" (CDIE) and "Left Bank" (Other PPC offices) sub-groups to do the exercise. This note summarizes some of the key comments and suggestions made by the participants for how PPC might "move" on reengineering (RE). The suggestions fell into four categories: (1) next steps and mechanisms for taking follow-on action to the reengineering training, (2) how PPC might implement the New Operations Systems within the bureau, (3) ways to strengthen the core values within PPC, and (4) PPC's leadership role in Agencywide reengineering.

1 Next Steps Mechanisms for Taking Action

Participants noted that the PPC reengineering training has created a "critical mass" among PPC staff, who now share a common vocabulary and vision of reengineering. This could be the basis for further action. Participants had several ideas for mechanisms for taking follow-on action to the reengineering training, including:

- have a small group of PPC reengineering "graduates" help structure, prioritize, and tailor the reengineering training now being planned for PPC senior executives (i.e. the Executive Education Seminar)
- organize a PPC-wide retreat, open forum, focus groups, or other mechanisms to address aspects of implementing reengineering and to talk/listen to each other
- establish a PPC "reengineering group" that meets regularly (e.g. every Wednesday) on reengineering issues and problems, and is empowered for action on real situations
- do more to clarify how reengineering affects support staff roles in PPC (e.g. examine CDIE's Administrative Team as a possible model)

There was a considerable sense of enthusiasm, self-empowerment, and willingness among participants to take part in these activities in order to move reengineering forward.

2 PPC's Implementation of New Operations

Many of the suggestions made by participants had to do with PPC's own implementation of the new operations systems and procedures. For example, if and how PPC's operating units would prepare and implement customer service plans, strategic plans, performance monitoring plans, strategic objective teams, R4s, etc. There was discussion of PPC's uniqueness (e.g. on-going functions difficult to state as results, lack of program funds) and difficulty this might present in implementing these new operations within the bureau. But on the other hand, there was a sense that the effort would be worth it (e.g. by clarifying our sense of direction and focus), and furthermore that PPC's leadership role within the Agency demanded we set an example by "walking the talk". Specific suggestions include

- develop a PPC mission statement and strategic plan, building on previous efforts (including the work done by reengineering training participants in various class exercises and any existing drafts of strategic plans like CDIE's). Some suggestions for the strategic planning process was that it should be highly participatory and inclusive, and facilitated, maybe using a workshop or retreat format. A controversial issue was whether the strategic plan should be bureau-wide or office level. Some argued for the need for a common PPC vision that would integrate across offices, whereas others felt that CDIE had its own distinct functions that argued for a separate strategic plan.
- prepare a PPC customer service plan and conduct customer surveys as a key input into the PPC strategic planning process (Again, building on any previous or on-going efforts). Someone suggested the survey should be open ended, so that PPC's customers can help redefine PPC's roles & responsibilities in the Agency, rather than just react to existing products and services.
- once the strategic plan is in place and strategic objectives and intermediate results have been articulated, prepare a performance monitoring plan, identify indicators and set targets, determine data collection methods, roles and responsibilities. As implementation proceeds, routinely collect data on results, analyze and use this information to help us report on and improve our performance.
- establish strategic objective teams with clear responsibilities and empower them to achieve results through delegated authorities and flexible use of resources (perhaps articulated in "management contracts"). SO Teams may cross office lines, and there may become a need to examine the impact of this on current organizational structure, and find

a mechanism to reconcile the two

3 Building the Core Values in PPC

Many of the suggestions had to do with ways to instill reengineering's core values into our PPC culture, work and operations. There was general concern that "teamwork" and "empowerment" wasn't yet commonly happening in PPC, and there was more need for transparency and broader participation. A special concern was how to bring the various offices of PPC closer together and encourage cross-office teamwork. Specific suggestions by participants for strengthening the core values in PPC include

Customer-Focus

- re-assess if we are really customer focused
- routinely survey and "link up with" our customers

Managing-for-Results/Learning Organization

- foster shared--rather than guarded--knowledge encourage information sharing and creativity
- hold brown-bags on topics of interest (cross-sectoral), encourage cross-fertilization centered around specific activity
- explore other means of disseminating information (videos, cassettes, cartoons, etc)
- communal bulletin board of lectures, activities

Teamwork and Participation

- change the corporate culture of bureau management to adopt the team approach within PPC
- encourage more teamwork and integration among offices -- especially across the river, ensure cross-representation (Left/Right Bank integration) on PPC SO Teams
- identify skill mixes needed against specific team tasks, in order to allocate resources more effectively
- develop team-building skills in specific contexts (i e setting SOs/priorities)
- do something to make teamwork "work" (e g conduct training in effective teamwork, learn from successful team experiences like CDIE's Administrative Team)

- open up PPC staff meetings to broader participation
- have PPC "happy hours" for Left/Right Bank mixing
- include contractors, as partners, overcome "separation"
- seek ways to include support staff
- conduct more participatory evaluations
- establish structured way for PPC staff to get out to field (e g short TDYs for evaluation)

Empowerment and Accountability

- empower SO teams, use management contracts between team and front office to ensure authority and resources to achieve results
- be clear about who is empowered and accountable for what
- hold further discussion and training in effective delegation (stewardship)
- recognize and celebrate "change agents"
- consider how "entrepreneurial spirit" will be rewarded/encouraged (or penalized)

4 PPC's Leadership Role in Reengineering the Agency

A final category of suggestions centered on PPC's role in leading the Agency's reengineering efforts For example, that PPC should

- clearly articulate PPC's mission, roles and responsibilities -- who does what -- in reengineering and generally
- get proactive about resolving the "unresolved issues" raised in the PPC reengineering training classes
- take a more active role in USAID transition/reengineering working groups
- empower itself vis-a-vis M Bureau
- consider how PPC should weigh in with external stakeholders e g Congress on the budget

Some of the suggestions were more specific to CDIE's special role in supporting the reengineering process in USAID, such as

- help the Agency learn from its reengineering experience
- become more proactive to help USAID become a learning organization, ensure the Agency learns from its results
- clarify CDIE's responsibility that development experience is a part of reengineering, talk about the role of development experience in reengineering (marketing)
- assist more USAID/W operating units with their strategic planning, performance monitoring, and customer surveys
- re-examine our role vis-a-vis mission evaluations
- do more outreach with our skills and knowledge

PPC'S ROLE IN A "RE AGENCY"

(ads, series 100, section 101.5.1d-
"Policy on Agency Creation and
Authority")

**** IS THE AGENCY'S CENTRAL UNIT FOR:**

(1) POLICY FORMULATION · sustainable
development & humanitarian response

(2) CROSS-SECTORAL INTEGRATION (including
participation and training and research)

(3) PROGRAM COORDINATION

**** HOUSES THE AGENCY'S INDEPENDENT
EVALUATION, PERFORMANCE MEASUREMENT,
AND DEVELOPMENT INFORMATION FUNCTIONS**

**** IS THE AGENCY'S LEADER IN:**

(1) ENSURING THAT BUDGET ALLOCATIONS AND PROGRAM CONTENT REFLECTS AGENCY PRIORITIES, POLICIES, AND PROGRAM PERFORMANCE

(2) MANAGING FOR RESULTS

(3) INTERACTING WITH KEY DEVELOPMENT PARTNERS IN ADVANCING USG DEVELOPMENT OBJECTIVES

PPC'S ROLES/RESPONSIBILITIES

MANAGING FOR RESULTS/STRATEGIC PLANNING

(-- ads 200 series, section 201.3)

**** ESTABLISHES AGENCY POLICY REGARDING STRATEGIC PLANNING**

**** DEVELOPS, ARTICULATES, REVISES AGENCY'S STRATEGIC PLAN**

**** ISSUES ANNUAL PLANNING GUIDANCE TO INCLUDE RESOURCES PARAMETERS AND PROGRAM PRIORITIES**

**** PROVIDES GUIDANCE ON ANY SPECIAL LEGISLATION WHICH AFFECTS STRATEGIC PLANNING**

**** REVIEWS AND APPROVES SUPPLEMENTAL PLANNING GUIDANCE ISSUED BY OPERATING BUREAUS**

**** REVIEWS AND CONCURS WITH OPERATING UNIT STRATEGIC PLANS (INCLUDING MANAGEMENT CONTRACT) FOR CONFORMANCE WITH AGENCY GOALS AND PROGRAM POLICIES**

25

**** CONDUCTS, WITH M BUREAU, AGENCY REVIEW OF BUREAU BUDGET SUBMISSION**

**** ENSURES THAT PERFORMANCE AND RESULTS INFORMATION IS USED IN BUDGET ALLOCATION DECISIONS**

**** ESTABLISHES AND MAINTAINS MONITORING SYSTEM FOR AGENCY GOALS AND OBJECTIVES**

**** COORDINATES THE REVIEW OF AGENCY PERFORMANCE, AND REPORTING ON THAT PERFORMANCE**

**** PROVIDES TECHNICAL LEADERSHIP IN DEVELOPING AGENCY AND OPERATING UNIT RESULTS FRAMEWORK**

**** EVALUATES EFFECTIVENESS OF AGENCY PROGRAM STRATEGIES TO ACHIEVE OBJECTIVES**

**** CONDUCTS EVALUATIONS ON ISSUES RELATED TO DEVELOPMENT ASSISTANCE OR OTHER INTEREST OF STAKEHOLDERS**

**** MAINTAINS AGENCY DATA BASE AND ACTS AS REPOSITORY FOR AGENCY LESSONS LEARNED**

OBJECTIVES

PPC EXECUTIVE WORKSHOP

- To synthesize the primary lessons of reengineering, as they relate to PPC's reengineering challenge
- To better understand and draw lessons from substantive efforts to date to reengineer within USAID
- To clarify a reengineered vision for PPC and identify how managers must respond to changing leadership requirements
- To identify the skills needed to build teams on which all individuals contribute directly to success
- To detail specific progress to date on reengineering PPC, identify current limitations to further progress and define actions needed to deal with those limitations.
- To develop the agenda needed for a retreat of PPC senior leaders that focuses on next steps to be taken in making reengineering a positive reality for the Bureau

NMS Resource List

I've Got a Question -- Who Do I Contact?

TOPIC	PERSON	PHONE NUMBER
Budget	Ken Milow, M/B/RA	(202) 633-3992
A&A (Acquisition and Assistance)	Carrie Johnson, M/OP/E	(703) 812-0045
AWACS (Accounting)	Doug Arnold, M/FM/FS	(202) 633-2170
Results Tracking	Larry Tanner, M/AA/ROR	(202) 663-3630
NMS Help Desk In IRM	IRM	TBA (Due Fall 1995)
Training Process	Lucy Sotar, M/HR/TD	(703) 875-1635
Reengineering Training	Peggy Schultz, N/NMS/TDT	(703) 812-0021 or (202) 633-2475
Employee Evaluation Program Training	Amy Felix, M/HR/TD Sherrie Hailstorks, M/HR/PMES Roger Conrad, M/HR/PS Steve Gomez, M/HR/LRS	(703) 875-1034 (202) 663-1444 (202) 663-1443 (202) 663-1318
Customer Service Plans (Overseas Mssions)	Sher Plunkett, M/AA/ROR	(202) 663-3390
Customer Service Plans (USAID/W)	Liz Baltimore, M/AA/ROR	(202) 663-3602
Executive Education (NMS)	Lucy Sotar, M/HR/TD Peggy Schultz, NMS/TDT	(703) 875-1635 (703) 812-0021
Regional Transition Coordinator -- LAC	Robert Jordan, LAC/DPB	(202) 647-7939
Regional Transition Coordinator -- AFR	Jon Breslar, AFR/DP	(202) 647-3305
Regional Transition Coordinator -- ANE	Frank Young, ANE/ORA	(202) 647-5624
Regional Transition Coordinator -- ENI	Donald Pressley, DAA/ENI Jock Conly, ENI/PCS	(202) 647-9190 (202) 647-8094

TOPIC	PERSON	PHONE NUMBER
Regional Transition Coordinator -- Global	Lorie Dobbins, G/PDSP	(202) 647-4632
Hardware Questions	Joan Matejcek, M/IRM	(703) 875-1326
NMS Delivery	Dianne Arnold, M/IRM	(703) 875-1441

PME HOTLINE
(formerly PRISM Hotline)
PPC/CDIE/PME



WHAT IS IT? -The Performance Measurement and Evaluation Hotline

- * Information, advice, and referrals on strategic planning and performance measurement, program evaluation, and data collection methods and plans within a reinvented USAID Also, reviews of missions' draft strategic frameworks, and information on the Agency's Strategic Framework, "PME" best practices, and lessons learned

WHO IS IT FOR?

- * USAID staff and their development partners The latter should submit requests through their USAID partner

HOW CAN YOU USE IT?

- * Type "HOTLINE" in the USAID e-mail address list and choose "PME HOTLINE@CDIE.PME@AIDW" from the list of hotlines
- * Internet photline@usaid.gov

WHAT SHOULD YOU INCLUDE IN YOUR REQUEST?

- * Your question or issue Briefly explain why you need the information, how you will use it, and when you need it
- * Name and address of person to whom we should send our response and follow-up or clarification questions We will use e-mail as much as possible, but will also use fax, courier, international mail and pouch

WHEN WILL REQUESTS BE ANSWERED?

- * We will acknowledge your request within two working days and include an estimated response date We will normally respond within one to four weeks

WHERE WILL REQUESTS BE REFERRED?

- * When we cannot answer directly from CDIE/PME, we will refer your request to the most appropriate office in USAID/W, and actively follow-up with them to facilitate a rapid response

@@ Contact person regarding this notice is Graham B Kerr, PPC/CDIE/PME 703-875-4116

SELECTED BIBLIOGRAPHY OF BOOKS

ON ORGANIZATIONAL CHANGE

Belasco, James A , Teaching the Elephant to Dance Empowering Change in Your Organization, New York, Crown Publishers, Inc , 1990 276 p (HD58 8 B455)

Bennis, Warren, The 21st Century Organization: Reinventing through Reengineering, San Diego, Pfeiffer & Company, 1995 116 p. (HD58 8.B4623)

Champy, James, Reengineering Management The Mandate for New Leadership, New York HarperBusiness, 1995 212 p (HD70 U5C49)

Dimock, Hedley G., Intervention and Collaboration Helping Organizations to Change, San Diego, Pfeiffer & Company, 1993 132 p. (HD58 8 D56)

Egan, Gerard, Change-Agent Skills A. Assessing & Designing Excellence, San Diego, University Associates, Inc , 1988. 222 p (HD58 9 E37)

Hammer, Michael, The Reengineering Revolution, New York, HarperCollins Publishers, Inc , 1995 336 p. (HD58 8 H355)

Hammer, Michael, Reengineering the Corporation A Manifesto for Business Revolution, New York, HarperBusiness, 1993 233 p. (HD58 8 H356)

Ketchum, Lyman D , All Teams Are Not Created Equal. How Employee Empowerment Really Works, Newbury Park, California, Sage Publications, Inc., 1992 318 p (HD58 9.K45)

Kline, Peter, Ten Steps to a Learning Organization, Arlington, Virginia, Great Ocean Publishers, Inc , 1993 239 p. (HD58 8 K58)

Levine, David I , Reinventing the Workplace How Business and Employees Can Both Win, Washington, D C , The Brookings Institution, 1995 222 p (HD5650 L437)

London, Manuel, Change Agents, San Francisco, Jossey-Bass, Inc , 1988 290 p (HD58 8 L66)

National Performance Review (U S), From Red Tape to Results Creating a Government that Works Better & Costs Less Report of the National Performance Review, Washington, D C , U S Government Printing Office, 1993 168 p (JK469 N3)

Osborne, David, Reinventing Government How the Entrepreneurial Spirit is Transforming the Public Sector, Reading, Massachusetts, Addison-Wesley Publishing Co , Inc , 1992 405 p (JK469 08)

Peters, Thomas J , Liberation Management Necessary Disorganization for the Nanosecond Nineties, New York, Alfred A Knopf, Inc , 1992 834 p (HD58 8 P478)

Peters, Thomas J , The Tom Peters Seminar Crazy Times Call for Crazy Organization, New York Vintage Books, 1994 320 p (HD58 8 P483)

Russell, M Linden, Seamless Government A Practical Guide to Re-Engineering in the Public Sector, San Francisco, Jossey-Bass, Inc , 1994 294 p (JK1351 L56)

Senge, Peter M , The Fifth Discipline The Art & Practice of the Learning Organization, New York, Doubleday, 1990 424 p. (HD58 9 S46)

Vogt, Judith F , Empowerment in Organizations How to Spark Exceptional Performance, San Diego, University Associates, Inc , 1990 246 p (HD58 9 V63)

Watkins, Karen E , Sculpting the Learning Organization Lessons in the Art and Science of Systemic Change, San Francisco, Jossey-Bass, Inc , 1993 298 p (HF5549 5.T7W378)

BIBLIOGRAPHY OF JOURNAL ARTICLES

ON ORGANIZATIONAL CHANGE

- "Build Learning Into Work," Marcia Atkinson, HRMagazine, September 1994, pp 60-64
- "Control in an Age of Empowerment," Robert Simons, Harvard Business Review, March-April 1995, pp 80-88.
- "The Fifth Discipline," Peter M Senge, Soundview Executive Book Summarie, 1994, pp 1-8
- "Grasping the Learning Organization," Gene Calvert, Sandra Mobley, and Lisa Marshall, Training & Development, June 1994, pp 38-43.
- "How to Lead a Revolution," Thomas A Stewart, Fortune, November 28, 1994, pp. 48-61, pp 48-61
- "In Search of the Future," Tom Broersma, Training & Development, January 1995, pp 38-43.
- "Leading Change Why Transformation Efforts Fail," John P. Kotter, Harvard Business Review, March-April 1995, pp 59-67
- "The Learning Organization: An Integrative Vision for HRD," Victoria J. Marsick and Karen E. Watkins, Human Resource Development Quarterly, Vol 5, No 4, Winter 1994, pp. 353-360.
- "Mr. Learning Organization," Brian Dumaine, Fortune, October 17, 1994, pp. 147-152.
- "New Ideas from the Army," Lee Smith, Fortune, October 17, 1994, pp 203-208
- "Reengineering Plug into the Human Factor," Richard S. Wellins and Julie Schulz Murphy, Training & Development, January 1995, pp. 33-37.
- "Reengineering Reviewed," The Economist, July 2, 1994, p 6
- "The Struggle to Create an Organization for the 21st Century," Rahul Jacob, Fortune, April 3, 1995, pp 90-98
- "The Trouble with Teams--Together Has its Perils," The Economist, January 14, 1995, p 61
- "Trust and the Virtual Organization," Charles Handy, Harvard Business Review, May-June 1995, pp pp 40-50
- "When Intelligence Rules, the Manager's Job Changes," Oren Harari, Management Review, July 1994, pp 33-35

"When New Worlds Stir," Nicolas Imparato and Oren Harari, American Management Review, July 1994, pp 22-28

"Why Microsoft Can't Stop Lotus Notes," David Kirkpatrick, Fortune, December 12, 1994, pp 141-151

REINVENTION VIDEOS IN THE LEARNING RESOURCES CENTER

Reinventing USAID. A 1 hr. 15 min that covers new contracts management and procurement procedures.

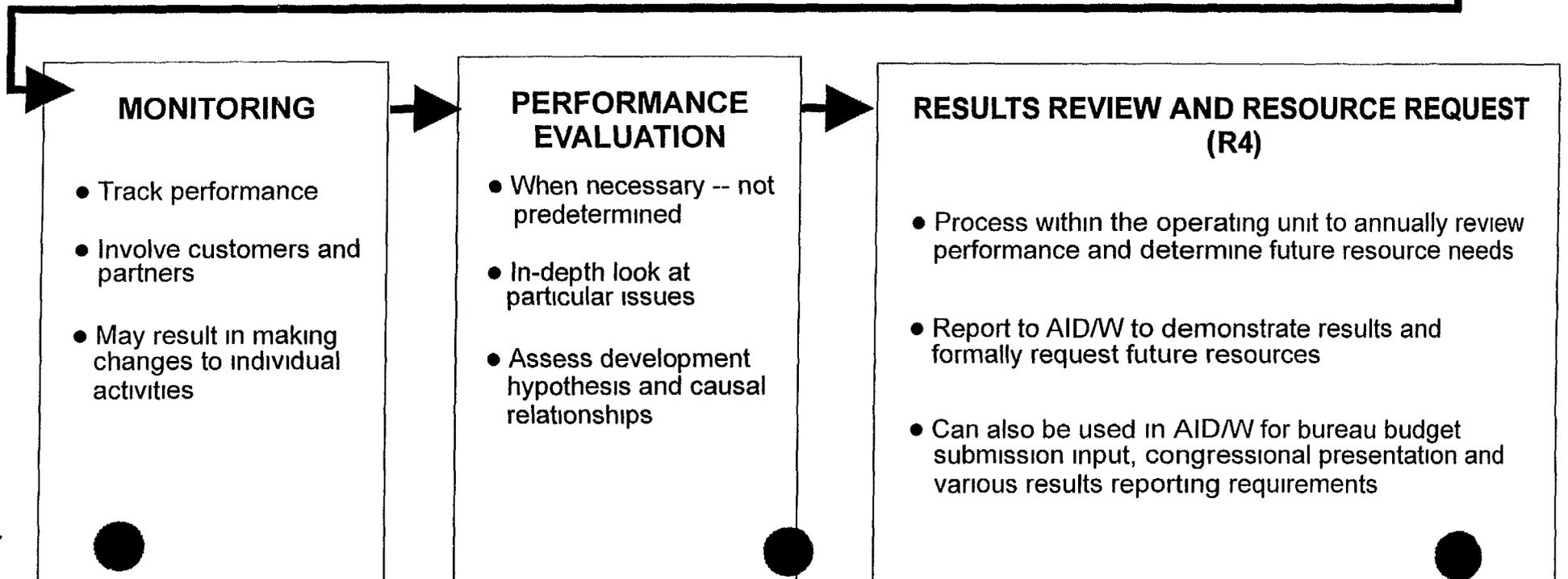
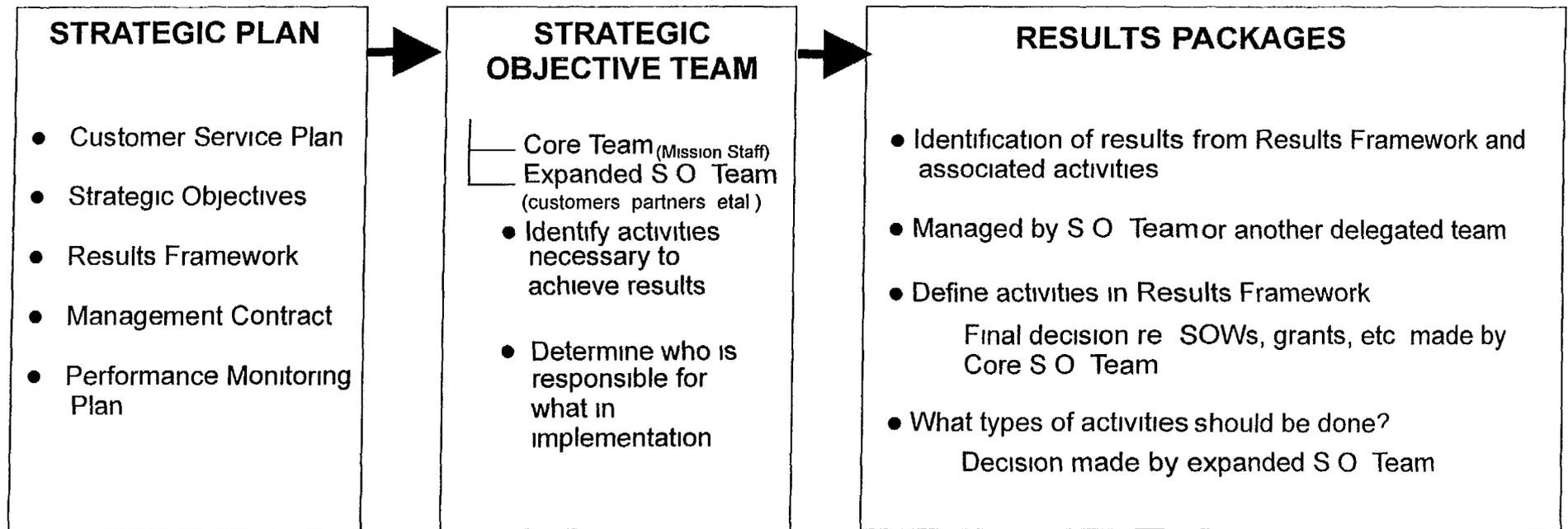
Reinventing USAID Short version 11 minutes in length covering same subject matter outlined above

The New USAID: A Reengineered Agency. 50 min. video covering a series of presentations and panel discussions on what reengineering USAID means

Global Connections (USAID Overview). 21 minutes. Presents an overview of the U.S. foreign economic and humanitarian assistance program and describes USAID's strategic priorities in the post-Cold War era. Explains how America's commitment to help developing countries has benefited Americans by creating new markets, new exports, and jobs.

Global Connections (USAID Overview). 12 minutes. A short version of subject matter mentioned above.

Reinventing Government.. By the People. Produced by the National Performance Review and the Office of the Vice President. 9/94 (33 min.).



Major Functional Series 200 Program Assistance
Chapter 201 Managing for Results Strategic Planning

- 201 1 Authorities
- 201 2 Objectives
- 201 3 Responsibilities
 - 1 Bureau for Policy and Program Coordination (PPC)
 - 2 Bureau for Management (M)
 - 3 Office of General Counsel
 - 4 Regional Bureau
 - 5 Global Bureau (G)
 - 6 Bureau for Humanitarian Response (BHR)
 - 7 Operating Units
 - 8 Strategic Objective Team
- 201 4 Definitions
- 201 5 Policy & E201 5 Essential Procedures
 - 201 5 1 Agency Strategic Plan
 - E201 5 1
 - 201 5 2 The Agency Strategic Framework
 - E201 5 2
 - 201 5 3 Regional Planning Framework
 - 201 5 4 Purpose of Operating Unit Strategic Plans
 - 201 5 5 Applicability of Strategic Planning Requirements for Operating Units
 - 201 5 5a Planning for Country Programs Managed in the Field
 - 201 5 5b Planning for Regional and Global Programs
 - 201 5 5c Planning for Centrally Managed Bilateral Programs
 - 201 5 5d Exceptions and Special Cases
 - 201 5 6 Planning Parameters
 - 201 5 6a Setting Planning Parameters
 - 201 5 6b Management Letter
 - 201 5 7 Participation
 - 201 5 7a Strategic Planning
 - 201 5 7b The Customer Service Plan
 - 201 5 8 Joint Planning
 - 201 5 9 Selection of Programmatic Focus
 - 201 5 10 Components of the Strategic Plan
 - 201 5 10a Strategic Objectives

201 5 10b Strategic Support Objectives
201 5 10c Special Objectives
201 5 10d Listing of G Bureau Activities Supported by Bilateral Programs
201 5 10e Results Framework
201 5 10f Identifying Illustrative Approaches and Estimated Resource Requirements
201 5 10g Environmental Requirements
E201 5 10 Contents of Strategic Plans

201 5 11 Review Process for Strategic Planning
201 5 11a Roles in the Review Process
201 5 11b Focus of the Review Process

201 5 12 The Management Contract
201 5 12a Definition of the Management Contract
201 5 12b Approval of the Management Contract
201 5 12c Annual Reconfirmation of the Management Contract

201 5 13 Development of the Performance Monitoring Plan

201 5 14 Changes in Strategic Plans
E201 5 14 Changes in Strategic Plans

201 5 15 Strategic Planning and Resource Allocation
E201 5 15 Strategic Planning and Resource Allocation Budget Submissions
E201 5 15a Bureau Level Submissions
E201 5 15b Formulation of Agency Budget Request

201 5 16 The Results Review and Resource Request (R4)
E201 5 16 The Results Review and Resource Request (R4)
E201 5 16a Content of the R4
E201 5 16b Submission of the R4
E201 5 16c Review of the R4

201 6 Supplementary References

201 6 1 Strategies for Sustainable Development
Implementation Guidelines

Major Functional Series 200 Program Assistance
Chapter 201 Managing for Results Strategic Planning

201 1 Authorities

- 1 The Foreign Assistance Act (FAA) of 1961, as amended
- 2 The Government Performance and Results Act of 1993, Public Law 102-62 (GPRA)
- 3 Chief Financial Officers Act of 1990, Public Law 101-576 (November 15, 1990)
- 4 Government Management Reform Act of 1994, Public Law 103-356 (October 13, 1994)
- 5 Agricultural Trade and Development and Assistance Act of 1954, as amended (P L 480)
- 6 SEED Act of 1989
- 7 Federal Manager's Financial Integrity Act of 1982

201 2 Objectives

The objective of this chapter is to ensure that strategic planning is effectively used in the management of Agency assistance programs and is serving the following purposes,

- To ensure that the efforts of the Agency's operating units are directed toward achieving significant development impact in priority areas through a participatory process involving stakeholders, partners, and customers
- To provide a structure which allows operating units to make program choices and effectively respond to evolving circumstances
- To establish a framework for monitoring the progress and effectiveness of the Agency's programs in accomplishing its objectives and allocating Agency resources

201 3 Responsibilities

- 1 Bureau for Policy and Program Coordination (PPC) PPC is responsible for
 - a) establishing Agency policy regarding strategic planning requirements,
 - b) developing and articulating the Agency's strategic plan and framework,

- c) issuing annual planning guidance to include resource parameters and program priorities in a timely manner,
- d) providing guidance on any special legislation which affects strategic planning,
- e) reviewing and approving supplemental planning guidance issued by the operating bureaus,
- f) reviewing and concurring with operating unit strategic plans for conformance with Agency goals and program policies,
- g) conducting the Agency review of bureau budget submissions with the M Bureau,
- h) establishing and maintaining a monitoring system for Agency goals and objectives,
- i) coordinating the review of Agency performance, and reporting on that performance,
- j) providing technical leadership in developing Agency and operating unit performance monitoring and evaluation systems
- k) evaluating the effectiveness of Agency program strategies and other strategies used by operating units to achieve objectives
- l) conducting evaluations on issues related to the delivery of development assistance of interest to the Agency or its stakeholders,
- m) maintaining the Agency's database of development information and development experience and acting as a repository for Agency lessons learned, and
- n) supporting its operating units in achieving approved objectives and reviewing annually those units' performance in achieving their objectives

2 Bureau for Management (M) M is responsible for

- a) analyzing the resource requirements necessary to meet Agency goals,
- b) establishing indicative budget planning levels for operating bureaus in a timely manner,
- c) reviewing and concurring with operating unit strategic plans for consistency with anticipated resource availability,
- d) conducting the Agency review of bureau budget submissions with PPC,

- e) ensuring that performance and results information are used in Agency resource allocation decision making,
 - f) preparing the Agency's annual budget request for OMB and Congress,
 - g) monitoring budget implementation, and
 - h) assisting PPC with establishing and maintaining the monitoring system for Agency goals and objectives, and reviewing and reporting on overall Agency performance
- 3 Office of General Counsel (GC) GC is responsible for
- a) assuring that proposed activities are in compliance with all legal requirements,
 - b) assuring that such activities and their implementation were not in violation of any prohibitions against assistance, and
 - c) assuring that agreements with host countries, and other agreements as appropriate, meet the agency's requirements
- 4 Regional Bureau Each regional bureau is responsible for
- a) providing oversight and support to operating units in the strategic planning process, ensuring that strategic plans are in place for each operating unit,
 - b) providing supplemental policy guidance addressing concerns unique to the region as necessary,
 - c) establishing indicative country levels for budget planning prior to the initiation of the strategic planning process and the annual results review and resource request (R4) submission,
 - d) managing the Agency review of strategic plans for operating units under its authority,
 - e) reviewing strategic plans from its operating units as well as those from Global Bureau (G) and Bureau for Humanitarian Response (BHR) operating units for consistency with regional priorities and geopolitical considerations,
 - f) approving country and regional strategic plans under its purview with concurrence from Management (M), Policy and Program Coordination (PPC), General Counsel (GC), BHR (as appropriate), and G,
 - g) providing an analytic overview of results in the region in conjunction with the annual bureau budget submission,
 - h) supporting its respective operating units overseas and, in USAID Washington (USAID/W), in achieving approved objectives, pursuant to

the management contracts established following the review and approval of strategic plans,

- l) reviewing and assessing the performance of each of its operating units in achieving that unit's objectives,
- j) coordinating the participation in these reviews of PPC, M, G, and BHR, and
- k) participating in the review of overall Agency performance

5 Global Bureau (G) G is responsible for

- a) assisting overseas and USAID/W operating units by providing technical leadership and guidance in the development and review of strategic plans,
- b) organizing the provision to all operating units of central technical resources which are relevant to implementation of strategic plans,
- c) providing assistance to PPC in establishing and maintaining the monitoring system for Agency goals and objectives,
- d) participating in regional bureau reviews of field mission performance, and in the review of overall Agency performance,
- e) providing oversight and support to its own operating units in developing their strategic plans, ensuring appropriate consultation in this process with operating units in the field, managing the Agency review of those plans, and approving the plans with concurrence from M, PPC, GC, BHR (as appropriate) and regional bureaus, and
- f) supporting its operating units in achieving approved objectives, and reviewing (in consultation with PPC, M, BHR and regional bureaus) and reporting annually those units' performance in achieving their objectives

6 Bureau for Humanitarian Response (BHR) BHR is responsible for

- a) providing technical leadership and guidance in planning and implementation to all operating units in the area of humanitarian assistance, food aid, and programs which are in transition from relief to development as appropriate,
- b) reviewing operating unit strategic plans to assure humanitarian, disaster relief, food aid, and transitional concerns are appropriately addressed and participating in other bureau reviews of their respective operating units' performance
- c) organizing the provision of resources under its purview relevant

to implementing strategic plans,

d) providing oversight and support to its own operating units in developing their strategic plans,

e) ensuring appropriate consultation with operating units in the field,

f) managing the review and approval of strategic plans for operating units under its authority, with concurrence from M, PPC, GC, regional bureaus, and G, and

g) providing an analytic overview of results in its programs in conjunction with the annual bureau budget submission

7 Operating Units Operating units are responsible for

a) developing strategic plans for program funds for which they have responsibility and authority,

b) ensuring the participation of other interested USAID offices, partners and customers throughout planning, achieving and performance monitoring and evaluating,

c) within the scope of its management contract, delegated authorities, and Agency directives, managing the implementation of the strategic plan, including establishing and defining authorities for strategic objective teams, achieving the objective(s) set forth in the plan, and reviewing performance and reporting annually on that performance to their respective bureaus,

d) during the course of implementation, ensuring that their strategic objective teams gather and use performance information to manage for results, and that adequate resources are programmed for performance monitoring and evaluation

8 Strategic Objective Team A strategic objective (SO) team is responsible for managing to achieve a specific strategic objective under the direction of an operating unit The SO team's specific responsibilities include

a) establishing its internal operating rules and procedures (consistent with its delegated authorities),

b) involving customers and partners in collecting, reviewing and interpreting performance information and assuring that agreed-to customer needs are addressed through activities being implemented,

c) grouping, as appropriate results and associated activities from the SO's results framework into results packages (and regrouping as necessary),

- d) allocating resources associated with achieving the objective,
- e) developing and implementing (within subteams if appropriate) necessary and effective activities, contracts, grants and other agreements,
- f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary,
- g) using evaluative activities to determine why assistance is or is not achieving intended results,
- h) recommending to the operating unit any changes to an objective or the strategic plan,
- i) preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned,
- j) with respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective, and
- k) with respect to each strategic objective team member, advancing a common team effort to achieve the strategic objective assigned to the team and implementing his or her specific responsibilities and authorities on that team

201 4 Definitions

1 Activity An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units. In a program context, i.e., in the context of results frameworks and strategic objectives, an activity may include any action used to advance the achievement of a given result or objective, whether financial resources are used or not. E.g., an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to provide technical assistance and commodities in a particular area. (Also within this context, for the purposes of the New Management Systems [see definition] "activity" includes the strategic objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined.) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency.

2 Activity Manager That member of the strategic objective or results package team designated by the team to manage a given activity or set of activities.

3 Agency Goal A long-term development result in a specific area to

which USAID programs contribute and which has been identified as a specific goal by the Agency (See also Operating Unit Goal)

4 Agency Mission The ultimate purpose of the Agency's programs, it is the unique contribution of USAID to our national interests There is one Agency mission

5 Agency Objective A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal Several Agency objectives contribute to each Agency goal Changes in Agency objectives are typically observable only every few years

6 Agency Program Approach A program or tactic identified by the Agency as commonly used to achieve a particular objective Several program approaches are associated with each Agency objective

7 Agency Strategic Plan The Agency's plan for providing development assistance, the strategic plan articulates the Agency's mission, goals, objectives, and program approaches

8 Agency Strategic Framework A graphical or narrative representation of the Agency's strategic plan, the framework is a tool for communicating USAID's development strategy The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs

9 Agent An individual or organization under contract with USAID

10 Agreement An agreement is the formal mutual consent of two or more parties The Agency employs a variety of agreements to formally record understandings with other parties, including grant agreements, cooperative agreements, strategic objective agreements, memorandum of understanding, contracts and limited scope grant agreements In most cases, the agreement identifies the results to be achieved, respective roles and contributions to resource requirements in pursuit of a shared objective within a given time frame

11 Assistance Mechanism A specific mode of assistance chosen to address an intended development result Examples of mechanisms include food aid, housing guaranties, debt-for-nature swaps, endowments, cash transfers, etc

12 Baseline See Performance Baseline

13 Causal Relationship A plausible cause and effect linkage, i e the logical connection between the achievement of related, interdependent results

14 Critical Assumption In the context of developing a results framework, critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework Examples might be the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program A critical assumption differs from an intermediate result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO

15 Customer An individual or organization who receives USAID services or products, benefits from USAID programs or who is affected by USAID actions

15a Intermediate Customer A person or organization, internal or external to USAID, who uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers

15b Ultimate Customer Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results

16 Customer Representative Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance

17 Customer Service Plan A document which presents the operating unit's vision for including customers and partners to achieve its objectives This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives

18 Customer Surveys Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result or strategic objective

19 Development Experience The cumulative knowledge derived from implementing and evaluating development assistance programs Development experience is broader in scope than "lessons learned", and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms, etc

20 Development Information The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions

21 Evaluation A relatively structured, analytic effort undertaken

selectively to answer specific management questions regarding USAID-funded assistance programs or activities. In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional. Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability. It addresses the validity of the causal hypotheses underlying strategic objectives and embedded in results frameworks. Evaluative activities may use different methodologies or take many different forms, e.g., ranging from highly participatory review workshops to highly focused assessments relying on technical experts.

22 Global Programs or Activities Global programs or activities refer to USAID programs or activities which take place across various regions, (i.e. they are trans-regional in nature). These types of programs are most often managed by central operating bureaus such as BHR or the G Bureau.

23 Goal See Operating Unit Goal or Agency Goal

24 Implementation Letters Formal correspondence, numbered sequentially, between USAID and public sector entities pursuant to a duly signed agreement.

25 Indicator See Performance Indicator

26 Input The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs.

27 Interim Performance Target A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target.

28 Intermediate Result A key result which must occur in order to achieve a strategic objective.

29 Joint Planning A process by which an operating unit actively engages and consults with other relevant and interested USAID offices in an open and transparent manner. This may occur through participation on teams or through other forms of consultation.

30 Lesson Learned The conclusions extracted from reviewing a development program or activity by participants, managers, customers or evaluators with implications for effectively addressing similar issues/problems in another setting.

31 Limited Scope Grant Agreement The Limited Scope Grant Agreement (LSGA) is similar to the Strategic Objective Agreement but is shorter in length. It is used for obligating funds for a small activity or intervention, e.g., participant training or PD&S. Model agreements, including the LSGA, can be found in the Series 300 directives.

32 Manageable Interest See Responsibility

33 Management Contract The management contract consists of the strategic plan (including a strategic objectives and supporting results frameworks) together with official record of the guidance emerging from the review of the plan. The management contract provides, a summary of agreements on a set of strategic and other objectives, confirmation of estimated resources over the strategy period, delegations of authority, and an overview of any special management concerns

34 Memorandum or Letter of Understanding A memorandum of understanding or letter of understanding (not used for obligating funds) sets forth the understandings of the parties regarding the objective, results to be achieved and the respective roles and responsibilities of each party in contributing toward the achievement of a given result or objective. It is particularly useful when USAID wishes to obligate through individual grants and contracts, without host government participation in those actions, but still wishes to make the host government a partner in writing to the program or activity and each party's obligations. It specifically provides for USAID implementation in the manner noted above

35 New Management Systems The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation, assistance and acquisition, human resource management and property management

36 Objective See Agency Objectives

37 Obligation In the event of a strategic objective agreement with a host country government, that agreement is normally the obligating agreement (unless a non-obligating MOU is used) and all grants to and contracts with private entities thereunder are subobligating agreements. If there is no strategic objective agreement, whether or not a non-obligating MOU is used, all grants to and contracts with private entities become obligating agreements

38 Operating Unit USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a strategic objective, strategic support objective, or special objective and which has a clearly defined set of responsibilities focussed on the development and execution of a strategic plan

39 Operating Unit Goal A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector

An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries

40 Output The product of a specific action, e g , number of people trained, number of vaccinations administered

41 Parameter A given framework or condition within which decision making takes place (i e Agency Goals, earmarks, legislation, etc)

42 Participation The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and taking action to bring about a desired development objective

43 Partner An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation Partners include private voluntary organizations, indigenous and other international non-government organizations, universities, other USG agencies, U N and other multilateral organizations, professional and business associations, private businesses (as for example under the U S -Asia Environmental Partnership), and host country governments at all levels

44 Partner Representative An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives

45 Partnership An association between USAID, its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives

46 Performance Baseline The value of a performance indicator at the beginning of a planning and/or performance period A performance baseline is the point used for comparison when measuring progress toward a specific result or objective Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure

47 Performance Indicator A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework Performance indicators are used to observe progress and to measure actual results compared to expected results Performance indicators serve to answer "whether" a unit is progressing towards its objective, rather than why/why not such progress is being made Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices) Quantitative indicators are preferred in most cases, although in certain circumstances qualitative indicators are appropriate

48 Performance Information The body of information and statistical data that directly relates to performance towards overall USAID goals and objectives, as well as operating unit strategic objectives, strategic support objectives and special objectives Performance information is a product of formal performance monitoring systems, evaluative activities, customer assessments and surveys, Agency research and informal feedback from partners and customers

49 Performance Monitoring A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results A defined set of indicators is constructed to regularly track the key aspects of performance Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts (i e , results)

50 Performance Monitoring Plan A detailed plan for managing the collection of data in order to monitor performance It identifies the indicators to be tracked, specifies the source, method of collection, and schedule of collection for each piece of datum required, and assigns responsibility for collection to a specific office, team, or individual At the Agency level, it is the plan for gathering data on Agency goals and objectives At the Operating Unit level, the performance monitoring plan contains information for gathering data on the strategic objectives, intermediate results and critical assumptions included in an operating unit's results frameworks

51 Performance Monitoring System An organized approach or process for systematically monitoring the performance of a program, process or activity towards its objectives over time Performance monitoring systems at USAID consist of, inter alia performance indicators, performance baselines and performance targets for all strategic objectives, strategic support objectives, special objectives and intermediate results presented in a results framework, means for tracking critical assumptions, performance monitoring plans to assist in managing the data collection process, and, the regular collection of actual results data

52 Performance Target The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed A performance target is to be defined for each performance indicator In addition to final targets, interim targets also may be defined

53 Portfolio The sum of USAID-funded programs being managed by a single operating unit

54 Rapid, Low-cost Evaluations Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost, timely, and practical for management decision making Methodological approaches include mini-surveys, rapid appraisals, focus groups, key informant interviews, observation, and purposive sampling, among others

55 Responsibility In the context of setting strategic objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its development partners) and that it is willing to use as the standard for the judgement of progress This has also been referred to as "manageable interest "

56 Result A change in the condition of a customer or a change in the host country condition which has a relationship to the customer A result is brought about by the intervention of USAID in concert with its development partners Results are linked by causal relationships, i.e. a result is achieved because related, interdependent result(s) were achieved Strategic objectives are the highest level result for which an operating unit is held accountable, intermediate results are those results which contribute to the achievement of a strategic objective

57 Results Framework The results framework represents the development hypothesis including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit It typically is presented both in narrative form and as a graphical representation

58 Results Package A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame An RP is managed by a strategic objective team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with (1) the principles for developing and managing activities, and (2) achievement of one or more results identified in the approved results framework The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective

The strategic objective team will define one or more RPs to support specific results from the results framework The SO team may elect to manage the package or packages itself, or may create one or more subteams to manage RPs In addition, strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective Thus typically a results package will be of shorter duration than its associated strategic objective

59 Results Package Data Base A results package data base consists of the data and information related to the actions, decisions, events, and performance of activities under a results package

60 Results Review and Resource Request (R4) The document which is reviewed internally and submitted to USAID/W by the operating unit on an

annual basis The R4 contains two components the results review and the resource request Judgement of progress will be based on a combination of data and analysis and will be used to inform budget decision making

61 Review Workshops Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period and planning for the forthcoming period Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed

62 Special Objective The result of an activity or activities which do not qualify as a strategic objective, but support other US government assistance objectives A special objective is expected to be small in scope relative to the portfolio as a whole

63 Stakeholders Individuals and/or groups who have an interest in and influence USAID activities, programs and objectives

64 Strategic Objective The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty

65 Strategic Objective Agreement A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective Such an agreement between USAID and the host government may allow for third parties (e.g., NGOs) to enter into sub-agreements with either USAID or the host government or both to carry out some or all of the activities required to achieve the objective (Details in Series 300)

66 Strategic Plan The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary The strategic plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally or centrally

67 Strategic Support Objective Strategic support objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution Therefore, the key differentiation from a strategic objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level

68 Subgoal A higher level objective which is beyond of the operating unit's responsibility but which provides a link between the strategic objective and the operating unit goal Inclusion in operating unit plans is optional

69 Strategic Objective Team In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable Teams can include USAID employees exclusively or USAID and partner and customer representatives An SO team is a group of people who are committed to achieving a specific strategic objective and are willing to be held accountable for the results necessary to achieve that objective The SO team can establish subsidiary teams for a subset of results or to manage a results package

69a Core Team U S government employees and others who may be authorized to carry out inherently U S governmental functions such as procurement actions or obligations For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements

69b Expanded Team U S government employees and partner and customer representatives committed to achieving the strategic objective

69c Virtual Team Members of a team who are not collocated and therefore participate primarily through telecommunication systems

70 Target See Performance Target

71 U S National Interest A political/strategic interest of the United States that guides the identification of recipients of foreign assistance and the fundamental characteristics of development assistance

72 Value Engineering A management technique using a systematized approach to seek out the best functional balance between the cost, reliability and performance of an activity or process, with a particular focus on the identification and elimination of unnecessary costs VE/VA can be used both in the design stage and as an evaluation tool

201 5 1 Agency Strategic Plan

The Agency will establish an Agency strategic plan for its programs which shall

- Define the broad strategic framework within which operating unit strategic plans will be developed
- Articulate what the Agency expects to achieve in facilitating sustainable development world-wide and by incorporating the needs of the Agency's customers
- Define USAID goals and priority objectives which contribute to the Agency mission of sustainable development
- Establish a basis for allocating resources against relevant factors (priority sectors, geopolitical considerations, country sustainable development needs, and desired Agency-wide results)
- Serve as the basis for presenting the Agency's programs and budget requests to Congress and the public

The strategic plan shall be developed in accordance with the requirements established in the Government Performance and Results Act (GPRA) and shall be consistent with the findings of the Agency Customer Service Plan

E201 5 1 The Agency Strategic Plan

The Agency strategic plan shall be developed by PPC, in consultation with M, G, BHR, and regional bureaus. In developing the plan, PPC shall lead the Agency in a broadly consultative process involving Congress, State Department, and other interested stakeholders, partners, and customers. (See section 201 6 1, Supplementary References Strategies for Sustainable Development and Implementation Guidelines)

The Agency strategic plan will be amended as necessary based on significant changes in U S national interests, geopolitical considerations, country and customer needs, progress or lack of progress in achieving Agency goals and objectives, and/or new technical knowledge in a sector

PPC and M shall use the Agency strategic plan as a basis for analyzing and presenting information on programs and performance for annual internal strategy and performance reviews. The plan will also provide the basis for analyzing and presenting information on program plans, budgets, and performance to meet external reporting requirements, including Congress (for GPRA reporting, OMB performance reviews, Congressional Presentations and testimony)

201 5 2 The Agency Strategic Framework

The Agency will establish an Agency strategic framework which graphically depicts the Agency's strategic plan. The framework will,

- Articulate the essence of the Agency strategic plan in graphic form
- Provide the framework within which operating unit strategic plans will be developed by laying out Agency goals and objectives
- Serve as a basis for tracking progress toward Agency goals and objectives
- Provide an organizing framework for periodic internal Agency strategy and performance reviews, including programming and budget allocation decisions
- Serve as a basis for presenting information on the Agency's programs, budget requests, and performance to external audiences, including Congress

The Agency strategic framework shall be developed in accordance with the requirements of the Government Performance and Results Act (GPRA) and shall be consistent with the findings of the Agency Customer Service Plan

E201 5 2 The Agency Strategic Framework

The Agency strategic framework is a tool for communicating USAID's development strategy and shall directly reflect the Agency strategic plan. The Agency strategic framework establishes an organizing basis for strategy and performance reviews, budgeting, and external reporting requirements. Operating unit strategic plans and regional planning frameworks must contribute to the Agency-wide goals and objectives represented in the Agency strategic framework.

The Agency strategic framework will lay out the linkage between program approaches, Agency objectives, Agency goals and the Agency mission. PPC is responsible for developing the Agency strategic framework and for periodically revising it to reflect any adjustments to the Agency strategic plan, in consultation with central and regional bureaus.

201 5 3 Regional Planning Framework

Special circumstances or unique foreign policy concerns may warrant the development of a bureau level regional planning framework. Such a framework must be developed in consultation with PPC, and shall identify assistance objectives or define unique program priorities within a specific region. Such objectives and priorities shall be consistent with the Agency's stated overall mission and goals, and shall be developed in accordance with GPRA requirements and any other specific

legislative requirements

201 5 4 Purpose of Operating Unit Strategic Plans

Operating unit strategic plans constitute the essential building block of the Agency's programming system. The approved strategic plan will represent an Agency-wide commitment to an agreed strategic direction and set of results at the strategic objective level, to be accomplished by that operating unit over the planning period. A strategic plan shall

- Develop a limited number of strategic objectives and special objectives which encompass all development activities managed by that unit (see 201 5 9, Selection of Programmatic Focus)
- Define how those objectives will contribute to the accomplishment of Agency goals and objectives as defined in the Agency strategic plan
- Articulate the development hypothesis which justifies the feasibility of achieving the objective
- Estimate the resources needed to accomplish those objectives
- Establish the framework for subsequent monitoring of the performance of the programs for which it is responsible in order to accurately demonstrate impact

201 5 5 Applicability of Strategic Planning Requirements for Operating Units

Every operating unit which manages program resources shall have an approved strategic plan in place to govern the use of the program resources under its authority as well as the related staff and operating expenses required to manage those funds, except as provided under exceptions and special cases (see 201 5 5d, Exceptions and Special Cases)

201 5 5a Planning for Country Programs Managed in the Field

Planning for country programs will encompass all USAID program resources proposed for allocation to the country, including those proposed in support of centrally-managed global programs, regional programs, food aid, housing guarantees, and research activities

Activities which take place within a country to support global objectives and do not contribute to the bilateral strategy must be listed in the field mission's strategic plan together with any management responsibilities which have been assigned to the field mission (see 201 5 10d, Listing of G Bureau Activities Supported by Bilateral Programs). For example, global research activities often fall into this category

201 5 5b Planning for Regional and Global Programs

Planning for regional and global programs shall capture those program funded activities which are regional or global in nature (i.e. objectives which cannot be achieved or measured on the basis of a single country)

201 5 5c Planning for Centrally Managed Bilateral Programs

In some cases, USAID/W offices have direct management responsibility for bilateral programs (e.g. programs which are directed at achieving country level impact) due to management efficiencies. In such cases, the USAID/W office shall consult with PPC to determine the appropriate strategic planning requirements.

201 5 5d Exceptions and Special Cases

Exceptions and special cases related to the strategic plan shall include

- 1) Start-up Programs Start-up or new programs shall manage for results. However, such programs will be exempted from any or all of the strategic planning requirements stated herein for the first year of operation.
- 2) Close-Out Programs Programs which are planned for close-out shall manage for results. However, the operating bureau will consult with M and PPC to determine appropriate strategic planning and/or impact reporting requirements.
- 3) Emergency Programs in the Field The strategic planning document for an emergency program in the field may be brief, will address a planning period which is appropriate to the emergency program, and may follow an abbreviated review process as agreed to by the AA in consultation with PPC, BHR and M. The strategic plan for an emergency program shall address both natural disasters as well as man made disasters as is appropriate. The strategy will identify, strategic objectives, estimated resource requirements, time period covered, other key management, strategic, or political concerns.
- 4) Small Country Programs Small country programs will be allowed to prepare abbreviated strategic plans which focus primarily on the results to be achieved in the sector(s) in which they are working or planning to work (see E201 5 10, Contents of Strategic Plans, Part II, c). The regional Bureau, in consultation with PPC and M, will provide such a country program with planning parameters and outline strategy requirements as appropriate. Criteria for small country programs will be defined by PPC in consultation with the regional bureaus. (See 201 5 11 and 201 5 12 for Review and Approval Policies.)
- 5) Special Foreign Policy Programs Special foreign policy programs

shall manage for results. However, programs which are instituted in response to special foreign policy issues and concerns may be exempted from specific strategic planning policies and essential procedures, or may follow different procedures as required by legislation or dictated by the type of funds being used. For example, programs conducted by the Bureau for Europe and the New Independent States (ENI) and those conducted using Economic Support Funds (ESF) may necessitate some different procedures as required by specific legislation or regulations. In these and similar instances, while the intent and principles of the Agency directive on planning will be followed, specific policies and/or essential procedures may be revised or developed to incorporate the specific legislative and operating requirements of the programs. Exemptions from Agency planning policies and procedures, and/or the development of alternative policies and procedures, for these programs must be approved by the cognizant bureau AA in consultation with the AA/PPC and the AA/M, and this approval must be documented in a formal action memorandum. Programs which involve the programming of funds prior to the preparation of a strategic plan require a review of the respective program and a formal exemption, as noted above, from the requirements of the planning directive if a strategic plan is not prepared within a year of the program's initiation.

201 5 6 Planning Parameters

201 5 6a Setting Planning Parameters

PPC and M shall provide each operating Bureau with planning parameters in a timely manner. Each Bureau will be responsible for providing its operating units with updated Agency guidance on planning parameters prior to the development of a strategic plan. These parameters shall include indicative resource levels, guidance on earmarks, and updated guidance on the Agency's goals and objectives over the proposed planning period. As appropriate, the bureau may also provide additional guidance to the operating unit on the strategic direction of the program, key management or performance issues, and any special foreign policy interests in the country.

201 5 6b Management Letter

Each Bureau will be responsible for providing new mission directors or representatives with a management letter which provides bureau guidance on the long term strategic direction of the program, key management or strategic issues, resource parameters, and any special foreign policy interests in the country.

201 5 7 Participation

201 5 7a Strategic Planning

All strategic plans shall be developed, updated and monitored in active

consultation with relevant development customers, partners, and stakeholders This consultation is subject to Agency guidance on conflict of interest (See Supplemental Reference 201 6 4)

201 5 7b The Customer Service Plan

Each operational unit (including the G bureau, BHR, and regional bureaus) shall develop a customer service plan which will inform its planning and operations The customer service plan shall,

- Present the operating unit's vision for including customers and partners to achieve development objectives
- Explain how customer feedback will be incorporated to determine customer needs and perceptions of the services provided and how this feedback will be regularly incorporated into the mission's processes
- Identify the unit's key customer service principles and the standards to which the operating unit will commit

The customer service plan will act as a management tool for the individual operating unit and must be developed in the context of existing Agency parameters The customer service plan does not require USAID/W approval

201 5 8 Joint Planning

The strategic plan is required to reflect joint planning principles, therefore, operating units are responsible for consulting with relevant and affected USAID/W offices and field missions throughout the strategic planning process as appropriate

201 5 9 Selection of Programmatic Focus

Each strategic plan shall identify a limited number of strategic objectives and, where appropriate, special objectives which encompass all program resources to be managed by the operating unit

The selection of programmatic focus shall be informed by the following factors

- The contribution toward the Agency's mission of sustainable development and associated Agency goals and objectives as described in the Agency strategic plan
- The needs and interests of the host country, region or sector as identified by the customers of USAID activities
- The possibility of achieving sustained and significant impact with the resources likely to be available by USAID, the host country, and other development partners, and the ability to demonstrate

that impact over the planning period

- Analysis of the problems to be addressed and potential approaches
- The findings of Agency assessments of performance and impact, in order to continually improve the Agency's ability to deliver effective assistance

201 5 10 Components of the Strategic Plan

201 5 10a Strategic Objectives

A strategic objective is defined as the most ambitious result (intended measurable change) in a particular program area that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame for the achievement of the strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs which are operating under short term transitional circumstances or under conditions of uncertainty. Each strategic objective shall be linked to one Agency goal. It may be linked to other Agency goals on a secondary basis, if necessary. The strategic objective must also be linked to one or more Agency objectives within that goal.

Strategic objectives may be bilateral, regional, or global in nature and shall set the direction for the selection and design of the assistance activities to be carried out in the portfolio over the time-frame of the plan. A strategic objective must be expressed in terms of a result or impact, be defined in a manner which permits objective measurement, be clear and precise, and generally include only one objective so that progress can be clearly measured.

However, strategic objectives which represent more than one dimension in addressing a development problem will be acceptable if the component results of the strategic objective are a) implemented in an integrated manner (e.g. the two components are part of the same activity which takes place in the same locations) b) achievable by a common set of intermediate results and causal linkages represented in the results framework, and c) the component results are inseparable and mutually reinforcing (achievement of each facilitates the achievement of the other). An example might be "Increased Use of Family Planning and Maternal and Child Health Services (MCH)" which combines family planning and MCH.

An operating unit shall focus resources on the achievement of a limited number of strategic objectives that have significant potential for sustainable development impact. An operating unit shall consider the factors described under Selection of Programmatic Focus (see 201 5 9, Selection of Programmatic Focus) when setting strategic objectives within their respective program area. There is no fixed limit on the

total number of strategic objectives that the operating unit may identify for its portfolio. However, the number will depend most importantly on the likelihood of effectively achieving significant impact as based on expected program funding and staff resource levels over the planning period. Other factors will include the absorptive capacity of program sectors and the need to meet current and on-going program commitments.

201.5.10b Strategic Support Objectives

Strategic support objectives (SSOs) are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution. Therefore, the key differentiation from a strategic objective is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level. For example, a majority of strategic support objectives for the G bureau will be driven, in large part, by field demand for services.

The strategy must clearly distinguish the operating unit's unique role in meeting the SSO from that of the field missions. In most cases, this will be demonstrated as identifiable intermediate results in the results framework for which the central operating unit is responsible.

A central operating unit, such as the G bureau, would contribute significantly to the achievement of the strategic support objective by providing support services (i.e. providing central contracting mechanisms to support field missions). In addition, technical leadership and research activities (e.g. conducting research which provides new and more effective approaches that are used by the field missions) will be considered means to accomplishing the objective. The central operating unit will outline the results of the activities under its direct control and clearly show how these activities, in concert with mission activities, will achieve the strategic support objective. All requirements for strategic objectives are applicable to strategic support objectives.

201.5.10c Special Objectives

Under exceptional circumstances, a mission or office may include activities in its portfolio which could not qualify as a strategic objective, but which produce results to support other U.S. government assistance objectives. Special objectives may be justified if one or more of the following criteria are met:

- The activity represents a response to a legislated earmark or special interest which does not meet the criteria for a strategic objective.
- It is a continuation of an activity initiated prior to the

strategic plan which needs additional time for orderly phase-out

- It is an exploratory/experimental activity in a new program area which merits further exploration or which responds to new developments in the country, region, or sector
- It is a research activity which contributes to the achievement of an Agency objective

These activities are expected to be small in scope relative to the portfolio as a whole. The operating unit, as a part of the strategic plan, will outline the time-frame for the special objective, expected results to be achieved, a proposal for evaluating results, and an estimated budget. Results of experimental or exploratory activities may have different criteria for success than other activities where USAID has more experience.

201.5.10d Listing of G Bureau Activities Supported by Bilateral Programs

Any activities which take place at the country level and are solely designed to support global objectives should be listed in the country's strategic plan together with any management responsibilities the operating unit has for support of those activities. For example, if global climate change or global research activities are carried out in a country and do not support the mission's bilateral strategy, these activities would be included in such a listing.

201.5.10e Results Framework

In the context of defining a strategic objective or strategic support objective, it is necessary to identify the intermediate results which are necessary to accomplish that objective. This analysis will produce a Results Framework for each objective. The results framework must provide enough information so that it adequately illustrates the development hypothesis (or cause and effect linkages) represented in the strategy and therefore assists in communicating the basic premises of the strategy. The results framework shall include any key results that are produced by other development partners (e.g. partners such as non-governmental organizations, the host country government, other donors, and customers).

The Results Framework must also be useful as a management tool and therefore focuses on intermediate results which must be monitored to indicate progress. The framework is intended to be a management tool first and foremost for operating unit managers so that it is able to gauge progress toward achievement of intermediate results and their contribution to the achievement of the strategic objective.

201.5.10f Identifying Illustrative Approaches and Estimated Resource Requirements

The operating unit will identify illustrative approaches that would

likely be used in achieving the results outlined in the results framework. While this will not be the focus of the strategy review, illustrative approaches will be required to indicate the feasibility of achieving selected strategic objectives and will serve as the basis for determining resource needs and establishing performance targets (or magnitude of impact) for each SO. An operating unit will have the flexibility to adjust approaches without further USAID/W review to achieve the strategic objective, except as otherwise indicated in a management contract.

201 5 10g Environmental Requirements

Section 118/119 of the Foreign Assistance Act requires that all country plans (or strategies) include an analysis of a) the actions necessary in that country to conserve biological diversity and tropical forests and b) the extent to which current or proposed U S A I D actions meet those needs. In many cases, the environmental analysis may be broader than the specific requirement for 118/119. For example, in the course of examining whether a strategic objective in the environment should be undertaken or how environmental issues relate to other objectives and activities, it may be appropriate to conduct a broader analysis to examine other environmental issues, such as the environmental underpinnings of a economic growth or preventing environmental threats to public health. Operating units should consult with Bureau environmental officers to ensure that legislative requirements are met and to ensure that salient issues are addressed as appropriate. (See section 201 5 8, Joint Planning and 201 6 Supplementary References, Guidelines for Strategic Plans, Technical Annex B Environment, dated February 1995)

E201 5 10 Contents of Strategic Plans

Operating unit strategic plans shall include the information necessary to secure endorsement by Agency management on the proposed strategic objectives and targeted magnitude of impact, associated resource requirements, and, requested delegations of authority. Operating units must ensure that any special legislative requirements, as applied to strategic planning, are included. Operating units are not required to follow the outline below in its exact form, however, strategies shall include the following three sections and shall provide a clear and concise discussion of the below referenced issues in a form which is appropriate to their program.

PART I Summary Analysis of Assistance Environment and Rationale for Focusing Assistance in Particular Areas

A U S Foreign Policy Relationship of the program to US foreign policy interests

B Overview Country strategies will provide an overview of the country condition to include a summary of overall macro-economic and socio-political trends, a discussion of development constraints and

opportunities, how the strategy relates to host country or regional priorities, and the role of other donors Regional and Global strategies will provide a discussion of relevant transnational trends, how the strategy relates to regional or global priorities and the role of other donors

- C Customers A brief discussion of how customers influenced the strategic plan both directly and indirectly using the customer service plan as a basis
- D Transitional Issues Transition or phase out issues, for those country programs which are transitional in nature, the strategy will provide a discussion of key transitional issues which are appropriate to the country (whether it is a country nearing graduation or transitioning from relief to development) Regional and global programs may discuss transitional or phase out issues where relevant

PART II Proposed Strategic Plan (Country, Regional, or Global)

- A A discussion of the linkage of the strategy to Agency goals and objectives
- B A discussion of country goals and subgoals (where applicable)
- C Each Strategic Objective or Strategic Support Objective must include the following
 - 1 A statement of strategic objective
 - 2 A problem analysis, to include an analysis of the specific problem to be addressed and an identification of affected customers
 - 3 A discussion of critical assumptions and causal relationships which are represented in the Results Framework
 - 4 The commitment and capacity of other development partners in achieving the objective This may include a trend analysis which demonstrates why the current climate and support by other partners (including the host country government) or customers indicates that the objective can be achieved
 - 5 Illustrative approaches
 - 6 How sustainability will be achieved
 - 7 How the achievement of the strategic objective will be judged including,
 - a Proposed performance indicators and targets for achievement of each strategic objective as well as monitoring interim progress (see Series 200, Chapter 203)

b Performance targets which convey an understanding of the anticipated magnitude of change vis a vis USAID's investment and/or that of USAID's partners. These performance targets will represent anticipated results over the entire strategy period to the extent possible (i.e. where past experience and technical knowledge indicate that targets which are projected to the end date of the strategy are useful and meaningful). There are some cases, most often in new areas, where select targets may be shorter than the planning period, and therefore will need to be updated via the R4 process. Also, interim performance targets may be used as part of performance monitoring during the life of the objective.

D If the operating unit has identified a special objective, the discussion must include the following for each special objective,

- 1 The time-frame for the Objective
- 2 Relationship to Agency goals and objectives and/or the country strategy
- 3 Expected Results
- 4 A proposal for monitoring achievement of any special objectives as is appropriate to the nature of the objective

E For Field Mission operating units, the strategy shall identify any activities which support global objectives and are outside of the field mission's bilateral strategy. The field mission should also identify any management responsibilities for which it is held responsible.

PART III Resource Requirements

A Estimated resource requirements over the planning period to achieve the strategic objectives, including program dollars as well as supportive OE and personnel. Program funding shall include the amount for field support provided through G Bureau mechanisms. The operating unit shall also identify any USAID/W technical or other support which are necessary to accomplish the strategic objectives.

B Discussion of programming options. This should be brief and concise and may take the form of a simple matrix which serves to articulate and distill the priorities of the operating unit and is based on high, medium, and low funding levels. Such a matrix should take into account Congressional and Administration mandates and may indicate country conditions that would warrant increases or decreases in assistance.

Reviews shall be a collaborative process where Agency wide participation is elicited. This will provide a forum for the Agency to come to agreement around the strategic plan and to make final decisions regarding the program. All strategic plans will be submitted to USAID/W for formal review, except where alternative review procedures are agreed upon for exceptional programs (see 201 5 5d, Exceptions and Special Cases). Strategic plans for bilateral, regional, and global programs must be reviewed by PPC, M, BHR (as appropriate), G, GC, and regional bureaus. The review process for global, BHR or regional strategic plans must include a mechanism to allow for input by affected field missions.

The strategic plan will guide resource allocation decisions and performance monitoring over the time-frame of the plan. As a result of the review process, the strategic plan is expected to represent an Agency plan for that operating unit over the planning period. (See 201 5 12b, Approval of the Management Contract)

Procedures for reviews shall be developed and organized by the responsible regional or central bureau.

201 5 11a Roles in the Review Process

Each USAID/W bureau will review strategic plans in light of their respective roles with a special emphasis on the following. (Also see 201 3, Responsibilities, for further information),

- 1) Regional bureaus seek consistency with the Agency strategic plan, regional objectives, and geopolitical considerations unique to the region.
- 2) PPC ensures consistency with Agency-wide priorities and the adequacy of plans for measuring performance and documenting impact.
- 3) M ensures that resources can be made available.
- 4) G assures the technical soundness of and technical support for the plan.
- 5) BHR assures that humanitarian assistance, food aid, and transitional issues (as it relates to the transition from relief to development) are incorporated and related resources are used as appropriate.
- 6) GC ensures the strategic plan meets all legal requirements.

201 5 11b Focus of the Review Process

Reviewers will focus on the following aspects of the strategy,

- 1) The relevance of the strategy to significant development problems.
- 2) Appropriateness of the strategy vis a vis country performance.

- 3) The plausibility of the causal linkages presented in the strategy
- 4) The ability of the operational unit to monitor and demonstrate performance and to achieve results
- 5) The consistency of the proposed strategy with past progress and lessons learned
- 6) Consistency with Agency strategies and policies as expressed in the Agency strategic plan
- 7) Appropriateness of the strategy in light of expected resource availabilities
- 8) Appropriateness of the strategy vis a vis any legal requirements

201 5 12 The Management Contract

201 5 12a Definition of the Management Contract

The approval of all operating unit strategic plans shall result in the establishment of a management contract between that unit and Agency management. That contract will consist of the strategic plan (including final results frameworks) together with an official record of the guidance emerging from the review of the plan. This guidance shall

- 1) Summarize the agreement on a set of strategic and other objectives which will be pursued by that operating unit over the agreed planning period
- 2) Provide confirmation of estimated resources regarding resource levels to be made available over the strategy period pending the availability of U S funds
- 3) Provide appropriate delegations of authority which allow the mission to proceed with implementation, these authorities remain in effect unless and until amended
- 4) Outline any special conditions precedent, covenants, and/or management concerns which require further action by either party (e g a field mission might note that a certain change in funding would necessitate a change in the strategy, or USAID/W might specify covenants to a related strategic)

201 5 12b Approval of the Management Contract

A management contract shall be approved by the submitting operational unit (as represented by the director or AID representative of that operating unit) as well as the AA of the operating bureau, with clearance from PPC, M, GC, BHR (as appropriate) G, and the regional bureaus (for G and BHR strategic plans) in light of each operational

unit's respective responsibilities (See 201 3, Responsibilities, and 201 5 11, Review Process for Strategic Planning) The management contract will serve as a delegation of authority to the operating unit to proceed with program implementation under those strategic objectives where agreement has been reached

201 5 12c Annual Reconfirmation of the Management Contract

Every management contract will be reconfirmed annually as part of the bureau's Results Review and Resource Request (R4) process, unless otherwise determined by the AA for the operating bureau in consultation with PPC and M

201 5 13 Development of the Performance Monitoring Plan

The operating unit will finalize the performance monitoring plan, including performance targets and indicators, after strategic objectives have been approved The performance monitoring plan must be completed shortly after the approval of the strategy and prior to the next Results Review and Resource Request (R4) (See Series 200, Chapter 203 5 5, Performance Monitoring Plans)

201 5 14 Changes in Strategic Plans

The strategic plan (at the strategic objective level) represents the Agency's strategy for a particular country or program over a specified time-frame Therefore, strategic objectives are expected to remain relatively stable over the planning period Changes to strategic objectives should be based on compelling evidence that the direction of the program must be modified This would include,

- Dramatic changes in country or other conditions external to the program
- Unsatisfactory progress toward approved strategic objectives or other evidence that those objectives will not be met
- Achievement of a strategic objective on an accelerated basis
- A major shift in Agency policy or resource availabilities

E201 5 14 Changes in Strategic Plans

Changes in strategic objectives must be approved by the AA with concurrence from PPC, M, GC, BHR (as appropriate), G and regional bureaus (for central operating bureau strategic plans)

The operating unit will consult with its operating bureau to determine whether the changes to the strategic plan require an update in the strategy as a whole or whether a document which focuses only on one particular SO is required In the latter case, the content of the strategy can be modified to focus only on the relevant strategic

objective (See E201 5 10, Contents of Strategic Plans, Part II C for required information)

201 5 15 Strategic Planning and Resource Allocation

Budget planning in USAID will be guided by the Agency strategic plan and the strategic plans approved for individual operating units. The Agency's budget planning documents will identify proposed resource levels for each operating unit by individual strategic objective. In making resource allocations among operating units and strategic objectives, the relative contribution of each to overall Agency goals and objectives, as defined in operating unit strategic plans and updated annually in the R4, shall be a principal factor. This contribution shall take into account both projected impact (significance of strategic objectives and magnitude of performance targets), as defined in operating unit strategic plans, and actual performance (progress to date toward meeting performance targets), as reported annually, in addition to resource needs and foreign policy considerations.

E201 5 15 Strategic Planning and Resource Allocation Budget Submissions

E201 5 15a Bureau Level Submissions

Once Agency-wide planning levels are set for the budget request year, operating bureaus will assemble bureau-wide budget submissions (BBS) which recommend funding levels by strategic objective for each operating unit and which are subject to joint PPC and M review to arrive at an Agency-wide budget request.

A BBS shall be assembled by each operating bureau to conform to a bureau budget ceiling and programming targets established by PPC and M. In preparing its consolidated bureau budget, the budget planning levels for individual operating units may be adjusted by the operating bureau to respond to shifts in expected resource availabilities and/or relative Agency priorities as between sectors and/or countries and regions. These adjustments shall be made, to the extent possible, so as to ensure resource needs are met for those programs which are demonstrating progress toward stated performance targets.

E201 5 15b Formulation of Agency Budget Request

After review of the BBSs, PPC and M will assemble an Agency Budget Request for submission to OMB, drawing on the information presented in the BBSs and in accordance with OMB guidance. The Agency Budget Request will define the Agency's strategic objectives, by operating unit, and identify the funding requested for each. This request will be subsequently adjusted as may be required by OMB for subsequent submission as part of the President's budget. Adjustments will be coordinated by PPC and M, in consultation with the operating bureaus.

201 5 16 The Results Review and Resource Request (R4)

The following is intended to provide an overview of the R4 and to demonstrate its role vis a vis the strategic planning process. For more specific guidance regarding results reporting, see 203.5.9 Reporting and Disseminating Performance Information.

An approved strategic plan will be the basis for each R4 document. The R4 will serve to

- Allow the operating unit to assess and evaluate progress toward results
- Include progress toward results as a factor in decision making regarding the budget
- Update estimates of resource requirements for achieving those objectives for the current year, the budget year, and the budget request year
- Serve as a mechanism for regular USAID/W review of progress toward the achievement of the strategic objective(s) of the operating unit
- Reconfirm the management contract based on progress
- Refine indicators and targets, as necessary (indicators and targets are expected to remain relatively stable over time, however, if changes are deemed necessary by the operating unit, the R4 can be used to indicate those changes)
- Advise relevant parties of key issues affecting the program
- Form a base of information in USAID/W for responding to external inquiries, country and regional results reporting, and Agency impact reporting

E201.5.16 The Results Review and Resource Request (R4)

E201.5.16a Content of the R4

Each operating unit will submit an R4 annually which will include the following information in a form which is appropriate:

Part I Factors Affecting Program Performance

A Progress in the Overall Program (i.e. goals/subgoals, or other broad programmatic issues such as pipeline, if applicable)

Part II Progress Toward Strategic Objectives (to be repeated for each strategic objective and special objective)

A Summary of data on progress toward achieving the strategic

objective, which includes data on intermediate results where appropriate, this may take the form of a table

- B Analysis of the data, this section should provide background and insight into the meaning of the data
- C Evidence that USAID activities are making a significant contribution to the achievement of the strategic objective
- D Expected progress for the next year

Part III Status of the "Management Contract"

- A Proposals for change/refinements at the strategic objective level, if necessary
- B Special Concerns or Issues (e g discussions of how the customer influenced the operating unit's assessment of progress based on the customer service plan, updates in global activities in country, special field mission or Bureau issues or concerns, etc)
- C Any issues related to implementation of requirements under 22 CFR 216 Operating units must also provide the operating bureau with a schedule for any activities which must be reviewed under 22 CFR 216 to facilitate advance planning

Part IV Resource Requirements

- A Program Funding Request by Strategic Objective
- B Operating Expenses (OE)
- C Staffing
- D Technical Support from USAID/W
- E Program Development and Support (PD&S) Funding

E201 5 16b Submission of the R4

The R4 will be submitted annually, unless otherwise determined by the AA for the operating bureau, in consultation with PPC and M

E201 5 16c Review of the R4

The R4 will be reviewed by the operating bureau which will renew or revise the management contract with the operating unit as appropriate on the basis of the results review This may include adjustments in indicators and targets, or recommendations for formal bureau review of changes to the strategic objective Minor changes or refinements in a strategic objective may be approved by the operating bureau in consultation with other relevant offices

Bureaus will be allowed to separate the review of the R4 into two components, a results review report and resource requirement report, where necessary and appropriate, provided that the results report is used as a basis to inform decisions regarding the budget

Based on the review of the R4, budget planning levels for an individual operating unit will be established by the operating bureau which reflect the estimated resource costs for the programs and performance targets approved for that unit

201 6 Supplementary References (all reserved)

201 6 1 Strategies for Sustainable Development

201 6 2 Implementation Guidelines

201 6 3 Agency Strategic Framework

201 6 4 Guidance on Consultation and Avoidance of Unfair Competitive Advantage

Major Functional Series 200 Program Assistance
Chapter 202 Managing for Results Achieving

202 1 Authority

202 2 Objective

202 3 Responsibility

- 1 Bureau for Policy and Program Coordination (PPC)
- 2 Bureau for Management (M)
- 3 Office of General Counsel
- 4 Regional Bureau
- 5 Global Bureau (G)
- 6 Bureau for Humanitarian Response (BHR)
- 7 Operating Units
- 8 Strategic Objective Team

202 4 Definitions

202 5 Policy & E202 5 Essential Procedures

202 5 1 Managing for Results - Applicability

202 5 2 Strategic Objective Team

202 5 2a Composition and Responsibilities of the Strategic Objective Team

E202 5 2a(1) Composition of the Strategic Objective Core and Expanded Team

E202 5 2a(2) Responsibilities of the Strategic Objective Team

E202 5 2a(3) Responsibilities of the Strategic Objective Core Team

202 5 2b Strategic Objective Team Authorities

E202 5 2b Strategic Objective Team Authorities

202 5 3 Including the Views of Customers and Stakeholders

202 5 4 Results Package

E202 5 4a Establishment of Results Packages

E202 5 4b Creating, Disbanding, or Modifying the Results Package

202 5 5 Principles for Developing and Managing Activities

E202 5 5

202 5 5a Criteria To Be Met By Approved Activities

E202 5 5a

202 5 5b Developing and Managing USAID Financed or Supported Activities

E202 5 5b

201 5 6 Using Performance Information to Achieve Results

202 5 7 Obligation and Sub-Obligation of USAID Funds

E202 5 7

202 5 7a Authorization to Sign or Negotiate Agreements

202 5 7b Actions Prior To Approving Obligor and Sub-obligating Agreements

- 202 5 8 Other Agreements
- 202 5 8a Authorization to Negotiate or Sign Agreements
- 202 5 8b Responsibilities of the Signatory

- 202 5 9 Information Management
- E202 5 9
- E202 5 9a Operating Units' Information Management Responsibilities
- E202 5 9b USAID Managers Information Management Responsibilities

Appendix A to Section 202 5

- I Country Eligibility Checklist Index
 - A Criteria Applicable to Development Assistance and Economic Support Funds
- II Assistance Checklist Index
 - A Criteria Applicable to Development Assistance and Economic Support Funds
 - B Criteria Applicable to Development Assistance Only
 - C Criteria Applicable to Economic Support Funds Only

Appendix B to Section 202 5
Official Files

- 202 6 Supplementary References (202 6 1 - 2-2 6 6 are reserved)
- 202 6 1 Team Development
- 202 6 2 Implementation Letters
- 202 6 3 Statutory Checklist Criteria
- 202 6 4 Analyses
- 202 6 4a Financial Analysis
- 202 6 4b Economic Analysis
- 202 6 4c Social Soundness Analysis
- 202 6 4d Administrative Analysis
- 202 6 4e Environmental Analysis
- 202 6 4f Technical Analysis
- 202 6 5 Developing and Monitoring Activities
- 202 6 6 Congressional Notification
- 202 6 7 Characteristics of Results Packages

202 1 Authority

- 1 The Foreign Assistance Act (FAA) of 1961, as amended
- 2 The Government Performance and Results Act of 1993, Public Law 102-62 (GPRA)
- 3 Chief Financial Officers Act of 1990, Public Law 101-576 (November 15, 1990)
- 4 Government Management Reform Act of 1994, Public Law 103-356 (October 13, 1994)
- 5 Agricultural Trade and Development and Assistance Act of 1954, as amended (P L 480)
- 6 SEED Act of 1989
- 7 Federal Manager's Financial Integrity Act of 1982

202 2 Objective

The objective of this chapter is to provide direction for the effective management of Agency development and humanitarian assistance programs and resources, with an emphasis on achieving results through team efforts and customer focus. More specifically, this chapter serves to

- a) Ensure that the efforts of the Agency's operating units are directed toward achieving significant development impact in priority areas through a participatory process involving stakeholders, partners, and customers,
- b) Provide a structure which allows operating units to make program choices and effectively respond to evolving circumstances,
- c) Emphasize the accomplishment of results,
- d) Focus on identifying and meeting customer needs,
- e) Promote a teamwork approach, including U S Agency for International Development (USAID) staff, partners and customers,
- f) Provide a significant level of empowerment and accountability for those individuals and management units closest to the development and humanitarian problems being addressed and
- g) Promote the regular collection and review of data and information related to performance resulting in the continuous improvement of the implementation of development assistance. The effectiveness of management decisions and processes, the means by which the Agency learns through its experience and the ability of the Agency to meet accountability and reporting requirements

202 3 Responsibility

1 Bureau for Policy and Program Coordination (PPC) PPC is responsible for

- a) establishing Agency policy regarding strategic planning requirements,
- b) developing and articulating the Agency's strategic plan and framework,
- c) issuing annual planning guidance to include resource parameters and program priorities in a timely manner,
- d) providing guidance on any special legislation which affects strategic planning,
- e) reviewing and approving supplemental planning guidance issued by the operating bureaus,
- f) reviewing and concurring with operating unit strategic plans for conformance with Agency goals and program policies,
- g) conducting the Agency review of bureau budget submissions with the M Bureau,
- h) establishing and maintaining a monitoring system for Agency goals and objectives,
- i) coordinating the review of Agency performance, and reporting on that performance,
- j) providing technical leadership in developing Agency and operating unit performance monitoring and evaluation systems,
- k) evaluating the effectiveness of Agency program strategies and other strategies used by operating units to achieve objectives
- l) conducting evaluations on issues related to the delivery of development assistance of interest to the Agency or its stakeholders,
- m) maintaining the Agency's database of development information and development experience and acting as a repository for Agency lessons learned, and
- n) supporting its operating units in achieving approved objectives, and reviewing annually those units' performance in achieving their objectives

2 Bureau for Management (M) M is responsible for

- a) analyzing the resource requirements necessary to meet Agency goals,
 - b) establishing indicative budget planning levels for operating bureaus in a timely manner
 - c) reviewing and concurring with operating unit strategic plans for consistency with anticipated resource availability,
 - d) conducting the Agency review of bureau budget submissions with PPC,
 - e) ensuring that performance and results information are used in Agency resource allocation decision making,
 - f) preparing the Agency's annual budget request for OMB and Congress,
 - g) monitoring budget implementation, and
 - h) assisting PPC with establishing and maintaining the monitoring system for Agency goals and objectives, and reviewing and reporting on overall Agency performance
- 3 Office of General Counsel (GC) GC is responsible for
- a) assuring that proposed activities are in compliance with all legal requirements,
 - b) assuring that such activities and their implementation were not in violation of any prohibitions against assistance, and
 - c) assuring that agreements with host countries, and other agreements as appropriate, meet the agency's requirements
- 4 Regional Bureau Each regional bureau is responsible for
- a) providing oversight and support to operating units in the strategic planning process, ensuring that strategic plans are in place for each operating unit,
 - b) providing supplemental policy guidance addressing concerns unique to the region as necessary
 - c) establishing indicative country levels for budget planning prior to the initiation of the strategic planning process and the annual results review and resource request (R4) submission,
 - d) managing the Agency review of strategic plans for operating units under its authority
 - e) reviewing strategic plans from its operating units as well as those from Global Bureau (G) and Bureau for Humanitarian

Response (BHR) operating units for consistency with regional priorities and geopolitical considerations,

f) approving country and regional strategic plans under its purview with concurrence from Management (M), Policy and Program Coordination (PPC), General Counsel (GC), BHR (as appropriate), and G,

g) providing an analytic overview of results in the region in conjunction with the annual bureau budget submission,

h) supporting its respective operating units overseas and, in USAID Washington (USAID/W), in achieving approved objectives, pursuant to the management contracts established following the review and approval of strategic plans,

i) reviewing and assessing the performance of each of its operating units in achieving that unit's objectives,

j) coordinating the participation in these reviews of PPC, M, G, and BHR, and

k) participating in the review of overall Agency performance

5 Global Bureau (G) G is responsible for

a) assisting overseas and USAID/W operating units by providing technical leadership and guidance in the development and review of strategic plans,

b) organizing the provision to all operating units of central technical resources which are relevant to implementation of strategic plans,

c) providing assistance to PPC in establishing and maintaining the monitoring system for Agency goals and objectives,

d) participating in regional bureau reviews of field mission performance, and in the review of overall Agency performance

e) providing oversight and support to its own operating units in developing their strategic plans, ensuring appropriate consultation in this process with operating units in the field, managing the Agency review of those plans, and approving the plans with concurrence from M, PPC, GC, BHR (as appropriate) and regional bureaus, and

f) supporting its operating units in achieving approved objectives, and reviewing (in consultation with PPC, M, BHR and regional bureaus) and reporting annually those units' performance in achieving their objectives

6 Bureau for Humanitarian Response (BHR) BHR is responsible for

- a) providing technical leadership and guidance in planning and implementation to all operating units in the area of humanitarian assistance, food aid, and programs which are in transition from relief to development as appropriate,
- b) reviewing operating unit strategic plans to assure humanitarian, disaster relief, food aid, and transitional concerns are appropriately addressed, and participating in other bureau reviews of their respective operating units' performance,
- c) organizing the provision of resources under its purview relevant to implementing strategic plans,
- d) providing oversight and support to its own operating units in developing their strategic plans,
- e) ensuring appropriate consultation with operating units in the field,
- f) managing the review and approval of strategic plans for operating units under its authority, with concurrence from M, PPC, GC, regional bureaus, and G, and
- g) providing an analytic overview of results in its programs in conjunction with the annual bureau budget submission

7 Operating Units Operating units are responsible for

- a) developing strategic plans for program funds for which they have responsibility and authority,
- b) ensuring the participation of other interested USAID offices, partners and customers throughout planning, achieving and performance monitoring and evaluating,
- c) within the scope of its management contract, delegated authorities, and Agency directives, managing the implementation of the strategic plan, including establishing and defining authorities for strategic objective teams, achieving the objective(s) set forth in the plan, and reviewing performance and reporting annually on that performance to their respective bureaus,
- d) during the course of implementation, ensuring that their strategic objective teams gather and use performance information to manage for results, and that adequate resources are programmed for performance monitoring and evaluation

8 Strategic Objective Team A strategic objective (SO) team is responsible for managing to achieve a specific strategic objective under the direction of an operating unit The SO team's specific responsibilities include

- a) establishing its internal operating rules and procedures (consistent with its delegated authorities),
- b) involving customers and partners in collecting reviewing and interpreting performance information, and assuring that agreed-to customer needs are addressed through activities being implemented,
- c) grouping, as appropriate, results and associated activities from the SO's results framework into results packages (and regrouping as necessary),
- d) allocating resources associated with achieving the objective,
- e) developing and implementing (within subteams if appropriate) necessary and effective activities, contracts, grants and other agreements,
- f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary,
- g) using evaluative activities to determine why assistance is or is not achieving intended results,
- h) recommending to the operating unit any changes to an objective or the strategic plan,
- i) preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned,
- j) with respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective, and
- k) with respect to each strategic objective team member, advancing a common team effort to achieve the strategic objective assigned to the team, and implementing his or her specific responsibilities and authorities on that team

202 4 Definitions

1 Activity An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units. In a program context, i.e., in the context of results frameworks and strategic objectives, an activity may include any action used to advance the achievement of a given result or objective whether financial resources are used or not. E.g. an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to provide technical assistance and commodities in a particular area. (Also within

this context, for the purposes of the New Management Systems [see definition], "activity" includes the strategic objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency

2 Activity Manager That member of the strategic objective or results package team designated by the team to manage a given activity or set of activities

3 Agency Goal A long-term development result in a specific area to which USAID programs contribute and which has been identified as a specific goal by the Agency (See also Operating Unit Goal)

4 Agency Mission The ultimate purpose of the Agency's programs, it is the unique contribution of USAID to our national interests There is one Agency mission

5 Agency Objective A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal Several Agency objectives contribute to each Agency goal Changes in Agency objectives are typically observable only every few years

6 Agency Program Approach A program or tactic identified by the Agency as commonly used to achieve a particular objective Several program approaches are associated with each Agency objective

7 Agency Strategic Plan The Agency's plan for providing development assistance, the strategic plan articulates the Agency's mission, goals, objectives, and program approaches

8 Agency Strategic Framework A graphical and/or narrative representation of the Agency's strategic plan, the framework is a tool for communicating USAID's development strategy The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs

9 Agent An individual or organization under contract with USAID

10 Agreement An agreement is the formal mutual consent of two or more parties The Agency employs a variety of agreements to formally record understandings with other parties, including grant agreements, cooperative agreements, strategic objective agreements, memorandum of understanding, contracts and limited scope grant agreements In most cases, the agreement identifies the results to be achieved, respective roles and contributions to resource requirements in pursuit of a shared objective within a given time frame

11 Assistance Mechanism A specific mode of assistance chosen to address an intended development result Examples of mechanisms include food aid, housing guaranties, debt-for-nature swaps, endowments, cash

transfers, etc

12 Baseline See Performance Baseline

13 Causal Relationship A plausible cause and effect linkage, i.e. the logical connection between the achievement of related, interdependent results

14 Critical Assumption In the context of developing a results framework, critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework. Examples might be the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program. A critical assumption differs from an intermediate result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO.

15 Customer An individual or organization who receives USAID services or products, benefits from USAID programs or who is affected by USAID actions

15a Intermediate Customer A person or organization, internal or external to USAID, who uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers

15b Ultimate Customer Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results

16 Customer Representative Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance

17 Customer Service Plan A document which presents the operating unit's vision for including customers and partners to achieve its objectives. This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives

18 Customer Surveys Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result or strategic objective

19 Development Experience The cumulative knowledge derived from implementing and evaluating development assistance programs. Development experience is broader in scope than "lessons learned" and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms etc

20 Development Information The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions

21 Evaluation A relatively structured, analytic effort undertaken selectively to answer specific management questions regarding USAID-funded assistance programs or activities In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability It addresses the validity of the causal hypotheses underlying strategic objectives and embedded in results frameworks Evaluative activities may use different methodologies or take many different forms, e g , ranging from highly participatory review workshops to highly focused assessments relying on technical experts

22 Global Programs or Activities Global programs or activities refer to USAID programs or activities which take place across various regions, (i e they are trans-regional in nature) These types of programs are most often managed by central operating bureaus such as BHR or the G Bureau

23 Goal See Operating Unit Goal or Agency Goal

24 Implementation Letters Formal correspondence, numbered sequentially, between USAID and public sector entities pursuant to a duly signed agreement

25 Indicator See Performance Indicator

26 Input The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs

27 Interim Performance Target A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target

28 Intermediate Result A key result which must occur in order to achieve a strategic objective

29 Joint Planning A process by which an operating unit actively engages and consults with other relevant and interested USAID offices in an open and transparent manner This may occur through participation on teams or through other forms of consultation

30 Lesson Learned The conclusions extracted from reviewing a development program or activity by participants managers customers or evaluators with implications for effectively addressing similar issues/problems in another setting

31 Limited Scope Grant Agreement The Limited Scope Grant

Agreement (LSGA) is similar to the Strategic Objective Agreement but is shorter in length. It is used for obligating funds for a small activity or intervention, e.g., participant training or PD&S. Model agreements, including the LSGA, can be found in the Series 300 directives.

32 Manageable Interest See Responsibility

33 Management Contract The management contract consists of the strategic plan (including a strategic objectives and supporting results frameworks) together with official record of the guidance emerging from the review of the plan. The management contract provides, a summary of agreements on a set of strategic and other objectives, confirmation of estimated resources over the strategy period, delegations of authority, and an overview of any special management concerns.

34 Memorandum or Letter of Understanding A memorandum of understanding or letter of understanding (not used for obligating funds) sets forth the understandings of the parties regarding the objective, results to be achieved and the respective roles and responsibilities of each party in contributing toward the achievement of a given result or objective. It is particularly useful when USAID wishes to obligate through individual grants and contracts, without host government participation in those actions, but still wishes to make the host government a partner in writing to the program or activity and each party's obligations. It specifically provides for USAID implementation in the manner noted above.

35 New Management Systems The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation, assistance and acquisition, human resource management and property management.

36 Objective See Agency Objectives

37 Obligation In the event of a strategic objective agreement with a host country government, that agreement is normally the obligating agreement (unless a non-obligating MOU is used) and all grants to and contracts with private entities thereunder are subobligating agreements. If there is no strategic objective agreement, whether or not a non-obligating MOU is used, all grants to and contracts with private entities become obligating agreements.

38 Operating Unit USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a strategic objective, strategic support objective, or special objective, and which has a clearly defined set of responsibilities focussed on the development and execution of a strategic plan.

39 Operating Unit Goal A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be

identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector. An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries.

40 Output The product of a specific action, e.g., number of people trained, number of vaccinations administered.

41 Parameter A given framework or condition within which decision making takes place (i.e., Agency Goals, earmarks, legislation, etc).

42 Participation The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and taking action to bring about a desired development objective.

43 Partner An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation. Partners include private voluntary organizations, indigenous and other international non-government organizations, universities, other USG agencies, U.N. and other multilateral organizations, professional and business associations, private businesses (as for example under the U.S.-Asia Environmental Partnership), and host country governments at all levels.

44 Partner Representative An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives.

45 Partnership An association between USAID, its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives.

46 Performance Baseline The value of a performance indicator at the beginning of a planning and/or performance period. A performance baseline is the point used for comparison when measuring progress toward a specific result or objective. Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure.

47 Performance Indicator A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators serve to answer "whether" a unit is progressing towards its objective rather than why/why not such progress is being made. Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices). Quantitative indicators are preferred in most cases,

although in certain circumstances qualitative indicators are appropriate

48 Performance Information The body of information and statistical data that directly relates to performance towards overall USAID goals and objectives, as well as operating unit strategic objectives, strategic support objectives and special objectives Performance information is a product of formal performance monitoring systems, evaluative activities, customer assessments and surveys, Agency research and informal feedback from partners and customers

49 Performance Monitoring A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results A defined set of indicators is constructed to regularly track the key aspects of performance Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts (i e , results)

50 Performance Monitoring Plan A detailed plan for managing the collection of data in order to monitor performance It identifies the indicators to be tracked, specifies the source, method of collection and schedule of collection for each piece of datum required and assigns responsibility for collection to a specific office, team, or individual At the Agency level, it is the plan for gathering data on Agency goals and objectives At the Operating Unit level, the performance monitoring plan contains information for gathering data on the strategic objectives, intermediate results and critical assumptions included in an operating unit's results frameworks

51 Performance Monitoring System An organized approach or process for systematically monitoring the performance of a program, process or activity towards its objectives over time Performance monitoring systems at USAID consist of, inter alia performance indicators, performance baselines and performance targets for all strategic objectives, strategic support objectives, special objectives and intermediate results presented in a results framework, means for tracking critical assumptions, performance monitoring plans to assist in managing the data collection process, and, the regular collection of actual results data

52 Performance Target The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed A performance target is to be defined for each performance indicator In addition to final targets, interim targets also may be defined

53 Portfolio The sum of USAID-funded programs being managed by a single operating unit

54 Rapid, Low-cost Evaluations Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost timely and practical for management decision making Methodological approaches include mini-surveys, rapid appraisals, focus

groups, key informant interviews, observation, and purposive sampling, among others

55 Responsibility In the context of setting strategic objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its development partners and customers) and that it is willing to use as the standard for the judgement of progress This has also been referred to as "manageable interest "

56 Result A change in the condition of a customer or a change in the host country condition which has a relationship to the customer A result is brought about by the intervention of USAID in concert with its development partners and customers Results are linked by causal relationships, i e a result is achieved because related, interdependent result(s) were achieved Strategic objectives are the highest level result for which an operating unit is held accountable, intermediate results are those results which contribute to the achievement of a strategic objective

57 Results Framework The results framework represents the development hypothesis including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit It typically is presented both in narrative form and as a graphical representation

58 Results Package A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame An RP is managed by a strategic objective team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with (1) the principles for developing and managing activities, and (2) achievement of one or more results identified in the approved results framework The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective

The strategic objective team will define one or more RPs to support specific results from the results framework The SO team may elect to manage the package or packages itself or may create one or more subteams to manage RPs In addition strategic objective teams create modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective Thus typically a results package will be of shorter duration than its associated strategic objective

59 Results Package Data Base A results package data base consists of the data and information related to the actions, decisions events, and performance of activities under a results package

60 Results Review and Resource Request (R4) The document which is reviewed internally and submitted to USAID/W by the operating unit on an annual basis. The R4 contains two components: the results review and the resource request. Judgement of progress will be based on a combination of data and analysis and will be used to inform budget decision making.

61 Review Workshops Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period and planning for the forthcoming period. Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID. Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed.

62 Special Objective The result of an activity or activities which do not qualify as a strategic objective, but support other US government assistance objectives. A special objective is expected to be small in scope relative to the portfolio as a whole.

63 Stakeholders Individuals and/or groups who have an interest in and influence USAID activities, programs and objectives.

64 Strategic Objective The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty.

65 Strategic Objective Agreement A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective. Such an agreement between USAID and the host government may allow for third parties (e.g., NGOs) to enter into sub-agreements with either USAID or the host government or both to carry out some or all of the activities required to achieve the objective. (Details in Series 300)

66 Strategic Plan The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. The strategic plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them. A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally.

67 Strategic Support Objective Strategic support objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution Therefore, the key differentiation from a strategic objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level

68 Subgoal A higher level objective which is beyond of the operating unit's responsibility but which provides a link between the strategic objective and the operating unit goal Inclusion in operating unit plans is optional

69 Strategic Objective Team In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable Teams can include USAID employees exclusively or USAID and partner and customer representatives An SO team is a group of people who are committed to achieving a specific strategic objective and are willing to be held accountable for the results necessary to achieve that objective The SO team can establish subsidiary teams for a subset of results or to manage a results package

69a Core Team U S government employees and others who may be authorized to carry out inherently U S governmental functions such as procurement actions or obligations For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements

69b Expanded Team U S government employees and partner and customer representatives committed to achieving the strategic objective

69c Virtual Team Members of a team who are not collocated and therefore participate primarily through telecommunication systems

70 Target See Performance Target

71 U S National Interest A political/strategic interest of the United States that guides the identification of recipients of foreign assistance and the fundamental characteristics of development assistance

72 Value Engineering A management technique using a systematized approach to seek out the best functional balance between the cost, reliability, and performance of an activity or process, with a particular focus on the identification and elimination of unnecessary costs VE/VA can be used both in the design stage and as an evaluation tool

202 5 1 Managing for Results - Applicability

These provisions shall apply to all program or guarantee resources administered by USAID Emergency disaster assistance, emergency food aid authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (P L 480), and activities undertaken by operating units that have received exemptions from the requirements of strategic planning, may be exempted from some of these provisions, affected operating units shall request clarification from their respective bureau

E202 5 1 Managing for Results - Applicability - N/A

202 5 2 Strategic Objective Team

The operating unit shall establish a strategic objective team for each strategic objective, strategic support objective, and special objective defined in the approved strategic plan

E202 5 2 Strategic Objective Team - N/A

202 5 2a Composition and Responsibilities of the Strategic Objective Team

The operating unit shall establish a strategic objective team comprised of USAID personnel, agents, development partners, stakeholders and customers for the purpose of jointly working to achieve the strategic objective

E202 5 2a(1) Composition of the Strategic Objective Core and Expanded Team

The operating unit shall establish a strategic objective core team, consisting of USAID employees and others who are internal to the operating unit and who are authorized to carry out inherently U S governmental functions such as procurement actions or obligations, or who are serving on a part time or full time basis while assigned to other organizational units within the Agency (e g , Global, regional bureaus, PPC, BHR, GC, or M) This core team shall operate under the direction of the operating unit for the purpose of carrying out USAID's responsibilities for achieving the strategic objective The core team shall establish, under the direction of the operating unit, the strategic objective expanded team Together, the core and expanded teams comprise the strategic objective team The strategic objective expanded team shall consist of groups or persons who

- 1) bring significant expertise or knowledge needed for achieving the strategic objective,
- 2) represent major development partners, especially those receiving funds from USAID, others who bring to the program significant resources of their own or those who manage significant resources of others which are necessary for achieving the strategic objective,

3) represent key stakeholders, in particular those local groups and individuals who are anticipated to realize significant gains or suffer substantial losses if the strategic objective is achieved, and

4) represent major USAID customers for the strategic objective

E202 5 2a(2) Responsibilities of the Strategic Objective Expanded Team

The strategic objective expanded team shall assist in managing to achieve the strategic objective, including the following

a) identify and evaluate the assumptions and hypotheses inherent in the program's activities and in the results framework,

b) analyze and report overall performance against expected results and the strategic objective, and

c) use monitoring and evaluation information, customer surveys, analysis of performance, individual expertise, and other relevant information, to recommend approaches and to make adjustments in ongoing activities and/or in the results framework

E202 5 2a(3) Responsibilities of the Strategic Objective Core Team

In addition to the responsibilities listed in E202 5 2a(2), the strategic objective core team shall

a) carry out inherently governmental functions (e g , represent the Agency in negotiations with other organizations, policy formulation, negotiation of agreements, contracts, grants, and other functions specified in legislation or regulation as inherently governmental), and carry out other Agency responsibilities consistent with the delegations of authority to individual or classes of team members (e g , U S direct hires, foreign service nationals, personnel services contracts, etc),

b) carry out Agency responsibilities with respect to the requirements of section 202 5 5,

c) maintain information on current plans and status of activities (including planned and actual inputs and outputs) and results achievement, agreements signed, implementation letters and other relevant correspondence, any analysis performed preceding, during or after completion of activities, and other documents related to key decisions the core team and the strategic objective team make in carrying out their responsibilities,

d) create modify and disband results packages (see 202 5 4) and

e) prepare activity results package and strategic objective close out reports as necessary to summarize the results

attained, resources expended, lessons learned, and, where relevant, the benefits or processes expected to be sustainable beyond the period of USAID funding how such sustainability will be monitored, and for what time period

202 5 2b Strategic Objective Team Authorities

The operating unit shall establish the authorities and other parameters governing strategic objective team operations

E202 5 2b Strategic Objective Team Authorities

The operating unit shall specify the information below in establishing the strategic objective team

- 1) The specific strategic objective to be achieved, which shall be consistent with the approved strategic plan and the operating unit's customer service plan,
- 2) Performance measure and reporting requirements,
- 3) The responsibilities of, and authorities delegated to core team members,
- 4) The budget for achieving the strategic objective,
- 5) Other requirements or conditions which the operating unit shall deem necessary to ensure the core team is capable of carrying out its responsibilities in accordance with these directives and any special conditions that may pertain to the strategic objective approval pursuant to the management contract

202 5 3 Including the Views of Customers and Stakeholders

Operating units and their core teams, in seeking to include the views of customers or stakeholders in the deliberations of strategic objective teams shall meet such requirement through one or more of the following means

- direct representatives of customers sitting on the team, or
- representatives from associations, non-governmental organizations, informal groups or collections of individuals, who the strategic objective team deems competent to serve on the team, or
- members of the strategic objective core team or USAID development partners eliciting input through normally accepted means from customers or their representatives including key informants that provide sufficient information to inform the decisions of the strategic objective team with respect to the needs desires, and wants of the customer Normally accepted means shall include but not be limited to focus groups, town

meetings, formal and informal consultations, systematic formalized customer surveys or research, rapid appraisal methods that involve customers, or other means that the Agency may from time to time include as acceptable means of acquiring customer input

E202 5 3 Including the Views of Customers and Stakeholders N/A

202 5 4 Results Package

With guidance from and representing the strategic objective expanded team, the strategic objective core team shall create, modify and disband results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective (See also 202 6 1)

E202 5 4a Establishment of Results Packages

With guidance from and representing the strategic objective expanded team, the core team shall establish one or more results packages from the results framework Results packages may be managed by the strategic objective team or by a subgroup established by that team (a results package team) Each results package shall include

- a) the set of activities designed to achieve the results in the results package,
- b) information or analysis required for the strategic objective team to approve activities,
- c) explanation of how activities will achieve the intended results, including linkages between USAID, intermediaries and ultimate customers,
- d) identification of personnel, including appropriate USAID staff and representatives of partners and customers, with the knowledge and capacity needed to deliver the specified result(s),
- e) identification of clearly defined responsibilities and authorities sufficient to ensure decisions can be made which are necessary to results achievement, consistent with Agency conflict of interest requirements,
- f) funding from USAID and partner organizations sufficient to carry out the activities required to deliver the specified results, and,
- g) a performance monitoring plan indicating how results will be monitored and measured

E202 5 4b Creating, Disbanding, or Modifying the Results Package

With guidance from and representing the strategic objective expanded team, the core team shall create, disband or modify results packages as necessary to ensure the achievement of the strategic objective The

team shall also monitor, assess, and evaluate, as necessary, the performance of agreements and other actions to ensure that intended results are being achieved

202 5 5 Principles for Developing and Managing Activities

Strategic objective teams shall develop and manage activities to

- seek to maximize the impact of scarce development resources,
- ensure the prudent stewardship of USAID resources,
- manage for results, and
- Comply with applicable USAID policies

E202 5 5 Principles for Developing and Managing Activities

Teams shall carry out the following functions in developing and managing activities

a) seek commitment of all relevant development partners and stakeholders, in the public and private sectors, to USAID-financed efforts, collaborate closely with customers, partners, stakeholders, and other donors to develop complementary programs and leverage additional resources wherever possible, assure that the policy and institutional framework exists or is developed to support the USAID investment, and seek sustainable solutions to development problems, including the active participation of local organizations and communities during and after USAID's involvement

b) apply lessons learned from prior USAID and other donor experience, select development strategies that seek to maximize the probability of achieving approved objectives and minimize costs, including USAID management costs, examine design feasibility, soundness, and cost-benefit or cost effectiveness, including careful consideration of alternate approaches and alternative delivery mechanisms and reporting on the costs and risks associated with USAID-financed activities

c) ensure that all USAID-financed agreements (strategic objective agreements, grants, contracts, cooperative agreements, etc) have clear performance targets and accountability standards, define procedures for monitoring, evaluating, and reporting on the results of USAID assistance, create plans and program support systems which are sufficiently flexible to enable USAID and its development partners to respond to customer needs and complex and changing circumstances experiment with new and innovative approaches to development problems to enhance the probability of success, use performance information on program results to inform decisions on future direction of the program activities (See Series 200, chapter 203, for guidance on performance targets and

Series 300 for guidance on specific agreements)

202 5 5a Criteria To Be Met By Approved Activities

Activities developed pursuant to an approved strategic plan shall meet the following three criteria

- show how USAID resources (program and operating expense funds and personnel) will be used to support the achievement of result(s) in the results framework of the operating unit's approved strategic plan,
- ensure USAID and its partners can meet their fiduciary responsibilities for USAID funds, and
- provide a framework for monitoring the activity's contribution to the results in the results framework (See Supplementary Reference 202 6 5 for suggestions regarding activity development and monitoring)

E202 5 5a Criteria To Be Met by Approved Activities

The strategic objective team shall select from a variety of tactics in pursuing a given activity In some instances, the tactic shall involve the deployment of one or more USAID staff members to achieve a desired outcome, such as a change in host country policy In other, more complex instances, the tactic shall involve a particular assistance agreement specifying the roles, responsibilities, contributions, performance monitoring and other arrangements necessary to accomplish the desired outcome of a given activity Such agreements shall include a memorandum of understanding, particularly when more than two parties are involved in a common undertaking, a bilateral agreement with a host government entity, a strategic objective agreement, where the intent is to confirm understandings for an entire strategic objective, a grant agreement or cooperative agreement with a non-governmental organization (NGO) or a limited scope grant agreement for small scale bilateral activities (See the Series 300 directives for additional discussion and examples of assistance agreements)

202 5 5b Developing and Managing USAID Financed or Supported Activities

In developing and managing USAID financed or supported activities, including activities that do not involve program funds, USAID managers and teams shall ensure that the substance and design of such activities meet the policy requirements promulgated by USAID (see also 202 5 7 through 202 5 10, which contain additional statutory or regulatory requirements that may be applicable to the design and management of specific activities)

E202 5 5b Developing and Managing USAID Financed or Supported Activities

There are numerous policy requirements that define how USAID develops activities For example there are unique requirements associated with

food aid programs, housing guaranty programs, and others that need to be taken into account when relevant to the activity to be undertaken. Below is an index of current policies with cross references to the location of relevant policy requirements and their associated essential procedures.

- Policy Papers and Policy Determinations (see HB 1),
- Agency Strategic Framework (Series 200, Chapter 201)
- Housing Guaranty Programs (see Chapter 2xx),
- International Disaster Assistance (see Chapter 2xx),
- Food Aid (see Chapter 2xx),
- Participant Training (see Chapter 2xx),

202 5 6 Using Performance Information to Achieve Results

The operating units and SO teams shall remain informed of all aspects of performance relating to USAID-funded assistance in order to effectively manage for results. Performance monitoring information, evaluation findings, and information from additional formal and informal sources shall be used regularly throughout management processes. Specifically, operating units and SO teams shall use such information to

- improve the performance, effectiveness, and design of existing development assistance activities,
- revise operating unit strategies including objectives and results frameworks, where necessary,
- plan new activities, intermediate results or objectives,
- make informed decisions whether to revise or terminate results packages and/or individual activities which are not achieving intended results, and,
- document findings on the impact of development assistance

See Series 200, Chapter 203

202 5 7 Obligation and Sub-Obligation of USAID Funds

Prior to the obligation or sub-obligation of USAID funds, the USAID signatory shall ensure that the respective agreement meets applicable statutory, regulatory, and USG policy requirements (See Series 300 for information about agreements and other requirements associated with agreements). USAID managers and teams shall review the applicable checklists (see Appendix A) and ensure that financial management (see Series 500) and other requirements are met during the "managing for results" process.

E202 5 7 Obligation and Sub-Obligation of USAID Funds

The Country Checklist (see Appendix A, Country Eligibility Checklist Index), composed of items affecting the eligibility for foreign assistance of a country as a whole, shall be reviewed at the beginning of each fiscal year. In most cases, responsibility for review of the Country Checklist rests with the cognizant USAID/W bureau working in conjunction with the Assistant General Counsel for that bureau.

The Assistance Checklist (Appendix A, Part II) lists the statutory and regulatory items that directly concern assistance resources. The Assistance Checklist shall be reviewed in the field, but information shall be requested from Washington whenever necessary. USAID managers are advised to consult these checklists early in the development of activities as there are several requirements that shall be taken into account in the planning of activities. For activities funded by accounts other than Development Assistance and Economic Support Funds, consult the Regional Legal Adviser or the Assistant General Counsel for the region.

Because the statutory checklist does not include country-specific statutory requirements, consult with the Regional Legal Adviser or the Assistant General Counsel for country-specific statutory requirements.

Information about agreements and related requirements is provided in Series 300.

Information about financial management requirements is provided in Series 500.

202 5 7a Authorization to Sign or Negotiate Agreements

Only USAID personnel so designated in appropriate delegations of authority shall be authorized to negotiate or sign obligation or sub-obligation agreements on behalf of USAID.

202 5 7b Actions Prior To Approving Obligating and Sub-obligating Agreements

Prior to approving obligating and sub-obligating agreements, the USAID signatory shall ensure the following:

- that all obligation or sub-obligation of USAID funds shall be in conformance with an approved strategic plan, in support of the development of a strategic plan or strategic objective, or related to monitoring and evaluating the strategic plan, its objectives, or other activities that support the approved program,
- that the appropriate obligating or sub-obligating agreement including attachments, is used to obligate or sub-obligate USAID funds [see Series 300 for information on specific agreements],
- that organizations, who under the terms of the agreement

shall have the authority to further sub-obligate USAID funds, have met or have provision to meet USAID approved procurement and financial management standards as USAID may establish to govern such sub-obligations (see Series 300),

- that such agreement has been reviewed and approved for signature by the appropriate officials and parties as may be required pursuant to USAID's and the operating unit's standard operating procedures, as may be applicable,

- that the agreement obligating USAID funds is not in violation of the Anti-Deficiency Act (see 31 U S C , section 1341 (a)(1)), and

- that obligating agreements contain appropriate clauses to commit the recipient or grantee at a minimum to manage the activities funded by the agreement in such manner as to further the achievement of the strategic objective, to achieve specific results, and to broad consultation with USAID, other partners, customers, and other stakeholders involved in achieving the strategic objective

202 5 8 Other Agreements

Prior to entering into an agreement that does not obligate or sub-obligate USAID funds (e g , memoranda of understanding), the USAID signatory shall ensure that the respective agreement meets all applicable statutory, regulatory, and USG policy requirements (Model agreements and guidance are found in Series 300)

E202 5 8 Other Agreements N/A

202 5 8a Authorization to Negotiate or Sign Agreements

Only USAID personnel so designated in appropriate delegations of authority shall be authorized to negotiate or sign agreements on behalf of USAID

202 5 8b Responsibilities of the Signatory

The USAID signatory shall ensure that all agreements are in conformance with an approved strategic plan, in support of the development of a strategic plan or strategic objective, or related to monitoring and evaluating the strategic plan, its objectives, or other activities that support the approved program

The USAID signatory shall ensure that prior to signing an agreement on behalf of USAID that such agreement or instrument has been reviewed and approved for signature by the appropriate officials and parties as may be required pursuant to USAID's and the operating unit's standard operating procedures, as may be applicable

The USAID signatory shall ensure that agreements contain appropriate

clauses to commit the parties to the strategic objective and specific results and to broad consultation with USAID, other partners, customers, and other stakeholders involved in achieving the strategic objective

202 5 9 Information Management

Operating units shall ensure information relevant to the management of program resources is developed, used, and recorded

E202 5 9 Information Management

Operating units shall ensure that implementation letters are used to record major developments in carrying out USAID financed programs with public sector entities, where the communication is between USAID and other parties pursuant to a duly signed agreement entered into by USAID. Areas covered by implementation letters shall include, but are not limited to formal interpretations of agreements, satisfaction of conditions precedent to disbursement, funding commitments, and mutually agreed upon modifications to program descriptions (See 202 6 2 for additional guidance on implementation letters)

E202 5 9a Operating Units' Information Management Responsibilities

Operating units shall ensure that all relevant decisions, analyses, and other material and information necessary to document compliance with these directives are available to authorized persons, and are maintained through the respective unit's official filing system (See Appendix B)

E202 5 9b USAID Managers Information Management Responsibilities

USAID managers shall ensure that correspondence, reports, memoranda, and other information and documentation required for managing the achievement of strategic plans, objectives, results packages, activities, and agreements are prepared, issued, retained and kept current in accordance with the appropriate USAID policy governing such correspondence and records [see Series 500, Chapter 508, Electronic Records Management]

APPENDIX A

I COUNTRY ELIGIBILITY CHECKLIST INDEX

A CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

- 1 Narcotics Certification [FAA Sec 490]
- 2 Indebtedness to U S Citizens [FAA Sec 620(c)]
- 3 Seizure of U S Property [Foreign Relations Authorization Act, FY 1994 and FY 1995 Sec 527]
- 4 Communist and Other Countries [FAA Sections 620(a), 620(f), 620(d), and FY 1995 Appropriations Act Sections 507, 523]
- 5 Mob Action [FAA Sec 620(j)]
- 6 OPIC Investment Guaranty (FAA 620(i))
- 7 Seizure of U S Fishing Vessels [FAA Sec 620(o), Fishermen's Protective Act of 1967 as amended, Sec 5]
- 8 Loan Default (FAA Sec 620(q), FY 1995 Appropriations Act Sec 512 (Brooke Amendment))
- 9 Military Equipment [FAA Sec 620(s)]
- 10 Diplomatic Relations with U S [FAA Sec 620(t)]
- 11 U N Obligations [FAA Sec 620(u)]
- 12 International Terrorism Sanctuary and support [FY 1995 Appropriations Act sec 529, FAA Sec 620(a)]
- 13 Airport Security [ISDCA of 1985 Sec 552(b)]
- 14 Compliance with UN Sanctions [FY 1995 Appropriations Act Sec 538]
- 15 Countries that Export Lethal Military Equipment [FY 1995 Appropriations Act Sec 563]
- 16 Discrimination [FAA Sec 666(b)]
- 17 Nuclear Technology [Arms Export Control Act Sections 101, 102]
- 18 Algiers Meeting [ISDCA of 1981, Sec 720]
- 19 Military Coup [FY 1995 Appropriations Act sec 508]

- 20 Exploitation of Children [FAA Sec 116(b)]
- 21 Parking Fines [FY 1995 Appropriations Act Sec 564]

B CRITERIA APPLICABLE ONLY TO DEVELOPMENT ASSISTANCE

Human Rights Violations [FAA Sec 116]

C CRITERIA APPLICABLE ONLY TO ECONOMIC SUPPORT FUNDS

Human Rights Violations [FAA Sec 502B]

II ASSISTANCE CHECKLIST INDEX

A CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

- 1 Host Country Development Efforts (FAA Sec 601(a))
- 2 U S Private Trade and Investment (FAA Sec 601(b))
- 3 Congressional Notification
 - a General requirement (FY 1995 Appropriations Act Sec 515, FAA Sec 634A)
 - b Special notification requirement (FY 1995 Appropriations Act Sec 520)
 - c Notice of account transfer (FY 1995 Appropriations Act Sec 509)
 - d Cash transfers and nonproject sector assistance (FY 1995 Appropriations Act Sec 536(b)(3))
- See additional guidance in Supplementary Reference entitled "Congressional Notification "
- 4 Engineering and Financial Plans (FAA Sec 611(a))
- 5 Legislative Action (FAA Sec 611(a)(2))
- 6 Water Resources (FAA Sec 611(b))
- 7 Cash Transfer/Nonproject Sector Assistance Requirements (FY 1995 Appropriations Act Sec 536)
- 8 Capital Assistance (FAA Sec 611(e))
- 9 Multiple Country Objectives (FAA Sec 601(a))
- 10 U S Private Trade (FAA Sec 601(b))

- 11 Local Currencies
 - a Recipient Contributions (FAA Sections 612(b), 636(h))
 - b U S -Owned Currency (FAA Sec 612(d))
- 12 Trade Restrictions
 - a Surplus Commodities (FY 1995 Appropriations Act Sec 513(a))
 - b Textiles (Lautenberg Amendment) (FY 1995 Appropriations Act Sec 513(c))
- 13 Tropical Forests (FY 1991 Appropriations Act Sec 533(c) (3) (as referenced in section 532(d) of the FY 1993 Appropriations Act)
- 14 PVO Assistance
 - a Auditing and registration (FY 1995 Appropriations Act Sec 560)
 - b Funding sources (FY 1995 Appropriations Act, Title II, under heading "Private and Voluntary Organizations")
- 15 Agreement Documentation (State Authorization Sec 139 (as interpreted by conference report))
- 16 Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec 2, and as implemented through A I D policy)
- 17 Abortions (FAA Sec 104(f), FY 1995 Appropriations Act Title II, under heading "Population, DA," and Sec 518)
- 18 Cooperatives (FAA Sec 111)
- 19 U S -Owned Foreign Currencies
 - a Use of currencies (FAA Sections 612(b), 636(h), FY 1995 Appropriations Act Sections 503, 505)
 - b Release of currencies (FAA Sec 612(d))
- 20 Procurement
 - a Small business (FAA Sec 602(a))
 - b U S procurement (FAA Sec 604(a))
 - c Marine insurance (FAA Sec 604(d))
 - d Insurance (FY 1995 Appropriations Act Sec 531)
 - e Non-U S agricultural procurement (FAA Sec 604(e))

- f Construction or engineering services (FAA Sec 604(g))
 - g Cargo preference shipping (FAA Sec 603))
 - h Technical assistance (FAA Sec 621(a))
 - i U S air carriers (International Air Transportation Fair Competitive Practices Act, 1974)
 - j Consulting services (FY 1995 Appropriations Act Sec 559)
 - k Competitive Selection Procedures (FAA Sec 601(e))
 - l Notice Requirement (FY 1995 Appropriations Act Sec 568)
- 21 Construction
 - a Capital Assistance (FAA Sec 601(d))
 - b Construction contract (FAA Sec 611(c))
 - c Large projects, Congressional approval (FAA Sec 620(k))
 - 22 U S Audit Rights (FAA Sec 301(d))
 - 23 Communist Assistance (FAA Sec 620(h))
 - 24 Narcotics
 - a Cash reimbursements (FAA Sec 483)
 - b Assistance to narcotics traffickers (FAA Sec 487)
 - 25 Expropriation and Land Reform (FAA Sec 620(g))
 - 26 Police and Prisons (FAA Sec 660)
 - 27 CIA Activities (FAA Sec 662)
 - 28 Motor Vehicles (FAA Sec 636(1))
 - 29 Export of Nuclear Resources (FY 1995 Appropriations Act Sec 506)
 - 30 Publicity or Propaganda (FY 1995 Appropriations Act Sec 554)
 - 31 Exchange for Prohibited Act (FY 1995 Appropriations Act Sec 533)
 - 32 Commitment of Funds (FAA Sec 635(h))
 - 33 Impact on U S Jobs (FY 1995 Appropriations Act, Sec 545)
 - 34 Environmental Considerations (22 CFR Part 216 [USAID Regulation 16] also applicable to NIS per FY 1995 Appropriation Act [Levin Amendment] see also items 11 12 and 13 under Criteria Applicable to Development Assistance Only)

B CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

- 1 Agricultural Exports (Bumpers Amendment) (FY 1995 Appropriations Act Sec 513(b), as interpreted by conference report for original enactment)
- 2 Tied Aid Credits (FY 1995 Appropriations Act, Title II, under heading "Economic Support Fund")
- 3 Appropriate Technology (FAA Sec 107)
- 4 Indigenous Needs and Resources (FAA Sec 281(b))
- 5 Economic Development (FAA Sec 101(a))
- 6 Special Development Emphases (FAA Sections 102(b), 113, 281(a))
- 7 Recipient Country Contribution (FAA Secs 110, 1(d))
[See additional guidance in Supplementary Reference entitled "Guidance on Host Country Contribution under Section 110 of the FAA "]
- 8 Benefit to Poor Majority (FAA Sec 128(b))
- 9 Contract Awards (FAA Sec 601(e))
- 10 Disadvantaged Enterprises (FY 1995 Appropriations Act Sec 555)
- 11 Environmental Impact Review (FAA Section 117, addressed under 22 CFR Part 216, see also item 34 under "Criteria Applicable to DA and ESF ")
- 12 Tropical Forests (FAA Section 118, FY 1991 Appropriations Act Section 533(c) as referenced in Sections 532(d) of the FY 1993 Appropriations Act, see also item 34 under "Criteria Applicable to DA and ESF ")
- 13 Biological Diversity (FAA Section 119(g), see also item 34 under "Criteria Applicable to DA and ESF ")
- 14 Energy (FY 1991 Appropriations Act Sec 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act)
- 15 Debt-for-Nature Exchange (FAA Sec 463)
- 16 Deobligation/Reobligation (FY 1995 Appropriations Act Sec 510)
- 17 Loans
 - a Repayment capacity (FAA Sec 122(b))
 - b Long-range plans (FAA Sec 122(b))
 - c Interest rate (FAA Sec 122(b))
 - d Exports to United States (FAA Sec 620(d))

18 Development Objectives (FAA Sections 102(a), 111, 113, 281(a))

19 Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Sections 103 and 103A)

20 Population and Health (FAA Sections 104(b) and (c))

21 Education and Human Resources Development (FAA Sec 105)

22 Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec 106)

23 Capital Assistance (Jobs Through Export Act of 1992, Sections 303 and 306(d))

C CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

1 Economic and Political Stability (FAA Sec 531(a))

2 Military Purposes (FAA Sec 531(e))

3 Commodity Grants/Separate Accounts (FAA Sec 609)

4 Generation and Use of Local Currencies (FAA Sec 531(d)) (For FY 1995, this provision is superseded by the separate account requirements of FY 1995 Appropriations Act Sec 536(a), see Sec 536(a)(5))

5 Capital Activities (Jobs Through Exports Act of 1992, Sec 306)

APPENDIX B

OFFICIAL FILES

- I By Strategic Objective
 - A Obligation Documents
 - 1 Bilateral
 - a Grant and Loan Agreements
 - 2 Nonbilateral
 - a Contracts
 - b Grants
 - c Purchase Orders
 - d Interagency Agreements
 - e PASAs
 - f RSSAs
 - B Nonobligating Agreements
 - a Memoranda of Understanding
 - C Implementation Orders
 - 1 IO/Ts
 - 2 IO/Cs
 - 3 IO/Ps
 - D Implementation Letters
 - E Results Frameworks and Associated Results Package Documents
 - F Closeout Reports
 - G Audits
 - H Performance Monitoring documents
 - 1 Plans
 - 2 Results Reviews
 - 3 Supporting Documentation
 - 4 Evaluations
 - I Budget Information
 - J Resource Requests
 - K Congressional Notifications
 - L Waivers
 - M Environmental Reviews
 - N SO team delegations and membership lists
 - 1 Subteam information (as appropriate)
 - O Statutory checklists
- II General information, not SQ-specific
 - A Strategic Plan
 - B Management Contract
 - C Customer Service Plan
 - D Results Review and Resource Request
 - E Obligating documents not related to one individual SO (e.g., contracts which include activities for two or more objectives)
 - F Congressional Presentation
 - G Audits
 - H Performance Monitoring Plan (may be for the overall strategic plan not just specific objectives)

202 6 Supplementary References (202 6 1 - 202 6 6 are reserved)

- 202 6 1 Team Development
- 202 6 2 Implementation Letters
- 202 6 3 Statutory Checklist Criteria
- 202 6 4 Analyses
 - 202 6 4a Financial Analysis
 - 202 6 4b Economic Analysis
 - 202 6 4c Social Soundness Analysis
 - 202 6 4d Administrative Analysis
 - 202 6 4e Environmental Analysis
 - 202 6 4f Technical Analysis
- 202 6 5 Developing and Monitoring Activities
- 202 6 6 Congressional Notification
- 202 6 7 Characteristics of Results Packages

Strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective. Thus, typically a results package will be of shorter duration than its associated strategic objective. Some of the characteristics of results packages include specification of

- One or more results from the results framework which personnel assigned to the results package are tasked with producing,
- The set of activities and their respective agreements with USAID development partners and customers designed to achieve one or more results from the results framework,
- How activities will achieve the intended results including linkages between USAID, intermediaries and ultimate customers
- Personnel, including appropriate USAID staff and representatives of partners and customers, with the knowledge and capacity needed to deliver the specified result(s)
- Responsibilities and authorities clearly defined with respect to the personnel assigned to the results package

- Funding from USAID and partner organizations sufficient to carry out the activities required to deliver the specified results, and,

- Information on the elements identified above as well as how performance will be monitored and measured, current plans and status of activities and results achievement, agreements signed, implementation letters and other relevant correspondence, any analysis performed preceding, during or after completion of activities, and other documents related to key decisions the assigned personnel make in carrying out their responsibilities

Major Functional Series 200 Program Assistance
Chapter 203 Managing for Results Monitoring and Evaluating Performance

203 1 Authority

203 2 Objective

203 3 Responsibilities

- 1 Bureau for Policy and Program Coordination (PPC)
- 2 Bureau for Management (M)
- 3 Office of General Counsel
- 4 Regional Bureau
- 5 Global Bureau (G)
- 6 Bureau for Humanitarian Response (BHR)
- 7 Operating Units
- 8 Strategic Objective Team

201 4 Definitions

203 5 Policy & E203 5 Essential Procedures

203 5 1 Core Monitoring and Evaluation Policy

203 5 1a Performance Monitoring

203 5 1b Evaluation

203 5 1c Other Sources of Information

203 5 2 Using Information to Manage for Results

203 5 3 Participation in Performance Monitoring and Evaluation

203 5 3a Building Performance Monitoring and Evaluation Capacity

203 5 3b Information Sharing

203 5 4 Resources for Performance Monitoring and Evaluation

E203 5 4

203 5 5 Performance Monitoring

203 5 5a Operating unit Results Framework-Level Performance Monitoring

203 5 5b Operating Unit Special Objectives, Exceptions and Special Cases

203 5 5c Operating Unit Activity-Level Monitoring

203 5 5d Development Monitoring at the Overall Agency Level

203 5 5e Quality of Performance Data

E203 5 5 Performance Monitoring

E203 5 5(1) Performance Indicators

E203 5 5(2) Performance Monitoring Plans

E203 5 5(3) Establishing Performance Baselines

E203 5 5(4) Collection of Performance Data Frequency and Standards

E203 5 5(5) Data Quality

203 5 6 Evaluation

203 5 6a Planning and Conducting Evaluations

E203 5 6a Planning and Conducting Evaluations

E203 5 6a(1) The Decision to Evaluate at the Operating Unit

E203 5 6a(2) Planning and Conducting Evaluations at the Overall Agency Level

E203 5 6a(3) The Focus and Purpose of Evaluations

203 5 6b Evaluation Follow-up and Documentation
E203 5 6b
E203 5 6b(1) Evaluation Reports
E203 5 6b(2) Electronic Submissions of Evaluation Documentation
E203 5 6b(3) Translating an Evaluation Report

203 5 7 Other Sources of Information for Managing for Results
E203 5 7

203 5 8 Review of Performance Information
203 5 8a Operating Unit Internal Reviews
203 5 8a(1) Results Framework-Level Reviews
203 5 8a(2) Activity-Level Review
203 5 8a(3) Participation in Reviews
203 5 8b Bureau Reviews of Operating Units
203 5 8c Review of Overall Agency Performance

203 5 9 Reporting and Disseminating Performance Information
E203 5 9
203 5 9a Operating Unit R4 Report
203 5 9b Reporting on Agency Performance
E203 5 9b
203 5 9c Meeting Other External Reporting Requirements
E203 5 9c
203 5 9d Dissemination of Performance Findings
203 5 9e Special Requests for Performance Information

203 6 Supplementary References (Reserved)

203 1 Authorities

- 1 The Foreign Assistance Act (FAA) of 1961, as amended
- 2 The Government Performance and Results Act of 1993, Public Law 102-62 (GPRA)
- 3 Chief Financial Officers Act of 1990, Public Law 101-576 (November 15, 1990)
- 4 Government Management Reform Act of 1994, Public Law 103-356 (October 13, 1994)
- 5 Agricultural Trade and Development and Assistance Act of 1954, as amended (P L 480)
- 6 SEED Act of 1989
- 7 Federal Manager's Financial Integrity Act of 1982

203 2 Objective

To establish the framework for monitoring and evaluating overall Agency and operating unit performance Towards this end, to insure that the Agency and its operating units regularly collect and review data and information related to performance in order to continuously improve

- the planning and implementation of development assistance,
- the effectiveness of management decisions and processes,
- the means by which the Agency learns through its experience,
- the ability of the Agency to meet accountability and reporting requirements

203 3 Responsibilities

- 1 Bureau for Policy and Program Coordination (PPC) PPC is responsible for
 - a) establishing Agency policy regarding strategic planning requirements,
 - b) developing and articulating the Agency's strategic plan and framework,
 - c) issuing annual planning guidance to include resource parameters and program priorities in a timely manner,
 - d) providing guidance on any special legislation which affects

strategic planning,

- e) reviewing and approving supplemental planning guidance issued by the operating bureaus,
- f) reviewing and concurring with operating unit strategic plans for conformance with Agency goals and program policies,
- g) conducting the Agency review of bureau budget submissions with the M Bureau,
- h) establishing and maintaining a monitoring system for Agency goals and objectives,
- i) coordinating the review of Agency performance, and reporting on that performance,
- j) providing technical leadership in developing Agency and operating unit performance monitoring and evaluation systems,
- k) evaluating the effectiveness of Agency program strategies and other strategies used by operating units to achieve objectives,
- l) conducting evaluations on issues related to the delivery of development assistance of interest to the Agency or its stakeholders,
- m) maintaining the Agency's database of development information and development experience and acting as a repository for Agency lessons learned, and
- n) supporting its operating units in achieving approved objectives, and reviewing annually those units' performance in achieving their objectives

2 Bureau for Management (M) M is responsible for

- a) analyzing the resource requirements necessary to meet Agency goals,
- b) establishing indicative budget planning levels for operating bureaus in a timely manner,
- c) reviewing and concurring with operating unit strategic plans for consistency with anticipated resource availability,
- d) conducting the Agency review of bureau budget submissions with PPC,
- e) ensuring that performance and results information are used in Agency resource allocation decision making,

f) preparing the Agency's annual budget request for OMB and Congress,

g) monitoring budget implementation, and

h) assisting PPC with establishing and maintaining the monitoring system for Agency goals and objectives, and reviewing and reporting on overall Agency performance

3 Office of General Counsel (GC) GC is responsible for

a) assuring that proposed activities are in compliance with all legal requirements,

b) assuring that such activities and their implementation were not in violation of any prohibitions against assistance, and

c) assuring that agreements with host countries, and other agreements as appropriate, meet the agency's requirements

4 Regional Bureau Each regional bureau is responsible for

a) providing oversight and support to operating units in the strategic planning process, ensuring that strategic plans are in place for each operating unit,

b) providing supplemental policy guidance addressing concerns unique to the region as necessary,

c) establishing indicative country levels for budget planning prior to the initiation of the strategic planning process and the annual results review and resource request (R4) submission,

d) managing the Agency review of strategic plans for operating units under its authority,

e) reviewing strategic plans from its operating units as well as those from Global Bureau (G) and Bureau for Humanitarian Response (BHR) operating units for consistency with regional priorities and geopolitical considerations,

f) approving country and regional strategic plans under its purview with concurrence from Management (M), Policy and Program Coordination (PPC), General Counsel (GC), BHR (as appropriate), and G,

g) providing an analytic overview of results in the region in conjunction with the annual bureau budget submission,

h) supporting its respective operating units overseas and, in USAID Washington (USAID/W), in achieving approved objectives, pursuant to the management contracts established following the review and approval of strategic plans,

- 1) reviewing and assessing the performance of each of its operating units in achieving that unit's objectives,
- j) coordinating the participation in these reviews of PPC, M, G, and BHR, and
- k) participating in the review of overall Agency performance

5 Global Bureau (G) G is responsible for

- a) assisting overseas and USAID/W operating units by providing technical leadership and guidance in the development and review of strategic plans,
- b) organizing the provision to all operating units of central technical resources which are relevant to implementation of strategic plans,
- c) providing assistance to PPC in establishing and maintaining the monitoring system for Agency goals and objectives,
- d) participating in regional bureau reviews of field mission performance, and in the review of overall Agency performance,
- e) providing oversight and support to its own operating units in developing their strategic plans, ensuring appropriate consultation in this process with operating units in the field, managing the Agency review of those plans, and approving the plans with concurrence from M, PPC, GC, BHR (as appropriate) and regional bureaus, and
- f) supporting its operating units in achieving approved objectives, and reviewing (in consultation with PPC, M, BHR and regional bureaus) and reporting annually those units' performance in achieving their objectives

6 Bureau for Humanitarian Response (BHR) BHR is responsible for

- a) providing technical leadership and guidance in planning and implementation to all operating units in the area of humanitarian assistance, food aid, and programs which are in transition from relief to development as appropriate,
- b) reviewing operating unit strategic plans to assure humanitarian disaster relief, food aid, and transitional concerns are appropriately addressed, and participating in other bureau reviews of their respective operating units' performance,
- c) organizing the provision of resources under its purview relevant to implementing strategic plans
- d) providing oversight and support to its own operating units in developing their strategic plans,

e) ensuring appropriate consultation with operating units in the field,

f) managing the review and approval of strategic plans for operating units under its authority, with concurrence from M, PPC, GC, regional bureaus, and G, and

g) providing an analytic overview of results in its programs in conjunction with the annual bureau budget submission

7 Operating Units Operating units are responsible for

a) developing strategic plans for program funds for which they have responsibility and authority,

b) ensuring the participation of other interested USAID offices, partners and customers throughout planning, achieving and performance monitoring and evaluating,

c) within the scope of its management contract, delegated authorities, and Agency directives, managing the implementation of the strategic plan, including establishing and defining authorities for strategic objective teams, achieving the objective(s) set forth in the plan, and reviewing performance and reporting annually on that performance to their respective bureaus,

d) during the course of implementation, ensuring that their strategic objective teams gather and use performance information to manage for results, and that adequate resources are programmed for performance monitoring and evaluation

8 Strategic Objective Team A strategic objective (SO) team is responsible for managing to achieve a specific strategic objective under the direction of an operating unit The SO team's specific responsibilities include

a) establishing its internal operating rules and procedures (consistent with its delegated authorities),

b) involving customers and partners in collecting, reviewing and interpreting performance information and assuring that agreed-to customer needs are addressed through activities being implemented

c) grouping, as appropriate, results and associated activities from the SO's results framework into results packages (and regrouping as necessary),

d) allocating resources associated with achieving the objective,

e) developing and implementing (within subteams if appropriate)

necessary and effective activities, contracts, grants and other agreements,

f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary,

g) using evaluative activities to determine why assistance is or is not achieving intended results,

h) recommending to the operating unit any changes to an objective or the strategic plan,

i) preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned,

j) with respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective, and

k) with respect to each strategic objective team member, advancing a common team effort to achieve the strategic objective assigned to the team, and implementing his or her specific responsibilities and authorities on that team

203 4 Definitions

1 Activity An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units In a program context, i e , in the context of results frameworks and strategic objectives, an activity may include any action used to advance the achievement of a given result or objective, whether financial resources are used or not E g , an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to provide technical assistance and commodities in a particular area (Also within this context, for the purposes of the New Management Systems [see definition], "activity" includes the strategic objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency

2 Activity Manager That member of the strategic objective or results package team designated by the team to manage a given activity or set of activities

3 Agency Goal A long-term development result in a specific area to which USAID programs contribute and which has been identified as a specific goal by the Agency (See also Operating Unit Goal)

4 Agency Mission The ultimate purpose of the Agency's programs, it

is the unique contribution of USAID to our national interests There is one Agency mission

5 Agency Objective A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal Several Agency objectives contribute to each Agency goal Changes in Agency objectives are typically observable only every few years

6 Agency Program Approach A program or tactic identified by the Agency as commonly used to achieve a particular objective Several program approaches are associated with each Agency objective

7 Agency Strategic Plan The Agency's plan for providing development assistance, the strategic plan articulates the Agency's mission, goals, objectives, and program approaches

8 Agency Strategic Framework A graphical or narrative representation of the Agency's strategic plan, the framework is a tool for communicating USAID's development strategy The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs

9 Agent An individual or organization under contract with USAID

10 Agreement An agreement is the formal mutual consent of two or more parties The Agency employs a variety of agreements to formally record understandings with other parties, including grant agreements, cooperative agreements, strategic objective agreements, memorandum of understanding, contracts and limited scope grant agreements In most cases, the agreement identifies the results to be achieved, respective roles and contributions to resource requirements in pursuit of a shared objective within a given time frame

11 Assistance Mechanism A specific mode of assistance chosen to address an intended development result Examples of mechanisms include food aid, housing guaranties, debt-for-nature swaps, endowments, cash transfers, etc

12 Baseline See Performance Baseline

13 Causal Relationship A plausible cause and effect linkage, i e the logical connection between the achievement of related, interdependent results

14 Critical Assumption In the context of developing a results framework critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework Examples might be the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program A critical assumption differs from an intermediate

result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO

15 Customer An individual or organization who receives USAID services or products, benefits from USAID programs or who is affected by USAID actions

15a Intermediate Customer A person or organization, internal or external to USAID, who uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers

15b Ultimate Customer Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results

16 Customer Representative Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance

17 Customer Service Plan A document which presents the operating unit's vision for including customers and partners to achieve its objectives This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives

18 Customer Surveys Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result or strategic objective

19 Development Experience The cumulative knowledge derived from implementing and evaluating development assistance programs Development experience is broader in scope than "lessons learned", and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms, etc

20 Development Information The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions

21 Evaluation A relatively structured, analytic effort undertaken selectively to answer specific management questions regarding USAID-funded assistance programs or activities In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency impact, or sustainability It addresses the validity of the causal hypotheses underlying strategic objectives and embedded in results frameworks Evaluative activities may use different methodologies or take many different forms, e g , ranging from highly participatory review workshops to highly focused

assessments relying on technical experts

22 Global Programs or Activities Global programs or activities refer to USAID programs or activities which take place across various regions, (i.e. they are trans-regional in nature) These types of programs are most often managed by central operating bureaus such as BHR or the G Bureau

23 Goal See Operating Unit Goal or Agency Goal

24 Implementation Letters Formal correspondence, numbered sequentially, between USAID and public sector entities pursuant to a duly signed agreement

25 Indicator See Performance Indicator

26 Input The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs

27 Interim Performance Target A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target

28 Intermediate Result A key result which must occur in order to achieve a strategic objective

29 Joint Planning A process by which an operating unit actively engages and consults with other relevant and interested USAID offices in an open and transparent manner This may occur through participation on teams or through other forms of consultation

30 Lesson Learned The conclusions extracted from reviewing a development program or activity by participants, managers, customers or evaluators with implications for effectively addressing similar issues/problems in another setting

31 Limited Scope Grant Agreement The Limited Scope Grant Agreement (LSGA) is similar to the Strategic Objective Agreement but is shorter in length It is used for obligating funds for a small activity or intervention, e.g., participant training or PD&S Model agreements, including the LSGA, can be found in the Series 300 directives

32 Manageable Interest See Responsibility

33 Management Contract The management contract consists of the strategic plan (including a strategic objectives and supporting results frameworks) together with official record of the guidance emerging from the review of the plan The management contract provides, a summary of agreements on a set of strategic and other objectives, confirmation of estimated resources over the strategy period delegations of authority and an overview of any special management concerns

34 Memorandum or Letter of Understanding A memorandum of

understanding or letter of understanding (not used for obligating funds) sets forth the understandings of the parties regarding the objective, results to be achieved and the respective roles and responsibilities of each party in contributing toward the achievement of a given result or objective. It is particularly useful when USAID wishes to obligate through individual grants and contracts, without host government participation in those actions, but still wishes to make the host government a partner in writing to the program or activity and each party's obligations. It specifically provides for USAID implementation in the manner noted above.

35 New Management Systems The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation, assistance and acquisition, human resource management and property management.

36 Objective See Agency Objectives

37 Obligation In the event of a strategic objective agreement with a host country government, that agreement is normally the obligating agreement (unless a non-obligating MOU is used) and all grants to and contracts with private entities thereunder are subobligating agreements. If there is no strategic objective agreement, whether or not a non-obligating MOU is used, all grants to and contracts with private entities become obligating agreements.

38 Operating Unit USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a strategic objective, strategic support objective, or special objective and which has a clearly defined set of responsibilities focussed on the development and execution of a strategic plan.

39 Operating Unit Goal A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector. An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries.

40 Output The product of a specific action, e.g., number of people trained, number of vaccinations administered.

41 Parameter A given framework or condition within which decision making takes place (i.e. Agency Goals, earmarks legislation, etc).

42 Participation The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and

taking action to bring about a desired development objective

43 Partner An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation Partners include private voluntary organizations, indigenous and other international non-government organizations, universities, other USG agencies, U N and other multilateral organizations, professional and business associations, private businesses (as for example under the U S -Asia Environmental Partnership), and host country governments at all levels

44 Partner Representative An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives

45 Partnership An association between USAID, its partners and customers based upon mutual respect complementary strengths, and shared commitment to achieve mutually agreed upon objectives

46 Performance Baseline The value of a performance indicator at the beginning of a planning and/or performance period A performance baseline is the point used for comparison when measuring progress toward a specific result or objective Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure

47 Performance Indicator A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework Performance indicators are used to observe progress and to measure actual results compared to expected results Performance indicators serve to answer "whether" a unit is progressing towards its objective, rather than why/why not such progress is being made Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices) Quantitative indicators are preferred in most cases, although in certain circumstances qualitative indicators are appropriate

48 Performance Information The body of information and statistical data that directly relates to performance towards overall USAID goals and objectives, as well as operating unit strategic objectives, strategic support objectives and special objectives Performance information is a product of formal performance monitoring systems, evaluative activities, customer assessments and surveys, Agency research and informal feedback from partners and customers

49 Performance Monitoring A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results A defined set of indicators is constructed to regularly track the key aspects of performance Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts

(1 e , results)

50 Performance Monitoring Plan A detailed plan for managing the collection of data in order to monitor performance It identifies the indicators to be tracked, specifies the source, method of collection, and schedule of collection for each piece of datum required, and assigns responsibility for collection to a specific office, team, or individual At the Agency level, it is the plan for gathering data on Agency goals and objectives At the Operating Unit level, the performance monitoring plan contains information for gathering data on the strategic objectives, intermediate results and critical assumptions included in an operating unit's results frameworks

51 Performance Monitoring System An organized approach or process for systematically monitoring the performance of a program, process or activity towards its objectives over time Performance monitoring systems at USAID consist of, inter alia performance indicators, performance baselines and performance targets for all strategic objectives, strategic support objectives, special objectives and intermediate results presented in a results framework, means for tracking critical assumptions, performance monitoring plans to assist in managing the data collection process, and, the regular collection of actual results data

52 Performance Target The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed A performance target is to be defined for each performance indicator In addition to final targets, interim targets also may be defined

53 Portfolio The sum of USAID-funded programs being managed by a single operating unit

54 Rapid, Low-cost Evaluations Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost, timely, and practical for management decision making Methodological approaches include mini-surveys, rapid appraisals, focus groups, key informant interviews, observation, and purposive sampling, among others

55 Responsibility In the context of setting strategic objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its development partners) and that it is willing to use as the standard for the judgement of progress This has also been referred to as "manageable interest "

56 Result A change in the condition of a customer or a change in the host country condition which has a relationship to the customer A result is brought about by the intervention of USAID in concert with its development partners Results are linked by causal relationships, i e a result is achieved because related, interdependent result(s) were

achieved Strategic objectives are the highest level result for which an operating unit is held accountable, intermediate results are those results which contribute to the achievement of a strategic objective

57 Results Framework The results framework represents the development hypothesis including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit It typically is presented both in narrative form and as a graphical representation

58 Results Package A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame An RP is managed by a strategic objective team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with (1) the principles for developing and managing activities, and (2) achievement of one or more results identified in the approved results framework The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective

The strategic objective team will define one or more RPs to support specific results from the results framework The SO team may elect to manage the package or packages itself, or may create one or more subteams to manage RPs In addition, strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective Thus, typically a results package will be of shorter duration than its associated strategic objective

59 Results Package Data Base A results package data base consists of the data and information related to the actions, decisions, events, and performance of activities under a results package

60 Results Review and Resource Request (R4) The document which is reviewed internally and submitted to USAID/W by the operating unit on an annual basis The R4 contains two components the results review and the resource request Judgement of progress will be based on a combination of data and analysis and will be used to inform budget decision making

61 Review Workshops Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period and planning for the forthcoming period Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed

62 Special Objective The result of an activity or activities which do not qualify as a strategic objective, but support other US government assistance objectives A special objective is expected to be small in scope relative to the portfolio as a whole

63 Stakeholders Individuals and/or groups who have an interest in and influence USAID activities, programs and objectives

64 Strategic Objective The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty

65 Strategic Objective Agreement A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective Such an agreement between USAID and the host government may allow for third parties (e g , NGOs) to enter into sub-agreements with either USAID or the host government or both to carry out some or all of the activities required to achieve the objective (Details in Series 300)

66 Strategic Plan The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary The strategic plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally

67 Strategic Support Objective Strategic support objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution Therefore, the key differentiation from a strategic objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level

68 Subgoal A higher level objective which is beyond of the operating unit's responsibility but which provides a link between the strategic objective and the operating unit goal Inclusion in operating unit plans is optional

69 Strategic Objective Team In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable Teams can include USAID employees exclusively or USAID and partner and customer representatives An SO team is a group of people who are committed to achieving a specific strategic objective and are willing to be held accountable for the results necessary to achieve that objective The SO team can establish subsidiary teams for a subset of results or to manage a results package

69a Core Team U S government employees and others who may be authorized to carry out inherently U S governmental functions such as procurement actions or obligations For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements

69b Expanded Team U S government employees and partner and customer representatives committed to achieving the strategic objective

69c Virtual Team Members of a team who are not collocated and therefore participate primarily through telecommunication systems

70 Target See Performance Target

71 U S National Interest A political/strategic interest of the United States that guides the identification of recipients of foreign assistance and the fundamental characteristics of development assistance

72 Value Engineering A management technique using a systematized approach to seek out the best functional balance between the cost, reliability, and performance of an activity or process, with a particular focus on the identification and elimination of unnecessary costs VE/VA can be used both in the design stage and as an evaluation tool

203 5 Policy & E203 5 Essential Procedures

203 5 1 Core Monitoring and Evaluation Policy

In order to effectively manage for results, the Agency shall regularly collect, review and use information on its performance At both the overall Agency and operating unit level, this information shall play a critical role in planning and management decisions and will be derived from formal performance monitoring systems, evaluative activities and other relevant sources

203 5 1a Performance Monitoring

Performance monitoring shall focus on whether and to what extent objectives at both the operating unit and Agency level are being achieved At the operating unit, strategic objective teams shall establish performance monitoring systems to regularly collect and

analyze data which will enable them to track performance and objectively report on their progress in achieving strategic objectives and intermediate results SO teams and activity managers shall also track inputs, outputs and processes to insure activities are proceeding as expected and are contributing to intermediate results and strategic objectives as anticipated (refer to Supplementary Reference 203 6 6 for further discussion on designing performance monitoring systems)

The Agency shall establish performance monitoring systems at the Agency level which enable it to track, review and report on overall progress toward the Agency's goals and objectives outlined in the Agency strategic framework (See also, 203 5 5 through 203 5 5d for more information on performance monitoring)

203 5 1b Evaluation

Evaluation shall be used to ascertain why unexpected progress, positive or negative, is being made towards a planned result When performance monitoring systems or other feedback mechanisms at the operating unit indicate that expected results are not being achieved, SO teams shall seek to determine the reason, usually through the use of one or more evaluative activities Evaluation shall also be used to explore issues related to sustainability and customer focus

At the Agency level, evaluation shall be a principal vehicle for extracting cross-cutting lessons from operating unit experiences and determining the need for modifications to the Agency strategic framework (See also, 203 5 6 through 203 5 6b for more information on evaluations)

(Refer to Supplementary Reference 203 6 18 for further discussion regarding the use of evaluation in USAID)

203 5 1c Other Sources of Information

The Agency and its operating units shall seek and use other relevant sources of information to improve their understanding of performance and to inform planning and management decisions Both formal (Agency research findings, customer surveys, experience of other development organizations) and informal (unstructured feedback from customers and partners, site visits) sources shall be considered (See also, 203 5 7)

E203 5 1 Core Monitoring and Evaluation Policy - N/A

203 5 2 Using Information to Manage for Results

The Agency, operating units and SO teams must remain informed of all aspects of performance relating to USAID-funded assistance in order to effectively manage for results Performance monitoring information evaluation findings and information from additional formal and informal sources shall be used regularly throughout planning and management processes Specifically, operating units and SO teams shall use such

information to

- improve the performance, effectiveness, and design of existing development assistance activities,
- revise Agency or operating unit strategies where necessary,
- plan new strategic objectives, results packages and/or activities,
- inform decisions whether to abandon Agency program strategies, strategic objectives or results packages which are not achieving intended results, and,
- document findings on the impact of development assistance

(Refer to Supplementary Reference 203 6 31)

E203 5 2 Using Information to Manage for Results - N/A

203 5 3 Participation in Performance Monitoring and Evaluation

Operating units and SO teams shall involve USAID customers and partners in planning approaches to monitoring performance, in planning and conducting evaluative activities, as well as in collecting, reviewing and interpreting performance information

At the agency level, USAID shall involve stakeholders and partner development organizations in the examination of overall agency performance and development information

203 5 3a Building Performance Monitoring and Evaluation Capacity

The Agency and its operating units shall attempt to build performance monitoring and evaluation capacity within recipient developing countries. Operating units shall integrate, wherever feasible, performance monitoring and evaluation activities with similar processes of host countries and other donors

203 5 3b Information Sharing

Whenever feasible and appropriate the Agency and its operating units shall participate in networks for exchange and sharing of development experience and development information resources with development partners, host country development practitioners, researchers and other donors

(Refer to Supplementary Reference 203 6 4 for additional information on partner and customer participation)

E203 5 3 Participation in Performance Monitoring and Evaluation - N/A

203 5 4 Resources for Performance Monitoring and Evaluation

Operating units and SO teams, when budgeting for strategic objectives and/or results packages, shall insure that sufficient and adequate resources (funding and personnel) are allocated to performance monitoring and evaluation activities. The Agency shall insure that adequate resources are allocated to and used in performance monitoring and evaluation functions. (See also E203 5 4)

E203 5 4 Resources for Performance Monitoring and Evaluation

When budgeting for strategic objective and results packages, teams must allow adequate funds for performance monitoring and evaluation. A target range for resource levels dedicated to monitoring and evaluation functions in SOs and RPs is 3% to 10% of the overall budget. However, factors unique to each SO/RP may lead to a decision to budget above or below that range.

Operating units and strategic objective teams are responsible for collecting information for managing for results in a cost-effective manner (consideration of cost-effectiveness issues related to data collection shall begin during the strategic planning process). If anticipated costs appear prohibitive, consideration shall be given to

- modifying performance indicators to permit less expensive approaches to regular data collection,
- modifying the approach/design of evaluative activities, considering rapid, low cost alternatives, or,
- modifying the relevant strategic objective or intermediate result, since it is not possible to judge progress at reasonable costs.

(Refer to Supplementary Reference 203 6 5 for additional information on resources for performance monitoring and evaluation)

203 5 5 Performance Monitoring

The Agency and its operating units shall establish and maintain performance monitoring systems that regularly collect data which enable the assessment of progress towards achieving results. Operating unit performance monitoring systems shall track performance at both the results framework level and the activity level. Performance monitoring systems at the Agency level shall track progress towards overall Agency goals and objectives. (See also, E203 5 5)

(Refer to Supplementary Reference 203 6 6 for further discussion on designing performance monitoring systems)

203 5 5a Operating unit Results Framework-Level Performance Monitoring

The development of performance monitoring systems at the results framework level begins during the strategic planning process. At that time operating units shall specify preliminary performance indicators

and performance targets for the strategic objectives, strategic support objectives and intermediate results presented in their results frameworks (see also Strategic Planning E201 5 10, Part II,C(7)) Following approval of their strategic plans, operating units and SO teams shall complete and operationalize their performance monitoring systems by doing the following

- Confirm and/or modify the set of performance indicators initially defined in the operating unit's strategic plan Performance indicators must be defined for all strategic objectives, strategic support objectives and intermediate results in the results framework that are directly supported by USAID funds A final working set of performance indicators must be defined prior to submission of the R4 that immediately follows approval of a strategic plan (for subsequent modification of performance indicators refer to Strategic Planning, essential procedures E201 5 14 and E201 5 15),
- Validate and/or modify the performance baselines and targets initially defined in the operating unit's strategic plan Performance baselines and targets shall be established for each performance indicator A final working set of performance baselines and targets must be defined prior to submission of the R4 that immediately follows approval of a strategic plan (for subsequent modification of baselines and targets, refer to Strategic Planning, essential procedures E201 5 14 and E201 5 15 and, for guidance on performance baselines and interim and final performance targets, see Supplementary References 203 6 8 and 203 6 9, respectively),
- Define means or approach to be used in monitoring both the results supported by development partners and critical assumptions identified in the results framework (refer to Supplementary Reference 203 6 10),
- Complete and periodically update a performance monitoring plan that provides details necessary for collecting relevant performance data and information (see also, Strategic Planning 201 5 7),
- Collect "actual results" data for each performance indicator on a regular basis (refer to Supplementary Reference 203 6 13 for additional information on performance monitoring data collection)
- Collect information on both the results supported by development partners and the status of critical assumptions on a regular basis

(See also, E203 5 5 through E203 5 5(4))

203 5 5b Operating Unit Special Objectives, Exceptions and Special Cases

Operating unit performance monitoring systems shall address special

objectives as well as special or exceptional programs, including emergency programs, small country programs and special foreign policy programs (see also, Strategic Planning 201 5 3e) To the extent possible, performance monitoring guidelines established for strategic objectives, strategic support objectives, intermediate results and activities shall be followed (see also, 203 5 5a and 203 5 5c) If it is impractical or inappropriate to follow these guidelines, operating units shall develop alternative approaches to monitoring the performance of these programs and present them to their respective bureaus for approval

203 5 5c Operating Unit Activity-Level Monitoring

SO teams and/or activity managers shall regularly collect data on inputs, outputs and processes to insure that activities are proceeding as expected and are contributing to relevant intermediate results, strategic objectives and strategic support objectives as anticipated Activity level data shall be collected at intervals consistent with the management needs of the SO team and/or activity manager (refer to Supplementary Reference 203 6 16 for additional information on activity monitoring)

203 5 5d Development Monitoring at the Overall Agency Level

The Agency shall monitor Agency performance by tracking progress towards Agency goals and objectives, and by analyzing operating unit performance information within the context of the Agency strategic framework PPC, in conjunction with other bureaus and operating units, as appropriate, shall insure that progress towards Agency goals and objectives is monitored regularly by

- developing performance indicators, including Agency-wide common indicators, for each Agency goal and objective and validating the utility and appropriateness of these indicators periodically,
- preparing and updating a performance monitoring plan that provides information necessary for regularly collecting data on the performance indicators identified for each Agency goal and objective,
- collecting data for each performance indicator of Agency goals and objectives on a regular basis

(See also, E203 5 5 through E203 5 5(4))

203 5 5e Quality of Performance Data

The Agency and its operating units shall, at regular intervals, critically assess the data they are using to monitor performance to insure they are of reasonable quality and accurately reflect the process or phenomenon they are being used to measure (See also, E203 5 5(5))

E203 5 5 Performance Monitoring

The Agency and its operating units shall establish performance monitoring systems which meet Agency standards for developing performance indicators and baselines, managing and documenting the data collection process and ensuring the quality of performance data

E203 5 5(1) Performance Indicators

The Agency and its operating units shall define performance indicators for which quality data are available at intervals consistent with management needs and that are direct, objective, practical and unidimensional (refer to Supplementary Reference 203 6 7 for definitions of these attributes and more information on performance indicators)

Quantitative performance indicators are preferred and shall be used in most cases. If qualitative indicators are used, they must be defined so as to permit regular, systematic and relatively objective judgement regarding change in the "value" or status of the indicator

When identifying performance indicators, operating units will consider "common" indicators that have been identified for each sector and that have been derived from Agency experience and best practices. Use of these "common" indicators by operating units is not required

E203 5 5(2) Performance Monitoring Plans

Performance monitoring plans shall be prepared for the Agency strategic framework and for each operating unit's strategic plan. Information included in a performance monitoring plan shall enable comparable performance data to be collected over time, even in the event of staff turnover, and shall clearly articulate expectations in terms of schedule and responsibility. Specifically, performance monitoring plans shall provide a detailed definition of the performance indicators that will be tracked, specify the source, method of collection and schedule of collection for all required data, and assign responsibility for collection to a specific office, team or individual (refer to Supplementary Reference 203 6 11 for Agency guidelines on the development of performance monitoring plans)

Performance monitoring plans are one element of a performance monitoring system and function as critical tools for managing and documenting the data collection process. The review of operating unit performance monitoring plans by central or regional bureaus is not required

(See also Strategic Planning 201 5 13)

E203 5 5(3) Establishing Performance Baselines

To the extent possible, performance baseline data should be included with an operating unit's strategic plan when it is submitted for review. If it is not possible, practical or cost effective to do so, operating units will have until submission of their next R4 to establish a

baseline If data for a performance indicator prove to be unavailable or too costly to collect, the indicator may need to be changed

Performance baselines will reflect, as near as possible, the value of each performance indicator at the commencement of USAID-supported activities that contribute to the achievement of the relevant strategic element (i.e., Agency goal or objective, strategic objective, strategic support objective or intermediate result) This is consistent with the purpose and process of performance monitoring, both of which focus on performance over a very specific planning or performance period (refer to Supplementary Reference 203 6 8 for a discussion of related topics, including the utility of historical data that predate a performance baseline)

E203 5 5(4) Collection of Performance Data Frequency and Standards

Specific timeframes and standards shall be applied when collecting performance data

a) For performance indicators Comparable data for all performance indicators of strategic objectives and USAID-funded intermediate results, as well as for strategic support objectives, shall be collected and reviewed on a regular basis (comparability refers to tracking a performance indicator over time, not to comparison across strategic objectives or operating units)

- To the extent possible, some comparable data for each strategic objective, strategic support objective and special objective shall be collected annually That is, where possible, data for at least one performance indicator (the same indicator) shall be collected every year for each strategic objective, strategic support objective and special objective

- To the extent possible, some comparable data for each USAID-funded intermediate result shall also be collected annually However, annual collection is not required until the point in time at which progress towards the intermediate result is anticipated to begin

- For performance indicators for which annual data collection is not practical, operating units will collect data regularly, but at longer time intervals

- To the extent possible, the principles described for performance indicators at the operating unit level shall be applied to the performance indicators of Agency goals and objectives

(Refer to Supplementary Reference 203 6 13 for additional information on collecting performance monitoring data)

b) For critical assumptions and results supported by development partners The frequency of data collection, as well as the level

of detail and degree of comparability of the data collected, shall be determined by the SO team. The data collection process for monitoring critical assumptions and results supported by development partners is generally not expected to be as rigorous or systematic as the data collection process for monitoring performance indicators of SOs and USAID-funded results. However, the information collected must be at a level of detail and quality that insures the SO Team has an accurate understanding of the progress being made toward each partner-supported intermediate result and whether each critical assumption continues to hold (refer to Supplementary Reference 203 6 10 for additional information on monitoring critical assumptions and non-USAID funded intermediate results)

c) For multi-country strategic objectives. To the extent possible, comparable data for all strategic objectives that encompass more than one country shall be collected and reviewed on a regular basis. Where possible, data for at least one performance indicator (the same indicator) at the strategic objective level shall be collected across all countries represented by the SO. To the extent possible, data shall also be collected for all performance indicators of USAID-funded intermediate results in every country with activities relevant to the given intermediate result.

Data shall be collected for performance indicators of multi-country strategic objectives and USAID-funded intermediate results at a frequency that is determined by management needs and practical considerations. Annual collection of some comparable data for both strategic objectives and intermediate results is ideal, although it may only be practical to collect such data at longer intervals.

d) For special objectives, exceptions and special cases. When collecting data on the performance of special objectives or special or exceptional programs (see Strategic Planning, 201 5 5d, Exceptions and Special Cases, and 201 5 10c, Special Objectives), operating units shall attempt to follow guidelines relating to periodicity and comparability that have been established for performance indicators (see (a) above). If it is impractical or inappropriate to follow these guidelines, operating units shall develop alternatives that will insure they have an accurate understanding of the performance of these special objectives and programs.

E203 5 5(5) Data Quality

Data quality will be assessed as part of the process of establishing performance indicators and choosing data collection sources and methods. Data quality will be reassessed as is necessary, but at intervals of no greater than three years. Whenever possible reasonable standards of statistical reliability and validity should be applied, although in many cases it will not be appropriate or possible to meet these standards.

(refer to Supplementary Reference 203 6 14 for additional information on means to ensure data quality)

203 5 6 Evaluation

As an ongoing part of planning and managing development assistance, the Agency, its operating units, and the teams managing development assistance shall use evaluative activities as needed. Evaluation activities shall be utilized, when information from other sources is insufficient to provide the needed insight, to

- assess why unexpected progress, either positive or negative, towards planned results is occurring,
- determine whether conditions for sustainability related to USAID assistance exist,
- re-examine or test, when necessary, the validity of hypotheses and assumptions embedded in strategic objectives and results frameworks,
- determine whether the needs of intended customers are being served,
- identify, probe, and understand positive and negative unintended consequences or impacts of assistance programs,
- distill "lessons learned" which may be useful elsewhere in the Agency, and,
- assess the effectiveness of Agency strategies across countries and within sectors (See also, 203 5 1b)

E203 5 6 Evaluation - N/A

203 5 6a Planning and Conducting Evaluations

A decision to carry out an evaluative activity shall be driven primarily by management need. Evaluations are not required as a matter of formality. If they will serve no management need and will not be used evaluations shall not be conducted.

When planning an evaluation at any level, the cost of evaluation must be justified by the management value of the information it will generate. If the information an evaluation is intended to produce is not critical, an expensive evaluation is not justified. Alternatives shall be considered, such as low-cost methods, narrowing the scope, or reassessing the need for the evaluation.

SO Teams shall include customers and partners in planning and conducting evaluative activities. Consideration shall be given to utilizing evaluation methodologies and data collection methods which allow for maximum participation. (See also 203 5 3, Participation in Performance

Monitoring and Evaluation, refer to Supplementary References 203 6 4, 203 6 21 and 203 6 22 for more information on participation in evaluations)

The Agency shall include direct-hire employees in evaluations, where feasible and where operating expense resources are available, to maximize the Agency's learning from its own experience Care must be taken in selecting either Agency direct-hire employees or contractors as evaluation team members to avoid any conflict of interest related to the purpose of the evaluation

(See also, E203 5 6a through E203 5 6a(3))

E203 5 6a Planning and Conducting Evaluations

The Agency and its operating units shall seek to address specific questions and issues when planning and conducting evaluations

E203 5 6a(1) The Decision to Evaluate at the Operating Unit

Strategic Objective Teams shall decide whether/when an evaluative activity is needed, in consultation with other partners and customers, as well as senior management of the operating unit The following events or situations, among others, shall trigger a consideration of whether an evaluation is needed

- performance monitoring indicates an unexpected (positive or negative) result on a critical measure,
- a key management decision must be made about directions in an activity, intermediate result or SO but there is inadequate information for making the decision,
- annual (or periodic) reviews in the operating unit or with the host country identify key questions to be resolved or questions on which consensus must be developed,
- formal or informal feedback from participants, partners, customers, or other informed observers suggests that implementation is not going well or is not meeting the needs of intended customers,
- there is a breakdown in a critical assumption or intermediate result supported by another donor thus challenging the validity of the strategy to achieve the SO, or
- an operating unit believes extracting key "lessons learned" or documenting experience is important for the benefit of other operating units or for future programming in the same country

(Refer to Supplementary Reference 203 6 19 for additional information)

E203 5 6a(2) Planning and Conducting Evaluations at the Overall Agency Level

Central evaluations shall be conducted to meet Agency management and planning needs. PPC/CDIE shall conduct and coordinate participation in these evaluations, working in cooperation with other appropriate bureaus. Agency senior management, as well as relevant stakeholders and partner development organizations, as appropriate, shall be consulted to determine central evaluation needs and areas of focus. The following concerns, among others, shall be considered in determining the focus of central evaluations and the areas to be assessed:

- issues related to the effectiveness of Agency program strategies in contributing to overall Agency goals and objectives,
- issues related to the effectiveness of strategies commonly or experimentally used by operating units to achieve strategic objectives within particular sectors,
- other important issues related to the delivery of development assistance (i.e. unexpected, positive or negative, consequences or impacts from various programs or activities), and
- major issues which may be of concern to the Administrator or Agency stakeholders

E203 5 6a(3) The Focus and Purpose of Evaluations

For any evaluative activity, a clear purpose must be articulated, along with a small number of key questions on which the evaluation will focus. A clear Scope of Work (SOW) is crucial to conducting a useful evaluation and shall be prepared. (See Supplementary Reference 203 6 30 for standard Agency guidelines on preparing Scopes of Work (SOWs) for formal evaluations.)

The following factors, among others, shall be considered when planning the type of evaluative activity to be undertaken:

- the nature of the information/analysis/feedback needed,
- cost-effectiveness,
- time-frame of the management need for information
- the time and resources available, and
- the level of accuracy required

(See Supplementary Reference 203 6 20 for additional information on evaluation design and 203 6 22 for suggestions on alternative evaluation methodologies.)

203 5 6b Evaluation Follow-up and Documentation

At all levels, the findings, conclusions, and recommendations of evaluative activities shall be openly shared and discussed with relevant customers and partners, as well as other donors or stakeholders, unless there are unusual and compelling reasons not to do so

The SO team has initial and primary responsibility for responding to and using an evaluation, once completed, of a strategic objective, a results package, or a related activity They must

- Systematically review the key findings, conclusions, and recommendations,
- Identify which findings, conclusions, or recommendations the team(s) accept/support and which they disagree with,
- Identify the management/program actions proposed to be taken as an outcome of the evaluation and assign clear responsibility for undertaking them, and
- Determine whether any revision is necessary in strategy, the results framework, or the activity, given all information then available to the team (If significant revision is necessary, refer to Strategic Planning, E201 5 8 and E201 5 9)

The primary oversight and review of an SO level evaluation shall be by the head of the operating unit (The responsibility for oversight and review of evaluations is generally at the next level in the direct program management line In general, an evaluation of a strategic objective or results package is not formally reviewed and responded to above the operating unit level) (See also, E203 5 6b through E203 5 6b(3))

(Refer to Supplementary Reference 203 6 27 for additional information on presenting evaluation findings and recommendations and 203 6 29 for information on acting on evaluation findings)

E203 5 6b Evaluation Follow-up and Documentation

At the conclusion of any evaluative activity, documentation shall be prepared to, at a minimum, highlight important findings, conclusions and recommendations The nature of the documentation will vary considerably, depending on the type, formality, importance, breadth/scope and resources committed to the evaluative activity The review of such documentation by regional or central bureaus is not required

E203 5 6b(1) Evaluation Reports

Evaluation reports shall be prepared for more formal and critical evaluative activities These reports must be written to be useful and readily understood Key findings, conclusions, and recommendations must be succinct, clearly distinguished from each other, and clearly identified in the report

For contracted evaluations and assessments, the report format shall be specified in the evaluation scope of work and must adhere to the Agency's required format (for Agency guidelines on evaluation report formats, refer to Supplementary Reference 203 6 28)

An executive summary shall be prepared for each evaluation report. The executive summary shall present a concise and accurate summary of the most critical elements of the larger report and should adhere to Agency guidelines for preparing executive summaries (for Agency guidelines, refer to Supplementary Reference 203 6 28)

E203 5 6b(2) Electronic Submissions of Evaluation Documentation

The following shall be submitted, in electronic form, to PPC/CDIE for entry into the Agency's automated development information system

- full evaluation reports
- executive summaries of evaluation reports
- other documentation prepared at the conclusion of an evaluative activity
- response of the SO teams (and/or Operating Unit or Counterpart Agency) to evaluation reports, when appropriate
- action decisions arising from evaluative activities

E203 5 6b(3) Translating an Evaluation Report

If an evaluation report (or other documentation prepared at the conclusion of an evaluative activity) is written in English and key project counterparts or participants do not speak English, the SO team shall arrange for translation of at least the executive summary into the local written language(s)

203 5 7 Other Sources of Information for Managing for Results

In addition to information from performance monitoring and evaluative activities, the Agency, SO teams and activity managers shall, to the extent possible, use the following other sources of information for managing for results

- Agency research and other state-of-the-art findings in the Agency's technical areas,
- documented experiences of other donors and development agencies,
- development experience, including Agency "lessons learned" (see Definitions),
- development information (see Definitions),

- knowledge gained from assessing customer needs,
- analyses and assessments of relevant countries and sectors, and,
- informal feedback from counterparts, partners, customers, or other informed observers, or from field visits or other direct contact

(See also, E203 5 7)

E203 5 7

The Agency shall, to the extent feasible and practical, establish and maintain databases and information systems which permit Agency-wide access to the formal sources of information for managing for results listed in policy 203 5 7

203 5 8 Review of Performance Information

The Agency, its operating units, and SO teams shall conduct reviews and analyses of performance information at regular intervals to assess progress against expected results and to determine if critical assumptions continue to hold

203 5 8a Operating Unit Internal Reviews

Operating units and SO teams shall regularly review and analyze performance information to assess progress towards achieving their objectives and intermediate results

203 5 8a(1) Results Framework-Level Reviews

Operating units and SO teams shall conduct reviews, as often as necessary but at least once a year, to assess progress towards achieving their strategic objectives, strategic support objectives, special objectives and USAID-funded intermediate results in the results framework. These reviews shall serve operating unit internal management and planning needs. At least one of these reviews, however, must provide analysis for the annual R4 report (see 203 5 9 and 203 5 9a) and, therefore, must address the following

- progress made towards the achievement of strategic objectives, strategic support objectives and special objectives over the past fiscal year as well as expectations for future results,
- status of critical assumptions (i.e. whether they continue to hold) and causal relationships defined in the results framework and the related implications for strategic objective and intermediate results performance
- status of the operating unit's "management contract" and the

140

need for any changes to the approved strategic plan (refer to Strategic Planning, E201 5 9), and,

- future resource requirements (see also, Strategic Planning, E201 5 9)

The following information shall be used to conduct the "R4" results review

- data on the performance indicators of strategic objectives, strategic support objectives, special objectives and USAID-funded intermediate results,
- information regarding critical assumptions in the strategic plan and intermediate results supported by other donors,
- information from any relevant evaluative activities completed during the period under review, and,
- any other relevant information

(Refer to Supplementary References 203 6 15 and 203 6 26 for information concerning the analysis of performance monitoring and evaluation data)

203 5 8a(2) Activity-Level Review

SO teams and/or activity managers shall regularly review and analyze inputs, outputs, and processes to insure activities are supporting the relevant intermediate result(s), and, ultimately, are contributing to the achievement of the strategic objective (refer to Supplementary Reference 203 6 16)

203 5 8a(3) Participation in Reviews

Operating units and SO teams shall conduct their reviews with relevant customers (including internal Agency customers, e g Global Bureau Centers providing technical support to field missions) and principal partners, when appropriate, to obtain their input

203 5 8b Bureau Reviews of Operating Units

Agency bureaus shall conduct annual reviews of any and all operating units under the respective bureau's purview (i e , regional bureaus will conduct annual reviews for each of their field mission operating units Global bureau will conduct annual reviews for each of it's Centers/Offices functioning as operating units, BHR will conduct annual reviews of each of their operating units, etc) to

- assess progress towards the achievement of strategic objective(s), strategic support objectives and special objectives
- examine areas where expected results are not being met

- review the "management contract" and the need for any changes or refinements to the approved strategic plan, and,
- review resource requirements (see strategic planning)

PPC, M, G, BHR, and regional bureaus shall each participate in the bureau reviews as deemed appropriate by the conducting and participating bureaus. The R4 report shall be used as the basis of these reviews (see also Strategic Planning, E201 5 9). The bureau review of operating unit results may be conducted in conjunction with or separately from the annual budget reviews, provided that the results review is used as a basis to inform decisions regarding the budget. These bureau reviews may provide summary operating unit performance information for use in the annual review of overall Agency performance.

203 5 8c Review of Overall Agency Performance

The Agency shall conduct a review of its performance on an annual basis by assessing progress towards Agency goals and objectives and by analyzing operating unit performance within the context of the Agency strategic framework. The review shall focus on the immediate past fiscal year, but may also review performance for prior years. This annual review shall serve overall Agency planning and management needs and form the basis of the GPRA report (see E203 5 9b). In addition to reviewing progress towards achieving Agency objectives, the review shall examine areas in which expected results are not being met.

The Agency review shall be coordinated and conducted by PPC with the assistance of M and G, as appropriate. PPC shall be responsible for coordinating and designating appropriate roles for other Agency bureaus, offices, and field missions in compiling and analyzing information for and participating in the review. PPC shall establish a schedule for the review, with the participation of other relevant Agency organizational units, in order to coordinate Agency information and meet specific reporting deadlines.

The review shall use information from Agency and operating unit performance monitoring systems, information from operating unit performance reviews, relevant evaluation and research findings, and other available information as necessary.

E203 5 8 Review of Performance Information - N/A

203 5 9 Reporting and Disseminating Performance Information

The Agency and its operating units shall report and disseminate findings on Agency and operating unit performance. The Agency shall be open and direct in reporting and disseminating findings on performance, and shall report on both successes and failures. Information from Agency performance monitoring systems, evaluative activities, and other relevant information, both quantitative and qualitative, as appropriate, shall be used in reporting and in disseminating findings on performance. (See also, E203 5 9)

E203 5 9 Reporting and Disseminating Performance Information

Formal reports stipulated in policy 203 5 9a and essential procedures E203 5 9b and E203 5 9c shall be submitted to and collected by PPC/CDIE for purposes of providing broad access to this information and of archiving Agency records

203 5 9a Operating Unit R4 Report

Operating units shall report annually to their respective bureaus through the Results Review and Resource Request (R4) report. The results review section(s) of the R4 report must address the operating unit's performance for the immediate past fiscal year focusing on progress made towards achievement of the strategic objectives, strategic support objectives, and special objectives. The R4 is also to be used for revalidating the operating unit's strategy based on progress and refining indicators and targets.

Information from the R4 shall be used, as appropriate, for internal Agency analyses, responding to external inquiries, and Agency results reporting (see Strategic Planning, 201 5 9 and E201 5 9 for other purposes of the R4 report as well as the required content of the R4 report)

The operating unit annual review stipulated in policy 203 5 8a(1) is to provide the analysis and information for the results review section(s) in the R4 report. The deadlines for submission of the R4 report shall be determined by the relevant Agency bureaus and shall take into account Agency needs for the use of this information for Agency reporting requirements and for the annual budget cycle.

E203 5 9a Operating Unit R4 Report - N/A

203 5 9b Reporting on Agency Performance

As required by legislation (GPRA of 1993) and Executive Orders, the Agency shall annually report on its performance to Congress and the Executive Branch (See also, E203 5 9b)

E203 5 9b Reporting on Agency Performance

Consistent with the Government Performance and Results Act (GPRA) of 1993, the Agency shall prepare and submit, by March 31 of each year or another date allowed for by Congress and the Executive Branch, a report to the President and Congress on the Agency's program performance for the previous fiscal year. The report must

- review progress towards objectives over the past fiscal year,
- examine Agency plans for the current fiscal year relative to the performance achieved in the fiscal year covered by the report

- where objectives are not being met, explain and describe why the objective was not met, plans and schedules for improving progress towards the established objective, and, if the objective is determined to be impractical or not feasible, why that is the case and what action is recommended,

- describe the use and assess the effectiveness in achieving objectives of any waiver under section 9703 of the GPRA, and,

- include summary findings of evaluations, as deemed appropriate, completed during the fiscal year covered by the report (see GPRA of 1993)

The review of overall Agency performance stipulated in policy 203 5 8c is to provide information for the GPRA report PPC shall be responsible for coordinating and compiling this report, including coordinating information from other Agency bureaus, offices, and field missions as appropriate

The performance information resulting from the preparation of the above annual Agency performance report may be used to meet the reporting requirements for the appropriate sections of financial statements submitted under the Chief Financial Officers Act (CFO) of 1990

203 5 9c Meeting Other External Reporting Requirements

The Agency shall, where appropriate, use information on its performance to meet other external reporting requirements (beyond those described in policy 203 5 9b and essential procedure E203 5 9b) and to inform Agency stakeholders (See also, E203 5 9c)

E203 5 9c Meeting Other External Reporting Requirements

Performance information shall be used, as necessary, in the Agency Congressional Presentation submitted each year to Congress Performance information shall also be used, as needed, to respond to other Agency reporting requirements

203 5 9d Dissemination of Performance Findings

The Agency and its operating units shall disseminate and discuss findings on performance with relevant customers and principle partners (refer to Supplementary Reference 203 6 32 for additional information on communicating and disseminating performance findings)

E203 5 9d Dissemination of Performance Findings - N/A

203 5 9e Special Requests for Performance Information

Agency bureaus and offices shall not make special requests for performance information from operating units unless the information is unavailable from R4 reports or Agency information systems

E203 5 9e Special Requests for Performance Information - N/A

203 6 Supplementary References

[This section reserved for the following references]

Overview of Performance Monitoring and Evaluation

203 6 1 How to Use These Supplementary Reference Materials

203 6 2 Purpose of and Relationship Between Performance Monitoring and Evaluation

203 6 3 Roles and Responsibilities in Performance Monitoring and Evaluation

203 6 4 Partner and Customer Participation in Performance Monitoring and Evaluation

203 6 5 What Resources are Needed for Performance Monitoring and Evaluation

Performance Monitoring

203 6 6 Designing a Performance Monitoring System for use at USAID
[Establishing Strategic Objectives and Intermediate Results - see
Planning Supplementary References]

203 6 7 Selecting Appropriate and Useful Performance Indicators

203 6 8 Establishing Performance Baselines

203 6 9 Defining Performance Targets

203 6 10 Monitoring Critical Assumptions and Intermediate Results Supported
by Partners

203 6 11 Developing a Performance Monitoring Plan

203 6 12 Sampling for Performance Monitoring Data Collection

203 6 13 Collecting Performance Monitoring Data

203 6 14 Ensuring Data Quality

203 6 15 Analyzing Performance Monitoring Data

203 6 16 Monitoring Activities Inputs, Outputs and Processes

203 6 17 Preparing a Scope of Work for Various Monitoring Tasks

Evaluation

203 6 18	Using Evaluation in USAID
203 6 19	When is an Evaluation Needed
203 6 20	Designing an Evaluation Asking the Critical Questions
203 6 21	Building an Evaluation Team
203 6 22	Selecting the Appropriate Evaluation Methodology
203 6 23	Sampling for Data Collection
203 6 24	Collecting Evaluation Data Instruments and Logistics
203 6 25	Ensuring Data Quality
203 6 26	Analyzing Evaluation Data
203 6 27	Presenting Evaluation Findings, Conclusions and Recommendations
203 6 28	Preparing Evaluation Reports and Documentation
203 6 29	Review, Follow-up and Action Plan for Improvement with Partners and Customers
203 6 30	Preparing an Evaluation Scope of Work
Performance Information from Monitoring and Evaluation	
203 6 31	Using Performance Information to Improve Effectiveness
203 6 32	Communicating and Disseminating Performance Information

GUIDELINES FOR DEVELOPING CUSTOMER SERVICE PLANS

H S Plunkett, M/ROR/Customer Service

April 1995

This document provides policies, procedures, guidelines, information, and contacts to assist USAID operating units (OU) in developing Customer Service Plans as part of their Strategic Plans. Consistent with the Administrator's Statement of Principles on participatory development, the reengineering team's Business Area Analysis of USAID operations highlights the fact that participatory approaches and close attention to customer service issues are critical elements in developing and executing effective, sustainable programs. Developing and implementing effective Customer Service Plans will assist Missions and offices in reducing transaction costs associated with delivering program resources to our partners and customers. By identifying probable customers and assessing their needs as we determine country and sector strategies, and engaging potential customers, partners, and stakeholders to participate as we design, implement, and evaluate activities to achieve sustainable results, we will obtain greater support and commitment from our customers and encourage more effective and sustainable outcomes for USAID programs.

WHAT SHOULD THE CUSTOMER SERVICE PLAN CONTAIN?

The Customer Service Plan (CSP) is intended to serve as a practical management tool for the operating unit. Each plan should be designed to meet the specific information needs of the operating unit, to enable it to better determine what its customers and partners are thinking about it and its services; allow the unit to develop performance measurements which may result in improvements in its programs, assess the unit's comparative strengths in its operating environment and identify weaknesses which can then be addressed systematically, establish internal communications tools within the unit, and provide for responsive communications between the unit and its partners and customers, and allow the unit to establish achievable service standards and demonstrate its commitment to quality service, as well as to agency goals and values.

A Customer Service Plan -- the final product -- should

a Present and explain the unit's "vision" for achieving its objectives via its reengineering efforts,

b Identify who the unit's customers and partners are, what types of service delivery relations they reflect, and how they are linked both to USAID and to each other,

- c Identify and describe the services being, or planned to be, provided by the unit to its customers and partners, and indicate the points of contact for each service,
- d. Explain how customers have been or will be surveyed to determine their needs and their perceptions of the services being provided by the operating unit, and when they will be surveyed again so that their feedback becomes an important source of information guiding the unit's operations,
- e Present the areas identified by customer surveys for improving service provision and service quality, and explain the actions the operating unit intends to take to address these issues,
- f. Identify the unit's key customer service principles and standards -- regarding reliability (the ability to perform dependably and accurately), responsiveness (willingness to act effectively, appropriately, and promptly in response to a proposal, situation, or concern), courtesy, assurance (ability to convey trust and confidence), empathy (ability to demonstrate caring and concern for individual customers), and physical arrangements which facilitate effective customer contacts -- which the operating unit intends to develop and to which it will commit,
- g Explain how customer survey findings, and customer service standards, will be communicated to partners and customers, and
- h. Note operating unit points of contact for customer services issues -- names, titles, responsibilities, addresses, telephone, fax, and email information

The Customer Service Plan should be in a form which can be widely distributed and shared with customers, partners, and stakeholders. The operating unit may wish to indicate that its plan is an evolving, iterative document, which will benefit from feedback from customers, partners, and others, and is subject to periodic review and revision. The Customer Service Plan is an integral element in the operating unit's Strategic Planning process, helps to identify potential members of Strategic Objective and Results Package teams, provides direction in the definition of approaches to achieving effective and sustainable results, and encourages a unit's orientation toward participatory approaches to development.

3 Definitions

a Customer service plan A document which presents the operating unit's proposed actions for identifying and engaging the participation of its customer groups and partners in planning, implementation, and evaluation of programs. The Customer Service Plan enables the operating unit to use customer input to improve planning, encourage participation, sharpen

decision making, enhance service quality, and increase customer satisfaction

B Ultimate customers The National Performance Review defines "customer" as "an individual or entity who is directly served by a department or agency " USAID's ultimate customers are those host country people, especially the socially and economically disadvantaged, who are end users of USAID assistance and whose participation is essential to achieving sustainable development results

B 1 Intermediate customers Many USAID activities are mediated through other organizations, who serve as partners to the extent that they share objectives and provide resources toward the achievement of results or objectives to which USAID is also committed The effective delivery of services to ultimate customers in such instances requires that the needs and capabilities of intermediate customers be assessed, and the link relations between the intermediate customer and the ultimate customer, as well as those between the intermediary and USAID, be analyzed

C Customer network The relationships that link USAID with its ultimate customers through its partners, who as intermediaries are themselves customers for USAID services of various kinds

D Partner An organization or customer representative with which/whom USAID collaborates to achieve mutually agreed upon objectives and to ensure customer participation Partners include U S. private voluntary organizations, indigenous and other international non-governmental organizations, universities, other USG agencies, host country governments at all levels, U.N and other multilateral organizations, professional and business associations, and private businesses

E USAID Contractor An organization or individual acting as an agent of USAID and carrying out a scope of work financed by USAID

F Stakeholder Parties whose support or acquiescence is necessary for USAID program success and achievement of political, developmental, and/or humanitarian assistance goals (host country persons or groups, the US Congress and executive branch, US taxpayers, PVOs, universities, and private firms, other donors, etc) In the sense that USAID is accountable to its stakeholders for the effective provision of the services mandated by its foreign assistance mission objective, these groups may also be considered a form of customer for some operating units

G Participation The active engagement of partners and customers in formulating ideas, committing time and resources, jointly making decisions, and taking action to bring about a desired development objective

H Surveying A "cover term" for a wide range of methods and techniques used to obtain quantitative and qualitative input from customers It can include -- singly and in combination -- focus groups, consultations, rapid appraisals, mini-surveys, formal large scale surveys, individual and group interviews Decisions on what methods to use must be based on assessment of the kinds of information needed as well as other considerations (time limitations, finances, technical resources/expertise available, logistics, etc)

I Operating Unit. A Mission, USAID Affairs Office, or AID/W Office with functional responsibilities for the provision of services related to the achievement of Agency goals

4 STEPS IN EXECUTING A CUSTOMER SERVICE PLAN

Since each unit operates in a unique organizational and cultural as well as developmental context, it is most appropriate to offer broad suggestions (based on similar types of efforts in the past) as guidance USAID shall provide responsive backstopping assistance to operating units, either via email/fax to the operating unit, or via on-the-ground technical support by staff familiar with customer service planning

A Designate staff to coordinate customer service planning efforts and to serve as liaison for customer service issues with AID/W as part of the operating unit's team, and act as customer service "champion" for the unit. He/she should have some familiarity with evaluation/monitoring methods and experience with social soundness or institutional assessments/surveying techniques One or more additional staff should backstop the Customer Service Plan (CSP) activities In field Missions, FSN staff in this role may have special capability for providing insight into local factors and/or conditions which could affect the CSP, as well as long-term continuity for managing customer services in the future The designated staff also serve as contact points for customer services backstopping from the regional bureau and the reengineering task force CSP activities may be intensive at times, and should be incorporated into the designated individuals' work plans

B As a preliminary to designing customer surveys, the operating unit should develop information regarding current and potential customers, linkages through intermediaries to ultimate customers, customer networks, and appropriate customer surveys for its programs The information should include:

- 1 The unit's ultimate customers -- defined according to the strategic focus of the operating unit program, and segmented according to important differentiating criteria

- 2 The linkages between the unit, its partners and intermediate customers, and its ultimate customers -- a description or "map" or "flowchart" of the unit's customer network

3 The actual contact points between the unit, its partners, and its customers, and the frequency of such contacts

4 Preliminary ideas regarding what customers and partners expect from the unit's program, and how they perceive current performance Is what the unit provides likely to be seen as important by its customers?

5 Initial assessments of what customers and partners may see as most satisfactory, and what is least satisfactory, about the operating unit's program What is known about how customers assess the unit's performance in providing services? How do these services compare to those which may be provided by others?

6 The key stakeholders of the operating unit's program, and their influence and relations with customers and partners Are they in some instances also partners -- or customers?

C Through focused in-house discussion of these questions, and others that will emerge, the operating unit should reach a working consensus on who its customers and partners are, current practices regarding customer relations, and the major issues affecting customer service relationships within the context of proposed experimental activities This information may be developed through "brainstorming", document review, focus groups within the operating unit, key informant interviews, etc

This information should provide the CSP leader and other operating unit staff with a basis for developing plans, survey hypotheses, and instruments for surveying. Planning should be based on the definitions of customers, partners, customer networks, etc., outlined above If the unit is developing a country strategy, the kinds of information it needs, the range of customers, and the types of surveys the operating unit wishes to execute may be very different from what it may need to assess customers from the activity design or implementation perspective

D. The operating unit will also need to determine the resources available for surveying to gather information for the development of its CSP, the time-frame for executing the CSP so that it can inform the overall operating unit effort, sources of local assistance (consultants, universities, private firms), and mechanisms (such as local purchase orders) which the operating unit may use. Based on the operating unit's determination of what information is needed from customers and what makes technical, financial, and logistical sense, the operating unit team must decide which methods can be most effectively used These might include facilitated focus group discussions, key informant and other interviews, consultations, formal questionnaires, mini-surveys, and/or rapid appraisals They should aim at eliciting rapid, timely, and reliable information within the context of your sociocultural setting and logistical constraints

The operating unit's final Customer Service Plan should be closely integrated with the other aspects of its strategic planning efforts. It should also conform to the requirements for consultation and participation set forth in Agency directives on planning, achieving, and judging program strategies. The CSP must reflect the operating unit's core values and vision in order to be effective and useful to the unit over the long term, and not "just another exercise for AID/W consumption." It should be based on findings from customer surveys, and include customers and partners in its preparation. The plan should state what will be done more effectively to deliver USAID resources and to improve program-level impact related to operating unit strategic objectives, what kinds of measurable customer service standards would improve program impact and customer service quality and satisfaction, and what are the best ways to communicate customer survey findings and standards, and obtain feedback, from customers and partners. In addition, the operating unit should work with its partners to assist them in preparing similar customer service plans, and executing their own customer surveys.

As part of long-term planning for sustainable results, the unit may wish to establish a continuing internal capability for executing periodic customer service assessments related to strategic objectives and program portfolio, and within staff and resource limitations.

5 Tools and technical assistance for customer service plans

a. Survey software. operating units will have access to RAOSOFT Survey, a computer program which can be used to design forms, enter data and analyze results of surveys. The software package allows the user to design questions (yes/no, multiple choice, open ended comment, weighted score, date, time or numeric format), does automatic data tabulation by frequency and percentage; and creates bar and pie charts instantly from analysis, or allows you to create your own charts.

B Technical assistance from contractors. contractors will be selected to provide training support for the operating units. The contractors will have experience in working with other government agencies and the private sector on customer service issues. If operating units request, the contractors can hold a workshop which will go through the steps for doing a customer service plan or provide assistance on one or more elements of the plan (such as examining options for survey methods), etc. Operating units may want to use these contractors for a general operating unit workshop on customer service. If they wish, operating units may then choose to look for local expertise to tailor the principles of customer service to the specifics of the sociocultural environment in-country and have the local firms do the actual surveying.

C Participation video. to initiate exchange of participation relevant lessons and experiences among operating units, a video

will be made available to all operating units. The video poses and discusses key questions about participation and customer-focused activities, and is intended to elicit feedback from operating units regarding participation issues.

D. ROR/operating units backstopping. The ROR/operating unit team will be sending operating units additional background materials on customer service from the National Performance Review and other sources. Questions from operating units regarding customer service issues will be handled within the ROR/operating unit team by H S (Sher) Plunkett (phone 202-663-3390, fax 202-663-3391), or Elizabeth Baltimore (phone. 202-663-3602, fax 202-663-3391). They will work in close coordination with regional bureaus and other AID/W units, with PPC/CDIE and PPC's Senior Policy Advisor for participation development, and with M/IRM.

u \splunket\docs\csplan1.hsp 06/06/95

PHASE II - USAID'S CUSTOMER SERVICE PLAN

QUALITY SERVICE STANDARDS FOR WORKING WITH USAID'S CUSTOMERS AND PARTNERS

PUTTING CUSTOMERS FIRST

The National Performance Review (NPR) recommended major reforms in the way government does business. One reform proposed is a new customer service contract as an essential part of the government's mission. Executive Order 12862, "Setting Customer Service Standards" calls on U.S. government agencies to identify their customers, address their needs through regular interaction, and develop standards for serving them based on their priorities.

WHO ARE WE?

The United States Agency for International Development (USAID) is the independent federal Agency that manages U.S. foreign economic and humanitarian assistance programs around the world.

Given the diversity of places, people and cultures addressed by the U.S. Agency for International Development humanitarian assistance and development programs, putting customers first presents an enormous challenge. Unlike most U.S. government agencies, USAID's ultimate customers are outside our borders. They are the people in developing countries whose quality of life we work to improve as an integral part of America's foreign policy.

USAID's assistance to our overseas customers is delivered through a variety of development partners—individuals or organizations who work closely with USAID to provide our products and services to our ultimate customers. For USAID and our development partners to serve our customers more effectively and achieve results, we are reengineering our focus, systems and procedures to meet the challenges of the post-Cold War world.

This Phase II Customer Service Plan addresses concerns that our customers and partners have identified for quality customer service. It presents standards for serving our ultimate customers in the countries we work in overseas.

WHAT IS USAID'S MISSION?

Our Mission is to promote sustainable development worldwide. Sustainable development is economic and social growth that does not exhaust local resources or damage the economic, cultural or natural environment.

USAID works with its partners to support sustainable development, focusing on five critical areas

- Environment
- Population and Health
- Democracy
- Broad-based Economic Growth
- Humanitarian Assistance and Support for Post-Crisis Transitions

WHO ARE USAID'S CUSTOMERS AND PARTNERS?

USAID's ultimate customers are the people in developing countries who benefit from USAID's services and products. They are men, women and children of indigenous communities, microentrepreneurs, exporters, small farmers and others who receive the development assistance provided through USAID programs overseas. The active participation of our ultimate customers is integral to USAID's strategic planning process and delivery of sustainable development programs.

USAID relies on the active participation of its partners to promote sustainable development and deliver humanitarian assistance. USAID's partners include private voluntary organizations, non-governmental organizations, universities, community colleges, other U.S. government agencies, host country governments at all levels, multilateral organizations, professional and business associations, private businesses and other donors. Partners are also customers when they directly receive USAID's products and services that enable them to deliver effective services to our ultimate customers.

The lasting impact of our development investments and the benefits of our overseas programs to the American people can be achieved only if we achieve specific strategic objectives, and if our overseas customers continue activities after USAID funding ends. For this to happen, development efforts funded by USAID must serve customer needs and have partners' commitment and support. To achieve this, we focus on our customers' needs, through surveys, focus groups, conferences and other participatory methods.

USAID'S QUALITY SERVICE

USAID's diverse relationships with our customers and partners suggest different expectations and standards of performance to provide quality service for each customer group.

But some concerns are common to all groups. USAID maintains an open dialogue with its customers and partners. We encourage consultation to identify problems, needs and possible solutions. Collaboration with our customers and partners, including InterAction, the Advisory Committee on Voluntary Foreign Aid, local governments and others have made the following possible:

- improved quality in USAID procedures,
- improved timeliness in USAID processing, and
- greater access and transparency

BENCHMARKING

The main purpose of our reinvention efforts is to improve USAID's systems and procedures. Many of the issues raised by our customers, partners and stakeholders are being addressed in internal working groups reengineering our procurement, budget, personnel and operating systems. These groups have used and will continue to use the benchmarking process, finding the best practices used in business or government and then adapting them to improve our own operations. Our goal is for USAID's reengineered systems to equal or exceed the "best in business," providing us with the most efficient and effective way to provide sustainable development and humanitarian assistance.

OUR PLEDGE

We will continue to develop Customer Service Plans in our overseas missions, routinely review these standards with our customers and development partners and update them as necessary to identify the concerns of other customers and partners. We will create new standards based on new processes being developed as part of our reinvention efforts.

We will continue to focus on customer service and achieve results. Our customers will participate more in planning and achieving the Agency's objectives and in evaluating results to meet customer needs. As part of this effort, we are continuing formal and informal consultations with our customers and partners.

We will review our customer service standards annually, and periodically publish an Agency Customer Satisfaction Report. We will continue to encourage our partners to consider similar "customer satisfaction" standards for services they deliver to the people of developing countries.

I. QUALITY STANDARDS FOR USAID'S OVERSEAS CUSTOMERS

USAID'S overseas missions carry out programs to achieve the Agency's strategic objectives to foster economic growth, reduce population, encourage participation in democratic government and protect the global environment. Through a variety of formal and informal methods, both our customers and intermediaries in developing countries have told us how we have performed in service delivery, humanitarian assistance and sustainable development.

Country experimental "laboratories" have used systematic and participatory methods to assess and improve the quality of service to our ultimate customers. They have developed Customer Service Plans to assure more customer involvement in planning, achieving and evaluating the Agency's objectives to manage for results.

With increased participation and enhanced surveying of our customers in developing countries, we have identified performance standards. USAID is committed to providing

1. QUALITY

On a regular basis, we will communicate with our customers to improve the quality of USAID's humanitarian assistance, development and customer satisfaction.

- Each overseas mission will develop and maintain a Customer Service Plan which will state how customers and partners are to be included in determining customer needs and achieving objectives, explain how customer feedback will be regularly incorporated into work processes, and identify key customer service principles and standards.
- We will improve participation in overseas missions to include our customers in planning and implementing USAID's work, and in planning and conducting periodic surveys to determine if services are being delivered in a satisfactory manner.
- We will periodically survey our customers to assess their expectations, determine their needs based upon USAID's programs and report customer satisfaction.
- We will assure USAID's programs provide high quality technical services that are tailored to our customers' needs.
- We will directly involve customers in defining plans and activities to ensure results and continuous improvements in USAID's programs.

- We will continue to collaborate with customers, local partners and stakeholders to ensure service delivery meets the needs of our customers and serves America's long range Foreign Policy interests

2. TIMELINESS

We will improve the turnaround time for service to our customers.

- Provide an initial response to inquiries within 24 hours, written inquiries will be answered within 5 working days from receipt. If a full response is not possible within these periods, we will indicate a probable timeframe for resolution.

- We will disburse funds in time to allow for implementation of activities on schedule.

3. ACCESS TO INFORMATION

USAID will offer greater access and more transparency to Agency activities and information

- Provide periodic customer information guides to activities, processes and procedures

- We will hold semiannual meetings with customers and partners to provide information and facilitate an open dialogue regarding USAID programs

QUALITY STANDARDS FOR DOMESTIC DEVELOPMENT PARTNERS

Phase I of USAID's Customer Service Plan outlined what our development partners told us about their concerns and presented a set of initial standards to address them. In working with PVOs, universities and private businesses, our goal is to eliminate burdensome administrative and procurement requirements and become "user-friendly" to our current and future development partners. As part of this ongoing effort, procurement policy changes have simplified the administration of grants and cooperative agreements by modifying requirements in the following areas: trip reports, salary approvals, number of key personnel, approval of consultants, budget flexibility and systems approvals.

USAID has made significant improvements in its work processes to meet and exceed our standards for working with PVOs, universities and private businesses. We have exceeded our standards for the PVO registration process by eliminating 12 documents for new PVO registrants which reduced the number of documents from 18 to 6. Three documents were eliminated from the annual requirement for PVO registrants which reduced the number of documents from 6 to three. The revision and simplification of USAID Form 1550-2 which

is used to compute a PVO's "privateness percentage" was completed. A "Guide for Doing Business with USAID" has been published and distributed. This guidebook provides detailed information to the U.S. business community on how to do business with USAID sustainable development programs. Within three days of an organization's requests for funds under a letter of credit, funds are deposited in the organization's bank account via an electronic funds transfer. Outside vendors are able to get an immediate response by checking an electronic bulletin board for the status of all invoices and payments. A new USAID Worldwide Web Home Page [www.info.USAID.gov] is available to access USAID information at worldwide web sites. A number of redundant procurement procedures and processes have been eliminated and there is increased access to procurement information.

Based on issues and concerns raised in numerous forums, USAID has developed these standards to address our domestic partners concerns. They represent the way USAID will work toward securing a more efficient relationship with our development partners and service providers. USAID is committed to providing

1. QUALITY

On a regular basis, we will communicate with our customers to improve our processes and simplify our business practices

- We will include our customers and partners in an ongoing, consultative process on policy, programmatic and procedural matters

- We will hold semiannual vendor meetings for service providers and partners

- We will periodically survey customers and partners to see if the changes in our policies and procedures are working to eliminate the impediments you have identified and report customer satisfaction

- If USAID issues a grant, cooperative agreement or contract, an Agency project officer will be assigned to facilitate our relationship. The project officer will provide his/her phone number, address, E-mail address and fax number

- To simplify the PVO registration process, we have, in collaboration with our PVO partners

- Reduced the number of documents required from new PVO registrants from 18 to 6,

- Reduced the number of documents required annually from PVO registrants from 6 to three, and,

-- Revised and simplified USAID Form 1550-2 used to compute a PVO's "privateness percentage "

- To be more consistent in applying USAID policies and procedures, our contracting and grants officers

-- Consistently interpret and apply policies and regulations in awarding grants and contracts,

-- Eliminated redundant procurement processes, procedures and reporting requirements by December 1994, and

-- Published and made available by September 30, 1994, "A Guide to Doing Business with the U S Agency for International Development," which clearly and concisely describes USAID's policies and procedures

2. TIMELINESS

We will improve the turnaround time for our processes

- We will answer your questions in a courteous, prompt, and professional manner

-- You will receive an initial response to calls and E-mails within 24 hours, written inquiries will be answered within 10 working days from receipt. If a full response is not possible within these periods, we will indicate a probable timeframe for resolution

- USAID's Office of Procurement will make non-competitive awards within 90 days, and competitive awards within 150 days. We will modify contracts and amend grants within 90 days of receipt of requests for action from line offices

- PVOs seeking registration and eligibility requirements to compete for development assistance grant funds are sent a complete registration packet within five days from the receipt of inquiry

- Applications to register new PVOs are reviewed and formal notice of acceptance or denial is mailed within 8 weeks of receipt of fully completed application packages

- Within three days of an organization's request for funds under a letter of credit, payment is deposited in its bank account via electronic funds transfer

3 ACCESS TO INFORMATION

USAID will offer greater access and more transparency to Agency activities and information

- Outside vendors can dial-in to an electronic bulletin board and check the status of all invoices and payments
- Assistance and acquisition information relevant to PVOS, NGOS, universities and private businesses are available on USAID's gopher [gopher info@usaid gov] and USAID's new worldwide web home page [www.info.USAID.gov] These include
 - General information on USAID-funded programs,
 - Country strategies and implementation guidelines,
 - USAID publications,
 - All USAID/W solicitation documents,
 - USAID procurement policies and procurement opportunities,
 - All procurement award notices, posted within five working days of approval,
 - All USAID Commerce Business Daily notices, posted within 24 hours of appearing in the Commerce Business Daily,
 - Center for Trade and Investment Services (CTIS) information on business opportunities, and
 - Office of Small and Disadvantaged Business Utilization (OSDBU) information on business opportunities

USAID CONTACTS

Public Inquiries (202) 647-1850
Procurement (703) 875-1204
Private Voluntary Organizations (703) 351-0222
Business Opportunities
--Center for Trade and Investment Services (CTIS) (202) 663-2660
or 1-800-872-4348

Business Opportunities and Counseling
--Office of Small and Disadvantaged Business Utilization
(202) 875-1551

For Improving Customer Service through Reengineering
--Office of Results-Oriented Reengineering
(202) 663-3602 or (202) 663-3390

--USAID's Quality Council (202) 736-4014 or (202) 663-3602

INTERNET ADDRESS [gopher info usaid gov]

WORLDWIDE WEB HOME PAGE [www.info USAID gov]

You can get a copy of Phase I and II of USAID's Customer Service Plan by calling the general inquiry line, using the INTERNET or the WORLDWIDE WEB HOME PAGE addresses or by writing to

USAID Office of Public Inquiries
320 21st Street, N W , Suite 2895
Washington, DC 20523

The same process can be used to address comments and inquiries about the quality of our services or USAID's Customer Service Plan

ebaltimore/splunkett phasella.csp\8\4\95

U S A I D / J A M A I C A

COMMITTED TO CONTINUOUSLY BETTER SERVICE

USAID/JAMAICA CUSTOMER SERVICE PLAN

MISSION GOAL STATEMENT AND STRATEGIC OBJECTIVES

USAID/Jamaica aims to reduce the prevalence of poverty and increase broad-based sustainable economic growth through the promotion of the following strategic objectives

- SO1 increased participation in economic growth,
- SO2 improved environmental quality and natural resource protection,
- SO3 smaller, better educated families

MISSION'S SERVICES

We strive to increase participation in economic growth through microenterprise and infrastructure development, technology transfer and improved markets for export growth for all entrepreneurs in industry and agriculture.

We are committed to improving environmental quality and natural resource protection by building capacity of local environmental management organizations to respond to these issues. Also, we provide technical assistance to develop environmentally sound and cost-effective on-site sewage disposal solutions for squatter settlements

Our family planning initiatives, AIDS/STD prevention and control activities as well as our education assistance that target primary, all age and university level teachers and students all serve to create smaller, better educated families.

UNDERSTANDING THE NEEDS OF OUR CUSTOMERS

Our customers are primarily the socially and economically disadvantaged Jamaicans who are the beneficiaries of USAID's assistance. Under our objective to increase participation in economic growth, we provide assistance to microentrepreneurs, poor inner city residents, exporters, small farmers, business executives and financial operators. Under our objective to improve environmental quality and natural resource protection, we serve small farmers, fishermen, hoteliers, squatters and low income urban and rural communities. Under the objective to create smaller and better educated families, we work with at risk youth and adolescents, commercial sex workers, public sector health workers, impoverished parents as well as educators and students from primary, all age and university levels

We reach our customers through collaboration with partner organizations such as host country government institutions, NGOs, PVOs, universities, business associations, U S government agencies, and other donors

Since our presence in Jamaica, we have used a variety of methods to understand the needs of our customers during conceptualization and throughout implementation and evaluation of our activities. These methods include household surveys, beneficiary surveys, site visits, counterpart meetings, joint semi-annual reviews and evaluations

For example, under our objective to increase participation in economic growth we have done a baseline survey on the small and micro business sector collecting information on number of firms, types of activity, number of employees, breakdown of male and female owned businesses and information to track the life cycle of businesses. In addition, in certain subsectors such as in the garment and furniture manufacturing sector, we have conducted interviews with the entrepreneurs to understand the characteristics of the enterprises in more depth and to understand their needs for assistance.

Among small, medium and large enterprises we have conducted several business behaviour surveys to understand the views of the business community on economic and trade policies and assess the impact of economic liberalization measures. Under our urban development initiatives, we have led joint planning sessions to develop business plans for the business community and conducted periodic surveys. Under the squatter upgrading activity, we have conducted beneficiary surveys with the inner city residents to respond to their needs more effectively.

Under our objective to improve the quality of the environment and natural resource protection, we have maintained our dialogue with customers through periodic public awareness surveys and evaluations.

Under our family planning initiatives to create smaller families, we have conducted several surveys on contraceptive prevalence, reproductive health and consumer attitudes regarding contraceptive methods. To battle better against AIDS and sexually transmitted diseases (STD), we undertook a KAP survey on HIV/AIDS among Jamaican adolescents, a KAP study among female commercial sex workers and yearly Knowledge, Attitude, Behaviour and Practice studies on AIDS/STD with a cross section of the population.

During our new Uplifting Adolescents project design, we have conducted an ethnographic and demographic study to understand the characteristics and needs of the "at risk" youth as well as an institutional assessment to evaluate the capabilities of the NGOs to respond to these needs effectively.

To enhance our collaboration with customers, we plan to expand the use of focus group and roundtable discussions with our partners and customers to share strategic objectives and sector priorities as well as develop joint activity descriptions and business plans with mutually agreed upon results. We will also engage in some customer assessments and gap analysis through surveys and rapid appraisals to ensure that the views and needs of our end-user beneficiaries are incorporated into activity objectives and result packages.

PRINCIPLES OF CUSTOMER SERVICE

To serve our customers in a more efficient and effective way, we are committed to the following principles:

- * We will always treat our customers with respect,
- * We will use language that our customers can easily understand,
- * We will involve customers, partners and stakeholders in the host country in conceptualization and design and throughout the life of our activities,
- * We will disburse funds on a timely basis,
- * We will minimize reporting requirements,
- * We will promptly respond to customers on problems and questions,
- * We will provide educational information to our customers about resources we manage, their use, and the laws and regulations governing their use,
- * We will simplify processes and procedures and make them customer-friendly.

CUSTOMER SERVICE STANDARDS

We are committed to provide continuously better service to our partners and customers through meeting and, whenever possible, exceeding the following standards of service:

- * We will disburse funds in time to allow for implementation of activities on schedule,
- * We will ensure that all vendors will receive their reimbursement within thirty days,

- * We will answer the phone in three rings The first person who gets a call will take direct responsibility to resolve customer's problem expeditiously,
- * We will respond to all written communication from partners and customers within seven working days We will respond to all phone messages within twenty four hours,
- * We will ensure continuity of contact for any major program activity during periods of staff turnover,
- * We will hold quarterly meetings with the Government's planning arm, the PIOJ, and maintain frequent contact with our partners to ensure an active dialogue on our development assistance,
- * We will consider local expertise first in selecting technical assistance providers/contractors,
- * We will provide building access and contact person within five minutes;
- * We will have twenty four hour phone and fax accessibility

OUR NEW OPERATING SYSTEM

In order to be responsive to input received from our customer outreach initiatives and to deliver on our commitment to provide continuously better service to our partners, intermediate customers and end-user beneficiaries, we have developed a new operating system which concurrently pursues the following three transformations

1 TRANSFORMING LEADERSHIP:

Our new management style is shifting from the classical practices of organizing and managing employees and their work, to the faster and less costly practices of developing and empowering employees to organize and manage their own work. It is a difficult but a necessary transformation from command and control to motivation and teamwork and from review and approval to trust and empowerment. It includes moving from the vertical hierarchy of bureaucratic controls to the flatter and more efficient horizontal structure of strategic objective and results teams.

2 TRANSFORMING THE WORKFORCE CULTURE:

Our new management structure by strategic objective and advanced management techniques are designed to effectively transform the workforce into more critically thinking, multifunctional and innovative employees who are trusting, empowered and reenergized to improve themselves, their work and their levels of customer service every day We will continue to identify training needs of employees to implement our new operating system and to achieve the customer service standards and principles

3 TRANSFORMING PROCESSES:

We are systematically improving our operations by eliminating non value-added work, policies and procedures, streamlining processes which are fundamentally sound and reengineering others that require a radical change Our ultimate goal and measurement of success is reduced time and cost, with increased quality and better service.

CUSTOMER CONTACTS

To obtain general information about USAID/Jamaica and its services
please call or write to Information Officer
USAID/Kingston

To obtain project information or to provide us with information
please call or write to Project Officer
XXXXX Project
USAID/Kingston

Page 1
ate 08/02/95
e 12 07pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04 29pm
To *@@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

USAID/G-CAP

PLAN FOR IMPROVING CLIENT SATISFACTION
WITH THE HEALTH SECTOR PROGRAM

(April 20, 1995)

I Introduction

USAID's efforts to improve the health status of Guatemalan women and young children have seen mixed results in the past two decades. Substantial improvements in most health indicators have been documented at the national level and among certain subgroups, particularly urban and/or ladino populations. However, results have been disappointing among the predominantly rural Mayan communities. Health indicators for Mayan groups have seen little or no positive change, and (according to some sources) in some instances may have worsened.

Program evaluations and qualitative research indicate that there are various reasons why health sector activities have had poor performance in rural Mayan areas. The principle reason is that most programs have failed to incorporate the client (Mayan women and children and their communities) into the design and delivery of health services. Since the 1970s, donors and their partners (the Ministry of Health and NGOs) have acknowledged that community knowledge, attitudes and practices should be taken into consideration. But, there are few documented examples in Guatemala in which programs have actually succeeded in operationalizing community involvement within the context of a centralized, hierarchical and highly medicalized service delivery system. In other words, it has been difficult to move beyond simply recognizing that the role of the community is important to the point of identifying concrete steps or methodologies for involving communities in health service delivery.

USAID/G-CAP has formed a broad team for re-engineering in the health sector. Participants include technical personnel and policy makers from the public and private (NGO) sector as well as USAID grantees and one contractor. Two NGOs with whom we do not

Page 2
Date 08/02/95
Time 12 08pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04.29pm
To *@*@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

currently have a formal relationship were invited to participate
One of them has developed a successful, self-financed model for
rural health services and the other is a totally Mayan
organization The organizations on the team include

USAID/G-CAP
Ministry of Health
APROFAM
IGSS
INCAP
Rajiin T'namet
GuateSalud
CARE
Clapp and Mayne
Project HOPE
The Population Council
Partnership for Child Health (BASICS)

II Enhancing Client Focus in the USAID Health Sector Program

A USAID/G-CAP's Reengineering of the Health Sector Program

USAID/G-CAP volunteered to participate as an experimental laboratory for the Agency's re-engineering efforts. Specifically, the Mission is refining its "smaller, healthier families" strategic objective The re-engineering effort focuses on improving results through a stronger client focus and teamwork with partners By defining a results framework based on client needs and expectations, USAID/G-CAP hopes to improve program responsiveness and effectiveness over the short term USAID/G-CAP is promoting organizational change among its partners - focusing on accountability for results, improving quality of care based on client needs, and teamwork

The reengineering of USAID/G-CAP's maternal-child health program has as its point of departure the need for rural, predominantly Mayan communities to obtain adequate health care The most common problems expressed by community residents are the long and time consuming distances to reach services, language barriers, limited and inconvenient service hours, services that focus on specific

Page 3
Date 08/02/95
Time 12 08pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04 29pm
To *@*@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

medical problems and the the individual as a person, no consideration of the well-being of the entire family, lack of medicines, inhuman treatment, lack of follow-up and the general inability of the providers to adequately treat or resolve problems. There have been no mechanisms for individuals to express their dissatisfaction of the medical care they are receiving, and there are virtually no opportunities for community residents to affect any kind of change to make services more accessible and appropriate

B Clients and Partners

Partners.

USAID/G-CAP has worked with a variety of Guatemalan and international partners in implementing its health sector program. When we talk about partners it is important to distinguish between the "host institution" such as the Ministry of Health and the actual service provider such as a physician or nurse working at a rural health facility.

USAID/G-CAP's principal institutional partners for the past two decades have included the Ministry of Health, the IPPF affiliate - APROFAM, the Social Security Institute (IGSS), a small number of local NGOs, and a variety of US contractors. The Mission plans to continue working with these organizations and is committed to assisting them in refocusing their efforts to have greater impact in Mayan communities. We are also committed to identifying and working with a greater number of local NGOs, especially those most representative of rural indigenous communities. As a first step in expanding the number and type of partners, USAID/G-CAP financed the Population Council to develop an inventory of local NGOs - especially focusing on gender and ethnicity issues and current/potential interest and/or capability to deliver MCH and reproductive health services in the altiplano.

A second step in strengthening partners' abilities to meet client needs and expectations is to understand more specifically the problems that service providers confront on the "front lines" of health service delivery. For example, in contrast to the perceptions from the community described above, providers confront numerous problems, have their own perceptions of the people they serve, and work under established

Page 4
Date 08/02/95
Time 12 09pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date: 06/19/95 Time 04 29pm
To *@*@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

norms and procedures A large number of health care problems exist because of incongruence between client and provider attitudes, experiences and relative power to affect changes in the service delivery system It is not a simple matter of changing either provider of care seeker attitudes, but instead it is a process of achieving accomodation

Service provision is highly medicalized and uses norms that mitigate against effective service delivery Decisions are generally made by physicians or nurses, while auxiliary nurses and community personnel play more minor roles despite the fact that they have greater contact with the clients. Whenever new programs or innovations have been proposed, physicians have generally opposed any increase in technical training and responsibilities to low level support personnel

In Guatemala, as in many parts of the world, providers generally feel that care seekers should come to the clinic, and very facilities have effective extension programs into the communities they serve Many attempts have been made to have providers visit homes to give immunizations, treat diseases and provide information on various health topics Most of these efforts have been abandoned because providers have no real incentives to go beyond the clinic walls, and when they do, transportation, per diem and time constraints have made such efforts relatively ineffective Although some providers feel they have all the knowledge and skills they need, many providers also feel they need additional training, especially in the area of reproductive health.

It should be noted that both the public sector and NGOs often work in the same areas of the country The services offered by NGOs and by individual health districts in the public sector vary considerably in quality, coverage and degree of collaboration with the communities in their services areas Collaboration between NGOs and the public sector tends to be minimal, and occasionally confrontational

Clients

Although the USAID/G-CAP health sector program will continue to support national-level impact, the program will target the indigenous The Mayan population comprises between fifty and sixty

Page 5
Date 08/02/95
Time 12 09pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04 29pm
To *@*@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

percent of the total population and lives principally in rural villages in the western highlands Specifically, USAID/G-CAP's clients are women of reproductive age (and secondarily their male partners) and children under five years of age

C Services Provided to Clients

The USAID/G-CAP health sector program will strengthen the delivery of reproductive health services and of integrated child health programs. The program focuses on strengthening the quality, coverage and accessibility of an integrated package of services that meets clients needs and expectations. The Mission is currently in the process of defining client needs and expectations" more specifically through a series of data collection activities. As this primary and secondary research moves forward, the health sector strategy and our agreements with insitutional partners will be modified to reflect new knowledge and understanding of the issues/problems and their potential solutions.

Based on past experience in the health sector, the Mission plans to emphasize certain proven technical interventions. These include family planning services, control of sexually transmitted diseases, detection and management of obstetric complications, control of childhood illnesses (diarrheal diseases and acute respiratory infections), promotion of appropriate breast feeding practices, immunizations and health education.

Since the goal of the USAID/G-CAP reengineering effort is to eliminate large and highly structured projects and replace them with results-based agreements with our partners, the work of each individual partners will be designed and evaluated in terms of coverage, quality, accessibility and other relevant factors. Proposals on how the community/client will be concretely involved in improving services and becoming active partners will be developed. Realistic goals and concrete, measurable results will be incorporated into each institutional agreement. Service provision strategies must be sufficiently flexible to permit adjustment and restructuring in response to problems and cumulative experience. USAID/G-CAP will encourage partners to test new and more innovative service delivery strategies and to continually collect and analyze data on service provision, provider technical

Page 6
Date 08/02/95
Time 12 10pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date. 06/19/95 Time 04 29pm
To **@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

competence, and community/client satisfaction

D Data Collection Strengthening the Client Focus in the USAID/G-CAP Health Sector Program

USAID/G-CAP is undertaking several parallel actions in the area of data collection and analysis to facilitate a deeper understanding of what type(s) of service delivery models are best suited to the needs of Mayan women and children in Guatemala. Since most of the health care of Mayan women and children takes place outside of health facilities, it is critical to look at home-based care and use of nonformal health services as well as the more traditional review of formal health services.

D 1. Secondary Data Analysis

USAID/G-CAP has contracted an anthropologist to develop an annotated bibliography of the ample body of public health and social science research that exists on Mayan cultural concepts related to maternal-child health (pregnancy, childbirth, illness and fertility/reproduction, etc) and health seeking behavior of Mayan families and communities. The consultant will then analyze this research to determine how USAID/G-CAP and its partners can work more effectively to promote home-based care and to strengthen health services (nonformal, community level, public facilities and private sector facilities) to provide culturally appropriate and technically sound maternal/child health services. The consultant will work closely with the re-engineering team (USAID/G-CAP and its partners) to develop a set of recommendations regarding how health service delivery can be modified/strengthened to achieve maximum "client satisfaction" and enhance results of the USAID program (Final Report June, 1995)

D 2. Primary Data Collection

D 2.1 Quantitative Research

During 1995, USAID/G-CAP and its partners are implementing a Demographic and Health Survey (DHS) in

Page 7
Date 08/02/95
Time 12 10pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04 29pm
To *@@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

Guatemala This survey will provide current data on health status of women and children (maternal/infant mortality, immunization coverage, treatment of diarrhea and acute respiratory infections, etc) and utilization of health services, including contraceptive methods. In addition to the individual questionnaire for women of reproductive age and their children under five, the DHS will include studies of health services availability and household expenditure/demand for health services The 1995 DHS will be the first large national health survey to oversample in Mayan areas Oversampling will permit deeper understanding of health seeking behavior and outcomes (health status) among indigenous groups The service availability study will allow us to analyze the extent to which service availability/quality influence use of health services among Mayan women. The adaptation of the three instruments (individual women's questionnaire, service availability, and demand study) was done by USAID/G-CAP and its partners (representatives from the public and private sector health institutions, other donors, the National Statistics Institute, national policy makers, and USAID Cooperating Agencies) (preliminary results August 1995, final report January 1996)

In addition to the DHS, USAID/G-CAP is supporting the implementation of some 25 rapid health assessments in 1994-95 These studies are conducted by local health providers from the public sector and NGOs and are a tool for analyzing basic coverage/use of child survival services among women with children under 5 years Because they are implemented by local teams (at the health area or district level) they serve the dual function of providing reliable data as well as helping providers determine how successful they are (or are not) in improving coverage in a given target population. With proper training in analysis and utilization of this data, health services providers can identify problem areas and take steps to improve service quality to achieve greater results (ongoing)

175

Page 8
Date 08/02/95
Time 12 11pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04 29pm
To *@*@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

D 2 2 Diagnostic Studies/Operations Research and Other
Qualitative Data Collection

Between 1992 and 1996, USAID/G-CAP is investing considerable effort in designing a new strategy for health services delivery in rural Mayan areas. The Population Council as well as other USAID partners (local NGOs and anthropologists) are collecting basic ethnographic information, testing new service delivery approaches and seeking to define more explicitly what Mayan clients are seeking from MCH programs, especially in the area of family planning which has seen the least progress of all interventions.

A few examples of these studies include

- o A study of the involvement of men in reproductive health decision-making in the Department of El Quiche (underway). The finding will be used to design/test a strategy to involve male leaders in promoting family planning as well as other key MCH interventions such as immunizations, diarrheal disease prevention, ARI control, and prenatal check-ups. They will also promote locally available resources such as TBAs, CBD workers and others who can be trained/supported to provide counseling and services.
- o A diagnostic study of cognition and speech patterns of urban and rural indigenous residents about reproductive health in Quetzaltenango (underway). This project is investigating cognitive structure and communication about sexuality and reproduction among Mayans. The findings will facilitate the development of culturally appropriate training materials for TBAs and clinical providers and to design other interventions.
- o An operations research project to test the

Page 9
Date 08/02/95
Time 12 11pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04 29pm
To *@*@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

possibility of adding reproductive health services to the services provided by a trained network of TBAs (underway) The model would add family planning/reproductive health services to a functional referral system involving MOH providers and TBAs The basic question to be answered is whether TBAs are willing to work in reproductive health, and if so, can they be effective promoters and service providers?

- o An diagnostic study to develop culturally appropriate protocols for reproductive health service delivery at the community and clinical levels, followed by an operations research study to see if perceived need for family planning can be converted to actual demand for services through the use of standardized protocols, IEC activities at all levels, and community outreach (underway)
- o Reengineering of the APROFAM CBD program (underway) Among indigenous women of reproductive age in Guatemala, contraceptive prevalence is below 10% despite the expressed desire of over half of these women to space or limit their births. APROFAM is committed to making its CBD program more responsive to the needs of indigenous women In partnership with the Population Council, APROFAM is developing and testing new service delivery and administrative systems that will address growing demand in rural areas and generate additional demand by converting the desire to space/limit births into demand for contraceptive methods.
- o A study to identify the key economic, sociocultural and service delivery factors that influence women's access to and use of contraceptives and other reproductive technologies and services. The study will develop recommendations for reducing the barriers women face in controlling their fertility

117

Page 10
Date 08/02/95
Time 12 12pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date. 06/19/95 Time 04 29pm
To *@*@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

-
- o An ethnographic study on the recognition, classification and treatment of acute respiratory infections among various Mayan language groups. The results form the foundation of a targeted and culturally relevant communications program to promote early recognition and treatment of pneumonia

E Client Service Standards

USAID/G-CAP is committed to improving client service standards. The focus of our efforts is on improving quality of services. Together with partners and local policy makers, USAID/G-CAP will promote the definition and establishment of minimum standards of quality. Service delivery norms are a key element of quality, however, additional elements include, but are not limited to

- o interpersonal relations (courtesy, empathy, etc)
- o mechanisms for follow-up/continuity of care
- o providers' technical competence (ability to perform dependably and accurately)
- o information given to clients
- o (for family planning programs) choice of methods
- o an appropriate constellation of services

Quality standards should be set and evaluated with input from both clients and providers. A process of research including some of the studies described above) combined with assessments of specific service delivery points are necessary to answer the following key questions

- o What standard of care should programs be prepared to offer?
- o What quality of care is currently offered to clients?

Page 11
Date 08/02/95
Time 12 13pm

NetForum by NetPro Computing

COUNTRY EXPERIMENTAL LABS Message Text

Msg# 13 (Unread)
Date 06/19/95 Time 04 29pm
To **@AIDW
From LPA SENDER@LPA@AIDW
Subj GUATEMALA- CLIENT PLAN

o What quality of care is received by clients?

III USAID/G-CAP Contact

To obtain general information about USAID/G-CAP, please contact.

Office of Program Development and Management
USAID/G-CAP

To obtain information on the health sector program, please contact

Health Division Chief
USAID/G-CAP

p \public\docs\client pln

Democracy Partnership CUSTOMER SERVICE PLAN

1. The Partnership: Its Goals and Objectives

A partnership has been formed among the United States Agency for International Development/Bangladesh (USAID/B), The Asia Foundation (TAF), and the Bangladesh Rural Advancement Committee (BRAC). The goal of the partnership is to broaden participation by the socially and economically disadvantaged in the democratic institutions and processes of Bangladesh. The partnership has agreed upon two strategic objectives which, in its considered judgement, will contribute measurably to the achievement of its goal over a five-year period from 1995-2000. These are: a) enhanced participation in local decisionmaking, and b) more accessible and equitable justice, especially for women.

The partnership is based on the principles of customer focus, collaboration, empowerment, and managing for results. Characterized by cooperation, consensus, and complementarity, the partnership will share resources, risks, and accountability in striving to achieve its common goal. These principles will guide relations among the partners, and between partners and subgrantees (referred to as implementors).

2. Who are the Partnership's Customers?

The partnership's customers are socially and economically disadvantaged persons of voting age. In Bangladesh, the disadvantaged are typically identified as those who normally consume fewer than 2,000 calories per day.

3. How Will Customers Benefit from the Partnership?

Our customers identified several conditions they would like improved or changed to enhance their participation in local decisionmaking. Program outcomes identified by the partnership and confirmed with its customers that will help to improve or change these conditions are:

- a) Advocacy of customer interests strengthened,
- b) Quality of elections enhanced, and
- c) Competence of local elected bodies to identify and meet customer needs strengthened

With respect to the first of these, the partnership will support activities to strengthen the role of local associations in advocating customer interests, and strengthen the ability of advocacy groups to identify and represent customer interests. With respect to the second, it will support activities to increase voter awareness of electoral processes, issues, and voting rights,

and strengthen election administration and monitoring. With respect to the third, it will support activities to improve relationships between local elected bodies and customers, improve transparency, and increase women's representation in local elected bodies.

Similarly, the partnership's customers, especially its women customers, identified several conditions concerning the equity of justice that they believe could be improved. The partnership has identified and confirmed with its customers two program outcomes that will help to ensure better access to more equitable justice. They are:

- a Awareness of legal rights and obligations increased, and
- b Quality of alternative dispute resolution improved

With respect to the first of these outcomes, the partnership will support legal awareness activities with a nation-wide focus as well as those which target local elites who set the tone for and create an enabling environment for the equitable dispensation of justice. With respect to the second outcome, it will support activities which strengthen traditional institutions of alternate dispute resolution, i.e., the village *shalish*, and improve the dispute resolution function of local elected bodies.

4. How were Customer Needs Identified and Confirmed?

USAID/B used rapid appraisal techniques to identify the democracy needs of the partnership's customers. The partnership, after it was formed and had developed preliminary strategic objectives and program outcomes, also used rapid appraisal techniques to confirm that its customers thought the objectives and outcomes addressed their needs and were feasible.

The field work for identification of needs was conducted in April 1995 by a team of USAID/B staff fluent in Bangla, the local language. This team included 20 interviewers, eleven men and nine women, with diverse educational and professional backgrounds. The team benefitted from intensive training in rapid appraisal methodology (including field tests) and team building exercises immediately prior to their work. This training was provided by an anthropologist from USAID/Washington.

The field work was conducted in three weekly rounds. During each week, four teams of four members traveled to different areas of the country. Each team of four was composed of two pairs, one female and one male pair. Each week, each pair conducted approximately five group interviews (with an average of ten interviewees per group) and three individual interviews. Female pairs interviewed females and male pairs interviewed males. The sample was purposive, in order to capture age and occupational variation and include different ethnic

and religious groups. On the whole, about one-third of the respondents were based in urban slums, the remainder were from rural villages. Geographic coverage was broad and touched the country's five divisions.

The methodology specifically called for the full team (all 20 interviewers) to meet at the end of the week to compare their experiences, and to discuss and distill their most significant findings. In each subsequent week, the team's discussions were more intensive, in order to clarify, give more depth to, and confirm previous weeks' findings.

The validation field work was carried out by a team of USAID/B, TAF, and BRAC personnel, all Bangladeshi nationals and fluent in Bangla. This team included 20 interviewers, half of them women and half men, with diverse educational and professional backgrounds. The team benefitted from earlier intensive training in rapid appraisal methodology given to, and applied in a detects needs exercise by, the USAID members, from BRAC's considerable experience with participatory rural appraisal, and from a further joint training, sharing, refining, orientation, simulation, and pre-testing program undertaken specifically with validation in mind.

The field work was conducted in August 1995 in three rounds: a one-day visit to Dhaka and its surrounding areas during which five teams of four members each carried out interviews, and two two-day field trips during which four teams of four members each were responsible for the interviews. Each team of four was composed of one female pair and one male pair, with the former interviewing female respondents only, and the latter males. In total about 100 interviews were carried out, half being with focus groups and half with individuals, making a total of between 450 and 500 people interviewed. At the end of each of the three field trips, meetings were held to discuss and refine the appraisal methodology and report and analyze findings.

For each of the intended five program outcomes, the intention was to discover from the customers i) whether the intended initiative was important to them, ii) whether they had ideas about its practicality or feasibility, and iii) if they had any suggestions as to how each of them might be implemented.

In terms of coverage, all six divisions of the country were included, and in each, visits were paid to both urban and rural areas. Approximately 50% of the interviewees were women and 50% men. About one-third were urban and two-thirds were rural. Without setting percentages, interviews were carried out with a cross-section of people who were members and non-members of major associations, and who were under and over 30 years of age. Also in light of a more specific definition of customers accepted by the partnership (which is based on daily calorie intake and includes the socio-economically lower 47% of the population), it was decided to make use of common sense indicators of very low levels of

economic status, such as clothing, housing, health, literacy, and occupation, in order to ensure a continuous focus on the partnership's customers

During the period July to September 1995, the partnership used the information from its customers to understand their needs and develop appropriate responses, including strategic objectives, program outcomes, and the set of activities it will undertake to meet its customers' needs. The partnership will continue to gather customer feedback during the implementation of this program to revalidate the results framework and measure progress in achieving the indicators at the goal, strategic objective, and program outcome levels

5 How Will the Partnership Interact with its Customers?

The partnership expects to meet customer needs through implementors which will deliver services directly affecting the partnership's customers. Apart from logistical reasons, this is due to a recognition of the importance of intermediary organizations in the democratic process. The partnership will promote customer focus in all of the activities it supports and strive to provide continuously better support to its implementors to ensure they are better able to meet the needs of the partnership's customers

The partnership expects to include governmental, non-governmental, and private organizations among its implementors. They will be selected on the basis of their record in delivering services affecting customers and communicating with customers, and their commitment to the principles of the partnership including utilizing customer feedback in the design and implementation of activities, and in performance evaluation. The partnership expects its governing principles to govern also the relationships between its implementors and its customers

6. How Will the Partnership Interact with Implementors?

The partnership is committed to supporting a focus on customer needs among its implementors. To achieve this end, it will

- a Inform them about the partnership's basic customer service principles and the role of customer information in the program,
- b Assist them to understand customer service plan requirements through meetings, consultations, and written materials, and
- c Encourage sharing among the implementors of the results of their own customer consultations and customer feedback information

The partnership is also committed to continually improving the support services it provides to its implementors by

- a Developing, through a consultative process, quality standards for the partnership's relationship with its implementors,
- b Striving to be "user friendly," e g , continuity of agreements for major program activities, ready access to designated representatives of the partnership through frequent contacts and discussions, timely responses to queries, timely availability of funding, complete sharing of information on program priorities and regulations, and the identification of responsible "contact points" (including phone and fax numbers and mail and e-mail addresses) for partners and other implementors
- c Obtaining feedback on partnership performance against these standards and using the feedback to guide improvements in the partnership's work processes

7 How Will Implementors Interact with Customers?

The partnership will select implementors, in part, on the basis of their commitment to a "customer focus" and to continuously upgrading the services that affect the partnership's customers Accordingly, agreements between the partnership and its implementors will include a requirement that the implementors develop their own individual customer service plans These plans will include the following information

- a Identification of categories of customers to be involved and affected by the activity, including illustrative numbers and the types of linkages between activities and customers
- b Service quality principles and standards, e g
 - o reliability (ability to perform dependably)
 - o responsiveness (willingness to act effectively, appropriately, and promptly in response to customers' queries, concerns, etc)
 - o courtesy
 - o assurance (ability to convey trust and confidence)
 - o empathy (ability to demonstrate caring and concern for individual customers)
 - o physical arrangements to facilitate effective customer contacts
 - o designation of contact persons

- c Schedule for consultations with customers on their perception of the effectiveness of the activities in meeting the needs they were designed to meet and the customers' assessment of services
- d How the implementors will use customer feedback as part of their regular progress reviews and adjust activities in response to it
- e How the implementors will share customer feedback with the partnership

8 How Will Customers Interact with the Partnership?

To supplement customer information gathered by implementors, on an annual basis the partnership will consult its customers directly using a variety of formal techniques including rapid appraisals, focus groups, and opinion surveys. The purpose of the partnership's direct consultations with customers is to validate and test the customer information obtained by implementors, and to obtain customer feedback on a broader basis. The partnership will also use the information it obtains from these direct contacts and through its implementors to revalidate the results framework, and to measure progress in achieving the indicators at the goal, strategic objective, and program outcome levels.

The partnership is committed to implementing a customer-driven program that will measurably enhance the quality of democracy and justice customers experience. The partnership commits itself to regular and frequent visits to the homes, places of work, and centers for informal gatherings of its customers, particularly in those communities that become the focus of partnership-supported activities.

The partnership commits itself to listening attentively to its customers' comments during these visits and to allowing them ample time to explain their thoughts on the value of partnership-supported activities and the evolving nature of their needs with respect to democracy and justice. The partnership further commits itself to approaching its customers in ways that respect their rights as human beings and citizens of Bangladesh so they believe they can and do speak openly and honestly to the partnership.

9. How Will the Partnership Ensure Continued Relevance of its Customer Focus?

The customer service plan is a living document. The partnership will revise it as necessary based on program experience and consultations with customers and implementors.

10 Whom Do I Contact for More Information?

To learn more about the partnership and its plans, please contact

- Karl Schwartz, Rabiul Hoque or Riffat Sulaiman for USAID/B by mail c/o the American Embassy, Dhaka, Bangladesh, by telephone at 884700, by fax at 883648, or by e-mail at KSchwartz@usaid gov, RHoque@usaid gov or RSulaiman@usaid gov
- Nick Langton, Kim McQuay or Kim Hunter for TAF by mail at House No 2, Road 128, Gulshan Model Town, Dhaka-1212, by telephone at 886941-46, by fax at 886134, or by e-mail at NICK+aASIAF%675-9805@MCIMAIL COM
- Salehuddin Ahmed, Mohammad Golam Samdanı Fakır or Dilruba Shahana for BRAC by mail at 66 Mohakhali Commercial Area, Dhaka-1212, by telephone at 884180-7, by fax at 883542 or 883614, or by e-mail at BRAC@driktap tool nl

Organizations interested in serving as implementors should contact The Asia Foundation

/September 19, 1995/

MEMORANDUM

TO: Caroline D McGraw, M/MPI/OD
Richard Brown, Director, USAID/Bangladesh

FROM: USAID/Bangladesh Democracy Team

SUBJECT: Bangladesh Reengineering Report 4. Evaluation Findings

DATE 16 October 1995

REFERENCES: (a) Bangladesh Reengineering Report 1: The Experiment and Hypotheses
(b) Bangladesh Reengineering Report 2: The Model and Charter
(c) Bangladesh Reengineering Report 3 The Evaluation Plan
(d) Monitoring and Evaluation System for USAID/Bangladesh Country Experimental Laboratory, Thomas James Cook and Camille Cates Barnett, Center for International Development, Research Triangle Institute (April 1995)

I. Purpose. This report provides the evaluation findings of the USAID/Bangladesh experimental approach to program design based on four of the Agency's new core values; i.e., (1) customer-focus, (2) teamwork, (3) empowerment and accountability, and (4) managing for results. It is final report of the USAID/Bangladesh country experimental laboratory.

II. Background. In November 1994, USAID/Bangladesh began experimenting with the application of the Agency's core values and "best practices" to the design and implementation of democracy activities. Given the original timeframe for the experiment, i.e., to be completed by September 30, 1995, the mission was able to experiment with design only. However,

implementation of the program designed using the experimental techniques began on September 28, 1995

The experiment began with a three-day training session attended by all mission professional staff in November 1994. This was followed by an intensive two-day session with the "Exploration" Team, a group of 17 USAID staff tasked with developing a design approach rooted in the Agency's core values and best design practices.

The "E" Team developed an experimental approach to design based on the core values. Ref (b) describes the experimental design approach in detail; Attachment A summarizes it. The "E" Team completed its work on schedule. It was dissolved and the work of a smaller "Democracy" Team, tasked with using the experimental approach to design a new democracy program, began in April 1995. It, too, completed its work on schedule thereby complying with the Administrator's desire to go from concept to implementation within six months.

III. Evaluation Approach.

From the beginning, the mission and the teams engaged in the experiment committed themselves to evaluating the impact the Agency's new core values would have on the way design work is done. To this end, the "E" Team identified fifteen null hypotheses and reported them to the Agency through Ref (a).

These hypotheses proposed that there would be no difference between the "old" design process and the experimental model in the degree to which design was "customer focused;" design teams were "empowered" and relied upon "teamwork," and designs emphasized "results." The hypotheses tested by the evaluation are presented as Attachment B to this report.

For evaluation purposes, the hypotheses were converted to 14 statements. Four statements addressed "customer-focus;" four, "empowerment," and five, "teamwork." Only one statement addressed "results," indicative, perhaps, of past emphases within the Agency on program outcomes rather than project inputs. The 14 statements and the core values they represent appear in Attachment C. Respondents were asked to rate the relevance or accuracy of these statements for the "old" and "new" design processes. A scale of one-to-ten was used for the rating with "one" representing "not relevant/not very accurate" and "ten," "very relevant/very accurate."

Baseline data were established by asking "D" Team members to rate their prior design experience before they began their work with the experimental model. There were eight respondents at this stage. At the end of the experiment, "D" Team members used the same statements to rate their experience with the experimental

design approach. There were nine respondents at the end of the process due to changes in team membership.

The evaluation approach also collected information on the time it took to complete the various design stages, the types of skills needed for design work, and team member thoughts on what should be preserved and what should be changed. The baselines for these evaluation criteria were drawn from the Mission's experience with the design of the Agro-based Industries and Technology Development Project (ATDP), the last major design effort completed by the mission using the "old" approach. ATDP, however, was a design and perform (DAP) contract, itself a modification of the Agency's traditional design process because it relies upon the same contractor for both project design and implementation. The following sections report the evaluation findings.

IV. The Impact of Core Values.

The core values, particularly customer-focus and empowerment, substantially affected design work. The following table presents the average ratings for the cluster of statements around each of the core values. It also notes the relative changes in the use of the core values in design work. Attachment D presents more detailed information on the team members' responses to the 14 statements.

Core Value	Old Way	New Way	% Increase
Customer Focus	3.03	9.42	210
Empowerment	4.39	9.67	120
Teamwork	4.76	8.91	87
Results	6.13	9.89	61

Because the experimental design model was developed to take advantage of the core values, it is not surprising it did better across the board on these values than the "old" way. The most notable changes are the increased emphasis on customers and sense of empowerment held by the "D" Team. Teamwork and managing for results also increased, but less so, possibly reflecting the Agency's greater experience with project design teams and a focus on project outcomes rather than inputs. Not captured by the hypotheses or evaluation statements, but apparent in the conversations of the "D" Team's members, is the greatly increased sense of professional satisfaction derived from applying the Agency's core values.

V. New Skills and Abilities.

Prior to their experience with design based on the Agency's ~~four~~ core values, "D" Team members identified seven skills or abilities as critical to successful project design. These were: (1) technical skills in the subject area; (2) previous experience with project design, (3) familiarity with USAID regulations and operations, (4) writing skills; (5) analytical skills; (6) understanding of technical issues within the particular country context, and (7) good working relationship with host country ministries. By the end of the experiment, however, previous design experience, an understanding of technical issues in the particular country context, and a good relationship with host country ministries were no longer seen as critical design skills. They were replaced by teamwork, rapid appraisal and customer interaction techniques, a general understanding of the country's social, economic, political and cultural environment, and a knowledge of strategic planning processes.

In short, from the perspective of the "D" Team, the ideal design would be carried out by people highly skilled in teamwork, rapid appraisal and other customer interaction techniques, and strategic planning and analysis (including social, financial and economic). They would also be highly knowledgeable about USAID rules and regulations, the particular subject area, and the social, economic, political and cultural environment in which the program is to operate. Attachment D provides more detail on the responses of individual team members to the perceived skills and abilities required for project design.

VI. What Should Be Preserved?

All respondents identified a team approach as an aspect of experimental design approach they thought should be maintained. Half identified the use of customer information as another, important aspect of the experimental approach which should be maintained, and a third, the early involvement of partners. Individual respondents also identified the following aspects of the experimental approach as worth preserving:

- The results framework and activities packages approach to laying out the program;
- Empowerment and delegation of authority to the design team which reduces the need for substantial rework and improves the cost effectiveness of the design process;
- Frequent, productive meetings and periodic monitoring of team performance; and
- The questioning attitude shared by the team.

These aspects of the experimental approach are not unlike the "best practices" respondents thought should be preserved from the design and perform (DAP) mode followed for design of the mission's Agro-based Industries and Technology Development Project These were

- Frequent meetings of all stakeholders to promote coordination and keep all involved in the design process,
- Frequent meetings between USAID and the contractor design team,
- Use of coordinating groups to work on specialized design topics; and
- Definition of the contractor as a partner, using a design and performance contract mechanism

The experimental approach did address several aspects of the ATDP design process which respondents thought should be changed, including:

- Clear delegation of design authority to avoid excessive reworking and time-wasting,
- Avoidance of top-down direction to the design team, let them do their job;
- Shortening of the time for the design and approval process;
- Design team interaction with customers,
- Monitoring and evaluation built into the project design and focusing on results,
- Challenge to all parties to the design process to follow a time-based work plan;
- Necessary resources for the design team --time, skill mix, outside expertise to do the best job possible; and
- Necessary language skills so the design team can interact effectively with the partners and customers.

VII. What Should be Changed?

Five of nine respondents said the experimental design team should have paid more attention to building a design "team" early in the process rather than focusing on products; e.g , the results framework or activities packages Five said the team should have developed more ways of bringing the government into the design

process Individual respondents also identified the following aspects of the experimental approach as worth changing

- Partners roles, responsibilities and mutual expectations should be clearly understood early on,
- More outside consultations at various stages,
- Slightly more relaxed timeframe; and
- More attention to recognition and rewards for performance.

VIII. How Long Did It Take?

It took 28 months for ATDP to go from USAID/W's approval of the project idea to the signing of the bilateral project agreement (May 15, 1992 to September 28, 1994)

From the day the "D" Team's charter was signed, empowering it to begin work, to the day the cooperative agreement was modified to begin implementation took 125 days or five and one-half months (April 13 to September 28, 1995) During this time, the "D" Team conducted an appraisal of its customers' democracy needs, issued a request for applications (RFA), competitively selected its partners, and, working with its partners, developed a results framework including new strategic objectives and program outcomes and indicators and validated these with the partnership's customers It also prepared activities packages for each program outcome, a monitoring and assessment plan, a customer service plan, and operating principles for the partnership. The pace of work was extreme and could only be sustained through effective teamwork including the use of sub-teams formed to address particular problems.

IX. Beyond Evaluation: Free Lance Observations by "E" and "D" Teamers.

Member 1: The experiment was a resounding success in that the democracy partnership formed by USAID/Bangladesh, The Asia Foundation and the Bangladesh Rural Advancement Committee developed, in less than six months, a results package in which it has a high degree of confidence Never had so much been accomplished by any of the partners in such a short period of time This meant individual participants, during this period, committed 50% to 100% of their time to the partnership's work depending on their role and nature of work at any given point in the process Even this was not enough, however. It was necessary to involve non-team members at two critical stages of the process --during the original "detect needs" work and, later, when the results framework was validated with the partnerships' customers. Customer-focused design work is more

labor intensive for USAID which means it needs to be supported by additional operating expense resources

The "D" Team and its evaluation failed to anticipate the very favorable impact its experimental approach would have on staff morale, particularly its Bangladeshi women employees. The increased level of customer interaction inherent in its experimental approach forced the mission to exploit fully its human resource base. This meant including "support" staff in its detect needs field teams. Since these teams were using rapid appraisal techniques and discussed at the end of each day what they had heard our customers say to them, normally quiet people came into the foreground and expressed themselves clearly and articulately. They also learned that our customers were people who made choices and understood more about how democracy works in Bangladesh than they originally thought. Our staff are now more knowledgeable about our democracy program and speak with more confidence about it and their role within the mission.

Finally, the experimental approach needs to resolve two related methodological issues: "Do customer's really know what they want or need?" and "What is the role of outside experts?" The first is illustrated by point made during a particularly difficult partnership discussion over what customers were saying to it about "associations." One partner argued that it would never have started a sanitary latrine program if it responded only to stated customer needs because they had not asked for latrines. Another partner argued that the customers said they wanted to be healthier and that it was up to the partner, because it understands how germs transmit diseases, to explain this to customers so that they recognize the value of sanitary latrines. This is not the same as saying customers do not know what they want or need. As to the role of outside experts, USAID and TAF have come to rely upon them for analysis and the development of programs. Outside experts, however, were marginal to the experimental approach. Two outside facilitators helped the partnership during the first month and the partnership discussed its original results framework with six Bangladeshi experts. While the partnership has a high level of confidence in its products, there is a nagging doubt about whether it engaged in sufficient consultation with "experts."

Member 2: A few succinct comments. First, the experiment was an unqualified success, and the quality of the end product was improved immeasurably by the full participation of USAID's partners in the design process. Indeed, it calls into question why USAID would ever want to design a program without such participation. However, the team approach, by putting everyone on an equal level, is critical in getting this full participation. Simply getting outsiders' "inputs" is a far cry from this. Second, the team approach need not be a time guzzler (a common concern of team "doubters") and, indeed, can ultimately save a lot of time if it operates properly. The various techniques to get issues quickly on the board, setting agendas with time frames

and sticking to them, and the extensive use of small subteams are just three of the techniques available that were used effectively to speed up the process significantly. Third, the "spin-off" effects, including most notably on FSN morale, of employing rapid appraisals have been both amazing and surprising as well as a clear demonstration to USAID that it has resources that it has not been using optimally. Also, it empowers the Mission to find out for itself what is happening at the lowest level, the customer, without having to rely, as we usually do, on outsiders, as such, it is a real source of power and confidence builder for the Mission. Fourth, the design was accomplished in record time, which was great in showing us what can be done in a given time frame. But there were certain "costs" in this, including occasional and temporary "burn-out" by team members and possible insufficient time for the team to consult more outside "experts". These "problems", if they can even be labelled such, were certainly minor and proceeding in the future at a slightly less frenetic pace should eliminate them altogether.

Member 3: With the opportunity to be an intricate member of both the Exploration and the D-Team, the success and fruition in formulation of an innovative model for designing projects for the future in a reengineered Agency embodying all the richness and positive attributes inherent in the Agency's four core values, the resounding success prior to actually going through, step by step, the various stages of the design model appeared somewhat like being in a state of utopia. But this was rather short lived as one becomes deeply entrenched in the harmonious, disciplined and dynamic forces of getting the job done within the deadlines truly by virtue of being a covert in the share strength and productive capability of working in a team, fully committed towards attaining its common goal and producing the desired results.

From an individual perspective what I think makes the teamwork excel in its tasks are the following: a definite commitment from all to inherit the team's mandate transparent as the beacon/guiding light in all of its endeavors; showing respect, tolerance and giving equal treatment/value as to the views and contributions of others in the team; building the right and conducive environment that fosters meaningful participation culminating into productive consensus on achieving results. The equation, following joining of other organizations, becomes evermore complex and one that poses tremendous challenges for the expanded team. Again discipline and respecting each other as equal contributing members to the team/partnership process are of paramount importance. At regular intervals the team must evaluate its performance and progress towards achieving the common goal. A group of people possessing the right blend of skills at the right time are also critical factors which when left to apt team leader and facilitator in their capacity as team player can bring the team dynamics at its zenith in attaining the most desirable of results. This epitomizes for the team as a whole to digest a sense of achievement that no longer makes the

utopia stand beyond reach but turn that into a glaring reality of truth, albeit attainable in time and space. The D-Team with its partners just did and proved it and in the process never lost sight of the four core values as the all important doctrine that made the "Difference" not just difference - I indeed am proud to be part of the process and what I endured in the most gratifying sense of the word.

Members 4 & 5.

Customer Focus:

In the experimental design approach, the most radical departure from the old way of project design was the direct interaction of USAID staff with the customers at two stages. The first interaction was to identify the customers' needs of democracy, through direct interviews with individuals and focus groups, using the Rapid Appraisal Technique. The second phase of interaction with the customers was to validate the program outcomes developed on the basis of stated needs in order to ensure that these program outcomes were appropriate and adequate response to the customers' needs.

This was done deliberately, recognizing that for a sustainable development effort, involvement of the customers is essential right from the beginning, i.e. from the need detection/problem identification stage.

Team Work:

Another area of significant departure in the new design process was the spirit of team work. Throughout the design process it was very clear to the team members that they shared the common objective of designing a democracy program by the deadline of 31 September 1995. As a result, each and every member tried to contribute their best for achieving the common objective by completing their individual and group tasks within the assigned time frame. This approach of team work provided the first opportunity for three organizations (USAID, TAF, BRAC) to work together for the common objective, notwithstanding the differences in the organizational objectives and procedures. It is obvious that the success of future design work will depend to a large extent on the inculcation of the value of team work.

Time Saved in Design:

It is heartening to the team members, hopefully to the outsiders as well, to note that this new design process could be completed in only six months. This short period of six months, when compared against the average time requirement of 28 months for a project design in the old way of doing business, appears to be a very significant improvement in the design approach. This was

possible only because all the team members were guided by a team spirit and high level of commitment

Enabling Environment:

All the members of the Experimental Design Team acknowledge the supportive role played by the USAID Mission Management in fostering a conducive environment that enabled the members to operate as empowered team and complete the task within the stipulated time. In fact this operational freedom due to appropriate empowerment is considered essential for a effective operation of any self-contained team

Knowledge of Democracy:

One of the by-products of this exercise was the broadening of the team members' knowledge base on democracy in Bangladesh. Through direct interaction at two phases, the team members had been able to broaden and deepen their understanding of democracy needs of the socially and economically disadvantaged Bangladeshis (our customers). In addition, the lengthy and rich discussions that took place for the development of results framework, activities packages and customer service plan, had also enriched the team members' understanding of the complex issues of democracy.

Member 6: I support what my colleagues have said that this approach was an unqualified success

A couple of things come to mind that are in addition to what my colleagues have said. One is the enthusiasm that the PVOs/NGOs who participated in this exercise had for the approach that we used for design & implement. During the negotiation phase, two of the NGOs noted how this is the way USAID should always conduct its assistance process. They fully supported the concept of USAID working with the NGO, and any local NGOs that are part of the team, during the design of the NGOs program. This approach they felt was far better than letting the NGO design a program description in a vacuum and then having USAID critique the design and require revisions, etc.

A second area is involving specialists in the process, who aren't traditionally full team members of an assistance design process, i.e., contracting, legal & controller personnel. I believe having representatives from these technical areas be full time team members from the initial concept through final agreement stage facilitated the accomplishment of the tasks in record time, contributed to the quality of the deliverables, and allowed cross-fertilization of knowledge among all team members which will be useful for the life of the project.

ATTACHMENT A

USAID/BANGLADESH DESIGN APPROACH

<p style="text-align: center;">STRATEGIC</p> <p style="text-align: center;">SO s PO s Targets Indicators Obligate \$</p>	<p style="text-align: center;">TACTICAL</p> <p style="text-align: center;">Activities Packages with Results and CSPs</p>
<p style="text-align: center;">STEPS</p>	<p style="text-align: center;">STEPS</p>
<p>0 Negotiate basic framework agreement for experiment with BDG including forming core BDG/USAID strategic team</p> <p>I Empower strategic team (D team charter)</p> <p>◊II Detect UC/EU needs</p> <p>A Develop basic question(s)</p> <p>B Administer basic question(s) to EU/UC groups</p> <p>C Analyze responses/identify responses</p> <p>D Screen UC/EU needs against agency/BDG emphases and resources (stakeholder analysis)</p> <p>◊III Enhance strategic team/select potential partners</p> <p>A Establish selection criteria</p> <p>B Solicit expression of interest (CBD G/DG List Yellow Pages)</p> <p>Share</p> <p>1 Results of EU/UC survey</p> <p>2 Agency core values</p> <p>3 Request concept paper identifying programs appropriate to Bangladeshi EU/UC needs and partners capabilities interests and commitment to core values</p> <p>C Review concept papers capabilities interests and commitment and select potential partners</p> <p>D Negotiate and sign Development Agreement with partners outlining operational relationships and working procedures for strategic planning (PD&S funds)</p> <p>◊IV Develop desired results/prepare analytical/causal frameworks (strategic plan)</p> <p>A Identify/conduct required analyses</p> <p>B Establish SOs POs targets and indicators</p> <p>C Estimate PO \$ requirements</p> <p>◊V Validate desired POs with UC/EU groups</p> <p>VI Obligate funds with BDG at SO level</p> <p>A Prepare obligating document(s)</p> <p>B Washington notifications (CN/TN)</p> <p>C Negotiate and sign obligating document(s)</p>	<p>VII Form tactical team (core BDG/USAID team plus partners)</p> <p>A Agree on partners foci and roles (Clarify who does what)</p> <p>B Partners develop Activities Package(s) and Customer Service Plans (APCSP) for interacting with EU/UC</p> <p>C Agree to APCSPs</p> <p>VIII Develop core BDG/USAID strategic team s CSP for interacting with partners</p> <p>IX Negotiate amendments to "Development Agreement " to include APCSPs</p>

Key points about the experimental approach which should be noted are:

1. It is designed to be used with "assistance" instruments. As the minutes of its meeting will show, the "E" Team struggled mightily with the issue of when and how to best involve USAID's partners. It concluded that it was most appropriate to do so after USAID staff had identified end-user/ultimate customer needs and screened these needs against USAID's capacity to respond (i.e., step 2 of the model).
2. The "E" Team also grappled with how its design model would interface with the project approval system of the Bangladesh government. It recognized that the two are substantively different in many ways and that the government would need to be brought on-board with regard to the use and application of the model. For this reason, it included a zero step in the model. This step is intended to allow mission management to negotiate agreement with the government on how the design will proceed and what documentation will be required to sanction the final product. The "E" Team also included step 6 in the model as an escape valve in that step 6 could include the government's traditional project documentation or USAID, with the government's understanding could opt to obligate funds unilaterally through grants or cooperative agreements. The "E" Team's ideal is to have the government participate as a member of the "strategic" team (step 1).
3. The model assumes it will be implemented by a special purpose, self-managed team, hence step 1 is to empower the "Democracy" Team. The "E" Team prepared a draft charter for this purpose. It is also attached to this report. The "E" Team assumes mission management will negotiate revisions to this draft with the "Democracy" Team itself.
4. The "E" Team anticipates modifications to the composition and tasks of the "Democracy" Team as its work progresses. Initially (at step 2), its members would be heavily USAID and government and its focus strategic; at step 3, partners would be added but the focus would remain strategic. At step 7, the focus would become tactical as the partners develop activity packages and customer service plans and membership would change to reflect this new focus, e.g., the contracts officer and controller might join on a permanent basis.
5. The "E" Team anticipates that the format of the analytical/causal framework(s) produced at step 4 would

resemble that of the analytical/causal frameworks contained in "The 1993 PRISM Analytical Frameworks A User's Guide," USAID Managing for Results Working Paper No 5 (July 1994)

- 6 While step 6 anticipates an obligation at the SO(s) level, the "E" Team thought that a valid obligation at this level would require more detailed information. Therefore, it anticipates including in the obligating document the POs, targets and indicators established in step 4 c.

THERE WILL BE NO DIFFERENCE BETWEEN AND

	THE OLD WAY	THE NEW WAY
A (PCF)		
1	non customer-focused democracy services & products provided	customer-focused democracy services & products provided
2	non customer-focused end-user definitions of their needs to improve democratic values, institutions, & processes	customer-focused end user definitions of their needs to improve democratic values, institutions, & processes
3	the substance or implementation arrangements of democracy projects developed using Handbook 3 guidance	the substance or implementation arrangements of democracy projects developed using the new core values
4	the "rules of doing business" (incl monitoring & reporting) for USAID partners following current guidance for assistance instruments and/or contracts	the "rules of doing business" (incl monitoring & reporting) for USAID partners involved in the experiment
5	the time and effort needed to obtain BDG concurrence on proposed activities when the activity is "input-focused"	the time and effort needed to obtain BDG concurrence on proposed activities when the activity is "customer-focused"
6	the time it takes to go from signing a grant agreement to the beginning of the implementation phase with the current process	the time it takes to go from signing a grant agreement to the beginning of the implementation phase using the new core values
7	the skills and capabilities required by USAID staff to design programs under the current system	the skills and capabilities required by USAID staff to design programs using the core values
B (EAT)		
1	the way a democracy design "committee" works	a democracy design "team" works
2	the initial quality/time/rework required to bring documents to completion by "committees"	the initial quality/time/rework required to bring documents to completion by "teams"
3	the elapsed time from "concept" to final approval for projects designed using current procedures	the elapsed time from "concept" to final approval for projects designed using the "experimental model"
4	time or effort required to get USAID/W approvals using "committees", and without a Customer Service Plan	time or effort required to get USAID/W approvals with an empowered team with a Customer Service Plan
5	the ability to amend or terminate projects/activities which are not achieving the desired results when there is a "committee" making the decisions	the ability to amend or terminate projects/activities which are not achieving the desired results when the team is empowered

C (MFR)		
1	the average life of projects designed using current procedures	the average life of projects designed using the "experimental" model
2	the complexity of issues addressed by activities designed using current procedures	the complexity of issues addressed by activities designed using the "experimental" model
3	the emphasis given to desired results in approved design documentation by project design officers or committees operating under current implementation guidelines/expectations	the emphasis given to desired results in approved design documentation by empowered teams

*PCF = Participation & Customer Focus
 *EAT = Empowerment & Accountability & Teams
 *MFR = Managing for Results

Appendix C
Q Sort Statements

- 1 USAID project designers (i.e. USAID staff) have full authority to identify activities (E&A)
- 2 USAID management does not ask for substantial reworking of the design (E&A)
- 3 USAID directly involves the ultimate customer in determining needs (CF)
(Customers are the socially and economically disadvantaged people of Bangladesh)
- 4 USAID project designers have the authority to determine their operating procedures (E&A)
- 5 USAID and partners work together to decide desired results (TW)
- 6 Partners develop activities to achieve desired results (E&A)
- 7 USAID and partners validate desired results with the customers (CF)
- 8 Customers are the primary source of information for determining the quality of the services to be provided (CF)
- 9 Partners use information from customers to develop service quality standards (CF)
- 10 Design includes an explicit plan for modifying activities based on customer feedback (CF)
- 11 Project designers routinely review how well they are working together as a team (TW)
- 12 Design includes an activity monitoring system to assess impacts on customer (MFR)
- 13 Designers use a variety of approaches for interacting with each other (TW)
- 14 Designers work together effectively (TW)

KEY

E&A= empowerment and accountability,
CF= customer focus,
MFR= managing for results, and
TW= teamwork

USAID/Bangladesh Basic Q Sort Database

Core Values Relative Importance Scale Scores Baseline and Follow-up

Core Values	Baseline Score	Follow up Score	% Difference
Customer Focus	3.03	9.42	Up 211%
Empowerment & Accountability	4.39	9.67	Up 120%
Teamwork & Participation	4.76	8.91	Up 87%
Managing For Results	6.13	9.89	Up 61%

Baseline Data from the Q Sort Respondents Scale from 1=lowest 10=highest(collected March 1995)

Q Sort Response Items	Resp 1	Resp 2	Resp 3	Resp 4	Resp 5	Resp 6	Resp 7	Resp 8	Average
CUSTOMER FOCUS 1	2	1	3	2	2	4	2	2	2.25
CUSTOMER FOCUS 2	2	1	7	2	2	4	2	2	2.75
CUSTOMER FOCUS 3	8	1	9	2	1	4	2	2	3.63
CUSTOMER FOCUS 4	9	2	3	3	3	4	3	1	3.50
EMPOWERMENT 1	4	1	8	7	3	6	4	2	4.38
EMPOWERMENT 2	9	1	2	2	2	1	2	2	2.63
EMPOWERMENT 3	8	1	9	8	2	3	2	8	5.13
EMPOWERMENT 4	8		3	4	6	5	7	5	5.43
TEAMWORK1	10	3	10	5	1	6	5	5	4.39
TEAMWORK2	9	1	8	2	1	5	3	2	5.63
TEAMWORK3	9	1	9	3	2	4	1		3.88
TEAMWORK4	9	7	7	4	1	5	3		4.14
TEAMWORK5	6	7	8	4	3	6	3	3	5.14
MANAGINGFOR RESULTS	9	10	10	2	2	6	6	4	5.00
									4.76
									6.13

Follow-up Data from the Q Sort Respondents Scale from 1=lowest 10=highest(collected Sept 1995)

Q Sort Response Items	Resp 1	Resp 2	Resp 3	Resp 4	Resp 5	Resp 6	Resp 7	Resp 8	Resp 9	Average
CUSTOMER FOCUS 1	10	10	9	10	10	10	10	9	10	9.78
CUSTOMER FOCUS 2	10	10	8	9	10	10	10	10	10	9.67
CUSTOMER FOCUS 3	8	9	7	9	10	10	6	10	10	8.78
CUSTOMER FOCUS 4	10	10	8	10	9	10	9	9	10	9.44
EMPOWERMENT 1	10	8	10	10	10	10	10	10	9	9.42
EMPOWERMENT 2	10	10	10	10	10	10	10	10	10	9.67
EMPOWERMENT 3	10	10	8	10	10	9	10	10	9	10.00
EMPOWERMENT 4	10	10	7	10	9	10	10	10	9	9.56
TEAMWORK1	9	10	6	10	9	10	10	10	9	9.44
TEAMWORK2	8	8	8	9	9	9	8	10	9	9.67
TEAMWORK3	10	10	7	10	9	10	10	9	8	9.22
TEAMWORK4	7	9	7	8	9	10	8	9	9	8.44
TEAMWORK5	8	10	7	10	8	10	9	10	9	9.00
MANAGINGFOR RESULTS	10	10	9	10	10	10	10	10	10	8.91
										9.89

CREATING AN AGENDA: MANAGEMENT vs. LEADERSHIP

Management

Planning and Budgeting

The
primary
function

To help produce predictable results on important dimensions, (e.g., being on time and on budget), by planning for those results

A brief
description
of the
activity

Developing a plan a detailed map, put in written form if it is complicated and hard to remember or communicate, of how to achieve the results currently expected by important constituencies like stakeholders and the public, along with timetables of what must be done when, by whom and with the costs involved, doing so by means of a deductive process which starts with the needed results and then identifies the necessary steps, timetables and costs

Creating Direction Gathering a broad range of information about an activity especially from customers. Challenging conventional wisdom and analytically looking for patterns that answer very basic questions about that activity or program (e.g., what is required to succeed in the program? How do customers view our product/service?) Generating and then testing alternative directions against this understanding. Possibly even experimenting with some options. Finally choosing a good one (i.e., one that is both desirable and feasible). Doing all this in a dynamic way that never really ends (although the process can go through periods of great activity and periods of relative inactivity)

Leadership

Establishing a Direction

To help produce changes needed to cope with a changing environment, (e.g., new laws, new policies), by establishing a direction for change

Developing direction a vision which describes key aspects of an organization or activity in the future, along with a strategy for achieving that future state, doing so by means of an inductive process of gathering a broad range of information about the current reality, answering basic questions about that reality, testing alternative directions against that understanding, possibly experimenting with some of the options, and then choosing one

DEVELOPING A HUMAN SYSTEM/NETWORK for ACHIEVING an AGENDA:

MANAGEMENT vs. LEADERSHIP

	Management	Leadership
	Organizing and Staffing	Aligning People
The primary function	Creating an organization that can implement plans and thus help produce predictable results on important dimensions, (e g , costs, analysis, quality)	Getting people lined up behind a vision and set of strategies so as to help produce the change needed to cope with a changing environment (e g , new systems, new policies)
A brief description of the activity	A process of organizational design involving judgments about fit what individual best fits each job in the structure, what part of the plan fits each person and thus should be delegated to him or her, what compensation system best fits the plan and the people involved, etc	A major communications challenge getting people to understand and believe the vision and strategies by communicating a great deal to all of the individuals whose cooperation may be needed to make that direction a reality, and doing so in as clear and credible a way as possible
	<p>Creating Alignment Communicating the direction as often as possible (repetition is important) to all those people (subordinates, subordinates of subordinates, bosses, suppliers, contractors, partners, etc) whose help or cooperation is needed, doing so, whenever possible, with simple images or symbols or metaphors that communicate powerfully without clogging already overused communications channels and without requiring a lot of scarce managerial time making the message credible by using communicators with good track records and working relationships, by stating the message in as sensible a way as possible, by making sure the words and deeds of the communicators are consistent, and generally by demonstrating an unswerving dedication to the vision and strategies — leadership by example</p>	

MANAGEMENT vs. LEADERSHIP

EXECUTION

Management

Controlling and Problem Solving

The primary function

To minimize deviation from plan, and thus help produce predictable results on important dimensions

A brief description of the activity

Monitoring results versus plan in some detail, both formally and informally, by means of reports, meetings and other control mechanisms, identifying deviations from plan, which are usually called "problems" and then planning and organizing to solve those problems

Leadership

Motivating and Inspiring

To energize people to overcome major obstacles toward achieving a vision, and thus to help produce the change needed to cope with a changing environment

Satisfying very basic but often unfulfilled human needs — for achievement, belonging, recognition, self-esteem, a sense of control over one's life, living up to one's ideals and thereby creating an unusually high energy level in people. Doing this by

- articulating again and again a vision in a way that stresses the core values of the organization and the people being communicated to,
- involving those people in deciding how to achieve that vision or some portion of the vision,
- supporting their efforts with coaching, feedback, role modeling and a lot of enthusiasm, and
- sincerely recognizing in public and rewarding all of their successes

MANAGEMENT and LEADERSHIP ROLES

Management Roles

Leadership Roles

Purpose	To create management processes, and thus to help produce predictable results on important dimensions	To create leadership processes and thus to help produce changes needed to cope with a changing world environment
Content	So-called "line-management jobs" deal with all three aspects of management (planning, organizing and control) for some domain "Staff-management jobs" sometimes deal with only a limited piece of the overall process (e.g., budgeting or executive compensation) within some domain Overall size of jobs can vary greatly from big to small	Can vary enormously Some will focus on all aspects of the leadership process for some activity or organization Others will focus on a single aspect of the process (e.g., direction setting or even one aspect of direction setting) Overall size of jobs can vary greatly from big 'L' to small 'l'
Assignment	Roles tend to be assigned to people as a formal part of the management process itself People with management roles can also have leadership roles that are bigger or smaller than their management roles	Roles tend to be assigned or assumed by people in a more informal way and tend to be more fluid or changing People with leadership roles usually also have management roles

TRANSITIONS EXERCISE

Take 5 minutes to think of a personal experience you have had with some major transition in your life (career change, marriage, a death, a major move, a promotion, etc) and write down some of your feelings and/or behaviors for each of the three phases of the transition

I Endings	II Neutral Zone	III New Beginnings

Share some of these experiences for each phase

MANAGING CHANGE AND TRANSITION



CHANGE is situational and external

TRANSITION is the psychological process people go through to come to terms with the new situation, i.e. change

"Unless transition occurs, change will not work....It is not the changes that do you in, its the transitions"

*William Bridges, *Managing Transitions, Making the Most of Changes**

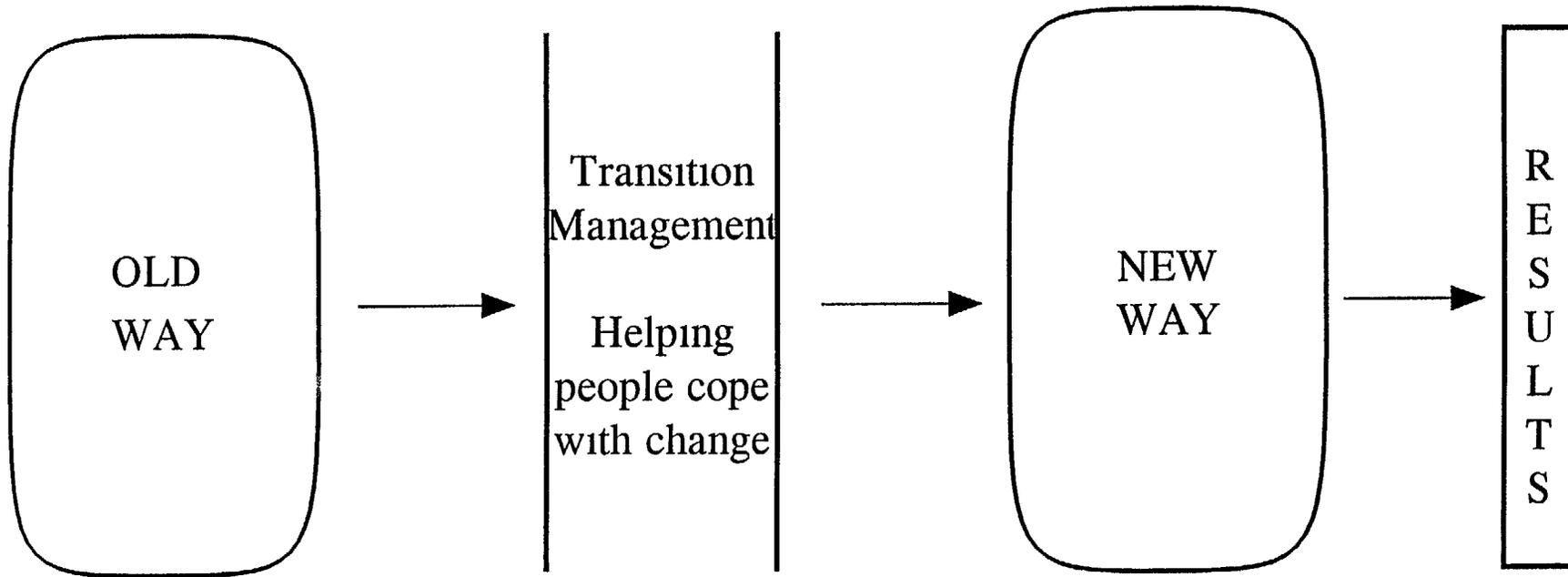
Types of change:

- **Regaining steady state --**
 - "If it ain't broke, don't fix it"
- **Developmental --**
 - Incremental
 - Progress on an existing process or system
- **Transitional --**
 - Moving from one state to another

● Transformation --

- Transcending of the old existence to a new one through a dying of the old and a "rebirth" of the new
- Breaking through existing belief structures
- Process is chaotic
- A resolution of opposites--of competing forces or polarities
- Radical enhancement of the basic capabilities of the organization
- Alignment

Transition Management deals with "People Stuff"



3 Phases of Transition

I. The Ending	II. The Neutral Zone	III. The New Beginning
Letting go of old reality & old identity "Lossess" "Endings"	Old way is gone, but new way isn't comfortable yet "Limbo" "No-man's-land"	Ready to commit to do the new way New understandings, attitudes, values, identities

**TRANSITION SYMPTOMS AND TACTICS --
COPING!!!!**



PHASE I: LETTING GO

WHAT DOES IT LOOK LIKE? (SYMPTOMS)

- Denial
- Anger
- Bargaining
- Anxiety
- Sadness
- Disorientation
- Depression

PHASE I: LETTING GO

WHAT TO DO (COPING TACTICS)

- Deal directly and openly with the losses and endings
- Identify who is losing what
- Identify the secondary changes
- Compensate for the losses --
 - Redefine roles and status
 - Career renewal
- Give people information, again and again
- Define what is over and what isn't--be specific
- Mark the endings
- Treat the past with respect

PHASE II: THE NEUTRAL ZONE

What does it look like? (Symptoms)

- **Feelings of confusion**
- **Attempts to escape**
- **Increased anxiety with falls in motivation**
- **Missed workdays**
- **Systems are in flux and less reliable**
- **Old system or process weaknesses reemerge**
- **A tendency to polarization (go ahead or go back)**
- **Breakdowns in consensus**
- **Discord**
- **Sense of vulnerability**

PHASE II: THE NEUTRAL ZONE

What to do? (Coping tactics)

- Normalize with temporary measures:
 - Change the metaphor
 - Present changes within a coherent, larger whole
 - Create temporary systems that reduce confusion, e.g., roles, reporting relationships, policies and procedures
 - Set short-range objectives and checkpoints
 - Acknowledge small successes
 - Provide special training (e.g. team building, facilitation, transition management)
 - Strengthen intragroup connections
 - Use a transition monitoring team to facilitate two-way communication

- Provide opportunities to brainstorm new answers to old problems
- Be tolerant for intelligently conceived ventures that fail!!
- Turn setbacks into chances to improve
- Resist impulses to push prematurely for certainty and closure

PHASE III: NEW BEGINNINGS

What does it look like? (Symptoms)

- **Reactivation of some of the old anxieties**
- **A gamble**
- **May trigger old memories of failure**
- **For some, end of holiday from accountability and pressure**

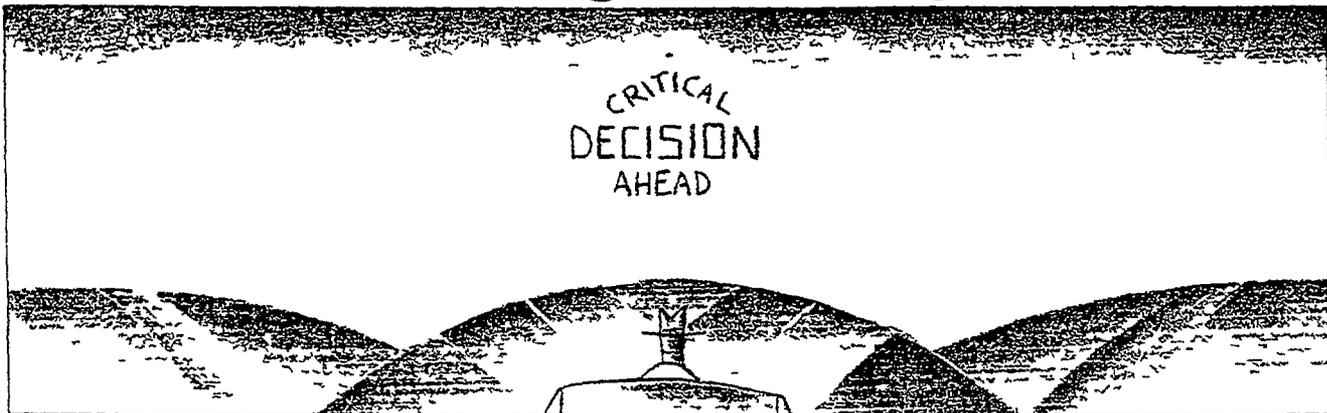
PHASE III: NEW BEGINNINGS

What to do? (Coping tactics)

Give people the four P's:

- The purpose -- from the situation faced by the organization and its nature and resources
- A picture -- of how the outcome will look
- The plan -- details of the route from here to there
- A part to play -- the role of each and their relationship to others
- **CELEBRATE THE SUCCESS!!!!!!!!!!!!!!**

Leading Change:



Why Transformation Efforts Fail

by John P. Kotter

Over the past decade, I have watched more than 30 companies try to remake themselves into significantly better competitors. They have included large organizations (Ford) and small ones (Landmark Communications), companies based in the United States (General Motors) and elsewhere (British Airways), corporations that were on their knees (Eastern Airlines), and companies that were earning good money (Bristol Myers Squibb). These efforts have gone under many banners: total quality management, reengineering, right sizing, restructuring, cultural change, and turnaround. But, in almost every case, the basic goal has been the same: to make fundamental changes in how business is conducted in order to help cope with a new, more challenging market environment.

A few of these corporate change efforts have been very successful. A few have been utter failures. Most fail somewhere in between, with a distinct

result toward the lower end of the scale. The lessons that can be drawn are interesting and will probably be relevant to even more organizations in the increasingly competitive business environment of the coming decade.

The most general lesson to be learned from the more successful cases is that the change process goes through a series of phases that, in total, usually require a considerable length of time. Skipping steps creates only the illusion of speed and never produces a satisfying result. A second very general

John P. Kotter is the Komosuke Matsushita Professor of Leadership at the Harvard Business School in Boston, Massachusetts. He is the author of The New Rules: How to Succeed in Today's Post-Corporate World (New York: Free Press, 1995), Corporate Culture and Performance (coauthored with James L. Heskett) (New York: Free Press, 1992), and A Force for Change: How Leadership Differs from Management (New York: Free Press, 1990).

Lesson is that critical mistakes in any of the phases can have a devastating impact, slowing momentum and negating hard won gains. Perhaps because we have relatively little experience in renewing organizations, even very capable people often make at least one big error.

Error #1 Not Establishing a Great Enough Sense of Urgency

Most successful change efforts begin when some individuals or some groups start to look hard at a company's competitive situation, market position, technological trends, and financial performance. They focus on the potential revenue drop when an important patent expires, the five-year trend in declining margins in a core business, or an emerging market that everyone seems to be ignoring. They then find ways to communicate this information broadly and dramatically, especially with respect to crises, potential crises, or great opportunities that are very timely. This first step is essential because just getting a transformation program started requires the aggressive cooperation of many individuals. Without motivation, people won't help and the effort goes nowhere.

Compared with other steps in the change process, phase one can sound easy. It is not. Well over 50% of the companies I have watched fail in this first phase. What are the reasons for that failure? Sometimes executives underestimate how hard it can be to drive people out of their comfort zones. Sometimes they grossly overestimate how successful they have already been in increasing urgency. Sometimes they lack patience. "Enough with the preliminaries, let's get on with it." In many cases, executives become paralyzed by the downside possibilities. They worry that employees with seniority will become defensive, that morale will drop, that events will spin out of control, that short-term business results will be jeopardized, that the stock will sink, and that they will be blamed for creating a crisis.

A paralyzed senior management often comes from having too many managers and not enough leaders. Management's mandate is to minimize risk and to keep the current system operating. Change, by definition, requires creating a new system, which in turn always demands leadership. Phase one in a renewal process typically goes nowhere until enough real leaders are promoted or hired into senior level jobs.

Transformations often begin, and begin well, when an organization has a new head who is a good leader and who sees the need for a major change. If the renewal target is the entire company, the CEO is key. If change is needed in a division, the division general manager is key. When these individuals are not new leaders, great leaders, or change champions, phase one can be a huge challenge.

Bad business results are both a blessing and a curse in the first phase. On the positive side, losing money does catch people's attention. But it also gives less maneuvering room. With good business results, the opposite is true: convincing people of the need for change is much harder, but you have more resources to help make changes.

But whether the starting point is good performance or bad, in the more successful cases I have witnessed, an individual or a group always facilitates a frank discussion of potentially unpleasant facts: about new competition, shrinking margins, decreasing market share, flat earnings, a lack of revenue growth, or other relevant indices of a declining competitive position. Because there seems to be an almost universal human tendency to shoot the bearer of bad news, especially if the head of the organization is not a change champion, executives in these companies often rely on outsiders to bring unwanted information. Wall Street analysts, custom-

One chief executive officer deliberately engineered the largest accounting loss in the history of the company.

ers, and consultants can all be helpful in this regard. The purpose of all this activity, in the words of one former CEO of a large European company, is "to make the status quo seem more dangerous than launching into the unknown."

In a few of the most successful cases, a group has manufactured a crisis. One CEO deliberately engineered the largest accounting loss in the company's history, creating huge pressures from Wall Street in the process. One division president commissioned first ever customer satisfaction surveys, knowing full well that the results would be terrible. He then made these findings public. On the surface, such moves can look unduly risky. But there is also risk in playing it too safe: when the urgency rate is not pumped up enough, the transformation process

Eight Steps to Transforming Your Organization

1 Establishing a Sense of Urgency

Examining market and competitive realities
Identifying and discussing crises, potential crises, or major opportunities

2 Forming a Powerful Guiding Coalition

Assembling a group with enough power to lead the change effort
Encouraging the group to work together as a team

3 Creating a Vision

Creating a vision to help direct the change effort
Developing strategies for achieving that vision

4 Communicating the Vision

Using every vehicle possible to communicate the new vision and strategies
Teaching new behaviors by the example of the guiding coalition

5 Empowering Others to Act on the Vision

Getting rid of obstacles to change
Changing systems or structures that seriously undermine the vision
Encouraging risk taking and nontraditional ideas, activities, and actions

6 Planning for and Creating Short-Term Wins

Planning for visible performance improvements
Creating those improvements
Recognizing and rewarding employees involved in the improvements

7 Consolidating Improvements and Producing Still More Change

Using increased credibility to change systems, structures, and policies that don't fit the vision
Hiring, promoting, and developing employees who can implement the vision
Reinvigorating the process with new projects, themes, and change agents

8 Institutionalizing New Approaches

Articulating the connections between the new behaviors and corporate success
Developing the means to ensure leadership development and succession

cannot succeed and the long term future of the organization is put in jeopardy

When is the urgency rate high enough? From what I have seen, the answer is when about 75% of a company's management is honestly convinced that business-as usual is totally unacceptable. Anything less can produce very serious problems later on in the process

Error #2 Not Creating a Powerful Enough Guiding Coalition

Major renewal programs often start with just one or two people. In cases of successful transformation efforts, the leadership coalition grows and grows over time. But whenever some minimum mass is not achieved early in the effort, nothing much worthwhile happens

It is often said that major change is impossible unless the head of the organization is an active supporter. What I am talking about goes far beyond that. In successful transformations, the chairman or president or division general manager, plus another 5 or 15 or 50 people, come together and develop a shared commitment to excellent performance through renewal. In my experience, this group never includes all of the company's most senior executives because some people just won't buy in, at least not at first. But in the most successful cases, the coalition is always pretty powerful - in terms of titles, information and expertise, reputations and relationships

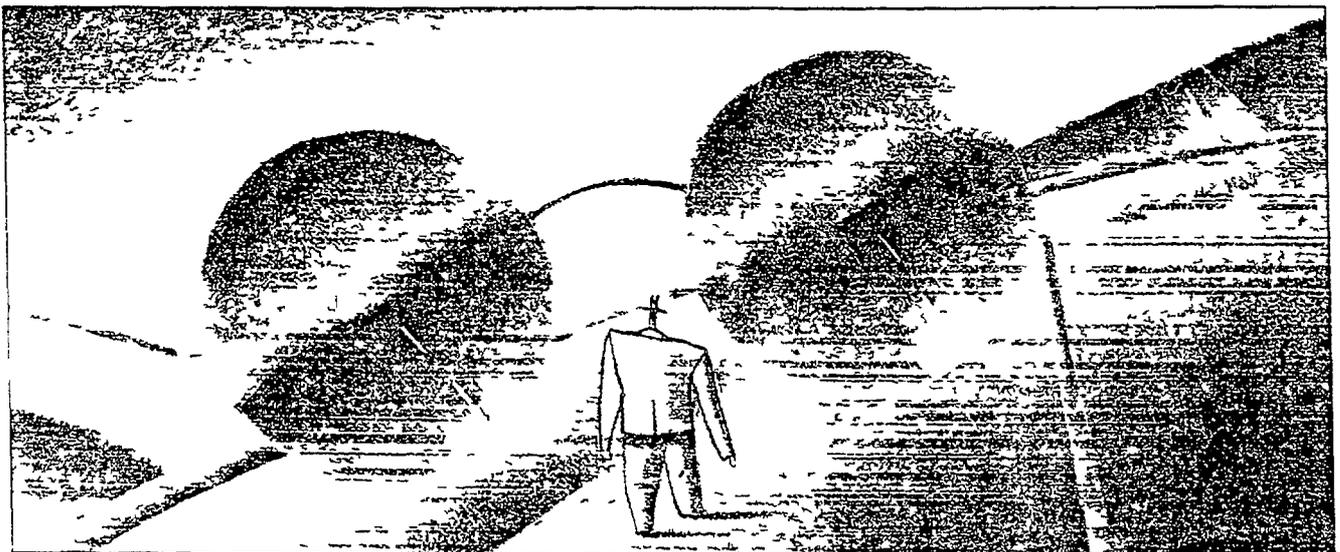
In both small and large organizations, a successful guiding team may consist of only three to five people during the first year of a renewal effort. But in big companies, the coalition needs to grow to the

20 to 50 range before much progress can be made in phase three and beyond. Senior managers always form the core of the group. But sometimes you find board members, a representative from a key customer, or even a powerful union leader

Because the guiding coalition includes members who are not part of senior management, it tends to operate outside of the normal hierarchy by definition. This can be awkward, but it is clearly necessary. If the existing hierarchy were working well, there would be no need for a major transformation. But since the current system is not working, reform generally demands activity outside of formal boundaries, expectations, and protocol

A high sense of urgency within the managerial ranks helps enormously in putting a guiding coalition together. But more is usually required. Someone needs to get these people together, help them develop a shared assessment of their company's problems and opportunities, and create a minimum level of trust and communication. Off site retreats, for two or three days, are one popular vehicle for accomplishing this task. I have seen many groups of 5 to 35 executives attend a series of these retreats over a period of months

Companies that fail in phase two usually underestimate the difficulties of producing change and thus the importance of a powerful guiding coalition. Sometimes they have no history of teamwork at the top and therefore undervalue the importance of this type of coalition. Sometimes they expect the team to be led by a staff executive from human resources, quality, or strategic planning instead of a key line manager. No matter how capable or dedicated the staff head, groups without strong line leadership never achieve the power that is required



In failed transformations you often find plenty of plans and programs, but no vision

Efforts that don't have a powerful enough guiding coalition can make apparent progress for a while. But, sooner or later, the opposition gathers itself together and stops the change.

Error #3 Lacking a Vision

In every successful transformation effort that I have seen, the guiding coalition develops a picture of the future that is relatively easy to communicate and appeals to customers, stockholders, and employees. A vision always goes beyond the numbers that are typically found in five year plans. A vision says something that helps clarify the direction in which an organization needs to move. Sometimes the first draft comes mostly from a single individual. It is usually a bit blurry, at least initially. But after the coalition works at it for 3 or 5 or even 12 months, something much better emerges through their tough analytical thinking and a little dreaming. Eventually, a strategy for achieving that vision is also developed.

In one midsize European company, the first pass at a vision contained two-thirds of the basic ideas that were in the final product. The concept of global reach was in the initial version from the beginning. So was the idea of becoming preeminent in certain businesses. But one central idea in the final version – getting out of low value added activities – came only after a series of discussions over a period of several months.

Without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can take the organization in the wrong direction or nowhere at all. Without a sound vision, the reengineering project in the accounting department, the new 360 degree performance appraisal from the human resources department, the plant's quality program, the cultural change project in the sales force will not add up in a meaningful way.

In failed transformations, you often find plenty of plans and directives and programs, but no vision. In one case, a company gave out four inch thick notebooks describing its change effort. In mind numbing detail, the books spelled out procedures, goals, methods, and deadlines. But nowhere was there a clear and compelling statement of where all this was leading. Not surprisingly, most of the employees with whom I talked were either confused or alienated. The big, thick books did not rally them together or inspire change. In fact, they probably had just the opposite effect.

In a few of the less successful cases that I have seen, management had a sense of direction, but it was too complicated or blurry to be useful. Recently, I asked an executive in a midsize company to describe his vision and received in return a barely comprehensible 30 minute lecture. Buried in his answer were the basic elements of a sound vision. But they were buried – deeply.

A useful rule of thumb: if you can't communicate the vision to someone in five minutes or less and get a reaction that signifies both understanding and interest, you are not yet done with this phase of the transformation process.

Error #4 Undercommunicating the Vision by a Factor of Ten

I've seen three patterns with respect to communication, all very common. In the first, a group actually does develop a pretty good transformation vision and then proceeds to communicate it by holding a single meeting or sending out a single communication. Having used about 0001% of the yearly intracompany communication, the group is startled that few people seem to understand the

A vision says something that clarifies the direction in which an organization needs to move.

new approach. In the second pattern, the head of the organization spends a considerable amount of time making speeches to employee groups, but most people still don't get it (not surprising, since vision captures only 0005% of the total yearly communication). In the third pattern, much more effort goes into newsletters and speeches, but some very visible senior executives still behave in ways that are antithetical to the vision. The net result is that cynicism among the troops goes up, while belief in the communication goes down.

Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication and a lot of it, the hearts and minds of the troops are never captured.

This fourth phase is particularly challenging if the short term sacrifices include job losses. Gain

ing understanding and support is tough when downsizing is a part of the vision. For this reason successful visions usually include new growth possibilities and the commitment to treat fairly any one who is laid off.

Executives who communicate well incorporate messages into their hour-by-hour activities. In a routine discussion about a business problem, they talk about how proposed solutions fit (or don't fit) into the bigger picture. In a regular performance appraisal, they talk about how the employee's behavior helps or undermines the vision. In a review of a division's quarterly performance, they talk not only about the numbers but also about how the division's executives are contributing to the transformation. In a routine Q&A with employees at a company facility, they tie their answers back to renewal goals.

In more successful transformation efforts, executives use all existing communication channels to broadcast the vision. They turn boring and unread company newsletters into lively articles about the vision. They take ritualistic and tedious quarterly management meetings and turn them into exciting discussions of the transformation. They throw out much of the company's generic management education and replace it with courses that focus on business problems and the new vision. The guiding principle is simple: use every possible channel, es-

Worst of all are bosses who refuse to change and who make demands that are inconsistent with the overall effort.

pecially those that are being wasted on nonessential information.

Perhaps even more important, most of the executives I have known in successful cases of major change learn to "walk the talk." They consciously attempt to become a living symbol of the new corporate culture. This is often not easy. A 60-year-old plant manager who has spent precious little time over 40 years thinking about customers will not suddenly behave in a customer-oriented way. But I have witnessed just such a person change and change a great deal. In that case, a high level of urgency helped. The fact that the man was a part of the guiding coalition and the vision creation team also helped. So did all the communication which

kept reminding him of the desired behavior, and all the feedback from his peers and subordinates, which helped him see when he was not engaging in that behavior.

Communication comes in both words and deeds, and the latter are often the most powerful form. Nothing undermines change more than behavior by important individuals that is inconsistent with their words.

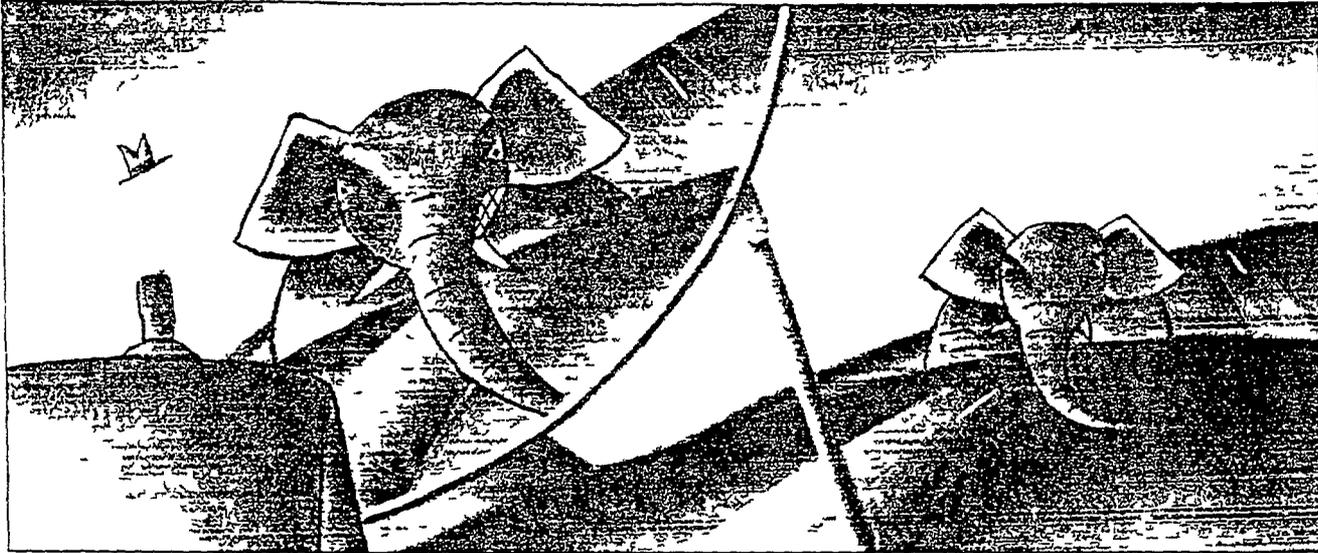
Error #5 Not Removing Obstacles to the New Vision

Successful transformations begin to involve large numbers of people as the process progresses. Employees are emboldened to try new approaches, to develop new ideas, and to provide leadership. The only constraint is that the actions fit within the broad parameters of the overall vision. The more people involved, the better the outcome.

To some degree, a guiding coalition empowers others to take action simply by successfully communicating the new direction. But communication is never sufficient by itself. Renewal also requires the removal of obstacles. Too often, an employee understands the new vision and wants to help make it happen. But an elephant appears to be blocking the path. In some cases, the elephant is in the person's head, and the challenge is to convince the individual that no external obstacle exists. But in most cases, the blockers are very real.

Sometimes the obstacle is the organizational structure: narrow job categories can seriously undermine efforts to increase productivity or make it very difficult even to think about customers. Sometimes compensation or performance appraisal systems make people choose between the new vision and their own self-interest. Perhaps worst of all are bosses who refuse to change and who make demands that are inconsistent with the overall effort.

One company began its transformation process with much publicity and actually made good progress through the fourth phase. Then the change effort ground to a halt because the officer in charge of the company's largest division was allowed to undermine most of the new initiatives. He paid lip service to the process but did not change his behavior or encourage his managers to change. He did not reward the unconventional ideas called for in the vision. He allowed human resource systems to remain intact even when they were clearly inconsis-



Too often, an employee understands the new vision and wants to help make it happen
But something appears to be blocking the path

tent with the new ideals. I think the officer's motives were complex. To some degree, he did not believe the company needed major change. To some degree, he felt personally threatened by all the change. To some degree, he was afraid that he could not produce both change and the expected operating profit. But despite the fact that they backed the renewal effort, the other officers did virtually nothing to stop the one blocker. Again, the reasons were complex. The company had no history of confronting problems like this. Some people were afraid of the officer. The CEO was concerned that he might lose a talented executive. The net result was disastrous. Lower level managers concluded that senior management had lied to them about their commitment to renewal. Cynicism grew and the whole effort collapsed.

In the first half of a transformation, no organization has the momentum, power, or time to get rid of all obstacles. But the big ones must be confronted and removed. If the blocker is a person, it is important that he or she be treated fairly and in a way that is consistent with the new vision. But action is essential both to empower others and to maintain the credibility of the change effort as a whole.

Error #6 Not Systematically Planning For and Creating Short-Term Wins

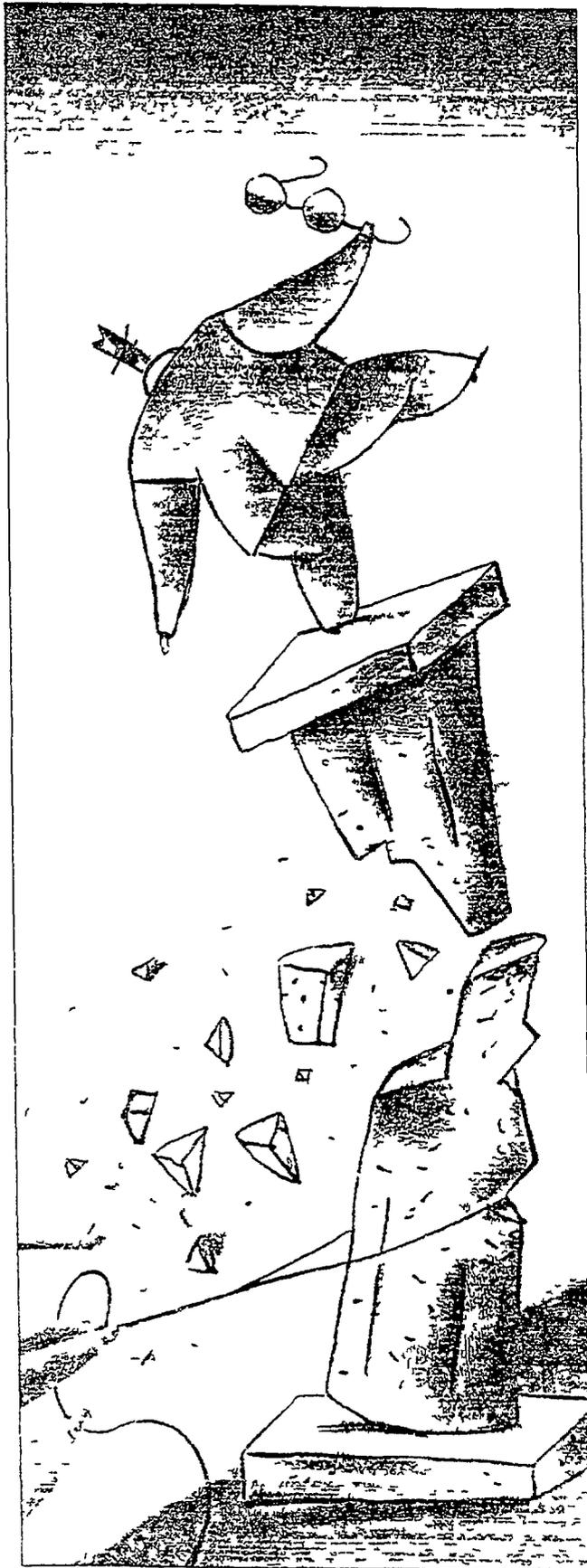
Real transformation takes time and a renewal effort risks losing momentum if there are no short-term goals to meet and celebrate. Most people won't go on the long march unless they see compelling evidence within 12 to 24 months that the journey is producing expected results. Without short-term wins, too many people give up or actively

ly join the ranks of those people who have been resisting change.

One to two years into a successful transformation effort, you find quality beginning to go up on certain indices or the decline in net income stopping. You find some successful new product introductions or an upward shift in market share. You find an impressive productivity improvement or a statistically higher customer-satisfaction rating. But whatever the case, the win is unambiguous. The result is not just a judgment call that can be discounted by those opposing change.

Creating short-term wins is different from hoping for short-term wins. The latter is passive, the former active. In a successful transformation, managers actively look for ways to obtain clear performance improvements, establish goals in the yearly planning system, achieve the objectives, and reward the people involved with recognition, promotions, and even money. For example, the guiding coalition at a U.S. manufacturing company produced a highly visible and successful new product introduction about 20 months after the start of its renewal effort. The new product was selected about six months into the effort because it met multiple criteria: it could be designed and launched in a relatively short period, it could be handled by a small team of people who were devoted to the new vision, it had upside potential, and the new product development team could operate outside the established departmental structure without practical problems. Little was left to chance, and the win boosted the credibility of the renewal process.

Managers often complain about being forced to produce short-term wins, but I've found that pressure can be a useful element in a change effort.



While celebrating a win is fine, declaring the war won can be catastrophic.

When it becomes clear to people that major change will take a long time, urgency levels can drop. Commitments to produce short-term wins help keep the urgency level up and force detailed analytical thinking that can clarify or revise visions.

Error #7 Declaring Victory Too Soon

After a few years of hard work, managers may be tempted to declare victory with the first clear performance improvement. While celebrating a win is fine, declaring the war won can be catastrophic. Until changes sink deeply into a company's culture, a process that can take five to ten years, new approaches are fragile and subject to regression.

In the recent past, I have watched a dozen change efforts operate under the reengineering theme. In all but two cases, victory was declared and the expensive consultants were paid and thanked when the first major project was completed after two to three years. Within two more years, the useful changes that had been introduced slowly disappeared. In two of the ten cases, it's hard to find any trace of the reengineering work today.

Over the past 20 years, I've seen the same sort of thing happen to huge quality projects, organizational development efforts, and more. Typically, the problems start early in the process: the urgency level is not intense enough, the guiding coalition is not powerful enough, and the vision is not clear enough. But it is the premature victory celebration that kills momentum. And then the powerful forces associated with tradition take over.

Ironically, it is often a combination of change initiators and change resisters that creates the premature victory celebration. In their enthusiasm over a clear sign of progress, the initiators go overboard. They are then joined by resisters, who are quick to spot any opportunity to stop change. After the celebration is over, the resisters point to the victory as a sign that the war has been won and the troops should be sent home. Warm troops allow themselves to be convinced that they won. Once home, the foot soldiers are reluctant to climb back on the ships. Soon thereafter, change comes to a halt, and tradition creeps back in.

Instead of declaring victory, leaders of successful efforts use the credibility afforded by short-term wins to tackle even bigger problems. They go after systems and structures that are not consistent with the transformation vision and have not been confronted before. They pay great attention to who is promoted, who is hired, and how people are developed. They include new reengineering projects that are even bigger in scope than the initial ones. They

understand that renewal efforts take not months but years. In fact, in one of the most successful transformations that I have ever seen we quantified the amount of change that occurred each year over a seven year period. On a scale of one (low) to ten (high), year one received a two, year two a four, year three a three, year four a seven, year five an eight, year six a four, and year seven a two. The peak came in year five, fully 36 months after the first set of visible wins.

Error #8 Not Anchoring Changes in the Corporation's Culture

In the final analysis, change sticks when it becomes "the way we do things around here," when it seeps into the bloodstream of the corporate body. Until new behaviors are rooted in social norms and shared values, they are subject to degradation as soon as the pressure for change is removed.

Two factors are particularly important in institutionalizing change in corporate culture. The first is a conscious attempt to show people how the new approaches, behaviors, and attitudes have helped improve performance. When people are left on their own to make the connections, they sometimes create very inaccurate links. For example, because results improved while charismatic Harry was boss, the troops link his mostly idiosyncratic style with those results instead of seeing how their own improved customer service and productivity were instrumental. Helping people see the right connections requires communication. Indeed, one company was relentless, and it paid off enormously. Time was spent at every major management meeting

to discuss why performance was increasing. The company newspaper ran article after article showing how changes had boosted earnings.

The second factor is taking sufficient time to make sure that the next generation of top management really does personify the new approach. If the requirements for promotion don't change, renewal rarely lasts. One bad succession decision at the top of an organization can undermine a decade of hard work. Poor succession decisions are possible when boards of directors are not an integral part of the renewal effort. In at least three instances I have seen, the champion for change was the retiring executive, and although his successor was not a resistor, he was not a change champion. Because the boards did not understand the transformations in any detail, they could not see that their choices were not good fits. The retiring executive in one case tried unsuccessfully to talk his board into a less seasoned candidate who better personified the transformation. In the other two cases, the CEOs did not resist the boards' choices, because they felt the transformation could not be undone by their successors. They were wrong. Within two years, signs of renewal began to disappear at both companies.

There are still more mistakes that people make, but these eight are the big ones. I realize that in a short article everything is made to sound a bit too simplistic. In reality, even successful change efforts are messy and full of surprises. But just as a relatively simple vision is needed to guide people through a major change, so a vision of the change process can reduce the error rate. And fewer errors can spell the difference between success and failure.

Reprint 95204



BEST AVAILABLE COPY

Garry Shandling

A HENRY JACOB & CO. PUBLICATION

Transition is a lengthy and frequently traumatic process significantly different from simple change. Understanding the various aspects of this process can be useful in

Managing Organizational Transitions

William Bridges

During a presentation on organizational transition to the management team of a large aerospace corporation, a New Yorker cartoon was used as a handout. The cartoon showed a heavy man slouching in an overstuffed chair; his despairing wife was saying, "If Coca-Cola can change after all these years, why can't you?"

It was a nice summary of a complex and often forgotten idea: that things can and do change quickly, but that people do not—even though they are under strong pressure to do so. But events sabotaged the presentation. The day it was made, morning papers carried the story of the decision to bring back the old Coke. Such is the fate of anyone who tries to work with change!

Social and technological change is an old story in America; in some ways it is *the* American story. A hundred and fifty years ago the French author Alexis de Tocqueville noted in his diary

Born often under another sky, placed in the middle of an always moving scene, himself driven by the irresistible torrent which draws all about him, the American has no time to tie himself to anything; he grows accustomed only to change, and ends by regarding it as the natural state of man. He feels the need of it more he loves it; for the instability instead of meaning disaster to him, seems to give birth only to miracles all about him.

The ability and willingness to change have always been prerequisites for taking part in the American Dream. In the Old World respect came from a valuable heritage, and any change from that norm had to be justified. In America, however, the status quo was no more than the temporary product of past changes, and it was the *resistance to change* that demanded an explanation. A failure to change with the times was more than just a private misfortune; it was a socially and organizationally subversive condition. This attitude still persists in America, particularly in the corporate world.

© 1986 William Bridges

Copyright permission received from William Bridges, Aug 3, 1995
(Ref Wm Bridges, Managing Transitions, Addison-Wesley, 1991)

Change in the current corporate landscape is the rule rather than the exception. The general economy expands and contracts and everyone adjusts accordingly with some individuals benefiting and others suffering. Foreign competition undermines the domestic auto industry setting in motion a domino chain of effects that reaches far down into the industrial economy as a whole. Office computers and assembly line robotics make new procedures advantageous and traditional offices and production lines are changed to take advantage of them. The government regulates some industries and deregulates others and the affected companies respond by struggling to change their tactics, policies, and pricing. Government agencies themselves are buffeted by change as appropriations are cut and citizen concerns become more insistent, like all other parts of the organizational world they change in order to cope with change.

It is clear that our corporations, nonprofit institutions, and public agencies need to change; what is less clear are the stages that individuals go through in the process of change. "The most critical problem executives have is that they don't understand the powerful impact of change on people," says Harry Levinson, the industrial psychologist. Like the rest of us, executives have been wise about the mechanics of change and stupid about the dynamics of transition. That stupidity is dooming many of their change efforts to failure.

THE DIFFERENCE BETWEEN CHANGE AND TRANSITION

Since *change* and *transition* are often used interchangeably, let me clarify the difference between them. *Change* happens when some-

thing starts or stops or when something that used to happen in one way starts happening in another. It happens at a particular time or in several stages at different times. *Organizational change* is structural, economic, technological, or demographic, and it can be planned and managed on a more or less rational model: move Activity A to Section B and close Section C, start up automated production in Department D, issue bonds to raise money to open Branch E, and so forth.

Transition, on the other hand, is a three-part psychological process that extends over a long period of time and cannot be planned or managed by the same rational formulae that work with *change*. There are three phases that people in transition go through:

1. *They have to let go of the old situation and (what is more difficult) of the old identity that went with it.* No one can begin a new role or have a new purpose if that person has not let go of the old role or purpose first. Whether people are moved or promoted, outplaced or reassigned, they have to let go of who they were and where they have been if they are to make a successful transition. A great deal of what we call resistance to change is really difficulty with the first phase of transition.

2. *They have to go through the "neutral zone" between their old reality and a new reality that may still be very unclear.* In this no-man's-land in time, everything feels unreal. It is a time of loss and confusion, a time when hope alternates with despair and new ideas alternate with a sense of meaninglessness, a time when the best one can do sometimes is to go through the motions. But it is also the time when the real reorientation that is at the heart of transition is taking place. Thoreau wrote that "corn grows in the night" and the neutral zone is the nighttime of transition.

3. *They have to make a new beginning, a beginning that is much more than the rela-*

tively simple "new start" required in a change
The new beginning may involve developing new competencies establishing new relationships becoming comfortable with new policies and procedures constructing new plans for the future and learning to think in accordance with new purposes and priorities Traditional societies called this phase "being reborn" and such societies had rites of passage to help the individual with that "rebirth" Our society talks instead of "adjustment" but that concept does not do justice to the struggle many people go through when they begin again after a wrenching ending and a disorienting period in the neutral zone

It is this three-phase reorientation from an old to a new way of being that organizational leaders usually overlook when they plan changes The planners work hard to show why the changes are good they build coalitions to support them they work out PERT charts to schedule them they see that the necessary funds are appropriated to pay for them they assign managerial responsibility for implementing them And they mumble darkly about selfishness stupidity and treachery when the people affected by the changes slow those changes down making the planners spend more money than they had forecast In the end these same people

may even abort the very changes on which the organizations future depends

An example of this resistance can be found in the Armys lengthy (and ultimately successful) attempt to replace the Colt 45 handgun with the 9 mm pistol The Pentagon had been trying to replace the 45 for years the first recommendations date from the 1930s The arguments were impressive The 45 was heavy and hard to shoot accurately it was liable to strange malfunctions it did not correspond to any weapon our allies used and therefore its parts were not interchangeable with any of those weapons finally it was designed to be used as an early twentieth century cavalry weapon not a modern handgun

With so many arguments against the 45 one may wonder why there was so much resistance to replacing it There were in fact several reasons A 9 mm replacement pistol would probably have been of European design in fact an Italian design was finally selected In addition critics of the 9 mm scornfully called it "the womens cartridge" suggesting that the weapon debate was burdened by the deeper issue of women in the "mans army" Finally the Army could not agree with the Air Force or the Navy on the specifications of a new weapon It became clear that something more than technical is-

"Change occurs when something starts or stops; it can be planned or managed on a rational model. . . Transition is a three-part psychological process, it cannot be planned or managed by the same rational formulae."

sues was involved when the Army accused the Air Force of using "nonstandard military mud" in a test to simulate difficult firing conditions. Clearly the M16 was not just a weapon; it was a symbol of an identity. To let go of that weapon was in essence to end that identity.

It is easy to criticize this difficulty in letting go of what to most of us is outmoded "reality." But that is because we are not directly involved in the situation. One need only catch oneself holding on to an irrelevant reality to understand that problem, and anyone who works effectively with transition-related issues probably feels considerable sympathy for people who find transition difficult. My decision to work with organizations in transition probably comes in part from my own difficulties in this area, and the sympathy that these difficulties engender.

THE PHASES OF ORGANIZATIONAL TRANSITION

The "Ending Phase"

In my work over the past twelve years with more than 5,000 individuals in transition, I have found that most people were very relieved to be able to identify and discuss the transitions they were going through. Such discussion surfaces without prompting, as one can see from the results of a survey of AT&T employees in the wake of divestiture. Here is a typical response:

I felt like I had gone through a divorce that neither my wife nor my children wanted. It was forced upon us by some very powerful outside forces, and I could not control the outcome. It was like waking up in familiar surroundings (such as your home) but your family and all that you held dear were missing.

Other common metaphors are death, bereavement, the loss of a limb, the destruction of a home, and the end of the world.



William Bridges is president of Pontes Associates, a consulting firm that specializes in problems in organizational transition. He received a Ph.D. in American Civilization from Brown University. Bridges teaches in the Masters Program in Organizational Behavior at the California School of Psychology in Berkeley. He has consulted or trained for McDonnell Douglas, Astronautics, Kal Kan Foods, the U.S. Forest Service, the American Banking Association, Hewlett Packard, TRW, Wells Fargo Bank, the National Foreign Trade Council, Group Health Cooperative of Puget Sound, and the University Hospital in Seattle. Bridges is the author of *Transitions: Making Sense of Life's Changes* (Addison-Wesley, 1980); he is currently at work on his forthcoming book *The Challenge of Change: Managing Organizational Transition Successfully* to be published by Doubleday in 1987.

I have found it useful in discussing such feelings of loss to describe them as having three aspects:

1. *Disengagement*: Whatever the particulars of the situation, there is a break, an "unplugging," a separation of the person from the subjective world he or she took for granted. Some people are relatively self-contained to begin with, and they may not be so dismayed by this break. But people whose personal security is tied to relationships and feelings of

belonging to status and role, are quite undone by disengagement. Transition management must begin with the ability to foresee the impact of disengagement and to find ways of countering its debilitating effects. It often helps to identify continuities that balance the losses to reemphasize connections to the whole as connections to the parts are broken to encourage people to talk about their feelings of loss and to give temporary people temporary superiors who are sensitive to their situation. People are in mourning during this time and so managers and supervisors need to expect the behaviors that are commonly associated with mourning: denial, anger, bargaining, grief, and the despair that comes before final acceptance.

2 *Disidentification* One of the first losses in any transition is the sense of one's identity in the former situation. As I noted earlier, the old identity must go if there is to be space for

the new one, but that fact does not keep the disidentification process from being very painful and even terrifying. One can see the impact of disidentification in companies that shift from traditional functional organizational lines to strategic business units and thereby undermine the traditional identities of engineers, accountants, and other professionals who no longer have a clear sense of who they are. It is also painfully evident when people approach retirement and begin to wonder who they will be without their particular jobs and organizations. The problem can be converted into an opportunity, however, if people are given assistance in redefining themselves and their future directions. New training opportunities and a chance for life- and career-planning can often turn disidentification into the beginning of a new identity.

3 *Disenchantment* Every reality gives meaning both to people's experience and to their way of responding to that experience. But when big changes occur, that meaning-making capacity breaks down. Things don't make sense any more—or they make only some terrible and inadmissible kind of sense, as in the suspicion that a person's job has been a sham and that that person's supervisor has been deceiving him or her all along. Such thoughts occur to almost everyone at some time or other during a painful ending, but if there really has been deception, disenchantment can become an overwhelming experience—as it was for some E. F. Hutton workers during the check-kiting investigation or for some NASA employees in the aftermath of the shuttle explosion. The only way to deal with *disenchantment* is to allow the hurt to be expressed internally, no matter how this expression may affect the organization's leaders, and to have those leaders make an honest statement to the employees. Quick, frank

full communication is essential as is rapid action to correct whatever situation led to the disenchantment in the first place

The Neutral Zone Phase

There is no clear division between the first or "ending" phase of transition and the second or "neutral zone" phase. The mourning for what has been lost, the confusion over identity and the bitterness of disenchantment will flare up periodically like an underground fire that can only burn itself out. But with time there is a shift from the old task of letting go to the new task of crossing the "neutral zone" that wilderness that lies between the past reality and the one that the leadership claims is just around the corner.

Neutral zone management must begin with an acknowledgment that this zone exists and that it has a constructive function in the transition process. It is difficult for most of us to make such an acknowledgement for two reasons. First, the Western mind sees the psychological emptiness of the neutral zone as something to be filled with the right content. We have no word or concept that is similar to the Japanese word *ma*, which refers to a necessary pause that one must make in waiting for the right moment for action. Where we would talk of "emptiness" the Japanese would say "full of nothing." Needless to say, the Japanese understand the neutral zone far better than we do.

Furthermore, people do not want to accept the reality of the neutral zone because they are afraid that they will succumb to it. Productivity and effectiveness are likely to break down in the neutral zone, but this happens whether its existence is acknowledged or not. Talking about it simply makes people realize that they are neither isolated nor in-

sane. Such discussion removes extraneous issues and may even speed up the process of re-orientation. Thus, we can help people make sense of the neutral zone experience by describing it in terms of the following three conditions.

1 *Disorientation* The neutral zone is an interim period between one orientation that is no longer appropriate and another that does not yet exist. This period has a function that is reminiscent of the situation in Robert Frost's poem "Directive." The poem is about a confusing journey into the backcountry of New Hampshire and the mind, a journey that leaves behind the known and that leads to the discovery of something new. At one turning point in the journey, Frost says to the reader, "You're lost enough to find yourself now."

2 *Disintegration* The neutral zone is a stage in which "everything has fallen apart." (Some variant of that phrase will be heard

again and again during this phase of organizational transition) This is potentially a creative disintegration but it is still a very frightening experience. The breakdown of the old structure and the reality it held in place creates a sort of vacuum a "low-pressure area" in the person and the organization that will attract bad intra- and interpersonal weather from all sides. Old issues that individuals and groups have apparently resolved suddenly return to haunt them. Long-dormant anxieties and antagonisms are stirred up and unless people can understand why this is happening they are likely to conclude that "the end is at hand." At such a time there is a strong temptation to leave the organization and many resignations can be traced to this turmoil. But if people can recognize this as a transition-generated condition that will pass most will be able to ride it out.

3 *Discovery* In the ancient rites of passage that used to carry a person through periods of transition the neutral zone was spent in a literal "nowhere." There in the desert or forest or tundra the person could break away from the social forces that held his or her old reality in place and a new reality could emerge. The neutral zone wilderness was believed to be a point of closer access to the spirits or the deeper levels of reality and so the Plains Indians called the journey into the wilderness a "vision quest."

One does not have to accept the ancient beliefs to recognize that the neutral zone is still a place of discovery. Studies of creativity always emphasize that the creative solution comes from the psychological equivalent of the neutral zone. In his list of the main obstacles to creativity the psychologist Richard Crutchfield shows that unless one can get into the neutral-zone frame of mind one's responses are likely to be conven-

tional rather than creative. The first two obstacles he lists have to do with problem clarity and understanding but the remaining three are (1) rigidity and the inability to put aside popular assumptions (2) lack of a period of incubation so that problems can sit in the mind for a while and (3) fear of reaction to unconventional ideas (cited in Harry Levinson *Executive* Harvard University Press 1981). There is little wonder that we need to lose ourselves in the wilderness to find a new identity in the wilderness one can turn inward to incubate an embryonic idea and popular assumptions and reactions to unconventional ideas no longer exist.

The Vision or New Beginning

Just as an organizational transition must begin with an ending it must also end with a beginning. With our cultural bias toward the new we Americans are always marching off on new ventures without bothering to end old ones. Perhaps that comes from our frontier days when Americans could usually walk away from a situation and start over again elsewhere without acknowledging the ending. Whatever the reason Americans often fail to understand that their main difficulties with making new beginnings come not from a difficulty with beginnings *per se* but from a difficulty with endings and neutral zones. Transition managers must avoid that trap by implementing certain activities that will compensate for the losses people suffered in the ending.

1 If loss of turf is an issue interest-based not position-based negotiation is essential if responsibilities and benefits are to be reallocated in ways that people feel are equitable.

2 If loss of attachments is an issue rituals to mark those endings and team-building to

reattach the person in a new place are effective. In addition, the natural mourning process must not be shortened so that people may fully recover from their losses.

3 If loss of meaning is an issue, a meaning-based rather than an information-based communications campaign is important. This campaign must begin by confronting the problem that the organization is facing rather than by simply explaining the solution that the leadership has discovered.

4 If loss of a future is an issue, career- and life-planning opportunities can help people recover a sense of where they are going and discover their place in the new order.

5 If loss of a competence-based identity is an issue, training in new competencies—social as well as technical—is essential if people are to retain their confidence. The need for such training might seem obvious, however, people are often informed that they must acquire new skills without being told how to develop them.

6 If loss of control is an issue, any possible involvement in creating the future will help to compensate for the loss. This must be a real involvement, however, not a last-minute “let’s-hope-they-don’t-mess-up-our-plans” invitation to contribute ideas.

7 If loss itself is an issue, all such losses must be recognized and acknowledged. Nothing turns people off faster than a pep talk about how everything is happening for the best, unless it is the advice that they should “think positively” in a painful and intimidating situation.

The new beginning, when its time is ripe, must be built upon the new orientation and identity that emerge in the neutral zone. The catchword today for that new reality is “the vision,” and an organization’s vision of itself—as articulated by its leadership—is the foundation upon which its future must be formed. In trying to create and communicate such a vision, however, an organization’s leaders must remember several things:

1 A new vision can take root only after the old vision has died and been buried. To forget that is to court the kind of backlash that Archie McGill experienced in trying prematurely to instill his vision of an innovation- and marketing-oriented culture at American Bell in the early 1980s.

2 In spite of the diagrams depicting organizations as fields full of arrows that all point the same way, a vision and the culture that develops from it do not remove all fac-

“[D]ifficulties with making new beginnings come not from a difficulty with beginnings per se, but from a difficulty with endings and neutral zones. Transition managers must avoid that trap. . . .”

tions and forms of opposition. In fact, a culture is not a pattern of total agreement but a dialogue between opposing forces that agree on the nature of their opposition. Culture change is really a shift in the definition of the opposition and in the terms of the dialogue, not a conversion process in which a group of Sauls see a burning bush and become single-minded Pauls.

3. Vision is a concept that appeals primarily to what Carl Jung called the "intuitive function." This way of perceiving deals not with the details of the present but with the general shape of the future. Research has shown, however, that although a high percentage of organizational leaders are "intuitive types," about three-quarters of the employees in most large organizations are "sensation types." These are present- rather than future-oriented individuals who do not use intuition as often as intuitive types and who are not as impressed by its results. The vision must therefore be supplemented by a clear plan, and the big picture by many small examples, if the majority of employees are going to accept them.

4. To complicate matters further, both the vision and the plan have to be spelled out in two different forms. For another of Carl Jung's discoveries, substantiated by thousands of tests, is that people make and carry out decisions in two different ways. Some consider situations impersonally according to principles and categories. These "thinking types" will want to know how the future will work and what the logical reasons for the changes are. "Feeling types" on the other hand, decide and act on the basis of personal values and the interpersonal aspects of a situation. They will be more concerned with what the future is going to "feel like" and how everyone will fit into it. These different types "see" visions quite differently.

5. Finally, both types of people are going

to feel overwhelmed if the vision and the new reality it portrays are very different from current conditions. As University of Texas psychologist Karl Weick has shown in his article "Small Wins: Redefining the Scale of Social Problems" (*The American Psychologist*, January 1984), organizations often move faster in a new direction if they follow what he calls the "Small Wins" Principle. In addition to the overall goal, the organizational leadership needs to identify a few "concrete, complete, implemented outcome[s] of moderate importance [that will] produce visible results" if people are not to lose their momentum when their early efforts at making the new beginning fall short of the vision.

QUESTIONS FOR TRANSITION MANAGERS

In closing, let us look at the management of organizational transition from a somewhat more general perspective. People who are responsible for leading or managing an organizational transition need to ask themselves these questions:

1. *Have I included transition planning in my planning for the changes that lie ahead of us?* That means systematically foreseeing who will have to let go of what if the planned changes are actually going to work. It means predicting the resources that people will need for the wilderness experience of the neutral zone. Finally, it means going beyond the vision and plan for the change to a design for the process, a design in which the vision and plan are actually converted into new behavior and attitudes.

2. *Have I created a transition-monitoring system to keep track of what transition is actually doing to the organization as it unfolds through its three phases?* Only in that way can one be sure that people aren't getting lost in the shuffle, that communications are really

understood and that plans are really being put into action

3 *Have I made sure that managers and supervisors are being trained to facilitate transition rather than merely to make change happen?* Organizational leaders and outside consultants alike can too easily become enamored of change-agentry "forgetting how much easier it is to prescribe a change in someone else than it is to effect a change in oneself

4 *Have I really looked at how I will need to change if I am to function effectively in the new system?* Organizational leaders who do not do this are undermining their preaching with their example. Furthermore they tend to project their own problems onto others and fail to legitimize transition management as a critical aspect of organizational change

5 *Have I taken pains to communicate effectively the changes and the transitions they will require?* There are some secondary questions here (1) Am I giving as clear a picture as I can of the *what when how* and *why* of the changes? (2) Am I recognizing that different types of people are concerned about different aspects of the change – or am I just saying what I would want to hear? (3) Am I remembering that no communication is complete until the sender knows that the receiver has the correct message and has had a chance to reply? (4) Am I relying on the old communication channels to give and receive messages or do I need to create new channels?

6 *Am I using this present transition as an opportunity to redesign the policies procedures systems and structures to make the organization more transition-worthy in the future?* If not I will have missed a great opportunity for the organizations that will lead their fields tomorrow are the ones that are now creating ways of going through transitions successfully

In these turbulent times the ability

to change frequently and rapidly is a requirement for survival. However successful change requires many individual transitions. Since unmanaged transitions lead to unmanageable change transition management must rank as one of the key executive skills that will be needed in the years ahead



SELECTED BIBLIOGRAPHY

- Bowlby John *Loss Sadness and Depression* (Basic Books 1980)
- Bridges William *Transitions Making Sense of Lifes Changes* (Addison-Wesley 1980)
- Keirsey David and Bates Marilyn *Please Understand Me Character & Temperament Types* (Prometheus Nemesis 1978)
- Kubler-Ross Elizabeth *On Death and Dying* (Macmillan 1968)
- Levinson Harry *Executive* (Harvard University Press 1981)
- Myers Isabel Briggs *Gifts Differing* (Consulting Psychologists Press 1980)
- Pascale Richard T and Athos Anthony G *The Art of Japanese Management* (Simon & Schuster 1981)
- Pierson G W *Tocqueville and Beaumont in America* (Oxford University Press 1938)
- Tunstall W Brooke "Breakup of the Bell System A Case Study in Cultural Transformation" In Kilmann Ralph H et al eds *Gaining Control of the Corporate Culture* (Jossey Bass Publishers 1985)
- Van Gennep Arnold *Rites of Passage* Trans Monika B Vizedon and Gabrielle Caffee (University of Chicago Press 1960)
- Weick Karl E "Small Wins Redefining the Scale of Social Problems" (*The American Psychologist* January 1984)

Managing in a World of Nonstop Change: A Checklist

- | Yes | No | |
|-----|-----|--|
| ___ | ___ | Have I accepted the fact that nonstop change is the unavoidable reality today, or am I still fighting it? |
| ___ | ___ | Am I orchestrating my transition management tactics effectively, shifting from change situation to change situation and from an ending here to a beginning there? |
| ___ | ___ | Do I have an overall design in which this particular transition makes sense? |
| ___ | ___ | If I do not have such a design, am I working to create one for myself and my people by "connecting the dots" or identifying the "end of a chapter"? |
| ___ | ___ | Am I being careful not to introduce extra, unrelated changes while my people are still struggling to respond to big transitions? |
| ___ | ___ | Am I watching out that I don't stake too much on a forecasted future? |
| ___ | ___ | Am I making (and asking others to make) life-cycle projections to identify and start creating replacements for policies, systems and structures that have passed their midlife points? |
| ___ | ___ | Do I include worst-case scenarios with my change management plans, both for their own sake and as "contrarian" forecasts? |
| ___ | ___ | Am I planning and managing the transition from "occasional change" to "change as the norm" and encouraging others to do the same? |
| ___ | ___ | Do I honestly think of the status quo as a temporary and expedient resting place in a time of constant change? |
| ___ | ___ | Do I talk of change as the best way to preserve the essential continuity of the organization? |
| ___ | ___ | Have I clarified the mission of my organization and helped others under me to do the same for their level of the organization? |
| ___ | ___ | Are these missions distinguished from our objectives? |
| ___ | ___ | Do I have a deep feeling for this mission or am I merely mouthing words? |

Yes No

- ___ ___ Have I worked hard to unpack old baggage, heal old wounds, and finish unfinished business?
- ___ ___ Do I regularly work to sell the organization's problems?
- ___ ___ Do I look at my own organizational environment as a challenge and encourage others to do the same?
- ___ ___ Do I respond to these challenges creatively and help others to do the same — or do we get caught up in competitiveness for a piece of a shrinking pie?

Am I actively working to rebuild trust in the following ways

- ___ ___ 1 Being very careful to do what I say I will do?
- ___ ___ 2 Listening to people carefully and letting them know what I hear them saying?
- ___ ___ 3 Asking for feedback and acknowledging unasked for feedback on the subject of my own trustworthiness?
- ___ ___ 4 Understanding what matters to people and working hard to protect whatever is related to that?
- ___ ___ 5 Sharing myself honestly (without letting honesty be a cover for hostility)?
- ___ ___ 6 Remembering not to push others to trust me further than I trust them?
- ___ ___ 7 Trying to extend my trust of others a little further?
- ___ ___ 8 Not confusing being trustworthy with "being a buddy"?
- ___ ___ 9 Not being surprised if my trust-building project is viewed a bit suspiciously?
- ___ ___ 10 Constantly reminding myself, "Tell the truth"?

Final Questions

What actions could you take to help people deal more successfully with the nonstop change in which your organization currently finds itself? What could you do today to get started on this task?

Write yourself a memo or send yourself an e-mail today to read when you return

Creating Critical Mass To Support Change

©John D Adams, PhD*

Most likely every one of us has had the frustrating experience of helping to create an action plan during an off site session only to have it filed away and forgotten upon return to the work site. We have also probably felt frustrated at how much longer major organizational changes take than was originally anticipated. It should be axiomatic to us by now that any social system will develop a tremendous amount of 'status quo' inertia in its patterns of operation. Individual habit patterns, group norms, and organizational culture are all expressions of this axiom.

This inertia or investment in the status quo extends the time it takes to complete reorganizations and mergers, frustrates managers who want to implement new programs or policies, and frequently causes the various cultural change and development programs propounded by organization development practitioners to receive a 'flavor of the month' response.

There are many reasons for this inertia. The dynamics of any organizational system will create self-regulating and self-correcting mechanisms which tend to protect the status quo. It is essential that these mechanisms be addressed if any significant change effort is to succeed. But that exploration is NOT the purpose of this article.

There are also a number of cognitive structures, such as beliefs, assumptions, expectations, etc. plus the norms which all groups and organizations evolve, which also contribute to the inertia in the status quo. This article suggests ideas for working through the status quo inertia via these less tangible structures. In the following paragraphs, three problems are introduced. One way of addressing these problems, the creation and development of a critical mass network, is then presented. Next, a five-step influence process for working

with status quo inertia is described. The article closes with a summary check list of ideas for use by those who wish to implement changes in organizations.

THREE COMMON REASONS CHANGE EFFORTS TAKE SO LONG

One of the most frequent reasons for slowness in implementing organizational changes has to do with people's non-conscious but habitual mental patterns. This Automatic Pilot



John Adams is Director and Co-Founder of Earthheart Enterprises Inc, an international consulting and training organization.

Mindset creates a non-conscious inertia in thinking and individual behavior patterns. A second reason is the frequent bias towards training which assumes that the ideas agreed to in the classroom will find ready acceptance on the shop floor. The third reason is a general absence of support for managing the novelty engendered by changes. The following paragraphs explore each of these reasons for continued inertia and then develop a basic set of criteria for creating a critical mass network of people who are fully in support of the desired changes.

The automatic pilot mindset

To illustrate what I mean by this phrase, please put this paper down and quickly fold your arms. Now reverse the way they are folded, placing your other arm on top and note how this feels. Most of you will experience the second way of folding your arms as being awkward or uncomfortable. It would probably take you quite a long time to get used to folding your arms this new way and to cease folding them in the until now familiar way. This illustrates how our habit patterns work. We don't have to think about how we fold our arms, and when we do consciously choose to fold them in the reverse way, it just doesn't feel right. Everyone of us has myriads of beliefs, values, and attitudes that are operating in a similarly non-conscious way at all times, subtly influencing how we act and the results we get. The longer we hold a belief, the more consistently it tends to be supported in our experience, and the more it is reinforced as the truth. This is the essence of the self-fulfilling prophecy. First, we must raise our automatic pilot patterns to consciousness, and then we must be quite disciplined if we are to succeed in creating new habits.

The same thing is true on the group and organizational levels. Here is an example. In reviewing the results of an attitude survey several years ago with a research and development (R&D) client, it was determined that the most negative item on the survey was, "You only get feedback around here when you screw up." There was unanimous agreement that this must change. Everyone felt that in order to be more innovative and do better R&D, an occasional thank you or well done were desirable. In a follow-up meeting six weeks later, we found that no one was giving any positive performance feedback. Supervisors felt they might be taken

As a colleague in the UK says Burns in seats is the primary measure of success for the Human Resources Department

advantage of if they gave out strokes and subordinates felt they were being manipulated whenever they heard good news. Even though there was still unanimous agreement that a change was needed they had slipped back to their original patterns. The group still wanted to balance their performance feedback so we required that there be a feedback review as the first item on the agenda of every meeting held in the group. The top management team went one step further and required that each person at the table give someone an honest positive compliment before carrying on with the meeting agenda. This structuring of the desired new habit into the daily lives of everyone was what was needed to generate the desired new habit patterns.

If we are to disrupt the automatic pilot mindsets and create desirable new patterns of operations we must reward the desired changes formalize them in our everyday lives and create ways to monitor and reinforce them.

Bias Towards Training

Training has become a huge operation employing thousands of people. A great many organizations use various kinds of training activities as the primary vehicle for attempting major organizational changes or productivity improvements. In many organizations training comprises virtually the entire development program and as a colleague in the UK says Burns in seats is the primary measure of success for the Human Resources Department.

When there is too much bias towards training as development an excellent means often becomes an end in itself. Training has an absolutely essential role in supporting most kinds of changes in organizations but it must always be provided in the service of clearly articulated change outcomes to be of real value in overcoming status quo inertia.

Absence Of Support For Novelty Management

Any change has the potential to create distress (and a desire to cling to the status quo) to the extent that it creates novelty (surprise unfamiliarity uncertainty). In order to be most effective in implementing changes we must do so in ways which minimize surprises and we must develop mechanisms for clarifying and familiarizing employees with the new way of operating.

Support for novelty management needs to come in four areas:

- 1) information needed to adjust to the change
- 2) skills needed to adjust to the change
- 3) attitudes and values which must be developed to support the change,
- 4) reward mechanisms for adopting the change

THE VIRTUE IN PREACHING TO THE CHOIR

The cliché of Preaching to the choir has long been used to suggest that an activity is a waste of time. I contend that it is sometimes the most important mechanism for creating a critical mass of people who are solidly behind a change program and who will ensure that the change process becomes self-sustaining. As the diagram in Figure 1 suggests for any new idea there are likely to be about 10-15% of the employees who think it is a fantastic idea and about an equal number who will probably never buy in. Our normal tendency is to go after the hard core resistors and attempt to change their minds rather than creating a network of those who are already sold on the idea.

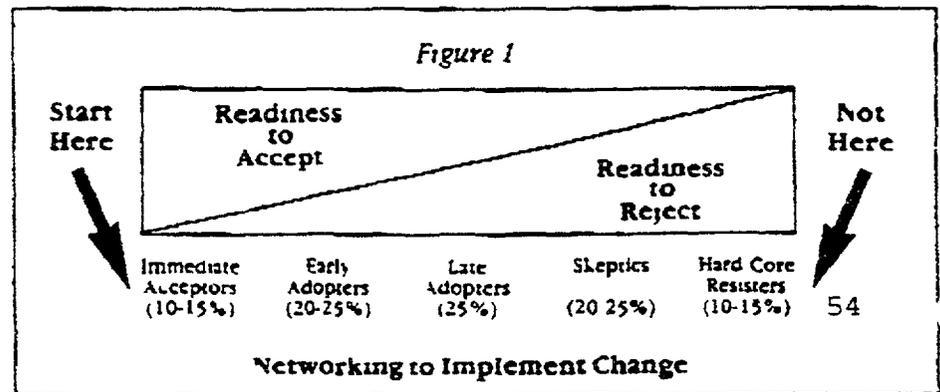
Finding out who in the organiza-

tion regardless of formal role are solidly in support of an intended change and bringing them together can be one of the most important factors in successful change implementation. Their shared interest in the change virtually always leads to some highly innovative ways to enroll the early adopters. As a result a critical mass favoring the change is generated rather quickly and with little forcing.

This network of solid supporters is the choir. Frequent choir practices will generate lots of good ideas for gradually bringing in new choir members from the early adopters. The main consideration relative to the hard core resistors is to encourage them to stay tuned and to avoid any confrontations which may cause the skeptics to throw their support to the underdogs.

HOW MANY DOES IT TAKE TO HAVE A CRITICAL MASS?

A critical mass of supporters is that number required for a change goal to be sure of being reached. The effort becomes self-sustaining and no longer needs to be kept alive through constant vigilance. It is unclear just what percentage of an organization's employees constitute a critical mass but it is often said that when 20% of the employees get solidly behind an idea success in implementing that idea is assured. There is probably a lot of variance around this figure depending on the following three criteria: ownership, direction and purpose and versatility. It is my hypothesis that the more completely these criteria are developed the lower the percentage needed for critical mass and the less well developed these criteria the higher the percentage needed.



can be a very valuable team development exercise to have everyone in a group complete the statement 'We behave as if our mission were'

Ownership

By ownership for an idea I mean the degree of responsibility one feels for the idea, the amount of energy one makes available in service of the idea, and the degree of commitment one feels for the idea. The stronger the expression of ownership, the lower the percentage needed to create a critical mass for change (Adams ODP 1971)

Direction And Purpose

In almost every working unit there are about as many subtly different interpretations of the group's mission and purpose as there are group members. It can be a very valuable team development exercise to have everyone in a group complete the statement 'We behave as if our mission were' and compile the responses anonymously and discuss the differences until agreement is reached. In the absence of this clarification and alignment exercise everyone in the group is likely to be moving in a slightly different direction based on their/his understanding of the purpose and mission. This same phenomenon is likely to be true relative to the goals of any change effort. The clearer the direction and purpose, and the higher the degree of alignment, the lower the percentage needed to create a critical mass for change.

Versatility

Most of us operate under the assumption that if others would only behave and see the world the way we behave and see the world, we'd be much happier, more productive, etc. In fact, if everyone DID operate exactly like we operate, we'd only be able to function in a rather narrow band. Different people have different perspectives, different styles of operating, and different strengths to offer. We won't be able to access these only if we don't operate with a high degree of behavioral versatility (I'm

defining versatility as appropriate flexibility.) In general systems theory, Ashby's Law of Requisite Variety states that the subsystem with the greatest repertoire of responses will eventually control the entire system.

The same principle applies on the level of individuals' automatic pilot mindsets. The most effective leaders are those who can hold short term and

'The most effective leaders are those who can hold short term and long term perspectives simultaneously'

long term perspectives simultaneously. That is, they are able to think strategically about implications and consequences while operating on immediate issues and priorities. They can also be responsive to pressures arising in the environment while simultaneously creating innovative approaches and longer term visions.

The greater the degree of behavioral and mindset versatility, the lower the percentage required for creating a critical mass for change.

In summary, whenever we are contemplating changing the way things are in an organization, we need to develop a foundation of supporters large enough to cause the change effort to be self-sustaining. We can probably do this more easily if we develop strong ownership, alignment with clearly articulated direction and purpose, and high behavioral and mindset versatility. I predict that the more successful one is at developing

these qualities, the smaller the choir has to be.

ESSENTIAL STEPS IN OVERCOMING INERTIA

In the 1960s David Gleicher then at Arthur D Little postulated that in order to bring about change, three variables had to be developed so that their combined effect was greater than the investment in the status quo. In the last few years, with input from several colleagues, I have been using Gleicher's idea with two additional variables added. The five essential steps to overcoming inertia in my present way of thinking, are described below. Think of a change effort or influence situation you are currently involved with and explore how you could be more effective by enhancing each of these five variables. Choose anything from changing a personal habit to renegotiating a personal relationship to implementing a major reorganization.

Belief That Change Is Possible And Desirable

If the people in a system do not feel that it is possible to make the desired change, or if they don't think the change is a desirable one, then this is the place to work. In your personal example, what could you do to increase the sense that the desired change is both possible and desirable?

Sufficient Disenchantment With The Status Quo

Kurt Lewin taught us that we first have to unfreeze a situation before we can expect any movement. This means operating in ways that will destabilize the status quo. This can be accomplished in a variety of ways including increasing dissatisfaction, threatening adverse consequences, and (preferably) building a vision of a better way of being that people can relate to. In your personal example, what could you do to increase disenchantment with the status quo?

If the people in a system do not feel that it is possible to make the desired change, or if they don't think the change is a desirable one, then this is the place to work.

Clear Goals And Outcomes

This step is much like the Purpose and Direction criterion already described. People may be sufficiently disenchanted with the status quo but they aren't likely to make any changes if they aren't clear about what is expected or what the desired outcomes are. In your personal example, what could you do to clarify the goals and outcomes of the change you want to make? Are there actions you could take to ensure that everyone both understands and agrees with the goals and direction?

Success Oriented First Steps

When the previous three steps are sufficiently well developed, there still may not be any movement if people don't know what the first steps are. Developing some small steps that you are sure will succeed, such as a thirty-day trial of a new policy or giving each person in a group a specific and easily completed assignment, can create a great deal of momentum towards the desired change outcomes. Succeeding steps become obvious as the early steps are carried out. In your personal example, what are one or two steps you could initiate which you know would be successful?

Role Of Others In Ensuring Success

Even when the focus of our change or influence is ready to move, the effort can be defeated if people at the boundary of the effort aren't informed and perhaps negotiated with. For example, if a group decides to implement a new time management scheme, those individuals from other groups who habitually interact with members of the group may need to be informed about the new practice so as not to interrupt at the wrong time. In some cases, one can maintain the momentum of change by negotiating moral support or setting up an agreement whereby another person can provide monitoring, challenge, expertise or access to resources.

A CHECKLIST FOR CREATING CRITICAL MASS FOR CHANGE

In summary, we may unwittingly prolong the time it takes to implement

a change if we overlook the normal individual and group tendencies to maintain status quo. Expect too much from training interventions and overlook the need for novelty management. Conversely, we may reduce the time it takes by focusing most of our energy on those who favor the change and by promoting ownership, clarity of direction and versatility among these choir members. And when we need to be influential in our dealings with others, we can improve our effectiveness by focusing on the five variables for overcoming status quo inertia.

The following represents a summary of these points in the form of a checklist of things to attend to when you need to implement a change or influence a situation.

1. Are you aware of your own and others' non-conscious cognitive patterns (automatic pilot mindsets) which may be operating to reinforce the status quo?

2. If a training program is called for or contemplated, is it being implemented as a means or is it being viewed as an end in itself?

3. How well are you anticipating and managing the resistance to change which arises from excessive novelty (surprise, uncertainty, unfamiliarity)?

- Avoidance of unnecessary surprises
- Availability of mechanisms for creating clarity and/or familiarity
- Identification and dissemination of information which can reduce novelty
- Provision of the skills needed to be effective in the new situation
- Identification of attitudes and values which need to be created and/or reinforced
- Development of tangible and/or intangible rewards for adopting the new state

4. Have you identified those people in the system who are already on board and in strong support of the change (the choir)? Once they have been identified, they can be brought together for choir practice, to discuss strategy for implementation and for bringing in new choir members from those in the system who are waiting in the wings (the early adopters in Figure 1).

5. Do the choir members feel a strong sense of ownership (responsibility, energy and commitment) for the change? What can you do to further enhance their feelings of ownership?

• Are there ways to increase people's responsibility for successful implementation?

• In what ways can you help people invest more energy in the implementation?

• How can you help these people feel even more committed to a successful outcome?

6. How clear are you about the direction and the purpose of the change? Can you state the results or outcomes that you want in very specific terms? Have these been clearly articulated — especially to the choir? Are you confident that all the key supporters understand the direction and purpose and agree that they are appropriate?

7. Do your core supporters in the choir represent a diversity of operating styles and personalities? Are they aware of their differences and do they value them and recognize the potential contributions of each to the overall effort? Are they able to shift their styles of operating appropriately to support the overall effort?

8. Are your core supporters in the choir able to simultaneously hold the vision of the outcome and the immediate priorities in their minds? Are they able to both anticipate future contingencies and be innovative from moment to moment?

9. What can you do to spread the feeling that the desired change is both desirable and possible?

10. Are those in the system to be most affected feeling sufficiently dissatisfied with the status quo to welcome the intended change?

11. Do the people to be most affected share the same clear understanding of the goals for the change? Do they agree that these goals are worthy?

12. What are some small steps that can be taken towards the goal? Are you confident that these steps will be successful? Which ones will be highly visible?

13. Can you identify the people both within the system and around the edges of it who can in some way contribute to the success of the change or influence effort?

TO BECOME A TEAM REQUIRES. . .

- + A group with a clear and agreed upon charter, or purpose and common goals,
- + Interdependence - you need each others' skills and experience,
- + Members believe working together is better than working alone,
- + Having frequent interaction as a group,
- + The group is empowered to make decisions and solve problems,
- + Individual commitment to the group and acceptance of each other's membership in the group,
- + The resources to fulfill the charter, purpose or goals,
- + Authority granted by a higher level and accountability for results

TEAM EMPOWERMENT*

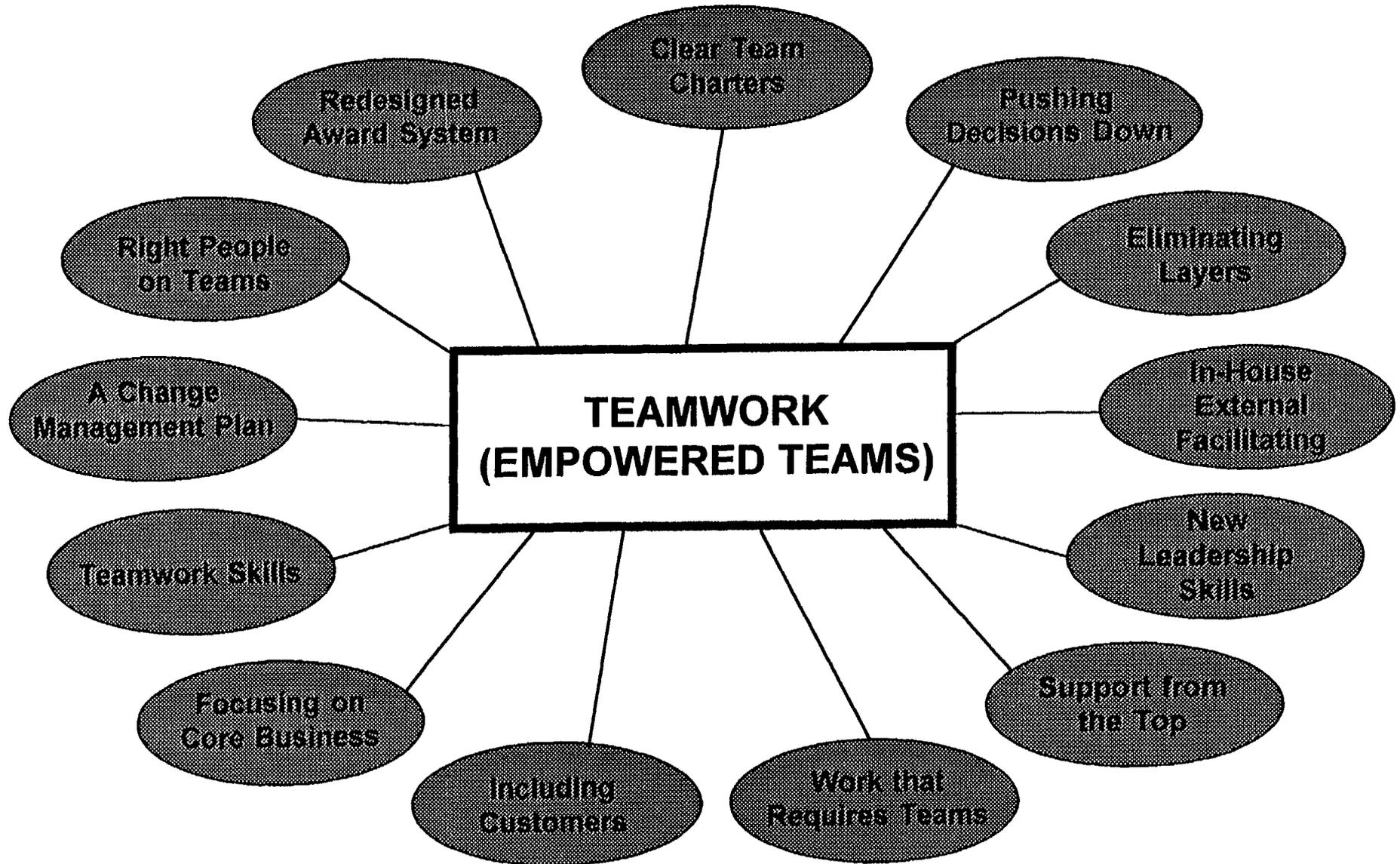
- 1 Assumes team planning and implementation is *principally* (if not totally) determined by team members
- 2 Encourages the full expression of individual excellence *within* an interdependent group framework
- 3 Incorporates the definitions of responsibility, accountability, and empowerment as the basis for operational agreements
- 4 Shifts the focus of project and task completion from the individual to the group (out of practical necessity or choice)
- 5 Espouses that the efforts and agreements of the group supersede those of the individual
- 6 Requires the mastery of interpersonal skills
- 7 Requires an alignment and commitment of the team's strategies, objectives, and goals
- 8 Requires trust, cooperation, and participative leadership
- 9 Includes as much diversity as is possible or available

*A team is a group of co-workers who must rely on group interdependence and support in order to successfully achieve an objective or goal

From MANAGEMENT BY EMPOWERMENT
Created by Innovations International, Inc

(Copyright permission received on July 31, 1995 from
Dr William Guillory, CEO, Innovations International, Inc)

Deep-Rooted Teamwork Requires Systemic Change



IMPLEMENTING EMPOWERMENT

The most important factor to understand when implementing this management philosophy is that it is a *transformation* of the organizational culture. This means a fundamental change in an organization's pattern of beliefs, values, attitudes, and norms that dictate its day-to-day operation, both spoken and unspoken. It also means a change in the basis and procedure for decision making and policy making. Ultimately, every employee in the organization must be impacted by this change in the way work is performed and managed.

The organizational leadership is the most important segment in instituting cultural change, whether it is participative or hierarchical. The leadership must clearly communicate the organization the rationale for and value of the new cultural framework. This must be done in a *sufficiently inviting and persuasive manner* so that it is accepted and embraced through self-enrollment by a critical and significant part of the organization.

The rate at which empowerment occurs as a concerted and systematic process is determined by the level of organizational support, where "concerted" refers to a long-term plan and "systematic" refers to the successful stepwise implementation of the plan. Organizational support is an ongoing process established by a unit, division, and/or organization which not only encourages, but visibly demonstrates its expectation of empowered behavior, empowered employees, and an empowered organization.

GUIDELINES FOR SUCCESSFULLY IMPLEMENTING TEAM EMPOWERMENT

1 Define the purpose of the team

- Why does the team exist?
- What is the team's objective or goal?
- What is an empowered team?

2 Define the Roles and Responsibilities of the team

- Is each team member clear about her or his role?
- Does each team member know the roles of the other team members?
- Does the team have all the expertise necessary?

3. Define the Mode of Operation of the team

- Establish a working vocabulary for important terms
- Establish a mode of leadership and an accountability system
- Utilize existing expertise and support when lacking among team members
- Discuss team trust, relationship, communication, support, commitment, etc

4. Select a manager to coach and set guidelines for the team

- Manager and team should agree on guidelines
- Manager and team should establish accountability in terms of quality, productivity, and team functioning
- Manager should coach as necessary

5. Utilize "Just-in-Time" training

- Take training to understand and use team empowerment
- Integrate training into the process as required i e , interpersonal skills, coaching, holding others accountable, etc

6 Proceed to function with established management accountability checkpoints

- Assess team operation shortly after beginning
- Assess team operation at half completion
- Use crisis as an opportunity for a breakthrough

7. Evaluate team performance at completion.

- What worked?
- What did not work?
- What did we learn for future teams?
- What do we need to learn for future teams?
- Establish a new team project (with fewer guidelines) and "go for it!"

From MANAGEMENT BY EMPOWERMENT
Created by Innovations International, Inc

(Copyright permission received on July 31, 1995 from
Dr William Guillory, CEO, Innovations International, Inc)

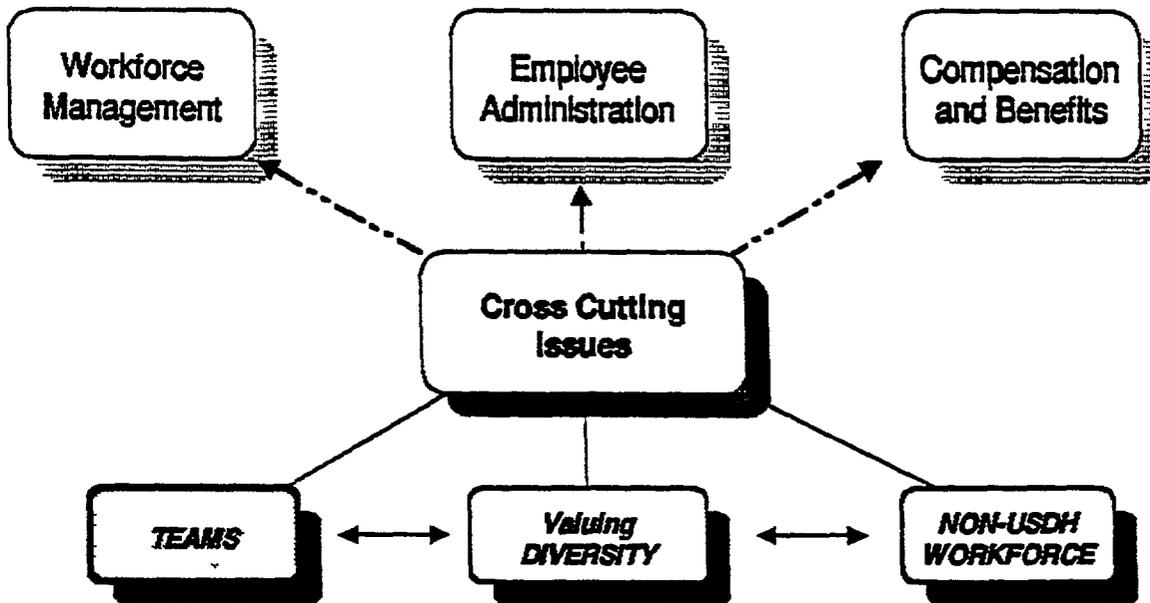
Developing a Team Contract

DESCRIPTION:

The team develops guidelines for team behavior commitments, and ways of working together. The team discusses the guidelines, produces a written document and each team member signs the contract to indicate personal commitment. The contract can be given to each team member and posted in the team meeting room. These team rules, group norms and agreements can cover the following areas:

- 1 Identification of the team mission statement, team values and team goals
- 2 A start and completion date
- 3 Agreements on meeting management (having agendas in advance, stating time allotted for each agenda item, summarizing decisions in the minutes, starting on time, attending regularly, how absent members are brought up to speed, full participation in meetings, regular team meeting times and place)
- 4 Definition of key roles: leader, facilitator, recorder, process observer, timekeeper, member, sponsor, resource people, supervisor. Names of team members and sponsor, resource people and supervisor. A commitment to rotate team roles among team members.
- 5 Commitments regarding time needed from team members and any other resources team members may need to contribute. Agreements about how to handle absences of team members, tardiness, not meeting deadlines, or other problem areas.
- 6 Description of the way the team will work together: the use of individual work, work teams and other work methods, the ways decisions will be made, how the team will handle disagreement with decisions.
- 7 Description of the way the team will work together: the use of individual work, work teams and other work methods, the ways decisions will be made, how the team will handle disagreement with decisions.
- 8 Any other issue the team wants to clarify.
- 9 Signatures of all team members.

USAID. Beyond Teamwork to Teams



Overview

This paper describes changes needed in human resource (HR) processes to strengthen the role of teams in the Agency's work. The changes are aimed at responding to concerns and needs identified by the HR primary customers -- Agency employees and managers. The paper explains the rationale for team-based work in the reinvented Agency. The paper includes a set of assumptions underpinning the HRBAA analysis including key differences between teams and teamwork. Practical Issues about using teams raised by human resource customers in numerous discussions and survey work over the last six months are detailed. The issues are in the five HR areas seen as most important to effective teams: workforce planning and organization, employee placement, evaluation, training and incentives. The team considered these as it reviewed the individual human resource processes. To be helpful to HR customers, the practical issues are treated in a key question and answer format. The answers represent the views of the Human Resource Business Area Analysis Team (HRBAA). Last, the paper discusses how new HR information technology systems will support effective teams.

What is the rationale for teams?

Teams -- real teams, not just groups that management calls "teams" -- should be the basic unit of performance for most organizations, regardless of size. In any situation requiring the real-time combination of multiple skills, experiences, and judgments, a team inevitably gets better results than a collection of individuals operating within confined job roles and responsibilities.

From The Wisdom of Teams

USAID teams are groups of individuals coming together through consensus on a common approach to achieve agreed-to objectives or results. Typically, team members bring specific skills needed to achieve a result, or represent an interest central to that achievement. Teams function in a collaborative and supportive fashion, drawing on the strengths of individual members. They work best when these individual strengths are combined into a congregation of interested parties working more effectively because they have agreed to this union or because they understand that together each achieves more.

USAID adopted four core values to guide future agency program operations and related aspects of its mission. The four values -- customer focus, managing for results, empowerment and accountability, and teamwork -- are interdependent. Each can benefit significantly from teams for its effective expression. The HRBAA recommends the addition of a fifth core value -- valuing diversity. Valuing diversity, in the HRBAA team's judgment, is increasingly a business imperative for USAID. That is, for the Agency to succeed in achieving its strategic objectives through teams, it needs the diverse perspectives and experiences that give powerful teams the creative basis for action. Moreover, diversity applies to the entire core workforce, not just certain segments of it. The effectiveness of teams in USAID will depend upon a diverse core workforce. This perspective is developed extensively elsewhere in the Report (Chapter VI).

The recently completed reorganization of the Agency was built around the concept of teamwork, which provides an important mechanism for integration and participation. By enabling the various specialties within a mission or within a USAID/W office to work together, and by supporting field and central expertise working together, the Agency will be better able to identify and agree upon its objectives. The Agency will be able to stretch limited resources and bring maximum expertise to bear on problems, and respond more rapidly and effectively to changed circumstances. The operations reengineering business area analysis of last December concluded that for the Agency to succeed in achieving its goals, it needed to depend heavily on teams. The Operations BAA understood that USAID had

already a significant amount of teamwork as a key operating style. In that BAA's judgment, the challenge for the Agency was to move its major activities beyond teamwork to being accomplished, predominately, in and through teams.

The final report of the Operations BAA spoke to the composition and accountability of teams. Specifically:

- 1) The composition of USAID teams should allow maximum flexibility in order to meet varying requirements over the life of the strategic objectives and strategic support objectives. Composition may vary over time in both size and scope.
- 2) Operations teams generally will include two groups, a core group and an extended group.
 - a) The core group will be those who are important to achieving the objective or smaller set of results, and who can legally and ethically play a determinant role in defining contractual requirements.
 - b) The extended group comprises the core plus others who are important to managing for results, but who should not be directly involved in defining specific procurement actions. In this way, a variety of players (customer, partners and other stakeholders, etc.) can participate in the achieving process without violating procurement and other regulations.
- 3) Team members need not be resident within the mission or office responsible for the objective, but rather could participate as "virtual" members through electronic means. Work may be done entirely by e-mail, document transfer, or other means which may not require direct face to face contact.
- 4) Commitment of an individual's time to a team is by that individual's parent organization in response to a request by the team leader.
- 5) Coordination among tasks is accomplished by the team as a whole under the leadership of the team manager. The team managers are accountable for the performance of the team and must manage the team to best achieve results.
- 6) Decisions about the mix of authorities delegated to teams and individual team members will take into account the experience and expertise represented on the team and Agency regulations about delegation of authority.
- 7) The overall goal for most work units in the Agency is to develop self-directing

teams Highly successful teams will benefit from managers who can operate as leaders as well as managers Leaders need not make all the decisions and work assignments but rather inspire trust in people by acting in concert with the team's purpose and the team, promoting constructive conflict and resolution, and constantly challenging the team to sharpen its common purpose goals and approach

The HRBAA believes that teams, as described by the Operations BAA, have relevance in other Agency settings

What HRBAA assumptions were made in supporting teams?

The HRBAA agreed on a set of key assumptions that underpin its analysis and recommendations for change in the human resource processes as they affect teams First, the team identified key distinctions between teams and teamwork

- ▶ While teamwork encourages joint action, teams are predicated on it
- ▶ While teamwork is limited by the individual's goal alignment with his/her permanent organizational home, teams depend upon primary alignment of member goals and incentives with those of the team
- ▶ While rewards occasionally accrue to USAID staff contributing to joint outcomes, successful teams require that group rewards and individual rewards in a group context become prominent for steering staff behavior
- ▶ Teams have authority to act, teamwork does not

With the desired characteristics of teams clear, the HRBAA identified seven factors which need to be considered in supporting teams in the reinvented USAID

- ▶ A variety of work arrangements will exist in a reinvented Agency They will range from traditionally supervised work units, to line organizations with sub-groups arranged permanently as teams, to semi-autonomous project teams, to self-directed project teams
- ▶ The nature of USAID's program operations and its related work processes require the creation and support of strong teams which operate over time, more at the semi-autonomous and self-directed end of the range described above Some Agency work processes, however, may not lend themselves to this approach

- ▶ Commitment to the four core values in a reinvented USAID requires substantial team-based work and should be the key reference point for making most management decisions -- not just in program operations but elsewhere in the Agency
- ▶ The nature of the work processes should drive organizational design USAID operates, programmatically, in complex development settings subject to significant change in key independent variables affecting success In other Agency contexts, Agency work often is less affected by such complexity in independent variables Not all work needs self-directed work teams
- ▶ Teams, as defined above, are not considered a permanent organizational element of the Agency They are designed as flexible instruments, easily formed and dissolved, as the nature of significant work products requires
- ▶ All human resource processes in USAID should facilitate the utilization of teams as an effective tool for executing work
- ▶ Managers will have the necessary tools and be accountable for using teams effectively in executing the agency's objectives Sufficient training and understanding of manager and employee roles in supporting teams will occur

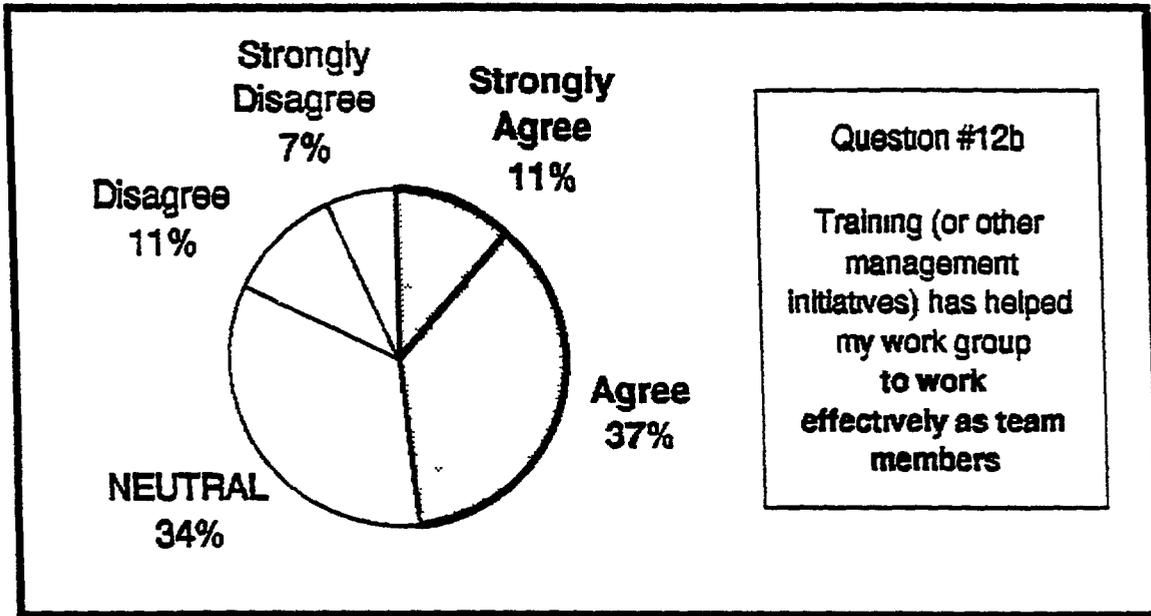
What practical issues have HR customers raised about teams?

Responses to the Administrator's recent request for AID/W and mission "mini-retreat" assessments of key reinvention concerns stressed team issues How will teams work? How will team members be evaluated and rewarded? How will decisions be made in teams? Some answers are needed now Some must be tentative because of the limited experience base Some answers will evolve, necessarily, from learning to work with teams in various USAID contexts

The Agency is committed to taking full advantage of the "wisdom of teams", but the road traveled to get there will be full of twists and turns The country experimental labs (CEL) are struggling with the team concept and its effective implementation in specific operational settings Recent feedback from the CELs and other missions express enthusiasm and anxiety about working in teams A certain amount of confusion and ambiguity about teams is inevitable The Agency must recognize that, for some time, considerable flexibility will be needed in the approaches and tactics for implementing effective teams

The HRBAA team worldwide survey of core workforce completed in April highlighted similar concerns about teams

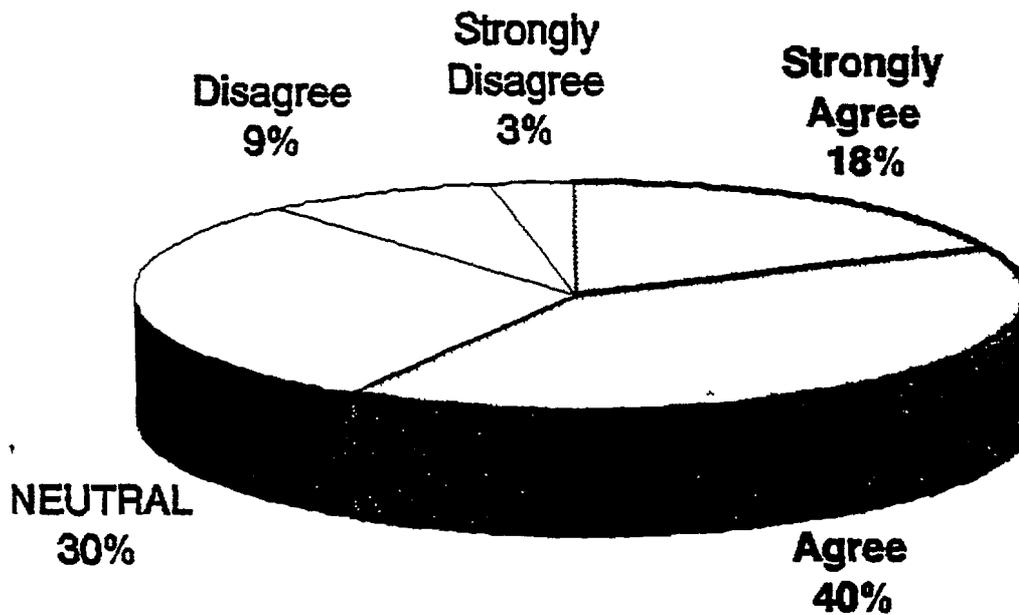
When asked if training was helpful in working in teams, 20% of those who responded said they "don't know or not applicable" to question #12b That 20% is not included in the following chart, which only represents the 2035 respondents who ranked the question from strongly agree to strongly disagree



Supervisors are clearly challenged by the commitment to building teams When asked about the need for working in teams, 58 percent wanted help

Question #46k (Composite of all supervisory responses)

**I need help with the following services:
team building and employee empowerment training**



Following are survey comments from Question #46l, in which USDH Supervisors were asked to identify services they need help with

Most of the consultants Agency hires in the area tend to be theoretical and have had no real experience Too much emphasis on employee empowerment and too less on responsibility

Most of what I know has been learned from bitter experience, and I have found general USAID policies, procedures and training of little use in building and maintaining an effective team

The procedures we must follow create problems not the people attempting to assist with personnel issues Conflicting objectives also make it impossible to be solely

results-oriented Information PLUS local decision-making is key!

Re-engineering and rightsizing all have come together How can one deal with a change of this magnitude and also be efficient

This agency is wasting too damned much time in these self-examinations and team building programs People can learn from periodic quality presentations on the subject--but do not need to waste so many valuable days on these issues

Standards on how a team should operate will be helpful in supporting the BPR of USAID

Team building and emphasis on teamwork is critical to success and the well being of any organization that is going through restructuring and change This has been and is an organization of very "sensitive" individuals who resist change/professional responsibility

Crisp executive-level decision making will suffice in lieu of teams of management analysts and consultants for resolving issues around organizational planning, streamlining, employee empowerment, etc

What are answers to key questions about teams raised by HR customers?

While most of the Agency's human resource areas analyzed by the HRBAA have implications for teams, five areas appeared especially important to HR customers They are workforce management and organization, employee placement, training and development, incentives, and performance evaluation Questions posed and HRBAA answers follow

1 WORKFORCE MANAGEMENT AND ORGANIZATION

Q When is a team a team, how is it different from teamwork?

A There is no simple answer Some characteristics of effective teams are clear focus on a stated objective and related outcomes, measures for judging progress and success, committed members with skills sufficient to execute the effort, sufficient independent authority to act and acknowledged accountability Often, a team is formally constituted in terms of these elements To the extent these elements are present, the prospect for a powerful team and success increases To the extent they are not, you have less than a team You have at best teamwork

Q Does all USAID work get done only through teams?

A The nature of the work should drive organizational design in the Agency USAID operates, programmatically, in complex development settings subject to significant change in key independent variables affecting success Here, effective teams are critical to achieving significant results Those teams will consist of core teams of USAID staff and extended teams of USAID partners, stakeholders and customers See the revised Achieving directive for details

In some other Agency contexts, the work often is less affected by such complexity in independent variables Teams may be less critical, although still important Not all work requires teams

Q What types of teams are possible?

A A variety of work arrangements will exist in the reinvented USAID They will range from traditionally supervised work units, to work groups with elements arranged formally as teams to temporary semi-autonomous teams organized around concrete objectives and outcomes, to self-directed teams organized around concrete objectives and outcomes An example would be a team organized to achieve an Agency strategic objective (SO)

Q Can teams be time-limited or permanent organizations?

A Teams are, typically, time-limited organizations The advantage of temporary status is the ease afforded in coming into existence, adapting resources to changed circumstances and dissolving when the objectives/tasks for which the team was created are completed

Teams as permanent organizations require the formal trappings of other organizational structures, e g organization and function orders position descriptions, and inclusion in staffing patterns Once established, a formal process exists for changing the structure As such they lose the capacity to assemble easily, operate effectively, and dissolve when no longer need

Teams can be formally designated groups of workers arranged around a set of functions/tasks within an office or division They have a team leader who coordinates work activity and assigns work Members often have generic position descriptions and the work is often similar in nature for team members For rating purposes the official supervisor is above the team S/he may be the deputy office director or division

director Such teams operate indefinitely, and can increase creativity and productivity These teams are best seen as work groups They lack the authority and potential effectiveness envisioned in time-limited teams organized around objectives

Q How does a team and its members get authority?

A Authority is expressed, generally, in two ways individually in authorities possessed by team members (e g contracting officers) and in terms of the specific management arrangement (e g degree of self-direction budget authority delegated to the team) with the line manager to whom the team reports (e g a mission director)

Q How do teams form and dissolve in a traditional organization hierarchy?

A In program operations, teams come into existence around the creation and execution of strategic objectives (SO) One or more teams consisting of core and extended team members, conceive develop, implement, and monitor the work necessary to achieve the SO In other Agency settings, similar teams will form Key to their success is focus around a specific set of targeted outcomes, commitment to them a set of necessary skills to execute them, and sufficient independent authority to make the decisions needed to be successful Members join and/or are assigned on the basis of roles needed by the team When the objectives for which the team was assembled are either met or abandoned, the team is dissolved Members move onto other tasks based on responsibilities in their base organizational positions

For activities outside program operations in the Agency, the same dynamic should occur This assumes that the teams are organized around objectives and outcomes and have the other characteristics of effective teams described above For organizations which have teams as a permanent feature, standing Agency rules of organizational change would apply

Q How will teams relate to traditional line organizations in the agency?

A Time-limited teams will report in traditional line organizations at an appropriate organizational point while they exist Permanent teams as parts of organizations report, typically, to the lowest part of the formal structure e g branch if the organization has established them, or division within an office

Q Will we need more multiple skill sets in staff to support teams?

A Probably The HRBAA team envisions an Agency future which cannot afford the

constraints in the present backstop system to achieving the needed flexibility in matching talent with work -- especially in teams

Q How will teams be established?

A They will typically flow from preliminary work within a line organization on objectives. The operating unit (OU), e.g., selects a strategic objective core team. That team establishes, under the direction of the operating unit, an expanded SO team. That team includes USAID staff as well as partners, stakeholders and customers. This is critical given the values of customer focus, teamwork and participation. It may begin with designation of a team leader, or just a tasking of staff to get it underway. Team leadership may be defined at a later point in time. See the Achieving directive for program operations for additional guidance.

2 EMPLOYEE PLACEMENT.

Q How will roles in teams be determined?

A Teams will define needed roles to be filled and negotiate (perhaps through the team leader) with sources of expertise (e.g., a Global center for technical expertise), a role is a set of skills and expertise needed for a specified time and level of effort by the team,

Q How will teams recruit members from the core workforce to fill specific roles?

In a variety of ways. Increasingly, the team will rely on automated human resource data bases which spell out in detailed terms knowledge, skills, abilities and experiences of core workforce staff.

Q What will the role of the team leader be?

A It is expected that coordination among tasks is accomplished by the team as a whole under the leadership of the team leader or manager. The team leaders are accountable for the performance of the team and must manage the team to best achieve results. Decision making is expected to be collaborative but not necessarily consensual, the manager being the final arbiter of decisions.

Highly successful teams will benefit from managers who can operate as leaders as well as managers. Leaders need not make all the decisions and work assignments but rather inspire trust in people by acting in concert with the team's purpose and the

team, promoting constructive conflict and resolution, and constantly challenging the team to sharpen its common purpose, goals and approach

Q What will the role of a typical team member be relative to the team leader?

A It will be specific to one or more functions needed to achieve the targeted results. Technical, procurement, legal and financial officers will work as members of these teams, and will convey their respective authorities to the team by virtue of their membership. Decisions about the mix of authorities delegated to teams and individual team members will take into account the experience and expertise represented on the team and Agency regulations about delegation of authority. The intent is to give the team the necessary authorities for it to fulfill its responsibility to achieve the results.

Q How will assignment to a team role occur?

A Core workforce get assigned to a team role when the team specifies a role that needs to be filled, the relevant skills associated with the role and time involved. The assignment to the role is negotiated generally, between the team leader and the supervisor of the prospective team member. The team member will be consulted.

Role assignment means commitment to and accountability for success of the team's efforts. Assignment means inclusion, within the member's annual evaluation form (AEF) work objectives, of language appropriate to the degree of commitment and accountability to specific teams.

Q How is assignment to a team role different from assignment to a position?

A Assignment to a team role occurs outside the formal assignment process which assigns staff to positions in the Agency. The former is meant to be more fluid, worked out between operating staff, focused on work to be accomplished within a rating period, and dissolved when appropriate. The latter involves a more elaborate process aimed at addressing a more permanent organizational need, most often involves competition, formal rules, and more time to execute.

Q What does it mean to be assigned to a team role?

A Assigned means that the role in the team's work is significant enough to warrant, at least,

- agreement between the supervisor of the individual and the team on the extent of the individual's effort

- commitment by the team to provide input to the individual's annual rating

Where significant time commitment is involved e g 90 days or more, individual work objectives specific to the team should be added to the individual's AEF

From a team management perspective, the team may record as members individuals who spend less time but are necessary for achievement of results

Q What does it mean to be a virtual team member?

A Simply that the method of participation in the role on the team is more through electronic media than by being physically present through, e g extended TDYs

Q How do non-USAID staff get assigned to team roles?

A Through agreement between the team and appropriate representatives of the organization from which the team member would come Care should be taken in role definition and adding specific members to consider fiduciary and conflict-of-interest concerns The operations BAA model for core and expanded teams has merit See the pertinent Administrative Directives on this topic for additional guidance

Q How do staff move from one team role assignment to another?

A When the assignment to a team role is completed the arrangement ends When another assignment to a team role is agreed upon, it is up to the supervisor of the individual in his/her base position of record and the individual to balance the competing work demands posed by the teams' needs The supervisor works out a new agreement with the team representative It is expected that at any one point in time, most individuals supporting teams will be supporting multiple teams

Q How do teams, once created, deal with turnover and changing membership?

A It is up to the team The team should be sensitive in its recruiting to rely on the line organization and supervisor of the potential team member as a principal point of contact and authority for filling the needed role

Q What happens when teams dissolve?

A From a human resource perspective it is important that provisions be made for assuring input to USAID team member ratings as appropriate That responsibility is shared by the supervisory rating official the team (through the team leader) and the

team member Where substantial time is spent on one team by a core workforce employee, the base organization should do appropriate forward planning to reintegrate the individual back into the base organization

3. TRAINING/DEVELOPMENT.

Q What training will be available to help staff participate fully and effectively in teams?

A The Agency should fund essential training needed to nurture and sustain work in teams in the Agency -- in creating them, in evaluating them, in working within them, managing within them, in leading them, and in taking full advantage of information technology as an enabler of work in teams An ambitious effort is underway now to help all staff take full advantage of a set of new management systems coming on line October 1, 1995

Much practical learning, however, will not come from training The learning will come from trial and error as teams evolve in the reinvented USAID This is the experience of the Country Experimental Labs This is consistent with the principles of a learning organization and practical Agency resource constraints

Q How will participation on teams affect future career paths in the Agency?

A A major implication is the need for core workforce staff to develop primary and secondary skill sets For example, contracting officers should have more executive officer skills

4. INCENTIVES

Q On what basis will teams get rewarded?

A Teams should get rewarded on the basis of performance determined, primarily, through the annual results review and resource request (R quad) process New management systems will support sounder performance judgments by line managers and teams on managing for results

Q How will teams be rewarded for performance?

A By the creation of a set of monetary and non-monetary awards that recognize achievement in teams The rewards should be based on demonstrated performance

determined during the R quad process. The Agency should enable and encourage line managers in all parts of the Agency to initiate their own unit level awards to do the same thing. Rewards accruing to teams should be shared within teams. In general, they should be enabled to make their own internal distribution decisions. Non-US government team members would be eligible only for non-monetary awards.

Q How will individuals in teams best get rewarded?

A Individual USAID staff team members get rewarded through outcomes associated with their performance cycle and annual ratings. These include monetary and non-monetary awards. They also may benefit from team-based awards that flow through the annual R quad process. Non-US government team members would be eligible only for non-monetary awards.

Q What changes in promotion precepts are needed to support teams?

A Precepts which value demonstrated ability to lead teams and to support teams from management positions in the line organization. Precepts which value demonstrated ability to gain solid participation from stakeholders and customers, often through teams.

5. PERFORMANCE EVALUATION:

Q What does "manage for results" mean?

A "Manage for results" means Agency work groups, at any level, have clear objectives and targets, collect adequate information to judge progress, adjust strategies and tactics accordingly, and over time achieve the objective.

Managing for significant results is also important. USAID is fully committed to becoming a "learning organization" that "manages for results." In reaching high to achieve a significant result, we will also occasionally fall short and must learn from this experience. Individual managers or teams, then, should not necessarily be penalized for failing to achieve some specific results but should be evaluated on how well they "manage for results" in all their programs.

If "managing for results" means that every individual is specifically responsible only for achieving expected results -- and rewarded or sanctioned accordingly -- there is a danger that staff will pursue risk averse strategies aimed at relatively trivial results that are within their direct control.

Q What does "manageable interest" mean for a team?

A The scope of USAID's manageable interest is the extent to which an operating unit believes it can materially affect a selected development result using its own human, financial, and other resources. All strategic objectives (SOs) should be within USAID's manageable interest. For operating units that have other than development results as targets, the same logic applies. Teams are a temporary operating unit in this context.

Q What does "managing for results" mean in a team context in USAID?

A In reaching high to achieve a significant result, teams will also occasionally fall short, and must learn from this experience. Individual managers, then, should not necessarily be penalized for failing to achieve some specific results, but should be evaluated on how well they "manage for results" in all their programs, whether they have clear objectives and targets, collect adequate information to judge progress, adjust strategies and tactics accordingly, and over time make a significant difference.

Q How does "managing for results" get translated practically into the new employee evaluation program (EEP) for USAID team members?

A Individual work objectives in the annual evaluation form (AEF) should be developed by the individual and supervisor with team involvement appropriate to the degree of time committed by the individual to the team. Where substantial time is committed, those work objectives need to comprehend specific team objectives. Where an individual supports multiple teams, the work objectives will probably not be tailored to specific team objectives. Appraisal Committee approval of the work objectives validates the existence of language which is consistent with the desired results orientation for the work unit.

Team members should expect that some work objectives included in the annual evaluation form may get modified during rating cycles. Individual team members, supervisors and team leaders will need to keep on top of this for purposes of the employee evaluation program.

Q What does accountability mean for a team?

A Accountability -- means that the team is accountable for results within its manageable interest. Manageable interest varies. In terms of sustainable development affecting the Agency's ultimate customer, the manageable interest is limited. Results that are within

our "manageable interest" cannot necessarily be guaranteed by our intervention alone, but can be substantially influenced by our efforts. In other Agency contexts the manageable interest is much larger, e.g. the timely delivery of accurate financial information for managers and teams.

Q What does accountability mean for a team member?

A Individual team member accountability is expressed in elements of his/her Annual Evaluation Form (AEF). The work objectives, in particular, should express appropriately the scope of the team member's expected contribution and performance measures determining success. Depending on the degree of time committed to a particular team, work objectives may be more or less specific in their definition of individual team-related outcomes.

Accountability is also tied to particular specific authorities that team members have by virtue of their base position, e.g. contracting officers.

Q How are team members evaluated?

A Individual evaluation of work in teams by core USAID workforce members is based on the content of the AEF.

Q What impact will work in teams have on classification of positions -- on the distribution of authority and related classification values?

A Temporary teams should have little impact on the classification of most individuals who work within them. Their graded function is defined in their base position in the Agency. Much of their authority in teams will stem from their base position, e.g. a contract officer. Additional authority will be specific to authority given to the team by the line organization to which it reports. Temporary teams only have roles filled by members. Temporary teams do not have formally established positions within the Agency's staffing pattern and table of organization.

The individuals who might be affected from a classification perspective by virtue of work in teams are those who are assigned full-time to teams for at least a year. Employees who are dedicated to teams for this length of time should have position descriptions that are directly related to their duties and responsibilities on teams.

Members of permanent teams will have their positions defined in terms of the value of work done in their teams. Why? Because the team replaces the traditional organization which had its work expressed and valued in a set of position descriptions.

Q What precisely does accountability mean in the evaluation process for team members?

A Accountability means that within the authority possessed by the team member and expressed in the AEF in terms of work objectives the team member accepts responsibility for his/her performance

Q Can teams succeed and team member(s) fail, and vice versa?

A Yes Teams may achieve the targeted results, and succeed in achieving results Teams may not achieve the targeted results but succeed in managing for results

Team members may be on teams which succeed in managing for results, and succeed individually in achieving their work objectives with regard to support for a specific team Team members may be on teams which don't succeed in managing for results and yet succeed in fulfilling their commitment to the team

Q How does 360 degree evaluation play out within teams?

A The requirement and its practice will support teams It is expected that this process will provide leverage for teams in knowing that small contributions by many staff, especially support staff, who contribute to multiple teams during a rating cycle will be factored into overall ratings Where roles filled by team members are substantial enough to warrant work objectives specific to the team, the leverage is more significant The team should contribute to the determination of the team member's objectives, may approve them, and will be part of the rating process for the team member

Q To what extent and how will non-USAID employees who are team members be evaluated?

A This will be determined by agreement between the team and the organization from whom the team member is drawn

Q What if core workforce team members don't perform?

A This should be an unusual situation If it involves a core workforce member, counselling by the team, perhaps through the leader would be expected Discussion with the rating supervisor may be appropriate If serious and not improved, the team can end the support by the member This would be worked out with the base work

unit from which the member was assigned to the team role

Q Where non-direct core workforce hires are team leaders, how will performance evaluation be handled?

A For FSN team leaders their role will be expressed in their annual work plans For FSNPSCs team leaders with scopes of work and for USPSC team leaders, their work will be evaluated in terms of the scope of work

What information technology will support teams?

Support for teams will primarily be accomplished through the availability of the on-line electronic skills data base Managers desiring to form teams for results packages, strategic objectives, special projects etc , will be able to search the skills data base for employees whose skills match those required for team A list of possible team members with matching skills will be displayed to the manager with information on contacting the individuals (i.e. telephone number, fax number, address etc) The manager will then conduct a manual process of negotiating with the employees and their supervisors to determine which ones would be appropriate and have the flexibility to be on the team

Once agreement has been reached between the manager, the employee, and employee's supervisor, the manager will record the employee as being a member of the team This information will be included in the employee's 'resume' for future use in the assignment and promotion processes

NOTES ON TEAMS

from *The Wisdom of Teams*
J R Katzenbach and D K Smith

Teams outperform individuals acting alone or in larger organizational groupings, especially when performance requires multiple skills, judgments and experiences

We do not easily take responsibility for the performance of others, nor lightly let them assume responsibility for us. Overcoming such resistance requires the rigorous application of “team basics”

By focusing on performance and team basics — as opposed to trying to “become a team” — most small groups can deliver the performance results that require and produce team behavior

Real teams are deeply committed to their purpose, goals and approach. High performance team members are also very committed to one another. Both understand that the wisdom of teams comes with a focus on collective work-products, personal growth and performance results. However meaningful, “team” is always a result of pursuing a demanding performance challenge

Key lessons learned about teams

- 1 Significant performance challenges energize teams regardless of where they are in the organization. Good personal chemistry or the desire to become a team foster teamwork but teamwork is not the same thing as a team. *Performance is the primary objective while a team remains the means not the end*

There are several types of teams. Teams who recommend things, teams who make or do things and teams who run or manage things. Teams that make or do things often need to develop new skills for managing themselves. Teams that recommend things often find their biggest challenge comes when they make the handoff to those who must implement their findings. Teams who run or manage things must address hierarchical obstacles and turf issues more than other teams

- 2 Organizational leaders can foster team performance best by building a strong performance ethic rather than by establishing a team-promoting environment alone. Real teams are more likely to flourish if leaders aim their sights on performance results that balance the needs of customers, employees and stakeholders. Clarity of purpose and goals have tremendous power in a world on non-stop change
- 3 Biases toward individualism exist but need not get in the way of team performance. Self-preservation and individual accomplishment can work two ways. Left

unattended they can preclude or destroy potential teams. But recognized and addressed for what they are, especially if done with reference to how to meet a performance challenge, individual concerns and differences become a source of collective strength. Real teams find ways for each individual to contribute and thereby gain distinction.

- 4 Discipline—both within the team and across the organization—creates the conditions for team performance. For organizational leaders, this entails making clear and consistent demands that reflect the needs of customers, stakeholders and employees and then holding themselves and the organization relentlessly accountable. Groups become teams through disciplined action. They shape a common purpose, agree on performance goals, define a common working approach, develop high levels of complementary skills and hold themselves mutually accountable for results. And, as with any effective discipline, they never stop doing any of these things.

In the kinds of broad-based change that organizations face today teams can help concentrate the direction and quality of top-down leadership, foster new behaviors and facilitate cross-functional activities. When teams work, they represent the best proven way to convert embryonic visions and values into consistent action patterns because they rely on people working together. They are the most practical way to develop a shared sense of direction throughout an organization. Teams can make a hierarchy responsive without weakening it, energize processes across organizational boundaries and bring multiple capabilities to bear on difficult issues.

The challenge for management increasingly must become that of balancing the roles of individuals and teams versus displacing or favoring one over the other.

Reasons for resistance to teams: lack of conviction about teams, personal discomfort and risk, and weak organizational performance ethics.

Definition of team

A team is a small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable.

Working Group A group for which there is no significant incremental performance need or opportunity that would require it to become a team. Members interact primarily to exchange information, best practices or perspectives and to make decisions to help each individual perform within his or her area of responsibility.

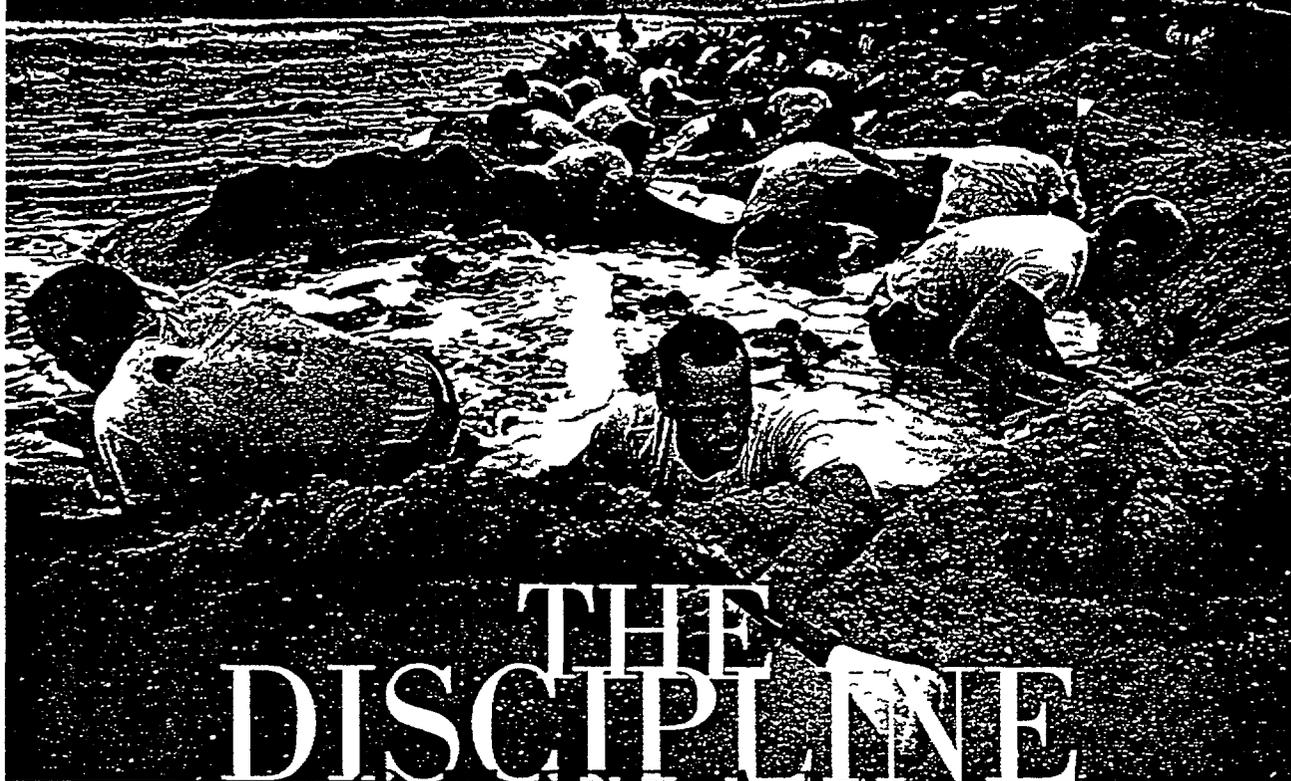
Pseudo-team A group for which there could be a significant incremental performance need or opportunity but it has not focused on collective performance and is not really trying to achieve it. The weakest of all groups in terms of performance impact. The sum of the parts

is less than the potential of the individual parts

Potential team A group for which there is a significant incremental performance need and that really is trying to improve its performance impact Typically, it requires more clarity about purpose, goals or work products and more discipline in hammering out a common working approach It has not yet established collective accountability

High-performance team This is a group that meets all the conditions of real team and has members who are also deeply committed to one another's personal growth and success

What makes the difference between a team that performs and one that doesn't?



THE DISCIPLINE OF TEAMS

By Jon R. Katzenbach and Douglas K. Smith

Early in the 1980s Bill Greenwood and a small band of rebel railroaders took on most of the top management of Burlington Northern and created a multibillion dollar business in "piggy backing" rail services despite widespread resistance, even resentment within the company. The Medical Products Group at Hewlett Packard owes most of its leading performance to the remarkable efforts of Dean Morton, Lew Platt, Ben Holmes, Dick Alberting, and a handful of their colleagues who revitalized a health care business that most others had written off. At Knight Ridder, Jim Batten's "customer obsession" vision took root at the *Tallahassee Democrat* when 14 frontline enthusiasts turned a charter to eliminate errors into a mission of major change and took the entire paper along with them.

Such are the stories and the work of teams — real teams that perform, not amorphous groups that we

call teams because we think that the label is motivating and energizing. The difference between teams that perform and other groups that don't is a subject to which most of us pay far too little attention. Part of the problem is that *team* is a word and concept so familiar to everyone.

Or at least that's what we thought when we set out to do research for our book *The Wisdom of Teams*. We wanted to discover what differentiates various levels of team performance, where and how teams work best, and what top management can do to enhance their effectiveness. We talked with hundreds of people on more than 50 different teams in

*Jon R. Katzenbach and Douglas K. Smith are partners in the New York office of McKinsey & Company. They are coauthors of *The Wisdom of Teams: Creating the High Performance Organization* (Harvard Business School Press, 1993).*

30 companies and beyond, from Motorola and Hewlett-Packard to Operation Desert Storm and the Girl Scouts

We found that there is a basic discipline that makes teams work. We also found that teams and good performance are inseparable, you cannot have one without the other. But people use the word *team* so loosely that it gets in the way of learning and applying the discipline that leads to good performance. For managers to make better decisions about whether, when, or how to encourage and use teams, it is important to be more precise about what a team is and what it isn't.

Most executives advocate teamwork. And they should. Teamwork represents a set of values that encourage listening and responding constructively to views expressed by others, giving others the benefit of the doubt, providing support, and recognizing the interests and achievements of others. Such values help teams perform, and they also promote individual performance as well as the performance of an entire organization. But teamwork values by themselves are not exclusive to teams, nor are they enough to ensure team performance.

Nor is a team just any group working together. Committees, councils, and task forces are not necessarily teams. Groups do not become teams simply because that is what someone calls them. The entire work force of any large and complex organization is *never* a team, but think about how often that platitude is offered up.

To understand how teams deliver extra performance, we must distinguish between teams and other forms of working groups. That distinction turns on performance results. A working group's performance is a function of what its members do as individuals. A team's performance includes both individual results and what we call "collective work products." A collective work-product is what two or more members must work on together, such as interviews, surveys, or experiments. Whatever it is, a collective work product reflects the joint, real contribution of team members.

Working groups are both prevalent and effective in large organizations where individual accountability is most important. The best working groups come together to share information, perspectives, and insights to make decisions that help each person do his or her job better, and to reinforce individual performance standards. But the focus is always on individual goals and accountabilities. Working group members don't take responsibility for results other than their own. Nor do they try to develop incremental performance contributions requiring the combined work of two or more members.

Teams differ fundamentally from working groups because they require both individual and mutual accountability. Teams rely on more than group discussion, debate, and decision, on more than sharing information and best practice performance standards. Teams produce discrete work-products through the joint contributions of their members. This is what makes possible performance levels greater than the sum of all the individual bests of team members. Simply stated, a team is more than the sum of its parts.

The first step in developing a disciplined approach to team management is to think about teams as discrete units of performance and not just as positive sets of values. Having observed and worked with scores of teams in action, both successes and failures, we offer the following. Think of it as a working definition or, better still, an essential discipline that real teams share.

A team is a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable.

The essence of a team is common commitment. Without it, groups perform as individuals, with it, they become a powerful unit of collective performance. This kind of commitment requires a purpose in which team members can believe. Whether the purpose is to "transform the contributions of suppliers into the satisfaction of customers," to "make our company one we can be proud of again," or to "prove that all children can learn," credible team purposes have an element related to winning, being first, revolutionizing or being on the cutting edge.

Teams develop direction, momentum, and commitment by working to shape a meaningful purpose. Building ownership and commitment to team purpose, however, is not incompatible with taking initial direction from outside the team. The often-asserted assumption that a team cannot "own" its purpose unless management leaves it alone actually confuses more potential teams than it helps. In fact, it is the exceptional case – for example, entrepreneurial situations – when a team creates a purpose entirely on its own.

Most successful teams shape their purposes in response to a demand or opportunity put in their path, usually by higher management. This helps teams get started by broadly framing the company's performance expectation. Management is responsible for clarifying the charter, rationale, and perfor-

mance challenge for the team, but management must also leave enough flexibility for the team to develop commitment around its own spin on that purpose, set of specific goals, timing, and approach.

The best teams invest a tremendous amount of time and effort exploring, shaping, and agreeing on a purpose that belongs to them both collectively and individually. This "purposing" activity continues throughout the life of the team. In contrast, failed teams rarely develop a common purpose. For whatever reason — an insufficient focus on performance, lack of effort, poor leadership — they do not coalesce around a challenging aspiration.

The best teams also translate their common purpose into specific performance goals, such as reducing the reject rate from suppliers by 50% or increasing the math scores of graduates from 40% to 95%. Indeed, if a team fails to establish specific performance goals or if those goals do not relate directly to the team's overall purpose, team members become confused, pull apart, and revert to mediocre performance. By contrast, when purposes and goals build on one another and are combined with team commitment, they become a powerful engine of performance.

Transforming broad directives into specific and measurable performance goals is the surest first step for a team trying to shape a purpose meaningful to its members. Specific goals, such as getting a new product to market in less than half the normal time, responding to all customers within 24 hours, or achieving a zero defect rate while simultaneous

ly cutting costs by 40%, all provide firm footholds for teams. There are several reasons:

■ Specific team performance goals help to define a set of work-products that are different both from an organizationwide mission and from individual job objectives. As a result, such work-products require the collective effort of team members to make something specific happen that, in and of itself, adds real value to results. By contrast, simply gathering from time to time to make decisions will not sustain team performance.

■ The specificity of performance objectives facilitates clear communication and constructive conflict within the team. When a plant-level team, for example, sets a goal of reducing average machine changeover time to two hours, the clarity of the goal forces the team to concentrate on what it would take either to achieve or to reconsider the goal. When such goals are clear, discussions can focus on how to pursue them or whether to change them, when goals are ambiguous or nonexistent, such discussions are much less productive.

■ The attainability of specific goals helps teams maintain their focus on getting results. A product-development team at Eli Lilly's Peripheral Systems Division set definite yardsticks for the market in production of an ultrasonic probe to help doctors locate deep veins and arteries. The probe had to have an audible signal through a specified depth of tissue, be capable of being manufactured at a rate of 100 per day, and have a unit cost less than a pre-established amount. Because the team could measure

Not All Groups Are Teams: How to Tell the Difference

Working Group

- Strong, clearly focused leader
- Individual accountability
- The group's purpose is the same as the broader organizational mission
- Individual work-products
- Runs efficient meetings
- Measures its effectiveness indirectly by its influence on others (e.g., financial performance of the business)
- Discusses, decides, and delegates

Team

- Shared leadership roles
- Individual and mutual accountability
- Specific team purpose that the team itself delivers
- Collective work-products
- Encourages open-ended discussion and active problem-solving meetings
- Measures performance directly by assessing collective work-products
- Discusses, decides, and does real work together

its progress against each of these specific objectives, the team knew throughout the development process where it stood. Either it had achieved its goals or not.

■ As *Outward Bound* and other team-building programs illustrate, specific objectives have a leveling effect conducive to team behavior. When a small group of people challenge themselves to get over a wall or to reduce cycle time by 50%, their respective titles, perks, and other stripes fade into the background. The teams that succeed evaluate what and how each individual can best contribute to the team's goal and, more important, do so in terms of the performance objective itself rather than a person's status or personality.

■ Specific goals allow a team to achieve small wins as it pursues its broader purpose. These small wins are invaluable to building commitment and overcoming the inevitable obstacles that get in the way of a long term purpose. For example, the Knight Ridder team mentioned at the outset turned a narrow goal to eliminate errors into a compelling customer-service purpose.

■ Performance goals are compelling. They are symbols of accomplishment that motivate and energize. They challenge the people on a team to commit themselves, as a team, to make a difference. Drama, urgency, and a healthy fear of failure combine to drive teams who have their collective eye on an attainable, but challenging, goal. Nobody but the team can make it happen. It is their challenge.

The combination of purpose and specific goals is essential to performance. Each depends on the other to remain relevant and vital. Clear performance goals help a team keep track of progress and hold it self accountable, the broader, even nobler, aspirations in a team's purpose supply both meaning and emotional energy.

Virtually all effective teams we have met, read or heard about, or been members of have ranged between 2 and 25 people. For example, the Burlington Northern "piggybacking" team had 7 members, the Knight Ridder newspaper team, 14. The majority of them have numbered less than 10. Small size is admittedly more of a pragmatic guide than an absolute necessity for success. A large number of people, say 50 or more, can theoretically become a team. But groups of such size are more likely to break into subteams rather than function as a single unit.

Why? Large numbers of people have trouble interacting constructively as a group, much less doing real work together. Ten people are far more likely than fifty are to work through their individual,

functional, and hierarchical differences toward a common plan and to hold themselves jointly accountable for the results.

Large groups also face logistical issues, such as finding enough physical space and time to meet. And they confront more complex constraints, like crowd or herd behaviors, which prevent the intense

Goals help a team keep track of progress, while a broader purpose supplies meaning and emotional energy.

sharing of viewpoints needed to build a team. As a result, when they try to develop a common purpose, they usually produce only superficial "missions" and well meaning intentions that cannot be translated into concrete objectives. They tend fairly quickly to reach a point when meetings become a chore, a clear sign that most of the people in the group are uncertain why they have gathered, beyond some notion of getting along better. Anyone who has been through one of these exercises knows how frustrating it can be. This kind of failure tends to foster cynicism, which gets in the way of future team efforts.

In addition to finding the right size, teams must develop the right mix of skills, that is, each of the complementary skills necessary to do the team's job. As obvious as it sounds, it is a common failing in potential teams. Skill requirements fall into three fairly self evident categories.



Technical or functional expertise It would make little sense for a group of doctors to litigate an employment discrimination case in a court of law Yet teams of doctors and lawyers often try medical malpractice or personal injury cases Similarly, product-development groups that include only marketers or engineers are less likely to succeed than those with the complementary skills of both

Problem solving and decision-making skills Teams must be able to identify the problems and opportunities they face, evaluate the options they have for moving forward, and then make necessary trade-offs and decisions about how to proceed Most teams need some members with these skills to begin with, although many will develop them best on the job

Interpersonal skills Common understanding and purpose cannot arise without effective communication and constructive conflict, which in turn depend on interpersonal skills These include risk taking, helpful criticism, objectivity, active listening, giving the benefit of the doubt, and recognizing the interests and achievements of others

Obviously, a team cannot get started without some minimum complement of skills, especially technical and functional ones Still, think about how often you've been part of a team whose members were chosen primarily on the basis of personal compatibility or formal position in the organization, and in which the skill mix of its members wasn't given much thought

It is equally common to overemphasize skills in team selection Yet in all the successful teams we've encountered, not one had all the needed

skills at the outset The Burlington Northern team, for example, initially had no members who were skilled marketers despite the fact that their performance challenge was a marketing one In fact, we discovered that teams are powerful vehicles for developing the skills needed to meet the team's performance challenge Accordingly, team member selection ought to ride as much on skill potential as on skills already proven

Effective teams develop strong commitment to a common approach, that is, to how they will work together to accomplish their purpose Team members must agree on who will do particular jobs, how schedules will be set and adhered to, what skills need to be developed, how continuing membership in the team is to be earned, and how the group will make and modify decisions This element of commitment is as important to team performance as is the team's commitment to its purpose and goals

Agreeing on the specifics of work and how they fit together to integrate individual skills and advance team performance lies at the heart of shaping a common approach It is perhaps self-evident that an approach that delegates all the real work to a few members (or staff outsiders), and thus relies on reviews and meetings for its only "work together" aspects, cannot sustain a real team Every member of a successful team does equivalent amounts of real work, all members, including the team leader, contribute in concrete ways to the team's work product This is a very important element of the emotional logic that drives team performance



When individuals approach a team situation, especially in a business setting, each has preexisting job assignments as well as strengths and weaknesses reflecting a variety of backgrounds, talents, personalities, and prejudices. Only through the mutual discovery and understanding of how to apply all its human resources to a common purpose can a team develop and agree on the best approach to achieve its goals. At the heart of such long and, at times, difficult interactions lies a commitment-building process in which the team candidly explores who is best suited to each task as well as how individual

Think about the difference between "the boss holds me accountable" and "we hold ourselves accountable"

roles will come together. In effect, the team establishes a social contract among members that relates to their purpose and guides and obligates how they must work together.

No group ever becomes a team until it can hold itself accountable as a team. Like common purpose and approach, mutual accountability is a stiff test. Think, for example, about the subtle but critical difference between "the boss holds me accountable" and "we hold ourselves accountable." The first case can lead to the second, but without the second, there can be no team.

Companies like Hewlett Packard and Motorola have an ingrained performance ethic that enables teams to form "organically" whenever there is a clear performance challenge requiring collective rather than individual effort. In these companies, the factor of mutual accountability is commonplace. "Being in the boat together" is how their performance game is played.

At its core, team accountability is about the sincere promises we make to ourselves and others, promises that underpin two critical aspects of effective teams: commitment and trust. Most of us enter a potential team situation cautiously because ingrained individualism and experience discourage us from putting our rates in the hands of others or accepting responsibility for others. Teams do not succeed by ignoring or wishing away such behavior.

Mutual accountability cannot be coerced any more than people can be made to trust one another. But when a team shares a common purpose, goals, and approach, mutual accountability grows as a natural counterpart. Accountability arises from and reinforces the time, energy, and action invested

in figuring out what the team is trying to accomplish and how best to get it done.

When people work together toward a common objective, trust and commitment follow. Consequently, teams enjoying a strong common purpose and approach inevitably hold themselves responsible, both as individuals and as a team, for the team's performance. This sense of mutual accountability also produces the rich rewards of mutual achievement in which all members share. What we heard over and over from members of effective teams is that they found the experience energizing and motivating in ways that their "normal" jobs never could match.

On the other hand, groups established primarily for the sake of becoming a team or for job enhancement, communication, organizational effectiveness, or excellence rarely become effective teams, as demonstrated by the bad feelings left in many companies after experimenting with quality circles that never translated "quality" into specific goals. Only when appropriate performance goals are set does the process of discussing the goals and the approaches to them give team members a clearer and clearer choice: they can disagree with a goal and the path that the team selects and, in effect, opt out or they can pitch in and become accountable with and to their teammates.

The discipline of teams we've outlined is critical to the success of all teams. Yet it is also useful to go one step further. Most teams can be classified in one of three ways: teams that recommend things, teams that make or do things, and teams that run things. In our experience, each type faces a characteristic set of challenges.

Teams that recommend things. These teams include task forces, project groups, and audit, quality, or safety groups asked to study and solve particular problems. Teams that recommend things almost always have predetermined completion dates. Two critical issues are unique to such teams: getting off to a fast and constructive start and dealing with the ultimate handoff required to get recommendations implemented.

The key to the first issue lies in the clarity of the team's charter and the composition of its membership. In addition to wanting to know why and how their efforts are important, task forces need a clear definition of whom management expects to participate and the time commitment required. Management can help by ensuring that the team includes people with the skills and influence necessary for crafting practical recommendations that will carry weight throughout the organization. Moreover,

management can help the team get the necessary cooperation by opening doors and dealing with political obstacles

Missing the handoff is almost always the problem that stymies teams that recommend things. To avoid this, the transfer of responsibility for recommendations to those who must implement them demands top management's time and attention. The more top managers assume that recommendations will "just happen," the less likely it is that they will. The more involvement task force members have in implementing their recommendations, the more likely they are to get implemented.

To the extent that people outside the task force will have to carry the ball, it is critical to involve them in the process early and often, certainly well before recommendations are finalized. Such involvement may take many forms, including participating in interviews, helping with analyses, contributing and critiquing ideas, and conducting experiments and trials. At a minimum, anyone responsible for implementation should receive a briefing on the task force's purpose, approach, and objectives at the beginning of the effort as well as regular reviews of progress.

Teams that make or do things These teams include people at or near the front lines who are responsible for doing the basic manufacturing, development, operations, marketing, sales, service, and other value-adding activities of a business. With some exceptions, like new product development or process design teams, teams that make or do things tend to have no set completion dates because their activities are ongoing.

In deciding where team performance might have the greatest impact, top management should concentrate on what we call the company's "critical delivery points," that is, places in the organization

Where does the team option make sense? Where the cost and value of the company's products and services are most directly determined

where the cost and value of the company's products and services are most directly determined. Such critical delivery points might include where accounts get managed, customer service performed, products designed, and productivity determined. If performance at critical delivery points depends on combining multiple skills, perspectives, and judg-

ments in real time, then the team option is the smartest one.

When an organization does require a significant number of teams at these points, the sheer challenge of maximizing the performance of so many groups will demand a carefully constructed and performance-focused set of management processes. The issue here for top management is how to build the necessary systems and process supports without falling into the trap of appearing to promote teams for their own sake.

The imperative here, returning to our earlier discussion of the basic discipline of teams, is a relentless focus on performance. If management fails to pay persistent attention to the link between teams and performance, the organization becomes convinced that "this year we are doing 'teams.'" Top

Top management's focus on teams and performance challenges will keep both "performance" and "team" from becoming clichés

management can help by instituting processes like pay schemes and training for teams responsive to their real-time needs, but more than anything else, top management must make clear and compelling demands on the teams themselves and then pay constant attention to their progress with respect to both team basics and performance results. This means focusing on specific teams and specific performance challenges. Otherwise "performance," like "team," will become a cliché.

Teams that run things Despite the fact that many leaders refer to the group reporting to them as a team, few groups really are. And groups that become real teams seldom think of themselves as a team because they are so focused on performance results. Yet the opportunity for such teams includes groups from the top of the enterprise down through the divisional or functional level. Whether it is in charge of thousands of people or a handful as long as the group oversees some business, ongoing program, or significant functional activity, it is a team that runs things.

The main issue these teams face is determining whether a real team approach is the right one. Many groups that run things can be more effective as working groups than as teams. The key judgment is whether the sum of individual bests will suffice for the performance challenge at hand or whether

the group must deliver substantial incremental performance requiring real, joint work-products. Although the team option promises greater performance, it also brings more risk, and managers must be brutally honest in assessing the trade-offs.

Members may have to overcome a natural reluctance to trust their fate to others. The price of faking the team approach is high: at best, members get diverted from their individual goals, costs outweigh benefits, and people resent the imposition on their

Teams at the top are the most difficult but also the most powerful

time and priorities, at worst, serious animosities develop that undercut even the potential personal bests of the working group approach.

Working groups present fewer risks. Effective working groups need little time to shape their purpose since the leader usually establishes it. Meetings are run against well prioritized agendas. And decisions are implemented through specific individual assignments and accountabilities. Most of the time, therefore, if performance aspirations can be met through individuals doing their respective

jobs well, the working-group approach is more comfortable, less risky, and less disruptive than trying for more elusive team performance levels. Indeed, if there is no performance need for the team approach, efforts spent to improve the effectiveness of the working group make much more sense than floundering around trying to become a team.

Having said that, we believe the extra level of performance teams can achieve is becoming critical for a growing number of companies, especially as they move through major changes during which company performance depends on broad-based behavioral change. When top management uses teams to run things, it should make sure the team succeeds in identifying specific purposes and goals.

This is a second major issue for teams that run things. Too often, such teams confuse the broad mission of the total organization with the specific purpose of their small group at the top. The discipline of teams tells us that for a real team to form there must be a *team* purpose that is distinctive and specific to the small group and that requires its members to roll up their sleeves and accomplish something beyond individual end products. If a group of managers looks only at the economic performance of the part of the organization it runs to assess overall effectiveness, the group will not have any team performance goals of its own.

Building Team Performance

Although there is no guaranteed how-to recipe for building team performance, we observed a number of approaches shared by many successful teams:

Establish urgency, demanding performance standards, and direction. All team members need to believe the team has urgent and worthwhile purposes, and they want to know what the expectations are. Indeed, the more urgent and meaningful the rationale, the more likely it is that the team will live up to its performance potential, as was the case for a customer-service team that was told that further growth for the entire company would be impossible without major improvements in that area. Teams work best in a compelling context. That is why companies with strong performance ethics usually form teams readily.

Select members for skill and skill potential, not personality. No team succeeds without all the skills needed to meet its purpose and performance goals. Yet most teams figure out the skills they will need after they are formed. The wise manager will choose people both for their existing skills and their potential to improve existing skills and learn new ones.

Pay particular attention to first meetings and actions. Initial impressions always mean a great deal. When potential teams first gather, everyone monitors the signals given by others to confirm, suspend, or dispel assumptions and concerns. They pay particular attention to those in authority: the team leader and any executives who set up, oversee, or otherwise influence the team. And, as always, what such leaders do is more important than what they say. If a senior executive leaves the team kickoff to take a phone call ten minutes after the session has begun and he never returns, people get the message.

Set some clear rules of behavior. All effective teams develop rules of conduct at the outset to help them achieve their purpose and performance goals. The most critical initial rules pertain to attendance (for example, "no interruptions to take phone calls"), discussion ("no sacred cows"), confidentiality ("the only things to leave this room are what we agree on"), analytic approach ("facts are friendly"), end product orientation ("everyone gets assignments and does them"), constructive confrontation ("no finger pointing"), and, often, the most important contribution ("everyone does real work").

While the basic discipline of teams does not differ for them, teams at the top are certainly the most difficult. The complexities of long-term challenges, heavy demands on executive time, and the deep-seated individualism of senior people conspire against teams at the top. At the same time, teams at the top are the most powerful. At first we thought such teams were nearly impossible. That is because we were looking at the teams as defined by the formal organizational structure, that is, the leader and all his or her direct reports equals the team. Then we discovered that real teams at the top were often smaller and less formalized – Whitehead and Weinberg at Goldman, Sachs, Hewlett and Packard at HP, Krasnoff, Pall, and Hardy at Pall Corp, Kendall, Pearson, and Calloway at Pepsi, Haas and Haas at Levi Strauss, Batten and Ridder at Knight Ridder. They were mostly twos and threes, with an occasional fourth.

Nonetheless, real teams at the top of large, complex organizations are still few and far between. Far too many groups at the top of large corporations needlessly constrain themselves from achieving real team levels of performance because they assume that all direct reports must be on the team, that team goals must be identical to corporate goals, that the team members' positions rather than skills determine their respective roles, that a team

must be a team all the time, and that the team leader is above doing real work.

As understandable as these assumptions may be, most of them are unwarranted. They do not apply to the teams at the top we have observed, and when replaced with more realistic and flexible assumptions that permit the team discipline to be applied, real team performance at the top can and does occur. Moreover, as more and more companies are confronted with the need to manage major change across their organizations, we will see more real teams at the top.

We believe that teams will become the primary unit of performance in high-performance organizations. But that does not mean that teams will crowd out individual opportunity or formal hierarchy and process. Rather, teams will enhance existing structures without replacing them. A team opportunity exists anywhere hierarchy or organizational boundaries inhibit the skills and perspectives needed for optimal results. Thus, new-product innovation requires preserving functional excellence through structure while eradicating functional bias through teams. And front-line productivity requires preserving direction and guidance through hierarchy while drawing on energy and flexibility through self-managing teams.

Set and seize upon a few immediate performance oriented tasks and goals. Most effective teams trace their advancement to key performance oriented events. Such events can be set in motion by immediately establishing a few challenging goals that can be reached early on. There is no such thing as a real team without performance results, so the sooner such results occur, the sooner the team congeals.

Challenge the group regularly with fresh facts and information. New information causes a team to redefine and enrich its understanding of the performance challenge, thereby helping the team shape a common purpose, set clearer goals, and improve its common approach. A plant quality improvement team knew the cost of poor quality was high, but it wasn't until they researched the different types of defects and put a price tag on each one that they knew where to go next. Conversely, teams err when they assume that all the information needed exists in the collective experience and knowledge of their members.

Spend lots of time together. Common sense tells us that team members must spend a lot of time together, scheduled and unscheduled, especially in the beginning. Indeed, creative insights as well as personal

bonding require impromptu and casual interactions just as much as analyzing spreadsheets and interviewing customers. Busy executives and managers too often intentionally minimize the time they spend together. The successful teams we've observed all gave themselves the time to learn to be a team. This time need not always be spent together physically, electronic, fax, and phone time can also count as time spent together.

Exploit the power of positive feedback, recognition and reward. Positive reinforcement works as well in a team context as elsewhere. "Giving out gold stars" helps to shape new behaviors critical to team performance. If people in the group, for example, are alert to a shy person's initial efforts to speak up and contribute, they can give the honest positive reinforcement that encourages continued contributions. There are many ways to recognize and reward team performance beyond direct compensation, from having a senior executive speak directly to the team about the urgency of its mission to using awards to recognize contributions. Ultimately, however, the satisfaction shared by a team in its own performance becomes the most cherished reward.

We are convinced that every company faces specific performance challenges for which teams are the most practical and powerful vehicle at top management's disposal. The critical role for senior managers, therefore, is to worry about company performance and the kinds of teams that can deliver it. This means that top management must recognize

a team's unique potential to deliver results, deploy teams strategically when they are the best tool for the job, and foster the basic discipline of teams that will make them effective. By doing so, top management creates the kind of environment that enables team as well as individual and organizational performance.

How's Your Team?

In recent research many executives have reported acute concern about how to build teams and how to work in teams. Few other skills the data say tap more intense interest among hundreds of managers. That's why we want to ask the community of HBR readers to deepen our knowledge on this subject to let us learn from your experience.

The above article provides systematic findings on how and why teams work and why some fail. We'd be grateful for a note from you on your personal experiences with teams. Please include your educational and work background and indicate any portions you do not want to be quoted. The authors are pleased to join us in studying your ideas, responding, and perhaps in further writing on teams.

We'd like to know if economic and technical changes have made teams more important to you in recent years. Do teams become critical as you move into higher management levels? Does MBA training help an executive to be more effective on teams? Less? Does previous success lock some executives into habits that inhibit their participation in teams or make them deaf to ideas from others? How can HBR be more useful in your own continuous improvement at team skills?

Please mail your comments to Teams, Harvard Business Review, Soldiers Field Road, Boston, MA 02163 or fax them to 617 495 9933. The Editors

Reprint 93207



They don't actually do anything. I just like the way they make me feel.

CARTOON BY DAVID BRION

A multifunctional team's measurement system must empower the team instead of empowering top managers

Using the Right Measures So Teams Excel

by Christopher Meyer

Many executives have realized that process-focused, multifunctional teams can dramatically improve the way their companies deliver products and services to customers. Most executives have not yet realized, however, that such teams need new performance-measurement systems to fulfill their promise.

The design of any performance-measurement system should reflect the basic operating assumptions of the organization it supports. If the organization changes and the measurement system doesn't, the latter will be at best ineffective or, more likely, counterproductive. At many companies that have moved from control oriented, functional hierarchies to a faster and flatter team based approach, traditional performance measurement systems not only fail to support the new teams but also undermine them. Indeed, traditional systems often heighten the conflicts between multifunctional teams and functions that are vexing many organizations today.

Ideally, a measurement system designed to support a team based organization should help teams overcome two major obstacles to their effectiveness: getting functions to provide expertise to teams when they need it and getting people from different functions on a team to speak a common

language. Traditional measurement systems don't solve those problems.

The primary role of traditional measurement systems, which are still used in most companies, is to pull "good information" up so that senior managers can make "good decisions" that flow down. To that end, each relatively independent function has its own set of measures, whose main purpose is to inform top managers about its activities. Marketing tracks market share, operations watches inventory, finance monitors costs, and so on.

Such *results measures* tell an organization where it stands in its effort to achieve goals but not how it got there or, even more important, what it should do differently. Most results measures track what goes on within a function, not what happens across functions. The few cross-functional results measures in organizations are typically financial, like revenues, gross margins, costs of goods sold, capital

Christopher Meyer is managing director of the Strategic Alignment Group, a consulting firm in Portola Valley, California that specializes in helping companies reduce time in knowledge based work such as product development and design and implement multifunctional teams. He is the author of Fast Cycle Time: How to Align Purpose, Strategy, and Structure for Speed (Free Press 1993).

assets, and debt, and they exist only to help top managers. In contrast, *process measures* monitor the tasks and activities throughout an organization that produce a given result. Such measures are essential for cross-functional teams that are responsible for processes that deliver an entire service or product to customers, like order fulfillment or new product development. Unlike a traditional, functional organization, a team-based organization not only makes it possible to use process measures but also requires them.

Trying to run a team without a good, simple guidance system is like trying to drive a car without a dashboard.

How should performance measurement systems be overhauled to maximize the effectiveness of teams? Here are four guiding principles:

1 The overarching purpose of a measurement system should be to help a team, rather than top managers, gauge its progress. A team's measurement system should primarily be a tool for telling the team when it must take corrective action. The measurement system must also provide top managers with a means to intervene if the team runs into problems it cannot solve by itself. But even if a team has good measures, they will be of little use if senior managers use them to control the team. A measurement system is not only the measures but also the way they are used.

2 A truly empowered team must play the lead role in designing its own measurement system. A team will know best what sort of measurement system it needs, but the team should not design this system in isolation. Senior managers must ensure that the resulting measurement system is consistent with the company's strategy.

3 Because a team is responsible for a value-delivery process that cuts across several functions (like product development, order fulfillment, or customer service), it must create measures to track that process. In a traditional functional organization, no single function is responsible for a total value delivery process, thus there are no good ways to measure those processes. In contrast, the purpose of the multifunctional team approach is to create a structure—the team—that is responsible for a complete value delivery process. Teams must cre-

ate measures that support their mission, or they will not fully exploit their ability to perform the process faster and in a way that is more responsive to customer demands.

A process measure that a product development team might use is one that tracks staffing levels to make sure that the necessary people are on a given team at the right time. Another measure is the number or percentage of new or unique parts to be used in a product. While such parts may offer a performance advantage, the more a product contains, the greater the likelihood that there will be difficult design, integration, inventory, manufacturing, and assembly issues.

Having sung the praises of process measures, let me throw in a qualification: while such measures are extremely important, teams still need to use some traditional measures, like one that tracks receivables, to ensure that functional and team results are achieved. Functional excellence is a prerequisite for team excellence.

4 A team should adopt only a handful of measures. The long-held view that "what gets measured gets done" has spurred managers to react to intensifying competition by piling more and more measures on their operations in a bid to encourage employees to work harder. As a result, team members end up spending too much time collecting data and monitoring their activities and not enough time managing the project. I have seen dozens of teams spend too much time at meetings discussing the mechanics of the measurement system instead of discussing what to *do*. As a general rule, if a team has more than 15 measures, it should take a fresh look at the importance of each one.

Trying to run a team without a good, simple guidance system is like trying to drive a car without a dashboard. We might do it in a pinch but not as a matter of practice, because we'd lack the necessary information—the speed, the amount of fuel, the engine temperature—to ensure that we reach our destination. Companies may find it helpful to create a computerized "dashboard," which inexpensive graphics software has made easy to do. (See the insert "The Team Dashboard.")

The lack of an effective measurement system or dashboard, can even prevent teams from making it much past the starting line. After companies first adopt the team approach, teams must typically prove to skeptical senior and middle managers that the power these managers have wielded can be handed to the teams without the business spinning

out of control. A team can offer no such proof if it lacks the tools to track its performance.

What operations executive, for example, would be willing to let a new product development team manage the transition from an existing product to a new one if the team did not have a measure that tracked old product inventory from the factory throughout the distribution channel? Without such information, the company might end up stuck with lots of an unsellable old product. And what development executive would be willing to hand over responsibility for a project if he or she did not see that the product development team was able to track cost, quality, and schedule?

Many managers fail to realize that results measures like profits, market share, and cost, which may help them keep score on the performance of their businesses, do not help a multifunctional team, or any organization, monitor the activities or capabilities that enable it to perform a given process. Nor do such measures tell team members what they must do to improve their performance.

An 8% drop in quarterly profits accompanied by a 10% rise in service costs, for example, does not tell a customer service team what its service technicians should do differently on their next call. Process measures, however, examine the actions and capabilities that contributed to the situation. Knowing that the average time spent per service call rose 15% last month and that, as a result, the number of late calls rose 10% would explain to the technicians why service costs had gone up and customer satisfaction and profits had gone down.

The fact that a program is six months late and \$2 million over budget doesn't tell anyone what went wrong or what to do next.

The most commonly used results measures in product development are schedule and cost. But the fact that a program is six months late and \$2 million over budget doesn't tell anyone what went wrong or what to do differently. In contrast, tracking staffing levels during the course of a project – a process measure that might include not only the number of bodies but also the years of experience in major job categories – can radically affect a team's

performance. Many product development teams, for example, do a poor job planning exactly when they will need people with a certain functional expertise. Not having all the necessary people at a particular stage often leads to expensive and time-consuming efforts to fix problems that the right people would have detected earlier.

This is exactly what I saw happen at a company that had given a multifunctional team seven months to develop a consumer product for testing blood-sugar levels. The team began work on July 1 and had a February 1 target date for launching the product. Although the company had named the people from the critical functions who would serve on the team well before the effort got under way, Mary, the manufacturing representative, did not join the team until mid-August. By then, people from marketing and development engineering had already made some best-guess decisions about significant packaging and manufacturing issues. After one week on the team, Mary raised serious questions about many of those decisions, and the team decided to adopt her suggestions and retrace its steps. Not only was Mary's arrival on the team very awkward, but also the program slipped by three weeks within the first two months.

A team's reliance on traditional measures can also cause its members to forget the team's goal and revert to their old functional way of working – or fighting – with one another. Consider the case of Ford Motor Company during the development of a luxury model in 1991. The project was one of Ford's first attempts to use multifunctional teams for product development. By and large, the team's measurement system was a collection of the individual measures that each function on the team (styling, body engineering, powertrain, purchasing, finance, etc.) had used for years.

Shortly before team members were to sign off on the car's design and begin engineering the body, a controversy developed over the door handle, which was different from the ones Ford had been using. One reason for the controversy was that each function made different assumptions about the relative importance of the factors contributing to the product's costs and competitiveness.

Members from the purchasing and finance departments feared that the handle would be too expensive. Their gauges were the cost of manufacturing the handle and its warranty costs. The people from design and body engineering responded that the handle's design was no more complex than that

The Team Dashboard

Spreadsheets are the most common format companies use to display their performance measures. But if a measurement system should function like a car's dashboard by providing a multifunctional team with the information it needs to complete its journey, why not actually construct a dashboard? The dashboard format, complete with colorful graphic indicators and other easy to read gauges, makes it much easier for a team to monitor its progress and know when it must change direction. A multifunctional team called Lethal, which designed and built a 2.5-inch disk drive for the Quantum Corporation in Milpitas, California, used the displayed dashboard.

Quantum had begun using multifunctional development teams only nine months before it established the Lethal team late in 1989. Lethal's core group included representatives from marketing, manufacturing, engineering, quality assurance, finance, and human resources. While Quantum was a strong player in the 3.5-inch drive segment, it had never made 2.5-inch drives. On top of this technical challenge, managers wanted Lethal to deliver the drive in 14 months—10 months less than similar projects had taken.

Larry, the team's principal leader, who came from engineering, was very skeptical about whether or not Quantum's past development practices would enable Lethal to reach its 14-month goal. When he asked leaders from previous teams what they would do differently, all said they would try to find a better way to detect problems early. The teams would gather all the right players, but too many problems still ended up being resolved in the functions. Larry recognized one reason for that situation: the teams had used measurement systems designed for hierarchical functional organizations. He thought Lethal could do better.

When the team began trying to establish a schedule, its members quickly discovered that development engineering was the only function that had provided a complete schedule for performing its tasks. The others had only sketched out major milestones. In addition, individual team members were often unsure what the others' schedules meant, and none of the schedules had been integrated. Marketing had even gone ahead and set a date for the product launch without consulting development engineering¹.

After this revelation, the team members decided to spell out the details of all the functional schedules in terms that everyone could understand. They then integrated those schedules into one master product development schedule, which product development programs often lack.

In addition to this schedule monitor and a milestone gauge, the dashboard contains a variety of other results measures, which development teams typically

use to track their progress in achieving the key strategic goals that will determine whether or not top managers consider the project a success. Lethal's goals included creating a product that could be manufactured at a targeted cost (tracked by the "Overhead" and "Bills of Materials" gauges) and had a competitive quality level (tracked by the "Product Quality" gauge). The dashboard also has results measures for tracking the product's success in achieving profit margin and revenue targets once it is on the market. But such results measures tell a team only where it stands, not why it stands there. To do the latter, Lethal adopted the first process measures used by multifunctional teams in the company.

Previous teams at Quantum had focused on developing the product and treated as secondary such tasks as developing the methods and equipment for testing. Only after teams discovered that early prototypes couldn't be adequately tested did those issues receive attention. To avoid such a bottleneck, Lethal adopted a separate process development gauge for all the tasks involved in manufacturing, including testing.

A similar discussion resulted in a decision to include staffing gauges on the dashboard. People for areas like testing, manufacturing, and marketing had to be hired early enough so that they would be on board when the team needed them. If the team waited until the development of testing methods and equipment were supposed to start before hiring test engineers, the schedule could slip by at least six weeks.

Larry's motive for suggesting the employee satisfaction gauge was simple: unhappy team members won't keep to an ambitious schedule. The position of the "Current" needle reflects the team leaders' opinion of the team's morale. The position of the "Last survey" needle reflects the most recent survey of all team members. By forcing themselves to monitor morale, the leaders discovered that people were concerned about such things as the shortage of lab space and access to the workstations and were able to do something about those issues before they hurt morale.

The indicator lights in the lower left hand corner of the dashboard were designed to ensure that the team allocated enough time to planning. While weekly team meetings were adequate for dealing with many issues, some, like product launch planning, required more preparation. Because of the program's intensity team members worried that issues that couldn't be solved quickly would eventually cause a bottleneck. Scheduling a half- or full-day meeting that everyone could attend would often take at least four weeks. John from marketing suggested that the team use the indicator lights as a reminder to schedule time for planning sessions.

Lethal's Dashboard

Employee Satisfaction

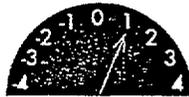


→ Current Last survey

Development Status

Product-Development Status

Process-Development Status



Critical path (weeks)



Critical path (weeks)

Weekly hot item
Go kart ASIC chip

Hot item
Test development

Milestones Completed
Milestones Planned



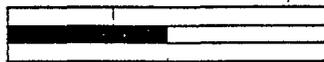
Evaluations in Progress

Target Customers

Start

Complete

Grand Systems Inc
HiTech Inc

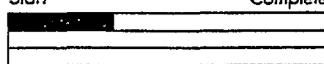


Other Customers

Start

Complete

Charged Systems
Finetype
Korea Inc



Product Quality



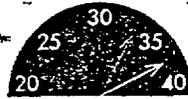
→ Estimate of mean time between failures Goal

Staffing

Engineering Staffing



Other Staffing



→ Current Goal

Business Margins

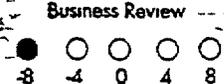


Revenue

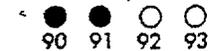


→ Current estimate FY 92 Business plan FY 92

Weeks to Next Quarterly Business Review



Business Strategy Development



Product Costs

Bills of Materials



→ Current estimate FY 92 Business plan FY 92

Current product cost estimate 152

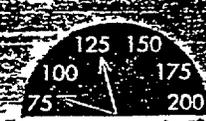
Overhead



→ Current estimate FY 92 Business plan FY 92

Business plan product cost 138

Program Cost to Date



→ Actual Program

The team quickly realized which gauges were not useful. John from finance argued that determining Lethal's expenses for the Program Cost to Date gauge was nearly impossible since the company did not have a project based accounting system. Moreover, top managers rarely asked about an individual program's costs because they hardly varied from project to project. Since nobody on the team changed his or her behavior if the program cost gauge dropped or increased, the team decided to eliminate it.

The team succeeded in getting potential customers for the 2.5 inch disk drive to approve the company as a qualified supplier in 16 months - 2 months over the original target date but still 33% faster than pre-

vious teams. However, the drive took longer to move through the actual qualification phase than previous drives. The "Evaluations in Progress" gauges helped Lethal track its progress with potential customers but did not help the team discover a key problem until relatively late. Lethal's test procedures were more rigorous than those used by potential customers, which made it look as if the drive's failure rate was relatively high. On the basis of these data, potential customers would not qualify the company as a supplier.

Could a dashboard with different gauges have detected the problem early enough to solve it? Probably not. Like any performance measurement tool, the dashboard is not a replacement for the decision maker.

Creating Process Measures

There are four basic steps to creating process measures: defining what kinds of factors, such as time, cost, quality, and product performance, are critical to satisfying customers; mapping the cross-functional process used to deliver results; identifying the critical tasks and capabilities required to complete the process successfully; and, finally, designing measures that track those tasks and capabilities. The most effective process measures are often those that express relative terms. For example, a measure that tracks the percentage of new or unique parts is usually more valuable than one that tracks the absolute number.

Here's how the parts and service operation of a Europe-based car company created process measures.

The warehousing function had traditionally measured its performance by tracking how often parts ordered by dealers could be filled immediately from the warehouse shelf. If a stock picker found a gasket on the warehouse shelf – meaning that it did not have to be ordered – that counted as a “first fill.”

When the organization began using teams, it put the warehousing and the dealer service groups on a multi-functional team charged with improving the total service process, from product breakdown through repair. The team reexamined the current performance measures and concluded that, from the dealer's perspec-

tive, the first fill measure was meaningless. Dealers – and the final customers – didn't care where the part came from; they just wanted to know when they'd receive it. And just because a part was on the warehouse shelf did not ensure that it would get to a dealer quickly. The sloppy handling of orders and shipping problems could also cause delays.

Because the new team was responsible for the entire process, it mapped all the steps in the service cycle, from the moment the warehouse received a dealer's order to the moment the dealer received the part, and the time each step took. The team then identified its critical tasks and capabilities, which included the order entry operation, the management information system for tracking orders and inventories, warehouse operations, and shipping. The team created cycle time measures for six to eight sub-processes, which helped the team see how much time was being spent on each step of the process relative

to the value of that process. With this information, the team could begin figuring out how to reduce cycle time without sacrificing quality. The resulting changes included reducing the copies made of each order and the number of signatures required to authorize filling it. Within six months, the team was able to reduce the service cycle considerably. Not coincidentally, dealer complaints fell by a comparable amount.



Creating process measures begins with mapping a cross-functional process.

of existing handles. And because there was no basis for assuming that its warranty costs would be higher, they argued, the cost of manufacturing the handle should be the main issue in the cost debate. They submitted a bid from a vendor on Ford's approved vendor list as proof that the handle would be no more expensive to make. In addition, they argued, purchasing and finance were not giving enough weight to the importance of the handle's design in the overall design of the car.

The purchasing representative was still not satisfied about the warranty costs. He said that handles made by other approved vendors had had lower warranty costs than handles made by the vendor whose bid had been submitted. After a short shouting match, the design and engineering people gave up.

During the debate, no one asked the critical question: Would the new handle increase the car's ability

to compete in the marketplace? Since the model's distinctive styling was a critical competitive element, the new handle might have helped the vehicle capture enough additional customers to more than compensate for higher warranty costs. Adopting the old handle was not necessarily the best decision, and this last-minute design change, which in turn required other changes, added at least one week to the development process. The members of this product development team were still thinking as they did in their functions, where nobody had an overview of what would make the product succeed in the marketplace.

What kind of measures could have helped the team avoid its win-lose battle over cost versus style? One possibility would have been a measure that incorporated several product attributes, such as product cost, features, service, and packaging, to

enable the team to assess trade-offs. This may have helped the team realize that an undetermined factor – the proposed handle's warranty costs – should not have influenced the decision so heavily.

When cross-functional teams are being established, many companies do not institute a measurement system that supports the company's strategy, ensures senior managers that there won't be unpleasant surprises, and, last but not least, truly empowers the teams. Let me offer a generic process that most companies can implement. I'll start with the role of top managers.

In two articles on the *balanced scorecard* ("The Balanced Scorecard – Measures That Drive Performance," HBR January/February 1992, and "Putting the Balanced Scorecard to Work," HBR September/October 1993), Robert S. Kaplan and David P. Norton provide managers with a valuable framework for integrating a company's strategic objectives and competitive demands into its performance measurement system. They urge managers to augment their traditional financial measures with measures of customer satisfaction, internal processes, and innovation and improvement activities.

What Kaplan and Norton do not explain is how such an approach can be applied to team-based organizations. I believe that it can, with one caveat: senior managers should create the strategic context for the teams but not the measures. Senior managers should dictate strategic goals, ensure that each team understands how its job fits into the strategy, and provide training so that the team can devise its own measures. But to ensure that ownership of and accountability for performance remains with the teams, managers must require the teams to decide which measures will best help them perform their jobs.

For example, the managers of a multinational computer company established an ambitious strategic goal for all of the company's product development teams to reduce their cycle times by more than 50% within three years. But rather than dictating how the teams measure cycle time, managers asked each team to select its own measures. To help the teams in this effort, managers provided training in cycle time reduction and a very broad selection of measures from which the teams could choose.

Top managers and a team should jointly establish rules about when or under what circumstances managers will review the team's performance and its measurement system. A team should know at

the outset that it will have to review the measures it has selected with top managers to ensure that they are consistent with corporate strategy and that it may have to adjust its measures. The team should also promise to renegotiate with managers any major changes in the measures made during the course of the project. As I will discuss later, measures should not be carved in stone.

The team and senior managers should also set boundaries, which, if crossed, will signal that the team has run into trouble serious enough to trigger an "out-of-bounds" management review. Such an approach keeps managers informed without disenfranchising the team.

During an out-of-bounds review, teams and managers must define the problem and decide what corrective action to take. The team must retain responsibility for calling and running the review and executing any decisions. It must be clear that the purpose of the reviews is for senior managers to help the teams solve problems, not to find fault.

Some product-development teams actually negotiate written contracts with senior managers at the start of a project. The contracts define the product, including features and quality targets, the targeted cost to the customer, the program cost, financial information like revenues, gross margins, and cost of goods sold, and the schedule. During the contract negotiations, management ensures that the overall program, including the measures, supports the company's strategy.

The contract also establishes rules for management reviews. For example, one company requires only two planned reviews. The first comes at the end of the design phase so that management can confirm that the product still meets the market

Top managers must set strategic goals, show a team how it fits into those goals, and train the team to choose its own measures.

need before the company invests in expensive tooling. The second review is after production is under way so that management can learn about and pass on to other teams any advances that the team has made, like designing a particular component to be manufactured easily, and can solve unforeseen production problems early on. During the entire design phase, the team is free to proceed without any con-

tract with management unless it has broken or knows it will break its commitments on product features, performance, product and development costs, or schedule

The main problem at most companies that now use multifunctional teams is that top managers use a team's measurement system to monitor and control projects or processes. Even if unintentional, such behavior will inevitably undermine the effectiveness of any team.

This is what happened when a Ford manufacturing plant turned to multifunctional teams to improve product quality but didn't change management's command-and-control mind-set.

The company grouped line workers from various functional areas into teams and trained them to collect and analyze data so that they could resolve quality problems on their own. But then came the mistake: the division managers asked quality engineers, who supposedly had been sent to assist the teams, to send a monthly report on the plant's quality and plans for improving it. In turn, the quality engineers asked the teams for their data.

Over time, the teams began to depend on the quality engineers to analyze the data and waited for the engineers' directions before taking action. The engineers recognized what was happening but felt caught in a bind because the division managers wanted them, rather than the teams, to provide the reports. Problems that the teams had been able to resolve on their own in a day or two began to require the involvement of the quality engineers and twice the time. And the quality engineers asked for more engineers to help them support the teams.

The division managers became very frustrated. Given all their verbal support for empowering teams, they couldn't understand why the teams didn't act empowered.

When a group of people builds a measurement system, it also builds a team. One benefit of having a team create its own measurement system is that members who hail from different functions end up creating a common language, which they need in order to work as an effective team. Until a group creates a common language, it can't reach a common definition of goals or problems. Instead of acting like a team, the group will act like a collection of functions.

As a first step, the team should develop a work plan that can serve as a process map of the critical tasks and capabilities required to complete the project. The second step is to make sure that every one understands the team's goals in the same way. Team members frequently start out believing that

they share an understanding of their goals only to discover when they begin developing performance measures how wrong they were.

After the goals have been confirmed, the appropriate team members should develop individual measures for gauging the team's progress in achieving a given goal and identifying the conditions that would trigger an out-of-bounds review. In addition, each member should come to the next meeting with two or three gauges that he or she considers most effective for monitoring his or her functional area. In an attempt to push team members to focus on overall goals and the total value delivery process as they develop measures, they should be encouraged to include process measures. (See the insert "Creating Process Measures.")

At the next meeting, each member should explain what his or her proposed measures track and why they are important. Everyone should make an effort to define any terms or concepts that are unfamiliar to others. One important rule is that no question is a "dumb question." So-called dumb questions are often the most valuable because they test the potential value of each measure in the most obvious terms.

Some measures will be either eliminated or agreed on very quickly. The hard work will be assessing those that fall in between. No final decisions should be made until all the gauges accepted or still in contention are tested as a unit against the following criteria:

- Are critical team objectives (like filling an order within 24 hours) tracked?
- Are all out of bounds conditions monitored?
- Are the critical variables required to reach the goal (like having enough skilled personnel to run an order entry system) tracked?
- Would management approve the system as is or seek changes?
- Is there any gauge that wouldn't cause the team to change its behavior if the needle swung from one side to another? If so, eliminate it.
- Are there too many gauges? As I mentioned earlier, if a team has more than 15 measures, it should take a second look at each one.

After a team's measures have passed this test, the system is ready for the management review.

A team can preserve the value of its performance measurement system by diligently adding and eliminating gauges, as required, during the project or task.

Measures that were relevant during the early stages in the development of a new product will undoubtedly become irrelevant as the product nears

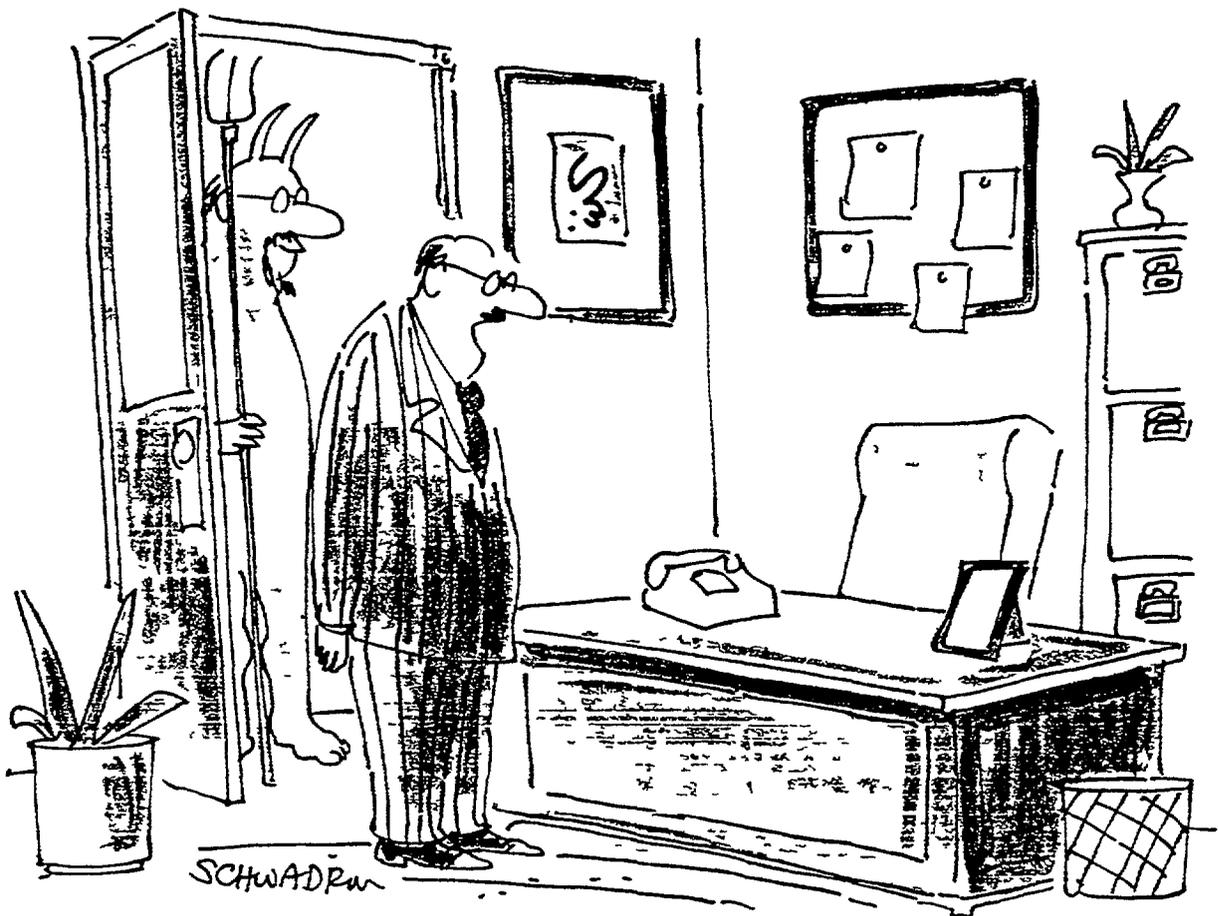
production. In most cases, teams realize that and plan for changes during the development of their measurement systems. But priorities often change during a project, which means that measures should be changed too. And sometimes measures prove not to be so useful after all and should be dropped. A team should also regularly audit the data being fed into its measurement system to make sure they are accurate and timely.

Managers are still in the early stages of learning how to maximize the effectiveness of multi-functional teams that are incorporated into their functional organizations. The same applies to the measurement systems used to guide both. As companies gain experience, they will discover that some specific measures can be used over and over

again by different teams undertaking similar tasks or projects. But managers should be on their guard lest they do with performance measurement systems what they have done with so many management tools: assume that one size fits all. Managers can systematize the process that teams use to create their measurement systems. They can also catalog the measures that appear to have been most effective in particular applications. But managers must never make the mistake of thinking that they know what is best for the team. If they do, they will have crossed the line and returned to the command-and-control ways of yore. And they will have rendered their empowered teams powerless.

Author's note: The author would like to thank Steven C. Wheelwright, who provided valuable guidance for this article.

Reprint 94305



So this is hell. Why it looks just like my old office!

CARTOON BY H. L. SCHWADRON

Notes from "How the Right Measures Help Teams Excel", by Christopher Meyer, Harvard Business Review, May-June 1994

The team develops its own performance measures and is responsible for the entire process

Measures should not be carved in stone

Top managers and a team should jointly establish rules about when or under what circumstances managers will review the team's performance and its measurement system

If top managers use a multifunctional team's measurement system to monitor and control projects or processes, such behavior will inevitably undermine the effectiveness of any team

When a group of people builds a measurement system, it also builds a team. The team ends up creating a common language, which they need in order to work as an effective team

Four basic steps to creating process measures

- Define what kinds of factors (such as time, cost, quality, and product performance) are critical to satisfying customers
- Map the cross-functional process used to deliver results
- Identify the critical tasks and capabilities required to complete the process successfully
- Design measures that track those tasks and capabilities

For assessing indicators, assess against the following criteria

- Are critical team objectives tracked?
- Are all out-of-bounds conditions monitored?
- Are the critical variables required to reach the goal tracked?
- Would management approve the system as is or seek changes?
- Is there any gauge (or indicator) that wouldn't cause the team to change its behavior if the needle swung from one side to another? If so, eliminate it
- Are there too many indicators? If a team has more than 15 measures, it should take a second look at each one

Managers must never make the mistake of thinking that they know what is best for the team. If they do, they will have rendered their empowered teams powerless

Notes from "How the Right Measures Help Teams Excel", by Christopher Meyer, Harvard Business Review, May-June 1994

The team develops its own performance measures and is responsible for the entire process

Measures should not be carved in stone

Top managers and a team should jointly establish rules about when or under what circumstances managers will review the team's performance and its measurement system

If top managers use a multifunctional team's measurement system to monitor and control projects or processes, such behavior will inevitably undermine the effectiveness of any team

When a group of people builds a measurement system, it also builds a team. The team ends up creating a common language, which they need in order to work as an effective team

Four basic steps to creating process measures

- Define what kinds of factors (such as time, cost, quality, and product performance) are critical to satisfying customers
- Map the cross-functional process used to deliver results
- Identify the critical tasks and capabilities required to complete the process successfully
- Design measures that track those tasks and capabilities

For assessing indicators, assess against the following criteria

- Are critical team objectives tracked?
- Are all out-of-bounds conditions monitored?
- Are the critical variables required to reach the goal tracked?
- Would management approve the system as is or seek changes?
- Is there any gauge (or indicator) that wouldn't cause the team to change its behavior if the needle swung from one side to another? If so, eliminate it
- Are there too many indicators? If a team has more than 15 measures, it should take a second look at each one

Managers must never make the mistake of thinking that they know what is best for the team. If they do, they will have rendered their empowered teams powerless

WHAT IS EMPOWERMENT?

There are many definitions of empowerment. The following thoughts are intended to create a "picture" of what we mean by the concept of empowerment.

- An environment in which objectives, policies, systems and structures work toward common goals which are clearly communicated at all levels of the organization
- Expectations and jobs which are in line with the capabilities of employees
- Systems which consistently provide all personnel with the training, resources, and authority to do their jobs well
- A climate in which individuals (and teams) are encouraged to take responsibility for their own work and are given the means to evaluate and improve their own performance
- Systems which encourage, evaluate, and reward individuals for contributions to the organization in ways apart from their everyday work and see all of their efforts as worthwhile and important
- Executives, managers, and employees who are clear about the scope of their authority and accept personal responsibility and accountability for providing customer satisfaction, continually improving processes, and continually learning

WHAT EMPOWERMENT IS (AND IS NOT)

There has been considerable confusion within human resource development and management literature regarding what empowerment actually is. Some have implied that it is only participative management warmed over. Others have emphasized excitement and climate-setting strategies.

Definitions

There is an old paradox about power: the more you give it away, the more you have. Many people who become supervisors and managers forget this truth, and they try desperately to hold onto what they perceive to be their power. As a result, they create resistance among their "followers", and they end up having little power at all. Toffler points out: "Of course, no one likes to give up power. The lowliest foreman and the highest paid executive may both have a stake in maintaining old-style work relationships. But the odds are shifting against them." Kanter adds: "In many segmentalist organizations, supervisors and middle managers feel sufficiently powerless anyway so that they may be even more resistant to schemes that take away what limited authority they feel they have and do not also give them something else to do to feel important and useful."

Power is the ability to get intended effects, to get what you want. Bennis and Nanus say that power is "the capacity to translate intention into reality and sustain it." It can also be thought of as having the means to meet needs. A person is perceived as powerful when he or she has what someone else wants or needs. That may be information, contacts, skills, authority, personality, or the ability to stop things or prevent decisions from being made. Kanter calls these "organizational power tools," "three basic commodities that can be invested in action: *information* (data, technical knowledge, political intelligence, expertise), *resources* (funds, materials, space, time), and *support* (endorsement, backing, approval, legitimacy)."

Most power in organizations is attributed, that is, it is in the eye of the beholder. People make you powerful when they choose their behavior on the basis of your expectations. A person makes himself or herself powerful by claiming credit for having developed himself or herself and for having achieved organizational position. Self-empowerment, then, is something over which a person has considerable control, even if a person is in an oppressive climate.

Empowerment is the process of enabling people to do what they are qualified and being held accountable to do. It means driving down decision making, information, control over work conditions, and other job-related procedures in order to generate commitment. It means avoiding the "responsibility without authority" trap. Empowering others (employees, for example) is a process of involving them in matters for which a leader needs their understanding and commitment. It is a leap of faith for many managers. The person is trusting that if he or she drives down decision making,

problem solving, action planning, goal setting, task sequencing, etc , he or she will receive in return synergy and increased effectiveness

The more influential a person feels in the work situation the more likely he or she is to commit to being effective on the job The author's Law of Commitment says that commitment represents an attitude shift that is triggered by participating meaningfully in things at work that affect the individual

Meaningful participation
leads to a
Sense of involvement
that evokes a
Feeling of influence
that generates
Psychological ownership
that results in
COMMITMENT

There is "more truth than poetry" in this law When a person perceives his or her participation in decisions, problem solving, planning, goal setting, and change to be personally relevant, that individual may become committed When others decide for a person, that person is less likely to support the conclusions actively Empowerment means that something has to happen inside the individual A person has to experience a shift in attitude He or she has to feel influential — empowered As Sashkin observes, "While it cannot be suggested that participation in goal setting and decision making will magically and totally remedy workers' feelings of powerlessness — which have been fostered by organizations over the past hundred years — sound evidence indicates that participative management approaches involving goal setting and decision making do increase workers' sense of power and control " If a person is meaningfully participating, the work situation or decision becomes that individual's, and he or she will likely become ready and willing to do whatever it takes to make the situation work A person is committed to what he or she *owns* psychologically If it is *their* problem, the person is not committed, he or she may go along, but the matter will not receive his or her full effort A long time ago Drucker put it this way "Motivation is a problem in psychology and therefore stands under different rules It requires that any decision become 'our' decision to the people who have to convert it into action This in turn means that they have to participate responsibly in making it "

A person's own empowerment usually establishes his or her limits on empowering others, particularly employees In other words, if a leader does not feel influential over work decisions and procedures that affect his or her own job, that person is unlikely to give away what power he or she does have to other people In an organization in which nonparticipation is the norm, a leader will probably conform If a leader's own manager does not consult with him or her or actively involve employees in decisions in which they could add value or that affect their work, that leader probably will mirror the boss's behavior with his or her own employees

Misconceptions About Empowerment

Numerous misconceptions have arisen around the concept and practices of empowerment. Empowerment does not mean being a wimp, giving up, caving in, giving the dog a bone, giving away the store, asking for advice, or disempowering oneself. Here are the most common misconceptions, with commentary on each.

Misconception A leader can empower others This is a notion that is similar to the one that managers can somehow motivate employees. That cannot be done either. Convey is typical of writers who imply that empowerment is something you do to other people. "If you want to influence and empower people, first recognize that they are resourceful and have vast, untapped capacity and potential." People empower *themselves*, leaders *facilitate* the process through coaching, counseling, delegating, training, rewarding, modeling and challenging. People are motivated, but they may not be empowered. If they seize opportunities and grow into competence they empower themselves. The first steps in facilitating the empowerment of others, according to Byham, are to maintain one's self-esteem, listen and respond emphatically, and ask for help in solving problems. Previous efforts at applying motivation theory to enhancing human performance have not been effective. As Vogt and Murrell point out "Whereas the motivational orientation seemed to ask 'What can we do to employees so they will contribute in ways we see as most useful?' an empowerment orientation asks 'What can we do to facilitate people's individual and joint contributions to their own and the organization's well being?'"

Misconception Empowerment results in a loss of control This notion is the major fear of managers and supervisors. Being accountable for staying on top of a situation that is out of control is viewed as something to be avoided at all costs. In fact, empowerment does not necessitate a loss of control. However, the *type* of control shifts from one of restraints to one of accountability. Sometimes what leaders refer to as control is simply the illusion of control. Tight procedures and regulations are seldom followed to the letter. Holding people accountable and supporting them in their development are highly beneficial forms of control. If you want to control people, excite them with vision and help them to develop the means to actualize it.

Misconception Power is dirty Power simply is, it is *judgements* about the actual exercise of power that make it good or bad. As King and Glidewell said, "To many the word 'power' has a negative connotation, undoubtedly because it is so frequently allied with negative acts." Organizations can be "low wattage," can have not enough power. When everyone becomes powerful, the organization has increased its human resources. What often is confused with empowerment is organizational politics. They, too, simply exist. They do not go away when people become empowered, they change in unpredictable ways.

Misconception People do not want power, they want to be led It is clear that one of the demotivators that employees complain about is lack of credible, strong leadership. People want to be led, but they do not want to be *managed*. Empowerment is completely consistent with a view of leadership that promotes the establishment and

nurturance of vision and organizational values "Micromanagement" satisfies no employees except the clinically dependent Only people with well-developed neuroses want to be weak and powerless Being powerful in work situations is a necessary antidote to employee alienation

Misconception Power is a fixed quantity, if you give it away, you lose it One of the paradoxes about power in organizations is that it is an "expanding pie " The more you facilitate the empowerment of others, the more you are able to influence them In Machiavellian terms, grow your people in order to earn their "followership"

Misconception Empowerment is like "getting religion" There is a certain moral attraction to the concept of empowerment It sounds good, especially if you have little power The truth however, is that empowerment is not a conversion experience, it is hard work Empowering oneself inevitably involves taking risks, stretching, learning and changing Empowering others entails coaching, counseling, delegating developmentally, observing, providing timely, task-oriented feedback, and many other activities Empowerment means focusing on behavior change, not attitude development As Beer *et al*, state "The most effective way to change behavior is to put people into a new organizational context which imposes new roles, responsibilities, and relationships on them This creates a situation that in a sense 'forces' new attitudes and behaviors on people " This can be done, of course, in humane, participatory ways

Misconception Empowerment always leads to beneficial results The truth is that when you facilitate the empowerment of individuals and teams within the organization, they sometimes make bad decisions and incomplete plans Sometimes they become legalistic and argumentative about their rights as employees Other times they interpret empowerment as a license to break the rules with impunity Empowerment is not the "answer in the back of the book" It is a way of doing business, a difficult path that needs to be taken, imperfect as it is

The Empowerment Profile by John E Jones Ph D and William L Bearly Ed D Organizational Universe Systems 1992

FOUNDATION OF EMPOWERMENT

The foundation of empowerment is based upon a clear understanding and realization of the fundamental concepts defined below

Personal responsibility is the willingness to view oneself as the *principal source* of the results and circumstances which occur in one's life, both individually and collectively with others in the workplace. Managers and employees are most effective in those areas which they have personally mastered and for which they claim maximum personal responsibility.

Personal accountability is the willingness to claim *ownership* for the results which are produced as a consequence of one's involvement, both individually and collectively with others in the workplace. Through ownership of the difficulties as well as the successes which occur in the workplace, the truly empowered manager or employee realizes the opportunity for feedback, growth, and the acquisition of new skills in the areas where deficiencies exist.

Personal empowerment is an *internally-derived* capacity to perform at or above an established level of expectation. This capacity is expanded by going beyond both self-imposed and external limitations. The fundamental characteristic of an empowered individual is the acceptance of personal responsibility. An individual is personally empowered only to the extent that he or she assumes a predisposed mindset of personal responsibility. Therefore, personal empowerment is ultimately measured by performance.

From MANAGEMENT BY EMPOWERMENT
Created by Innovations International, Inc

(Copyright permission received on July 31, 1995 from
Dr. William Guillory, CEO, Innovations International, Inc.)

PRINCIPLES OF EMPOWERMENT

- 1 People are the most important organizational resource
- 2 High-involvement is maximized
- 3 Teamwork is valued and rewarded
- 4 Personal and professional growth are continual
- 5 Responsibility and accountability are maximized
- 6 Self-determination, self-motivation, and self-management are expected
- 7 Expanded delegation is a continual process
- 8 Hierarchy is minimized
- 9 Organizational leadership and support are necessary
- 10 Diversity is a necessity for organizational empowerment

From MANAGEMENT BY EMPOWERMENT
Created by Innovations International, Inc

(Copyright permission received on July 31, 1995 from
Dr William Guillory, CEO, Innovations International, Inc)

ORGANIZATIONAL EMPOWERMENT* (Principles)

- 1 Involves organizational commitment to producing an exceptional product or service, exceeding customer demand, and preserving the well-being of all employees
- 2 Incorporates the definitions of responsibility, accountability, and empowerment as the basis for operational agreements
- 3 Expands the focus of a product or service from the individual and the team to include the organizational unit
- 4 The individual and the team realize how their contribution fits within a greater whole. The focus is "What is best for the external client/customer in terms of product or service?" rather than "What is best for the individual or the team?"
- 5 The management structure, horizontally and vertically, espouses and demonstrates their action-oriented support of empowerment
- 6 Management establishes action-oriented procedures (i.e., delegation with authority and accountability) that demonstrate its support of empowerment

*An organization is a network of interdependent units that produces a product or service for internal and/or external customers

From MANAGEMENT BY EMPOWERMENT
Created by Innovations International, Inc

(Copyright permission received on July 31, 1995 from
Dr. William Guillory, CEO, Innovations International, Inc.)

2005

CREATING AN EMPOWERING ORGANIZATIONAL ENVIRONMENT

Organizations can be created which allow empowerment to flourish and grow In empowering organizations, managers

- Describe clearly the purpose of the organization and work process and what are the desired outcomes
- Clearly describe the jobs of employees, how they fit in and contribute to the larger process Employees must be clear on what is expected of them and for what they are responsible and accountable
- Match the structure, duties and level of jobs with the capabilities of individuals in them
- Describe the latitude and discretion employees have in the job, especially as it relates to making improvements and satisfying customers' needs Expand the latitude to the maximum extent possible
- Provide employees with the authority they need to do the job well
- Help employees view their jobs in a context which includes the value of contributions made to the organization as a whole, to customers, to society, etc
- Ensure employees can do their jobs by providing training, instructions, tools and equipment, and a physical environment conducive to successfully completing their tasks
- Ensure employees (and teams) have ongoing information to monitor performance (individual overall results performance), and the authority to take corrective action or raise concerns
- Ensure that employees are not punished for calculated and well-intentioned risk-taking Use these as opportunities to learn
- Create an environment where honesty prevails, where employees feel comfortable discussing how something is really working, even it is in contrast to how it is supposed to be working
- Foster open, honest and genuine communication Communication aimed at pleasing the boss at the cost of achieving results should be discouraged

IMPLEMENTING EMPOWERMENT

The most important factor to understand when implementing this management philosophy is that it is a *transformation* of the organizational culture. This means a fundamental change in an organization's pattern of beliefs, values, attitudes, and norms that dictate its day-to-day operation, both spoken and unspoken. It also means a change in the basis and procedure for decision making and policy making. Ultimately, every employee in the organization must be impacted by this change in the way work is performed and managed.

The organizational leadership is the most important segment in instituting cultural change, whether it is participative or hierarchical. The leadership must clearly communicate the organization the rationale for and value of the new cultural framework. This must be done in a *sufficiently inviting and persuasive manner* so that it is accepted and embraced through self-enrollment by a critical and significant part of the organization.

The rate at which empowerment occurs as a concerted and systematic process is determined by the level of organizational support, where "concerted" refers to a long-term plan and "systematic" refers to the successful stepwise implementation of the plan. Organizational support is an ongoing process established by a unit, division, and/or organization which not only encourages, but visibly demonstrates its expectation of empowered behavior, empowered employees, and an empowered organization.

From MANAGEMENT BY EMPOWERMENT
Created by Innovations International, Inc

(Copyright permission received on July 31, 1995 from
Dr William Guillory, CEO, Innovations International, Inc)

MANAGERIAL ACTIONS THAT FACILITATE EMPOWERMENT.

Setting Direction -- Enables others to analyze situations and identify strategies that will help improve the situation. Helps people look beyond short term results and picture a longer term "vision" of how things should be for example, how teams in the field office should work together or how communities should be served. Facilitates others' involvement in systematically developing plans which will achieve expected results. Helps others understand and be skillful using program planning processes. Carries out direction setting and planning in a way so that participants feel involved in the process, are committed to taking responsibility for implementing steps in the plan, and are able to sustain the planning process over time.

Structuring -- Supports both formal (e.g., reporting relationships, job descriptions) and informal (ways information is shared, who is included in what kinds of meetings) structures that enable people to get results. Manages performance so that individuals are performing to the best of their ability, are realizing their own potential, and are fulfilling the larger objectives of the organization. Works to provide staff the necessary resources to carry out these objectives. Develops and sustains effective, high producing teams which can work independently and make decisions on issues like who works on what, and how to improve quality and productivity. Effectively negotiates for resources with and manages the expectations of external constituencies.

Communicating -- Recognizes that access to needed information enables people to act in empowered ways, supports patterns of communication that emphasize participation, trust, and openness. Creates a climate where information is shared widely and in a timely way, and where people feel free to state views which are different from each others and from those "in power". Effectively facilitates information sharing forums including staff meetings, one-on-one meetings, community meetings and written communication. Builds broad networks of people who are eager to share information. Practices good individual communication skills, particularly by demonstrating an ability to ask questions which involve people and by actively listening.

Decision Making -- Enhances people's capacity to make decision and organize themselves to solve their own problems. Is clear

about his or her own decision making style, and routinely examines the appropriateness of his or her own role in decision making. Seeks extensive input around decisions that need to be made, and, where possible, shares the responsibility for making decisions with all those affected by the decision. Delegates authority to others to make decisions as they carry out their job responsibilities and works to ensure that final decisions are made at the place where it is most appropriate in terms of information and expertise.

Supporting -- Recognizes that a critical element of his or her role is valuing diversity through helping people learn, develop professionally and make the maximum contribution to the office. Helps others learn from their own experience by coaching and facilitating opportunities for groups and individuals to carry out self assessment. Shares his or her own expertise in ways that do not create dependency. Builds others' self confidence and pride in accomplishment. Exhibits and models curiosity about others diversity and value added contributions, willing to educate and be educated. Supports people's efforts with both appreciative and constructive feedback. Looks for ways to develop his or her own skills and seeks feedback from others. Strives to get others involved in the process of continuous improvement. Models with his or her own managerial actions (e.g., when problem solving, planning or making decisions) how staff should act when working in the community. Maintains his or her own positiveness and enthusiasm in the face of difficulties. Helps satisfy others' needs for career enhancement, recognition, self-esteem, a sense of control over their lives, and living up to one's ideals.

Transition Guidance Cables Released

On October 1, 1995 the new operating procedures based upon the principles of reengineering became effective. A series of transition guidance cables (TGCs) has been released which provide additional guidance on transitioning to the new systems. The cables do not establish policies or change procedures, but simply aid in the transition from the old systems to the new. After cables were released, they were also sent as agency notices to ensure the widest distribution. Each has also been made available to the field on the EXONET, and in Washington on the electronic bulletin board system (BBS).

The following is a list of each of the transition guidance cables released and a brief summary of their contents

TGC #1 Rollout of the Reengineered USAID Systems

State 214052, General Notice dated Sep 11, 1995

This first cable sets the tone and provides a general introduction to the reengineered systems. It announces the series of transition guidance cables and describes what the next steps will be.

TGC #2 Transition to Reengineered Operations Processes

State 221490, General Notice dated Sep 20, 1995

Provides guidance regarding planning and implementing (achieving) USAID development assistance beginning October 1, 1995. The following topics are covered: strategic plans and management contracts, alignment of activities with strategic or special objectives, special objectives, reaching an understanding with customers and partners, new FY 1996 obligations, documentation required before obligation of funds, options for obligation and related documents, resource allocations, and teams.

TGC #3 NMS Infrastructure

State 221491, General Notice dated Sep 27, 1995

The purpose of this notice is to provide information about the technical infrastructure required for the automated New Management Systems (NMS) and the current schedule for putting all the pieces in place.

TGC #4 New Management Systems (NMS) Applications Software

State 221492, General Notice dated Oct 3, 1995

Provides applications information about the automated NMS to be implemented in FY 96 in support of the agency's key business practices.

TGC #5 Customer Service Planning

State 234428, General Notice dated Oct 5, 1995

Provides guidelines, information, and contacts to assist USAID missions and offices in developing customer service planning.

TGC #6 Transition to Reengineered Operations Processes - Achieving

State 234430, General Notice dated Oct 6, 1995

This cable acts as a supplement to the automated directives system (ADS) series 200 which replaced handbooks 2 and 3 and parts of handbooks 1, 4, 5 and 7. The impact of the core values on the operations systems is discussed as well as other changes in the operations system.

TGC #7 Results Framework Development

State 255335, General Notice dated October 25, 1995

Designed to assist operating units in transitioning to the new operating system described in ADS chapters 201 through 203. Guidance on developing strategic plans, results frameworks (RFs) and/or converting existing plans is provided. Bureau reengineering coordinators and agency subject matter experts are identified.

TGC #8 Automated Directives System (ADS)

General Notice dated October 25, 1995

This notice provides a descriptive explanation of what the ADS is and how it is structured. System improvements and future modifications are discussed.

TGC #9 Teamwork and USAID's Reengineered Operations System

State 255298, General Notice dated October 25, 1995

Its purpose is to assist operating units in planning and implementing human resource changes in the context of the reengineered operations system. Topics covered include size and scope of teams, participation with partners and customers, team assignments and membership, organizational structure, team responsibilities, personnel evaluations, and awards and incentives.

TGC #10 Performance Monitoring and Evaluation

State 255113, General Notice dated Nov 1, 1995

Provides guidance and summarizes key aspects of the new performance monitoring and evaluation (PM&E) policies and procedures which became effective on October 1, 1995, as contained in section 203 of the ADS.

INFORMATION

USAID/GENERAL NOTICE
AA/M
09/11/95

SUBJECT Reengineering Transition Guidance Cable No 1 Rollout of the
Reengineered USAID Systems

I Introduction

On October 1, 1995, implementation of our reengineering effort begins. Between now and October 1 you will receive a series of guidance messages designed to answer many of the questions you will have as we begin implementation.

No one office in Washington pretends to have all the answers. We are counting on you, in the operating units, to fill in the gaps and to use the new operations systems in creative ways to achieve your purposes. Just as the reengineered processes are the intellectual product of the Agency, we expect bureaus and operating units to take the lead in adapting the new processes to their operations. Remember that there is no one answer to fit every case. Bureaus will address operations differently, and each operating unit is empowered, within the framework of the automated directives system, to develop its own internal operating procedures.

As we implement the new procedures, it is important to keep in mind the core values, the precepts that govern the reengineering process: management for results, empowerment of employees and accountability, teamwork, and customer focus.

II Timetable

The computer-based new management systems (NMS) will be installed in Washington for production on October 1, 1995. They will be used in a production mode in the field on January 1, 1996. Detailed guidance on the infrastructure requirements, the functionality of these systems, and the rollout plan will be covered in transition Cables Numbers 3 and 4.

Software development will continue throughout Fiscal Years 1996/7, with updates to the first NMS release plus additional business area applications (such as Human Resources).

This schedule should not interrupt ongoing activities or the adoption of reengineered operations processes. The processes set forth in the automated directives system (ADS) will become operational on October 1, and the new operations

system will take effect then The following elements will apply

A Agency Strategic Plan

The Agency's Strategic Plan consists of three elements

1 Strategies for Sustainable Development

This document was completed in March of 1994 It sets forth the Agency's goals

2 Implementation Guidelines

The strategies have been supplemented with individual implementation guidelines for each Agency goal

3 Agency Strategic Framework

PPC/CDIE has prepared an Agency Strategic Framework to be released this fall This framework will establish the Agency objectives for each goal to which all country and regional frameworks must relate

B Regional and Central Planning Frameworks

Operating bureaus will need to ensure that all regional and central frameworks coincide with the Agency Strategic Framework This should be perfunctory, as bureau frameworks have been designed around the Agency's strategic plan for some time

C Operating Units

1 Realignment of Existing Program Activities

A critical task over the coming year is realignment of ongoing activities under strategic objectives Cable No 2 In this series, Transition to the New Operations System, will discuss the mechanisms for doing this

2 Strategic Plans

Every operating unit that manages program funds must have an approved Strategic Plan Requirements

pertaining to the content of the Strategic Plan, outlined in the ADS directives, shall apply only to new Strategic Plans. Except for the special cases set forth in the ADS, all operating units should have an approved Strategic Plan by the date for submission of their FY 1996 Results Review and Resource Request (R4)

Strategic Plans approved under PPC's May 1994 directives will be valid in the new operations system if they were approved in an agencywide review process (barring the need for revisions due to changes in resource levels this year). Regional Bureaus are responsible for ensuring the quality of approved Strategic Plans. Issues or concerns about a strategy and strategic objectives may be addressed to the respective bureau, PPC and M/ROR.

3 Management Letters

Beginning October 1, Regional and Central Bureaus will be responsible for providing new mission directors and principal officers of other operating units with management letters outlining the strategic direction of the program, key management or strategic issues, resource parameters and any special foreign policy interests in the country.

4 Management Contracts

By the end of FY 96, each operating bureau will have in place a management contract between the operating unit and the AA of the bureau.

5 Customer Service Plans

By submission of the next R4, all operating units will have Customer Service Plans (CSP) in place, regardless of the status of operating unit's Strategic Plan. The CSP does not require approval by USAID/W (but will be available to USAID/W for information purposes). It is a working document for the operating unit.

6 Performance Monitoring Plans

The Performance Monitoring Plan (PMP) must be prepared

by every operating unit working with approved strategic objectives and supporting results frameworks The PMP is due to be submitted with the first R4

7 Special Objectives

Special Objectives are analogous to earmarked and directed activities as well as targets of opportunity In the FY 96 R4, missions and operating units will report on progress toward meeting Special Objectives in order to justify funding levels

8 Results Frameworks (RF)

All operating units will prepare and incorporate results frameworks for each strategic and special objective The RF will establish the basis for reporting future results Where possible, the RF submitted with the FY 96 R4 will establish the baseline for reporting program results in subsequent years Operating units should move quickly to establish RFs, but leeway will be given during this transition year

D Delegations of Authority (DOAs)

Accompanying the rollout of the reengineered systems are delegations of new authority to the field The new DOAs are modeled on those previously conferred on the Country Experimental Labs (CELs) Cables reflecting the new delegations are now circulating in USAID/W and will be released before the October 1 milestone

E Computerized Systems

III Training

We have begun a comprehensive training program in Washington and overseas From July through early September, we will have trained over 200 trainers (TOT) in programs conducted in USAID/W and Bangkok These individuals will serve as change agents within their home operating units For missions, we are planning to supplement this with regional hands-on training once the computers and software are installed We are developing similar training programs for

USAID/W staff Training for executive management in USAID/W will begin in mid-September

In addition, we will have special sessions at regional venues such as REDSO scheduling conferences Various missions and bureaus have already organized reengineering-based training for selected PVOs and partners, and we encourage missions and operating units to proceed with this training USAID/W is identifying qualified individuals and firms who can supplement mission efforts in this field We will provide these names in a later communication

IV Help Desks

There will be an extensive help network established in USAID/W to assist bureaus, missions and other operating units during the transition period For questions related to the new operations system, remember that the first point of contact is your bureau's Transition Coordinator The Coordinators are

for AFR David McCloud/AFR/DP
for ANE Frank Young/ANE/ORA, and Jay Nussbaum/ANE/ORA
for ENI Jeff Evans/ENI/PCS
for Global Lorie Dobbins/G/PDSP
for LAC Bob Jordan/LAC/DPP
for BHR Fred Cole/BHR/PPE

Bureau Transition Coordinators and subject matter experts will compile inquiries and consult electronically to share questions and answers on the transition General questions and answers will be routinely transmitted to operating units in USAID/W and the field by electronic bulletin boards, INTERNET, E-MAIL, EXONET and cables

A separate telegram will provide details on where to go for help related to automated systems support

V Further Cables in This Series

This is the first in a series of 11 or more cables which will be issued over the coming weeks Each cable will provide information beyond what is contained in the ADS series The subjects to be covered in this series of cables are as follows

- transition to the reengineered operations system
- transitional requirements for strategic planning
- NMS Task Force computer infrastructure
- NMS Task Force computer applications software
- achieving
- results frameworks
- the Automated Directives System
- performance monitoring and evaluation
- the new personnel system
- guidelines for developing customer service planning capability
- any other subjects which emerge as needed

In combination with the ADS series, these cables should provide a firm foundation for the transition

As of October 1, the primary responsibility for change will reside in the bureaus, missions and other operating units. I urge you to provide steady and constructive suggestions to the Bureau Transition Coordinators on your experience during the transition so we can share these lessons worldwide.

Notice 913

USAID General Notice
INFORMATION M/ROR
09/20/95

SUBJECT Reengineering Transition Guidance Cable No 2
Transition to Reengineered Operations Processes

1 Summary

This Notice is the second in a series of guidance messages that deal with transition to the new systems. Starting 10/01/95, USAID missions, centers and offices (operating units) will use the reengineered operations processes identified in the Automated Directives Systems (ADS), Series 200. The Series 200 ADS, provides guidance (policies and essential procedures) on the new operations systems. However, we recognize that a transition period is required to fully implement these policies and essential procedures. This notice provides guidance regarding planning and implementing (achieving) USAID development assistance during the transition period beginning October 1, 1995. The following topics are covered: Strategic Plans and Management Contracts, Alignment of Activities with Strategic or Special Objectives, Reaching an Understanding with Customers and Partners, New Fiscal Year 1996 Obligations, Congressional Notification Procedures, documentation required before obligation of funds, Options for Obligation and Related Documents, Resource Allocations, and Teams.

2 Strategic Plans and Management Contracts

All operating units that manage program resources shall have an approved strategic plan and management contract (ADS Section 201.5.5 and 201.5.12). Assistant Administrators (AAs) of regional and central bureaus are being delegated authorities to approve or disapprove strategic plans, management contracts and requests for revisions to them. Regional and central operating bureaus shall establish schedules for submission of new or revised strategic plans by operating units.

Operating units may use their most recently approved strategy or action plan (or equivalent document) as their approved strategic plan. The transition management contract for these operating units shall consist of the strategic plan and/or action plan and

the guidance emerging from the cognizant bureau's review of the most recent of these documents (ADS 201 5 12A) Operating units which do not yet have a results framework for each approved strategic objective shall to the extent possible prepare and incorporate them prior to submission of their results review and resource request (R4), but not later than the end of FY 96, or as may be agreed with the cognizant regional/central bureau Regional bureaus may issue separate guidance regarding their

schedules for submission of the R4 An amendment or revision to an operating unit's strategic plan (or equivalent document) or management contract requires approval by the cognizant bureau's AA Normally, operating units will include any proposed changes to their strategic plan or management contract as part of the R4

3 Alignment of Current Portfolios with Strategic or Special Objectives

Operating units shall focus USAID's resources on the achievement of strategic objectives that have significant potential for sustainable development impact (See ADS Section 201 5 10A) As of October 1, 1995, operating units shall align on-going project/program funded activities with a strategic or special objective presented in their approved strategic plan (or an ENI objective under ENI strategic framework) and management contract Activities funded under on-going projects or programs that do not support achievement of a strategic or special objective shall, at the discretion of the Mission Director or Principal Officer of the operating unit, be terminated or continued until the presently obligated funds are expended or deobligated Increases in existing projects will continue to require congressional notification This subject will be discussed further in future notices dealing with the subject of congressional notification (paragraph 7)

-- Where on-going activities can be aligned with approved strategic or special objectives and supporting results frameworks, directors and principal officers of operating units will be delegated authority to amend authorizations and agreements for on-going projects and programs to reflect that alignment

-- Where on-going project and program documents are already aligned with approved strategic or special objectives and reflect appropriate results orientation, missions may continue to

implement such activities without changes

-- Where the activities have not yet been aligned with a strategic or special objective or there is insufficient results orientation reflected in on-going project and/or program documents missions must affect that alignment in FY 96 Options include a) amend on-going project and program documents to reflect a strategic or special objective and intermediate results, (b) negotiate a new strategic or special objective agreement that encompasses existing and new activities that fully support intermediate results and strategic or special objectives, or, (c) amend contracts or grants that encompass new and/or on-going activities to reflect intermediate results and strategic or special objectives We recognize procurement/acquisition rules may not permit unilateral amendments to contracts or grants and substantive modification in terms of a contract may require recompetition

4 Special Objectives

As noted above in paragraph 3, operating units may include activities funded under on-going projects and programs in their portfolios that are not aligned with a strategic objective, but which produce results that support other U S government objectives (directives/earmarks) identified as special objectives Whenever such activities meet one or more of the criteria presented in ADS, Section 201 5 10C, they may be justified as special objectives An operating unit may continue on-going activities that were justified in an approved strategic plan (or equivalent document) that are aligned with or fully support a special objective New activities that are not aligned with the operating unit's strategic objectives may be undertaken when approved as part of the R4, or treated as an amendment thereto Results frameworks are required for all special objectives They may be submitted to the cognizant bureau along with the R4, in the spring of FY 1996

5 Reaching an Understanding with Customers and Partners

As operating units transition from on-going projects and programs to strategic objectives supported by results frameworks, the process will undoubtedly generate confusion among those with whom we work Reaching an understanding with our partners and customers on the strategic objective and its results framework is

key to the transition. An overall understanding supported by all participants is desirable. Accordingly, in the transition alignment phase, whether proceeding on new agreements or amendments to old, operating units should clarify all pertinent agreements, (e.g., existing PROAGs, new SOAGs, existing or new contracts and grants, existing or new MOU with host government or other partners) to underscore new strategic or special objective understandings. These clarifications should stress the new obligations of all partners to achieve those objectives. We leave it to the discretion of the operating unit in consultation with the RLA and CO to decide what is the appropriate documentation, under reengineering principles and ADS guidance, for reaching an understanding with customers and partners.

6 New Fiscal Year 1996 Obligations

Operating units, in the Statistical Annex for the FY 96 Appropriation and in the FY 1997 Congressional Presentation, shall present the alignment of existing projects and programs with their strategic and special objectives. If these projects and programs cannot be aligned with an operating unit's current strategic objective, subject to the cognizant AA's approval, they may be classified as a special objective. As AWACS is brought on line, operating units shall also align activities under existing projects and programs with one or more intermediate results in the results framework for a strategic or special objective.

7 Congressional Notification Procedures

Consultations are currently underway with Congress regarding the Agency's notification procedures. Upon completion of these consultations, we will provide all operating units with guidance regarding the congressional notification procedures.

8 Documentation Required Before Obligation of Funds

A General

It is left to the operating units to decide how to document and certify that the documentation and information requirements mentioned in Section 8 (B) and (C), below, have been met prior to obligation.

As an operating unit begins the process of planning and

obligating at the strategic objective level, inclusion of the Regional Legal Advisor (RLA) and Contract Officer (CO) is essential to develop procedures to properly certify that necessary legal and regulatory requirements have been met prior to obligation and to define the appropriate obligating documentation. The operating units are also encouraged to communicate with their Regional Bureau's Transition Coordinator and each other with respect to any difficulties they encounter in applying the following guidance and any improvements or innovations they develop.

B Planning Documentation

The requirements for social-cultural, technical, institutional, financial, economic and environmental analyses as well as identification of methods of implementation and disbursement were usually satisfied before authorization by PP(s) and PAAD(s). The various analyses should be completed to the extent appropriate for the objective, intermediate results and illustrative or actual activity as determined by the Mission Director or Principal Officer of the operating unit that is authorized to obligate funds.

C Other Required Information

To satisfy FAA Section 611(a), before obligation the Mission Director or Principal Officer of the operating unit must ensure that adequate planning has been completed with respect to the mutually agreed program for achieving the intended results. In addition to appropriate planning documentation, the following information should be available in the operating unit's files: (1) the anticipated results and timeframes for achieving them, (2) explanation about how these results contribute to achieving the strategic objective, (3) the resources required to achieve intended results, (4) the measures to be employed to gauge progress in achieving the intended results, (5) the customers these results serve and mechanisms by which the related activities facilitate customer participation, (6) the likely partners and mechanisms for procurement of goods and services to carry out activities needed to achieve intended results, (7) Initial Environmental Examination (IEE) and, (8) statutory checklist. (See also "Official Files," Appendix B, Ch. 202 Of ADS Series)

9 Options for Obligation and Related Documents

A General

Resources are allocated by strategic objective as operating units plan their budgets, obligations are made within strategic objectives. One or more obligating instrument may be necessary to support a strategic objective. While it is to an operating unit's advantage to obligate at the strategic or special objective level to provide maximum flexibility, in many cases obligation at the S O level may not be feasible. The types of agreements we envision for effective strategic objectives are outlined in B, C, D, and E below. Model forms will be included in ADS 300 Series.

B Strategic Objective Agreement (SOAG)

The SOAG is a government-to-government agreement which can obligate all funds supporting a strategic objective. Any grants to non-governmental organizations or international organizations or contracts under the strategic objective can be subobligations, thereby increasing the flexibility of moving resources within the strategic objective.

The S O Agreement is a government-to-government agreement and should only obligate funds for an objective whose illustrative activities (and actual activity selection criteria) or actual activities have been adequately planned and mutually agreed to. The language of the agreement can be substantially that of a current project agreement (PROAG) tailored to fit the strategic objective context.

The strategic objective, presented in either the principal part of the Agreement or Annex A of the SOAG, may be described in terms of an S O 's measurable intermediate results, illustrative activities to accomplish those intermediate results, and objective criteria and procedures for selection of the actual activities.

It should indicate whether the illustrative activities would require funding equal to or exceeding the amount obligated. It should also indicate that illustrative activities may be replaced by substitute activities, provided they meet the agreed upon criteria. When only incremental funding is provided, the operating unit can amend the S O Agreement to obligate additional funds as they are available. Finally, it should set

forth a basis for moving funds from non-performing to performing components of the strategic objective package

The strategic objective, presented in either the principal part of the Agreement or Annex A of the SOAG, can also be described in terms of an S O 's measurable intermediate results and the actual activities that both parties agree are necessary to accomplish intermediate results

C Grants or Contracts with Private Entities

Strategic objective obligations can also take place using documents other than a SOAG Where a SOAG proves infeasible or undesirable, operating units can also obligate their funds with grant, contracts and cooperative agreements While contracts, grants and cooperative agreements may have certain advantages, in deciding whether to use them as obligating rather than subobligating documents, consideration should be given to the possibility that such funds can only be shifted from one intervention to another by deob-reob In using contracts and grants alone without a SOAG, it will also be necessary to very carefully delineate the part the given contract or grant plays in achieving the S O

D Combination of the Above

It has also been operating procedure for some operating units in the past to obligate certain portions of a program with a government-to-government agreement and the remainder, as envisaged in that agreement, through either obligating or subobligating grants and contracts with private entities The same combination is clearly possible in a strategic objective rather than the program context Indeed, given the likelihood of a greater number of different components under certain strategic objective designs, it might prove a very useful marriage of mechanisms to most effectively and expeditiously achieve desired results

E Memorandum of Understanding (MOU)

Finally, it has proven helpful in the past to use an MOU (non-obligating agreement) of this kind to buttress the understanding of the other parties reflected in the obligating agreements, as to their roles in achieving a strategic objective For example, in ENI no government-to-government obligating

agreements exist between USAID and host governments. Funds are obligated by individual grants and contracts with private entities.

Another type of MOU is being used to bring other partners, such as non-USAID funded PVO(s) playing a role in a given objective scenario into a larger partnership understanding. There may be other instances where MOU(s) prove helpful. We leave it to the discretion of operating units to determine the desirability of utilizing such a non-obligating mechanism in their strategic or special objective implementation plans. The ENI government-to-government MOU will be included in the ADS 300 Series.

10 Resource Allocations

In making resource allocations among strategic objectives, the relative contribution of each to overall agency goals and objectives, as defined in operating unit strategic plans and updated annually in the R4, shall be a principal factor. ADS 201.5.15 provides that resource allocation shall be by strategic or special objective. Operating units shall be allowed to decide upon the allocation of funds within their approved strategic or special objectives.

11 Teams

ADS Section 202.5.5 (Principles for Developing and Managing Activities) states that teams shall carry out the following functions in developing and managing activities: a) ensure that all USAID-financed agreements (strategic objective agreements, grants, contracts, cooperative agreements, etc.) have clear performance targets and accountability standards, b) define procedures for monitoring, evaluating and reporting on the results of USAID assistance, c) create plans and support systems which are sufficiently flexible to enable USAID and its development partners to respond to customer needs and complex and changing circumstances, d) experiment with new and innovative approaches to development problems to enhance the probability of success, and, e) use performance information on results to inform decisions on future direction of the activities.

Note: Strategic Objective Teams will organize activities in results packages to accomplish the results set forth in the

results framework and deemed essential to accomplishing a given strategic objective. A separate transition notice on achieving will discuss results packages and other implementation guidelines under the ADS Series.

CONTACT POINT Questions regarding this notice should be directed to Richard Byess, M/ROR, 663-3399.

Notice 927

→

325

/tel1//95/09/18/01103m

UNCLASSIFIED

PAGE 01 STATE 221491 181938Z
ORIGIN AID-00

ACTION OFFICE(S): !ISDM
INFO OFFICE(S): REEM MPI AAM DAAM ES AAID FM MB OPA EHR ENI
ENCA ECA ENPD AFEA AFFE AFWA AFSA AFFW
ANEN AANE ANME ANEN ANSA ANMS PPDC ANCL
ANSE ASOM GDG AAG LASA LACE A LA LRSD

INFO LOG-00 AF-01 ARA-01 ANHR-01 EAP-01 EUR-01
TEDE-00
IO-02 MMP-00 NEA-01 OIG-04 SA-01 /013R

DRAFTED BY: AID/NMS TASK FORCE:DLARNOLD·DLA
APPROVED BY: AID/A/M:LEBYRNE AID5883
AA/M:MLZEITLIN (DRAFT) M/MPI CDMCGRAW
M/OP:CJOHNSON (DRAFT) M/ROR.LTANNER (DRAFT)
M/B:KMILOW (DRAFT) M/FM DWARNOLD (DRAFT)
-----EDE4E0 181941Z /38

R 181936Z SEP 95
FM SECSTATE WASHDC
TO AID WORLDWIDE

UNCLAS STATE 221491

AIDAC

E.O. 12356. N/A

TAGS:

SUBJECT: REENGINEERING TRANSITION GUIDANCE CABLE NO. 3:
NMS INFRASTRUCTURE (TGC # 3)

REFTELS/EMAILS· (A) SERVICE MESSAGE 76-1994 FROM IRM/TCO
TO SYSTEM ADMINISTRATORS AND THEIR MANAGERS DATED
11/25/94; (B) STATE 111890 DATED 5/4/95; (C) STATE
169755 DATED 7/14/95; (D) EMAIL FROM SANDY MULDOON-KUNZ TO
SYSTEM ADMINISTRATORS AND THEIR MANAGERS DATED 7/21/95;
(E) STATE 193992 DATED 8/15/95; (F) EMAIL FROM KEN ROKO TO
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 221491 181938Z
SYSTEMS ADMINISTRATORS AND THEIR MANAGERS DATED 8/19/95,
(G) STATE 214052 DTD 9/9/95.

I INTRODUCTION

RE REPTTEL G, THIS IS TRANSITION CABLE NUMBER 3 THE

2
1995

PURPOSE OF THIS CABLE IS TO PROVIDE INFORMATION ABOUT THE TECHNICAL INFRASTRUCTURE REQUIRED FOR THE AUTOMATED NEW MANAGEMENT SYSTEM (NMS) AND THE CURRENT SCHEDULE FOR PUTTING ALL THE PIECES IN PLACE

THE NMS PROJECT IS AN INTENSIVE EFFORT WITH MANY ACTIVITIES CURRENTLY UNDERWAY. THE PLANS DETAILED BELOW REPRESENT A SNAPSHOT OF THE IMPLEMENTATION PROCESS. YOU WILL RECEIVE FURTHER UPDATES AS WARRANTED

A NUMBER OF COMPONENTS MUST BE IN PLACE FOR THE NMS TO WORK AS PLANNED: SOFTWARE (BOTH INFRASTRUCTURE AND APPLICATION SOFTWARE), UNIX SERVERS, PCS, TELECOMMUNICATIONS, AND TRAINING. THIS CABLE ADDRESSES THE KEY HARDWARE AND SOFTWARE COMPONENTS. TRANSITION GUIDANCE CABLE NUMBER 4 ADDRESSES THE NMS APPLICATIONS THEMSELVES - THEIR FUNCTIONALITY, THE STATUS OF THE DEVELOPMENT EFFORT, THE IMPLEMENTATION SCHEDULE, AND THE APPLICABLE TRAINING.

THE OVERALL TECHNICAL INFRASTRUCTURE GOAL IS TO INSTALL SERVERS, PCS, AND TELECOMMUNICATIONS OF SUFFICIENT CAPACITY TO ACCOMMODATE THE NMS ROLLOUT IN EARLY FY 96, WITH THE NMS BUSINESS AREAS TO BE ADDED LATER IN FY 96,

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 221491 181938Z
FOLLOWED BY FUTURE APPLICATIONS, AND THE LONG TERM GROWTH CAPACITY NEEDED FOR DATA STORAGE.

II. KEY COMPONENTS. UNIX SITES

IN ADDITION TO SUPPORTING THE REENGINEERED BUSINESS PROCESSES, THE PRIMARY GOAL OF THE NMS WAS TO REPLACE EXISTING CORPORATE SYSTEMS AND HAVE ONE, INTEGRATED DATABASE. THE FIRST PRIORITY WAS THE REPLACEMENT OF FACS (THE FINANCIAL ACCOUNTING AND CONTROL SYSTEM USED IN USAID/W), MACS (THE MISSION ACCOUNTING AND CONTROL SYSTEM), AND CIMS (THE CONTRACT INFORMATION MANAGEMENT SYSTEM). THEREFORE, THE INITIAL FOCUS IS ON THE LOCATIONS THAT HAVE THOSE THREE SYSTEMS. THOSE SITES CURRENTLY HAVE UNIX-BASED SERVERS. THEY ARE:

USAID/W PLUS AFR: ABIDJAN, ACCRA, ADDIS ABABA, ANTANANARIVO, BAMAKO, CONAKRY, DAKAR, GABORONE, HARARE, KAMPALA, LILONGWE, MAPUTO, MBABANE, NAIROBI, NIAMEY, PRETORIA; ANE: AMMAN, BANGKOK, CAIRO, COLOMBO, DHAKA, JAKARTA, KATHMANDU, MANILA, NEW DELHI, RABAT, TEL AVIV; LAC: GUATEMALA CITY, KINGSTON, LA PAZ, LIMA, MANAGUA, PANAMA CITY, PORT AU PRINCE, QUITO, SAN JOSE, SAN SALVADOR, SANTO DOMINGO, TEGUCIGALPA; ENI ALMATY,

BUDAPEST, KIEV, MOSCOW, WARSAW

A. INFRASTRUCTURE SOFTWARE

1 ORACLE: THE DATABASE IS CONSTRUCTED USING ORACLE SOFTWARE. FOR YOUR CURRENT UNIX SERVER, ORACLE 7 1 3 WAS PROVIDED BY IRM IN APRIL. WHEN THE NEW SERVERS ARE
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 221491 181938Z
PROCURED (SEE PARA II.C.L BELOW), THE CURRENT VERSION OF ORACLE WILL BE LOADED ON THE SERVER PRIOR TO SHIPPING IT

TO THE MISSION. THE LICENSING OF THAT UPDATED VERSION WILL BE FUNDED BY USAID/W

2. SQNET: THIS SOFTWARE ALLOWS THE APPLICATION TO ACCESS THE DATABASE ON THE SERVER. RELEASE 1.1 7 8 WAS PROVIDED TO ALL UNIX SITES IN APRIL WHEN THE FINAL NUMBER OF USERS AT EACH MISSION ARE DETERMINED, IRM WILL ISSUE THE APPROPRIATE NUMBER OF LICENSES TO THE MISSION. SHOULD A NEWER RELEASE OF THIS SOFTWARE BE REQUIRED TO SUPPORT THE NMS, THAT RELEASE WILL BE FUNDED BY USAID/W AND PROVIDED WITH THE NMS APPLICATION INSTALL PROCEDURE. IRM WILL INSTALL SQNET IN USAID/W.

3. ONNET. THIS PRODUCT ALLOWS THE PC TO COMMUNICATE WITH THE UNIX SERVER AND REPLACES ANY VERSIONS OF TCP/IP OR SUPERTCP CURRENTLY IN USE. IRM POUCHED ONNET RELEASE 1.2 TO ALL UNIX SITES IN JUNE WITH LICENSE NUMBERS FOR 500F THE USERS AT POST. IRM WILL PROVIDE APPROPRIATE SOFTWARE & LICENSES TO NMS USERS IN USAID/W

4. WINDOWS WINDOWS SOFTWARE IS REQUIRED FOR THE NMS SYSTEMS WINDOWS 3 1 IS THE CURRENT RELEASE SUPPORTED BY THESE SYSTEMS. IT MAY BE INSTALLED EITHER STANDALONE ON INDIVIDUAL PCS OR ON A BANYAN NETWORK FILE SERVER. REF A PROVIDED THE IRM RECOMMENDATIONS FOR THE STANDARD WINDOWS INSTALLATION. ALL MISSIONS/OFFICES WERE TO COMPLETE THEIR WINDOWS IMPLEMENTATION BY MARCH, 1995 TO ALLOW AGENCY STAFF TO BECOME ACCLIMATED TO WINDOWS AND ITS FEATURES
UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 221491 181938Z
WELL IN ADVANCE OF THE NMS ROLLOUT IF WINDOWS IS NOT YET IMPLEMENTED AT YOUR LOCATION, PLEASE MAKE IT A HIGH PRIORITY

5 ODBC/ORACLE OBJECTS: TWO 'DRIVERS', ORACLE OBJECTS AND MICROSOFT OPEN DATABASE CONNECTIVITY (ODBCS), WILL

23 23
23 23
23 23

ACCOMPANY THE NMS APPLICATIONS. THESE DRIVERS ARE PRODUCTS THAT PROVIDE ACCESS TO THE ORACLE DATABASE FROM THE NMS SOFTWARE AT YOUR PC. ORACLE OBJECTS WILL BE USED IN THE AWACS PORTION OF THE NMS SOFTWARE; ODBCS IN THE A&A, BUDGET AND OPERATIONS MODULES ORACLE OBJECTS VERSION 1.0.55 AND MS ODBC VERSION 2.0 ARE REQUIRED TO RUN THE NMS APPLICATIONS. THEY WILL BE DISTRIBUTED AS PART OF THE NMS SOFTWARE; THE MISSIONS/OFFICES ARE NOT REQUIRED TO PURCHASE THESE DRIVERS. THEY WILL RESIDE ON EACH USER'S PC ALONG WITH OTHER PIECES OF THE NMS APPLICATIONS.

6. IMPROMPTU. THE NMS INCLUDES SOME STANDARD REPORTS AND QUERY CAPABILITIES. HOWEVER, IT IS EXPECTED THAT SOME USERS WILL NEED INFORMATION NOT ALREADY PROVIDED IN THOSE REPORTS. THIS PRODUCT IS TO BE USED FOR ADHOC QUERIES OF

THE DATABASE AND ALLOWS YOU TO EXTRACT THE DATA AS WELL AS FORMAT IT TO MEET YOUR REQUIREMENTS THE PROCUREMENT OF IMPROMPTU IS IN PROGRESS AND COPIES WILL BE PROVIDED TO EACH MISSION AND USAID/W OFFICE.

B HARDWARE

1 UNIX SERVERS

UNCLASSIFIED

UNCLASSIFIED

PAGE 06 STATE 221491 181938Z
IT WAS DETERMINED RECENTLY THAT LARGER SERVERS THAN THOSE CURRENTLY IN THE MISSIONS WOULD BE NEEDED IN ORDER TO ACCOMMODATE FUTURE APPLICATIONS AS WELL AS THE NMS SOFTWARE TO BE DELIVERED IN EARLY FY96, THE NMS BUSINESS AREAS TO FOLLOW LATER IN FY96, AND THE GROWTH EXPECTED FOR DATA STORAGE. A CONTRACT WAS ISSUED TO IBM ON 9/7/95 FOR A RISC 6000 R20 PROCESSOR FOR EACH OF THE 44 UNIX-BASED MISSIONS LISTED ABOVE. SHIPMENT OF THE SERVERS WILL COMMENCE 9/25/95. THE VENDOR WILL INSTALL USAID-SUPPLIED SOFTWARE TO CONFIGURE THE SYSTEM FOR NMS OPERATION PRIOR TO SHIPMENT OF THE SERVER. THE VENDOR WILL ALSO INSTALL THE SERVERS AT MISSION, PROVIDE ONE-WEEK OF TRAINING TO THE SYSTEM ADMINISTRATORS ON VENDOR-SPECIFIC UNIX FEATURES AND PROBLEM DIAGNOSIS, AND PROVIDE HOT-LINE SUPPORT. ALL COSTS FOR EQUIPMENT, TECHNICAL MANUALS, SHIPPING, INSTALLATION, MAINTENANCE, AND TRAINING (INCLUDING TRAVEL) RELATED TO THIS PROCUREMENT ARE FUNDED BY USAID/W. THE SPECIFIC DETAILS ON THE ABOVE ISSUES HAS OR WILL BE PROVIDED IN A SEPARATE EMAIL TO SYSTEMS ADMINISTRATORS AND THEIR MANAGERS.

THE CURRENT PLAN IS FOR ALL IBM SERVERS TO BE INSTALLED BY MID-NOVEMBER. THE APPLICATIONS SOFTWARE WILL BE SENT TO THE MISSIONS FOR INSTALLATION, THEREAFTER THE PLANNED

DATE FOR NMS USE, IN PRODUCTION MODE, IN THE FIELD IS
1/1/96

THE SUN SERVERS CURRENTLY AT YOUR LOCATION WILL BE
RETAINED AT THE POST FOR RUNNING NON-NMS UNIX-BASED
APPLICATIONS OR PROVIDING GATEWAYS TO THE USAID NETWORK.
NO UPGRADES ARE PLANNED FOR THESE SUN SERVERS. , ORACLE
UNCLASSIFIED

UNCLASSIFIED

PAGE 07 STATE 221491 181938Z
LICENSING FOR THE SUN SERVERS WILL NOT BE RENEWED ONCE THE
NEW SERVERS ARE INSTALLED AND OPERATIONAL

FOR USAID/W, THE SERVERS ARE IN PLACE AND HAVE BEEN USED
FOR DEVELOPMENT AND TESTING OF THE NMS APPLICATIONS
SOFTWARE

2. PERSONAL COMPUTERS (PCS)

THE MINIMUM, REPEAT MINIMUM, CONFIGURATION FOR END-USER
PCS IS A 486 WITH 16MB OF RAM AND A 400MB HARD DRIVE. SEE
REFTEL B. FUNDING IS CLEARLY NOT AVAILABLE TO BRING ALL
EMPLOYEES TO THAT LEVEL AND NOT ALL EMPLOYEES NEED
FREQUENT, DESKTOP ACCESS TO THE NMS APPLICATIONS.
MISSIONS AND USAID/W OFFICES NEED TO DETERMINE WHICH
EMPLOYEES WILL NEED IMMEDIATE, FREQUENT ACCESS AND,
THEREFORE, REQUIRE THE NMS AT THEIR DESKTOP, AND WHICH
EMPLOYEES COULD USE A PC IN SHARED, GENERAL-USE SPACE
UNTIL SUCH TIME AS THEIR INDIVIDUAL PC IS UPGRADED. THE
SEPARATE CABLE ON APPLICATIONS FUNCTIONALITY SHOULD ASSIST
YOU IN MAKING THOSE PC DEPLOYMENT DECISIONS. ✓

ADDITIONAL FUNDING TO PURCHASE PCS HAS PROVIDED TO THE
UNIX SITES IN LATE JULY AND UPGRADES TO EXISTING PCS OR
NEW PROCUREMENTS SHOULD BE UNDERWAY NOW. IT IS INCUMBENT
UPON THE MISSIONS TO HAVE THE PC UPGRADES IN PLACE BY
NOVEMBER 15. SPECIFIC QUESTIONS ABOUT PCS AND UPGRADES
SHOULD BE DIRECTED TO THE SYSTEM ADMINISTRATORS. THE
POINT-OF-CONTACT FOR THE ADMINISTRATORS IS SANDY MULDOON-
KUNZ, IRM/TCO.

UNCLASSIFIED

UNCLASSIFIED

PAGE 08 STATE 221491 181938Z
IN WASHINGTON, IRM HAS PROCURED THE UPGRADES (MEMORY, NIC
CARDS, HARD DRIVES) AND THE INFORMATION TECHNOLOGY
SPECIALIST ASSIGNED TO EACH OFFICE IS NOW UPGRADING THAT
EQUIPMENT AN UPDATED INVENTORY OF USAID/WASHINGTON
EQUIPMENT IS BEING CONDUCTED NOW AND EACH INFORMATION
TECHNOLOGY (IT) SPECIALIST WILL WORK WITH OFFICE

/tell/ /95/09/18/01105m

UNCLASSIFIED

PAGE 01 STATE 221492 181941Z
ORIGIN AID-00

ACTION OFFICE(S): !ISDM
INFO OFFICE(S): AAG GDG MP MPI ES Aaid LACA LASA LACE AFEA
AFFE AFMS AFWA AFSA ANEN AANE ANME ANSE
ANCL ANOR EHR ENCA ECA ENPD ENI

INFO LOG-00 AF-01 ARA-01 ANHR-01 EAP-01 EUR-01
TEDE-00
IO-02 MMP-00 NEA-01 OIG-04 SA-01 /013R

DRAFTED BY: AID/NMS TASK FORCE:DLARNOLD·DLA
APPROVED BY: AID/A/M:LEBYRNE AID5884
AA/M:MLZEITLIN (DRAFT) M/MPI:CDMCGRAW
M/OP·CJOHNSON (DRAFT) M/ROR:LTANNER (DRAFT)
M/B:KMILOW (DRAFT) M/FM:DWARNOLD (DRAFT)
-----EDE518 181945Z /38

R 181937Z SEP 95
FM SECSTATE WASHDC
TO AID WORLDWIDE

UNCLAS STATE 221492

AIDAC

E.O. 12356: N/A
TAGS·
SUBJECT: REENGINEERING TRANSITION GUIDANCE.CABLE NO. 4:
NMS APPLICATIONS SOFTWARE (TGC # 4)

REFTEL: STATE 214052 (9/8/95)

I. INTRODUCTION.
RE REFTEL, THIS IS TRANSITION CABLE NUMBER 4. THE PURPOSE
OF THIS CABLE IS TO PROVIDE APPLICATIONS INFORMATION ABOUT
THE AUTOMATED NEW MANAGEMENT SYSTEM (NMS) TO BE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 221492 181941Z
IMPLEMENTED IN FY 1996 TO SUPPORT THE AGENCY'S KEY
BUSINESS PRACTICES; INFORMATION ON HARDWARE/INFRASTRUCTURE
IS COVERED IN TRANSITION CABLE NUMBER 3. THE
ESTABLISHMENT OF REENGINEERED POLICIES, PROCEDURES, AND
INFORMATION SYSTEMS FOR AN ENTIRE AGENCY IS A COMPLEX
PROCESS WITH MANY COMPONENTS TO BE CLEARLY DEFINED AND
IMPLEMENTED THE PICTURE YOU WILL FIND BELOW IS JUST THAT

231

- A SNAPSHOT OF THE IMPLEMENTATION PROCESS AT THIS POINT IN TIME. YOU WILL RECEIVE FURTHER UPDATES INFORMATION BECOMES AVAILABLE.

II. REENGINEERING IS KEY.

THE PRINCIPLE CONCEPT OF A REENGINEERED USAID IS THE ADOPTION OF PROCEDURES THAT EMBRACE THE AGENCY'S CORE VALUES: MANAGING FOR RESULTS, CUSTOMER SERVICE, TEAMWORK, AND EMPOWERMENT. THOSE NEW PROCEDURES WILL ALLOW YOU TO PLAN, ACHIEVE, MONITOR, AND EVALUATE RESULTS THAT INCORPORATE OUR BEST PRACTICES AND YOUR NEW IDEAS. THE ACCOMPLISHMENT OF THESE ACTIVITIES ARE THE RESULT OF PEOPLE WORKING TOGETHER IN A NEW WAY. ONE OF THE MANY TOOLS THAT WILL ASSIST USAID PERSONNEL IN WORKING IN THIS MANNER IS THE AUTOMATED NEW MANAGEMENT SYSTEM (NMS). THE USE OF THE NMS SHOULD NOT BE VIEWED, THEREFORE, AS HAVING REACHED USAID'S REENGINEERING GOALS - BUT, RATHER, ONE MEANS OF OBTAINING THOSE GOALS.

III. WHAT WILL USAID BE ABLE TO DO THROUGH THE NMS?

WITH FEW EXCEPTIONS, THE FUNCTIONS LISTED BELOW CAN BE PERFORMED BY USAID PERSONNEL WHETHER OR NOT THEY HAVE THE

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 221492 181941Z
NMS INSTALLED. THE WORK PERFORMED DOES NOT CHANGE BECAUSE WE HAVE AN AUTOMATED SYSTEM THE IMPLEMENTATION OF THE NMS DOES, HOWEVER, RESULT IN FASTER PROCESSING, REDUCTION OF PAPER, GREATER COMMUNICATION OF INFORMATION FOR DECISION MAKING, ELIMINATION OF DUPLICATE DATA ENTRY, AND A REDUCTION IN ERRORS WITH A RESULTING INCREASE IN ACCURACY OF THE DATA.

THE FOUR BUSINESS AREAS INCLUDED IN THIS FIRST SET OF SOFTWARE ARE AWACS (AGENCYWIDE ACCOUNTING AND CONTROL SYSTEM), BUDGET, ACQUISITION AND ASSISTANCE (PROCUREMENT), AND THE RESULTS TRACKING PORTION OF OPERATIONS.

A. THE KEY FUNCTIONS INCLUDED IN THE FIRST TRANCHE OF SOFTWARE ARE:

-- DEFINE AN ACTIVITY, LINKING IT TO THE PLANNED RESULTS, OBJECTIVES, AND AGENCY GOALS. DEFINE THE NATURE OF THE CAUSAL LINKS AND THE ASSUMPTIONS THAT SUPPORT THAT CAUSALITY. IDENTIFY THE TARGET CUSTOMER GROUP FOR THE ACTIVITY. DEFINE THE MEASUREMENT INDICATORS (WHETHER QUALITATIVE OR QUANTITATIVE) AND RECORD ACTUAL MEASUREMENTS. GENERATE PROJECTIONS OF FUTURE PROGRESS AGAINST MEASUREMENTS

-- DISTRIBUTE PREVIOUSLY NEGOTIATED OYB LEVELS TO THE MISSION/BUREAU LEVEL FOR FY96. (FY96 OYB PLANNING AND NEGOTIATING WILL TAKE PLACE OFF-LINE FOR THIS FY, BUT THESE FUNCTIONS WILL BE INCLUDED IN FUTURE RELEASES OF THE SOFTWARE). WITHIN THE MISSION/BUREAU, DISTRIBUTE THE OYB LEVELS PROVIDED BY USAID/W TO THE STRATEGIC OBJECTIVE,
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 221492 181941Z
ACTIVITY, AND SUB-ACTIVITY LEVEL, AS APPROPRIATE.

-- PLAN PROCUREMENTS, TO THE LINE ITEM LEVEL, AND CREATE A DETAILED REQUEST THAT INCLUDES THE STATEMENT OF WORK, DELIVERY SCHEDULE, TECHNICAL AND LOGISTICAL REQUIREMENTS, AND APPLICABLE WAIVERS AND JUSTIFICATIONS. THE SOFTWARE ALLOWS AN EARLY IDENTIFICATION OF THE PROCUREMENT TEAM, CONSISTING OF THE TECHNICAL TEAM MEMBERS, THE DESIGNATED 'REQUESTOR' OF GOODS OR SERVICES, THE ACTIVITY OR STRATEGIC OBJECTIVE MANAGER, THE CONTRACTING OFFICER, AND THE NEGOTIATOR IT ALSO ALLOWS THE ELECTRONIC ROUTING OF THE PROCUREMENT PLAN/REQUEST TO OTHERS FOR COMMENT/APPROVAL.

-- IDENTIFY THE FUNDING FOR THE PROCUREMENT TO THE LINE ITEM LEVEL AND COMMIT THE FUNDS THROUGH ELECTRONIC SIGNATURE. THE COMMITMENT IS PERFORMED BY THE ACTIVITY OR STRATEGIC OBJECTIVE MANAGER DESIGNATED IN THE MISSION/BUREAU/OFFICE TO HAVE THAT AUTHORITY.

-- EXECUTE PROCUREMENTS (CONTRACTS, ASSISTANCE INSTRUMENTS, SMALL PURCHASES), INCLUDING ADVERTISING OF SOLICITATION, EVALUATION OF RESPONSES, DESIGNATION OF AWARDEE. THE SOFTWARE ALSO ALLOWS FOR RECORDING ANY PRE-OR POST-AWARD PROTESTS AND PERTINENT INFORMATION RELATING TO EACH PROPOSAL.

-- MAINTAIN A VENDOR DATABASE WHICH INCLUDES VENDOR'S CAPABILITIES, PERFORMANCE ON OTHER CONTRACTS, MULTIPLE LOCATIONS, ETC THIS DATABASE IS USED FOR BOTH THE ISSUANCE OF CONTRACTS AND THE PAYMENTS TO VENDORS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 221492 181941Z

-- OBLIGATE FUNDS. THE OBLIGATION IS ALSO DONE THROUGH ELECTRONIC SIGNATURE AND IS PERFORMED BY THE PERSON WITH CONTRACTING OFFICER/WARRANT AUTHORITY.

-- RECORD DELIVERY SCHEDULES AND RECEIPT, ACCEPTANCE, OR REJECTION OF GOODS/SERVICES

333

-- PAY FOR GOODS/SERVICES RECEIVED, WITH APPROPRIATE INTEREST OR DISCOUNTS CALCULATED; AUTOMATED TRANSMISSION OF PAYMENT DATA FROM USAID/W AND THE MISSIONS TO TREASURY.

-- POST, AUTOMATICALLY, COMMITMENTS AND OBLIGATIONS TO THE GENERAL LEDGER AS WELL AS THE ABILITY TO POST APPORTIONMENTS, ALLOTMENTS, APPROPRIATIONS, DEF~~COM~~MITMENTS, DEOBLIGATIONS

-- REPORT OFFICIAL AGENCY FINANCIAL STATUS TO TREASURY AND THE OFFICE OF MANAGEMENT AND BUDGET (OMB).

-- CALCULATE AMORTIZATION SCHEDULES, COLLECTIONS, AND RECEIVABLES FOR LOANS, RESCHEDULE, CAPITALIZE, AND REFINANCE LOANS; RECORD THE SALES OF LOAN MATURITIES.

-- OBTAIN INFORMATION TO SUPPORT DECISION-MAKING THROUGH AD-HOC QUERIES OR STANDARD REPORTS ALREADY PROGRAMMED IN THE SYSTEM. THE SOFTWARE WILL BE AVAILABLE IN ALL MISSIONS/OFFICES TO PERFORM THE NECESSARY QUERIES AND STRUCTURE THE CORPORATE DATA IN WAYS THAT TURN THE DATA INTO USEFUL INFORMATION UPON WHICH MANAGERS CAN MAKE

UNCLASSIFIED

UNCLASSIFIED

PAGE 06 STATE 221492 181941Z
DECISIONS.

B THE NMS ALSO SUPPORTS THE FOLLOWING ACTIONS WHICH ARE CLEAR BENEFITS TO USING AUTOMATION FOR OUR WORK

-- ELECTRONIC TRANSMISSION OF REQUESTS FOR QUOTATION (RFQS), RFQ RESPONSES, AND PURCHASE ORDERS.

-- ELECTRONIC APPROVAL OF DOCUMENTS, CREATING THE ELECTRONIC FUNDING (COMMITMENT AND OBLIGATION)

-- ELECTRONIC STATUS REPORT ON PAYMENTS FOR ACCESS BY AGENCY VENDORS.

IV DATA MIGRATION.

A LARGE EFFORT IS UNDERWAY TO MIGRATE EXISTING PROJECT DATA, WITH ALL APPLICABLE FINANCIAL AND CONTRACTUAL INFORMATION, TO THE NEW ACTIVITY STRUCTURE. TO THE EXTENT DATA THAT IS ALREADY IN SYSTEMS CAN BE MOVED TO THE NEW SYSTEM, IT WILL BE. THERE IS SOME INFORMATION, SUCH AS STRATEGIC OBJECTIVES AND AGENCY GOALS, THAT DIDN'T EXIST PREVIOUSLY. ALL OFFICES/MISSIONS WILL BE RECEIVING DETAILS ON THE DATA THAT WE ARE ABLE TO CONVERT AND GUIDANCE ON HOW TO FILL IN THE MISSING PIECES. IN THE MEANTIME, EACH MISSION/OFFICE SHOULD REVIEW THEIR EXISTING PROJECT PORTFOLIO AND IDENTIFY THE ACTIVITIES AND

APPLICABLE STRATEGIC OBJECTIVES TO WHICH EACH SHOULD BE ASSIGNED.

V. ARE THE SYSTEMS INTEGRATED?

UNCLASSIFIED

UNCLASSIFIED

PAGE 07 STATE 221492 181941Z
THE SYSTEMS ARE INTEGRATED FROM A DATA PERSPECTIVE. THAT IS, EACH PIECE OF INFORMATION IS ENTERED ONLY ONE TIME AND IS REFLECTED, AS APPROPRIATE, IN OTHER MODULES OF THE SOFTWARE.

INTEGRATION CAN ALSO OCCUR FROM A PERSPECTIVE OF THE 'LOOK AND FEEL' OF THE SCREENS. IN THIS REGARD, THE FULL INTEGRATION IS NOT COMPLETE. IN ORDER TO CONCURRENTLY

DEVELOP SOFTWARE FOR FOUR LARGE BUSINESS AREAS, A PROJECT TEAM WAS CREATED FOR EACH AREA TO THE EXTENT THAT THE FOUR TEAMS COULD MAKE THEIR SEPARATE COMPONENTS 'LOOK AND FEEL' LIKE EACH OTHER WITHIN THE DELIVERY SCHEDULE, THEY HAVE DONE SO. THERE IS MORE WORK TO BE DONE ON THIS AND MODIFICATIONS WILL BE INCLUDED IN AN UPDATE TO THE NMS SOFTWARE NEXT SPRING.

VI. WHAT WILL BE IN FUTURE VERSIONS OF THE NMS?

THE SCHEDULE FOR DELIVERY OF THE FIRST SET OF SOFTWARE DID NOT ALLOW FOR ALL FUNCTIONS TO BE INCLUDED. THE NEXT RELEASE, CURRENTLY PLANNED FOR THIS SPRING, WILL INCLUDE THE FOLLOWING ADDITIONAL FUNCTIONS. (NOTE: IF SOME OF THESE ARE COMPLETED AT THE TIME WE DELIVER SOFTWARE IN DECEMBER, THEY MAY BE INCLUDED WITH THAT RELEASE).

-- ROLL MULTIPLE PROCUREMENT REQUESTS INTO ONE CONTRACT AWARD.

-- DEFINE, ALLOCATE AND TRACK FUNDS DIRECTED TOWARD AGENCY GOAL AND OBJECTIVE, CONGRESSIONAL EARMARKS AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 08 STATE 221492 181941Z
DIRECTIVES, ACTIVITY AND SPECIAL INTEREST CODES, ETC.

-- CREATE AND ANALYZE ALTERNATIVE BUDGET SCENARIOS, DETERMINE THE TOTAL USAID FUNDING BENEFITTING A COUNTRY NO MATTER THE FUNDING SOURCE WITHIN THE AGENCY, AND ANALYZE OPERATING EXPENSE COST CATEGORIES

-- PLAN AND IMPLEMENT THE STRATEGIC FRAMEWORK AND

ACTIVITIES INCLUDING BUDGET REQUEST AND FORMULATION, ACTIVITY SCHEDULING, FORMATION OF TEAMS, SELECTION OF CUSTOMERS AND FORMULATING CUSTOMER SERVICE PLANS, AND COLLECTION OF ACTIVITY-RELATED DATA; GENERATION OF ELECTRONIC DOCUMENTS REQUIRED IN THE PROGRAMMING PROCESS.

-- TRANSMIT ELECTRONICALLY VOUCHERS FROM THE VENDOR TO USAID AND SUBSEQUENT ELECTRONIC PAYMENT OF THOSE VOUCHERS TO THE VENDOR'S ACCOUNT.

-- PAY VENDORS IN FOREIGN CURRENCY.

-- RECORD AND GENERATE A BILL FOR ACCOUNTS RECEIVABLE. ACCRUE INTEREST, PENALTY AND FEE CHARGES, AS APPROPRIATE. CALCULATE AGING ON RECEIVABLES, RECORD AND APPLY COLLECTIONS.

-- ADJUST COMMITMENTS AND OBLIGATIONS.

-- ESTIMATE AND POST ACCURALS TO BOTH PROJECT AND GENERAL LEDGER

UNCLASSIFIED

UNCLASSIFIED

PAGE 09 STATE 221492 181941Z
-- PROCESS PAYROLL FOR USAID EMPLOYEES

-- ENHANCE REPORTING CAPABILITY.

VII. WHO ARE THE RECIPIENTS OF THE SOFTWARE?

ALL OPERATING UNITS WITHIN USAID WILL BE RECEIVING THE SOFTWARE. IN ADDITION TO SUPPORTING THE REENGINEERED BUSINESS PROCESSES, THE PRIMARY GOAL OF THE NMS WAS TO REPLACE EXISTING CORPORATE SYSTEMS AND HAVE ONE, INTEGRATED DATABASE. THE FIRST PRIORITY WAS THE REPLACEMENT OF FAGS (THE FINANCIAL ACCOUNTING AND CONTROL SYSTEM USED IN USAID/W), MACS (THE MISSION ACCOUNTING AND CONTROL SYSTEM), AND CIMS (THE CONTRACT INFORMATION MANAGEMENT SYSTEM). THEREFORE, THE INITIAL FOCUS IS ON THE LOCATIONS THAT HAVE THOSE THREE SYSTEMS. THE DELIVERY WILL OCCUR FIRST IN USAID/WASHINGTON, FOLLOWED BY THE 44 UNIX INSTALLATIONS OVERSEAS, AND FINALLY THE NON-UNIX MISSIONS. THE DETAILS SUPPORTING THE ROLLOUT PLAN ARE IN THE INFORMATION BELOW AS WELL AS IN TRANSITION CABLE NUMBER 3 ON NMS INFRASTRUCTURE (SEE REFTTEL)

NOT ALL EMPLOYEES WILL NEED TO USE THE NMS ON A REGULAR BASIS. ACTIVITY MANAGERS, PROCUREMENT OFFICIALS, AND CONTROLLER STAFF ARE LIKELY TO BE THE HEAVIEST USERS. THOSE WHO PERIODICALLY PLAN AN ACTIVITY, REQUEST A

PROCUREMENT, PREPARE THE BUDGET, OR APPROVE A PAYMENT MIGHT BE INTERMITTENT USERS AND, THEREFORE, NEED ACCESS TO THESE SYSTEMS ON A LESS-THAN-FULLTIME BASIS. AS OFFICES DEPLOY THE PCS NECESSARY TO RUN THESE SYSTEMS, THEY MUST BASE THEIR DEPLOYMENT OF THE 486 PCS ON THE NEEDS OF THE

UNCLASSIFIED

PAGE 10 STATE 221492 181941Z
USERS TO ACCESS THE NMS. THE FUNCTIONALITY OF THOSE SYSTEMS, LISTED IN PARA III ABOVE, SHOULD ASSIST YOU IN DETERMINING WHO NEEDS ACCESS TO THE APPLICATIONS.

VIII. WHEN IS THE TRANSITION TO THE NMS?

A NUMBER OF FACTORS CONTRIBUTE TO THE ABILITY TO ROLLOUT THE SOFTWARE, NOT THE LEAST OF WHICH IS HAVING THE TECHNICAL HARDWARE IN PLACE TO RUN THE SYSTEMS. SEE TRANSITION CABLE NUMBER 3 FOR DETAILS ON THE TECHNICAL INFRASTRUCTURE. THE CURRENT PLANS ARE AS FOLLOWS.

A USAID/W OCTOBER 1995

THE SOFTWARE WILL BE INSTALLED IN USAID/W IN EARLY OCTOBER AND WILL BE USED FOR THE INPUT OF FY96 DATA/TRANSACTIONS. REPRESENTATIVES FROM EACH OFFICE/BUREAU WILL BE TRAINED ON

THE FOUR MODULES OF THE SYSTEM DURING THE PERIOD 10/16/95 THROUGH 12/15/95 THE TRAINING COURSE OUTLINE, NUMBERS OF PEOPLE WHO CAN BE TRAINED, AND EXACT DATES ARE BEING DEVELOPED NOW FURTHER INFORMATION WILL BE PROVIDED TO ALL OFFICES/BUREAUS

B. MISSIONS WITH UNIX SERVERS JANUARY 1996

A PROCUREMENT IS UNDERWAY TO REPLACE THE SERVERS IN YOUR MISSION. TRANSITION CABLE NUMBER 3 PROVIDES DETAILS AND A LIST OF THE UNIX SITES. IT IS ANTICIPATED THAT THE SERVERS WILL BE INSTALLED IN THE MISSIONS BY LATE NOVEMBER. ONCE THE SERVERS ARE INSTALLED, THE NMS

UNCLASSIFIED

UNCLASSIFIED

PAGE 11 STATE 221492 181941Z
APPLICATIONS WILL BE LOADED. THEREFORE, THE CURRENT SCHEDULE IS FOR THE 44 UNIX MISSIONS TO BEGIN USING THE SOFTWARE IN A PRODUCTION MODE IN JANUARY 1996 TRAINING ON THE NMS APPLICATIONS WILL BE PROVIDED AT REGIONAL LOCATIONS FOR REPRESENTATIVES FROM EACH MISSION BEGINNING 1/7/96. THE TRAINING COURSE OUTLINE, NUMBERS OF PEOPLE TO BE TRAINED, EXACT LOCATIONS, AND DATES ARE BEING DEVELOPED NOW

C NON-UNIX MISSIONS

THE NON-UNIX MISSIONS WILL BE PERFORMING THE SAME BUDGET, ACQUISITION AND ASSISTANCE, AND RESULTS TRACKING FUNCTIONS AS THOSE MISSION WITH UNIX SERVERS. TESTS ARE IN THE FINAL STAGES TO DETERMINE THE HARDWARE/SOFTWARE SOLUTION FOR EACH SITE. A DELIVERY TIME WILL BE BASED, IN PART, ON THE PROCUREMENT OF ANY APPLICABLE SOFTWARE AND HARDWARE UPGRADES. A FINAL DECISION WILL BE COMMUNICATED TO THESE MISSIONS NLT 11/15/95.

IX. TRAINING PLANS

A. TRAINING OR ORIENTATION COMPLETED

THIS SUMMER, TRAINING WAS PROVIDED TO ALL OFFICE OF PROCUREMENT (M/OP) CONTRACTING OFFICERS, NEGOTIATORS, AND PROCUREMENT TECHNICIANS ON THE ACQUISITION AND ASSISTANCE SOFTWARE. IN ADDITION, AT LEAST ONE CONTRACTING OFFICER PER OVERSEAS MISSION WAS TRAINED, AS WELL AS SEVERAL FSN NEGOTIATORS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 12 STATE 221492 181941Z
ALSO THIS SUMMER, ALL CONTROLLERS IN WASHINGTON ON HOME LEAVE HAVE RECEIVED AN ORIENTATION OF AWACS. DETAILED AWACS TRAINING WILL OCCUR IN THE REGIONAL TRAINING DISCUSSED BELOW.

TWO HUNDRED PEOPLE ATTENDED THE TRAINING OF TRAINERS

COURSES DURING JULY AND AUGUST. THE COURSE CONTENT COVERED THE REENGINEERED BUSINESS PROCESSES, THE CORE VALUES AND SKILLS FOR TRAINERS. THE PARTICIPANTS WERE ALSO EXPOSED TO THE EMPLOYEE EVALUATION PROGRAM (EEP) AND THE NEW MANAGEMENT SYSTEMS (NMS). THE ATTENDEES TOOK A PRESENTATION OF THE NMS WITH THEM TO PRESENT TO THEIR MISSION/OFFICE COLLEAGUES. THAT PRESENTATION FOLLOWS A SAMPLE SCENARIO FOR A BILATERAL ACTIVITY IN HONDURAS FROM CREATION OF THE STRATEGIC OBJECTIVE THROUGH TO THE PAYMENT OF VOUCHERS AND MEASUREMENT OF RESULTS.

B UPCOMING PRESENTATIONS

IN SEPTEMBER, TWO PRESENTATIONS WILL BE MADE - ONE IN ROSSLYN AND ONE IN NEW STATE - FOR EMPLOYEES WHO WISH TO SEE THE SYSTEMS. EXACT DATES AND TIMES WILL BE ANNOUNCED.

C. DETAILED TRAINING USAID/W AND OVERSEAS

TRAINING ON ALL FOUR BUSINESS AREAS WILL BE PROVIDED TO

REPRESENTATIVES FROM EACH BUREAU/OFFICE IN USAID/W DURING THE PERIOD 10/16/95 THROUGH 12/15/95. FOR MISSIONS, REGIONAL TRAINING WILL BEGIN 1/7/96 AS MENTIONED IN PARA IV, DETAILS ARE TO FOLLOW.

UNCLASSIFIED

UNCLASSIFIED

PAGE 13 STATE 221492 181941Z

X. POINTS OF CONTACT

THROUGHOUT THE ROLLOUT AND SUBSEQUENT USE OF THE NMS, SUGGESTIONS FOR IMPROVEMENTS AND CORRECTIONS IN THE FUNCTIONALITY OR SCREEN DESIGNS MAY BE MADE TO THE FOLLOWING PROJECT LEADERS.

- DOUG ARNOLD, ACCOUNTING (AWACS)
- LARRY TANNER, OPERATIONS (RESULTS TRACKING AND, LATER, PLANNING AND IMPLEMENTATION)
- KEN MILOW, BUDGET
- CARRIE JOHNSON OR TERRY PAYNE, ACQUISITION AND ASSISTANCE

ISSUES WITH RESPECT TO REENGINEERED BUSINESS PROCESSES AND CORE VALUES SHOULD BE DIRECTED TO THE RESULTS ORIENTED REENGINEERING (ROR) TEAM (RICHARD BYESS, DIRECTOR, M/ROR). QUESTIONS REGARDING THE CONTENTS OF THIS CABLE MAY BE DIRECTED TO THE NMS TASK FORCE, DIANNE ARNOLD OR MICHAEL

ZEITLIN
CHRISTOPHER

UNCLASSIFIED

NNNN

INFORMATION

USAID/GENERAL NOTICE
M/ROR
10/05/95

SUBJECT Reengineering Transition Guidance Cable No 5
Customer Service Planning

REF STATE 214052

I Summary

This notice provides guidelines, information, and contacts to assist USAID missions and offices in developing customer service planning as part of Agency reengineering. Consistent with the Administrator's statement of principles on participatory development (STATE 94/007970) the reengineering team's Business Area Analysis of USAID operations highlighted the fact that participatory approaches and close attention to customer service are critical elements in reengineering our Agency. These elements have been incorporated in USAID's new automated directives system (ADS), which will guide operations beginning October 1, 1995. Effective customer service planning will assist missions and offices in reducing transaction costs associated with delivering program resources to our partners and customers. By identifying probable customers and assessing their needs as we determine country and sector strategies, and engaging potential customers to participate as we plan, implement, monitor and evaluate activities aimed at achieving results toward our strategic objectives, we will obtain greater support and commitment from our customers and encourage more effective and sustainable outcomes for USAID programs. Customer service planning is an ongoing process. Customer service plans provide essential input to operating units' strategic plans, and to results review and resource requests.

II What Should a Customer Service Plan Contain?

Customer Service Planning (CSP) is a tool for operating units which manage program resources to achieve results. Planning should be designed to meet the specific information needs of the operating unit, to enable the unit to better determine the obstacles, opportunities and benefits experienced by its various customers (male and female, young and old, ethnic and religious groups etc.) In accessing and using a unit's program services,

and their views of its service performance, allow the unit to develop performance measurements and standards which may result in improvements in its programs, assess the unit's comparative strengths in the host country and identify weaknesses which can then be addressed systematically, establish internal communications regarding customers within the unit's teams, and provide for responsive communications between the unit and its partners and customers, and allow the unit to express its commitment to quality service, and to USAID's goals and values, in its host-country context

In conformity with the U S Government's Executive Order 12862, which specifies criteria for customer service plans, an operating unit's customer service planning documents reflect its customer service planning process Customer service plans should

A Present and explain the unit's "vision" for achieving its objectives via its reengineering efforts,

B Identify the unit's customers and partners, reflecting the unit's decisions about the strategic focus of its program, and how they are linked both to USAID and to each other,

C Identify and describe the services being, or planned to be, provided to customers and partners, and indicate the points of contact for each service,

D Explain how customers have been surveyed to determine their views of the unit's services, and when they will be surveyed again,

E Present the areas identified by surveying customers for improving service provision and service quality, and explain the actions the unit intends to take to address these issues,

F Identify the key customer service standards which the unit develops and to which it will commit itself -- such as reliability (the ability to perform dependably and accurately), responsiveness (willingness to act effectively, appropriately, and promptly in response to a proposal, situation, or concern), courtesy, assurance (ability to convey trust and confidence), empathy (ability to demonstrate caring and concern for individual customers), and physical arrangements or procedures which facilitate effective customer contacts,

G Explain how customer survey findings, and customer service standards, will be communicated to partners and customers, and

H Note unit points of contact for customer service issues -- names, titles, responsibilities, addresses, telephone, fax, and E-Mail information

The customer service plan should be in a form which can be widely distributed and shared with customers, partners, and stakeholders, and within the Agency. The document will reflect an iterative planning process and is subject to periodic review and revision within the operating unit. Customer service plan documents are not reviewed and approved outside the operating unit itself. The unit's initial customer service plan, based on a combination of existing information and additional customer assessments and prepared as part of the unit's transition to the new operating system, will be "replaced" by succeeding versions which incorporate further feedback from customers, partners, and operating experience. Customer service planning provides essential input to the operating unit's strategic planning, results reporting, and resource requests, submitted periodically to AID/W.

III Definitions

A Customer Service Plan A working document which describes the operating unit's ongoing and proposed actions for identifying and engaging the participation of its customer groups and partners in planning, implementation, monitoring and evaluation of its programs. Operating units are encouraged to follow good business practice to use customer input and feedback to improve decision making, customer service quality, and customer satisfaction.

B Ultimate Customers The National Performance Review defines "customer" as "an individual or entity who is directly served by a department or agency." USAID's agency-level customer service plan defines our ultimate customers as those host country people, especially the socially and economically disadvantaged, who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results. An operating unit's ultimate customers are defined as those who are end users or beneficiaries of activities under its strategic objectives.

C Intermediate Customers Persons or organizations, internal or external to USAID, who use USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers

D Partner An organization or customer representative with which/whom USAID collaborates to achieve mutually agreed upon objectives and to secure customer participation Partners include U S Private and Voluntary Organizations (PVOs), indigenous and other international non-governmental organizations, universities and other USG agencies, host country governments at all levels, U N And other multilateral organizations, professional and business associations, and private business To the extent that USAID resources or activities facilitate a partner's ability to achieve results, partners are also intermediate customers

E USAID Contractor An organization or individual acting as an agent of USAID and carrying out a scope of work financed by USAID Although the relationship between USAID and a contractor is qualitatively different from that between USAID and a partner, in terms of service delivery links to USAID's ultimate customers, contractors are also intermediate customers whose performance is related to the reliable and timely action of USAID operating units

F Stakeholder Parties whose support or acquiescence is necessary for USAID program success and achievement of political, developmental, and/or humanitarian assistance goals (host country persons or groups, the US Congress and Executive Branch, U S taxpayers, PVOs, universities, and private firms, other donors, etc)

G Participation The active engagement of partners and customers in formulating ideas, committing time and resources, jointly making decisions, and taking action to bring about a desired development objective

H Surveying A "cover term" for a wide range of methods/techniques intended to obtain quantitative and qualitative input on USAID programs' service delivery performance from customers and provide deeper understanding of the socio-political and economic contexts in which various customers live

and work It can include -- singly and in combination -- focus groups, consultations, rapid appraisals, mini-surveys, formal large scale surveys, individual and group interviews Decisions on what methods to use are based on assessment of the kinds of information needed as well as other considerations (time limitations, finances, technical resources/expertise available, logistics, etc)

IV Steps in Initiating Customer Service Planning

Since each unit operates in a unique cultural as well as developmental context, it is most appropriate to offer broad suggestions (based on similar types of efforts in the past) as guidance, rather than a specific but possibly unrealistic plan of action Missions and offices vary widely in program size, staff resources, budget and other resources, and logistical support Customer service plans, like strategic plans, must aim for achieving results in a practical, implementable fashion To repeat customer service planning is a work process management tool which enables operating units to obtain essential feedback and incorporate it into operations to achieve better program performance Customer service plans should, therefore, be kept as simple, and practical, as possible They should be created in-house, and not produced by external specialists, if they are to be "owned" by the unit itself

A The unit should designate one or more individuals to coordinate customer service planning efforts across strategic objective teams and to serve as liaison for customer service issues with AID/W He/she should have some familiarity with evaluation/monitoring methods and/or total quality management approaches, and experience with social soundness and institutional assessments/surveying techniques In field missions, one or more FSN staff should be included to backstop the CSP effort, providing insight into local factors and/or conditions which could affect customer service, as well as long-term continuity for managing customer service in the future This customer service team can also serve as the contact point for customer service backstopping from AID/W CSP activities may be intensive at times, and should be incorporated into the designated individuals' work plans

B Customer service planning should be kept as simple and practical as possible. Before designing customer surveys, the unit should review its existing knowledge base and use documentary and other sources to develop information regarding its current and potential customers, customer networks, and the socio-political and economic contexts which affect various customers' participation in its programs. Information should include

1 The unit's ultimate customers for its program portfolio -- defined according to the strategic objectives of the unit's program and taking into account gender, ethnicity, age and other social factors as appropriate to the country program context

2 The linkages between the unit, its partners, and its ultimate customers -- a description of the unit's customer network and the roles of the various components of that network

3 The actual contact points between the unit, partners, and customers, and the frequency of contacts, and where they occur

4 What different types of customers and partners expect from the unit's programs

5 What these customers and partners feel is most satisfactory, and what is least satisfactory, about the unit's programs

6 The key stakeholders of the unit's programs, and their influence and relations with different customers and partners. Are they in some instances also partners -- or customers?

C The operating unit's teams responsible for the management of program resources toward achievement of strategic objectives should then lead focused in-house discussion of these questions, and others that will emerge, so that the unit reaches a working consensus on who its actual and potential customers and partners are, current practices regarding customer relations, and the major issues affecting customer service relationships within the context of ongoing and proposed activities aimed at achieving results and meeting strategic objectives. This information may be developed through "brainstorming", document review, focus groups within the mission, key informant interviews, etc

Information provided through team and unit discussion will enable the CSP team to develop plans, survey hypotheses, and instruments for surveying, using in-house or other resources as available and practical. This information should be based on the definitions of customers, partners, customer networks, etc., outlined in section II of this notice. If a unit is developing a country strategy, the kinds of information needed, the range of customers, and the types of surveying the unit wishes to do may be very different from what is required if it is assessing customers regarding activity design or achievement of results in an ongoing program.

D. The unit will need to determine the resources required and available for surveying to gather information for the development and periodic updating of its customer service plan, the appropriate time-frame for customer service planning activities so that the information obtained can inform the overall unit effort, sources of local assistance (consultants, universities, private firms), and mechanisms (such as local purchase orders or IQCs) which the unit may use. Based on their determination of what information is needed from customers and what makes technical, financial, and logistical sense, the unit CSP team decides which methods can be most effectively used and takes appropriate action. Methods might include facilitated focus group discussions, key informant and other interviews, consultations, formal questionnaires, mini-surveys, and/or rapid appraisals. They should aim at eliciting rapid, timely, and reliable information within the context of the unit's sociocultural setting and logistical constraints.

The unit's customer service planning should be closely integrated with its overall strategic plan. It should spell out who (in terms of gender and other relevant social categories) will implement, participate in and benefit from achievement of the strategic objectives, and how people-level impact will be measured and monitored. It should also conform to the Agency's automated directive system for planning, achieving, and monitoring and evaluation. Customer service planning must reflect the unit's core values and vision in order to be an effective management tool over the long term, and not "just another exercise for AID/W consumption". It should become increasingly better grounded in findings from customer surveys, and include customers and partners in its preparation. Customer

service planning should always look toward what might be done more effectively to deliver USAID resources and improve program-level impact related to mission strategic objectives, what customer service standards the unit will use to measure program impact and customer service quality and satisfaction, and how the unit will communicate customer survey findings and standards, and get feedback, from customers and partners. The unit should work with its partners to assist them in preparing similar customer service plans, and executing their own customer surveys.

As part of long-term planning for sustaining its efforts, units should establish a continuing capability (through, e g , local institutions or firms familiar with customer surveying) for executing periodic customer service assessments related to mission strategic objectives and program portfolio, within staff and resource limitations.

V Tools and Technical Assistance for Customer Service Plans

A Reengineering References Over the past several months, a number of short documents have been prepared dealing with customer service planning, service quality assessments, and techniques useful for customer surveying. In addition, several CDIE publications deal with survey methods. The Agency's Participation Initiative Staff are collecting case examples of "participatory practices", and provides a useful resource through its participation forums. The PPC Participation Initiative Staff are preparing a revised and expanded "Resources and Tools for Participation" which will be available agency-wide soon.

Contacts Diane Lavoy, Senior Policy Advisor for Participatory Development, PPC/AA (202-447-7057), Anne Sweetser, Participation Specialist, PPC/AA (202-647-7072), Krishna Kumar, Senior Social Science Advisor, PPC/CDIE (703-875-4964), Sher Plunkett, Customer Service Officer, M/ROR (202-663-2496), and Liz Baltimore, Customer Service Officer, M/ROR (202-663-2459)

B Technical Assistance from Contractors M/MPI's new IQC for management consulting is oriented toward assisting units in their reengineering efforts. This IQC will be available in November 1995 to provide analytical and training support for operating units. Contacts Susan Walls, M/MPI (202-647-0943) and Bill All1, M/MPI, (202-647-2172)

C Survey Software Some Experimental Laboratory missions (CELS) have made use of "RAOSOFT Survey", a computer program which can be used to design questionnaire forms, enter data and analyze results of surveys. The software package allows the user to design questions (yes/no, multiple choice, open ended comment, weighted score, date, time or numeric format), does automatic data tabulation by frequency and percentage, and creates bar and pie charts instantly from analysis, or allows you to create your own charts. This software may be purchased by operating units to assist in developing and maintaining capability in customer surveying. Contact Joseph Gueron, Information Systems Specialist, M/IRM (703-875-1734)

D M/ROR Backstopping The M/ROR customer service team will send units additional materials on customer service, customer service assessments, etc. From the National Performance Review and other sources as they are identified and become available. The team will answer questions from units regarding customer service issues and provide technical support on customer service planning, customer surveying, and participatory approaches to achieving agency goals.

Points of Contact Sher Plunkett (phone 202-663-2496, Fax 202-663-2204), Liz Baltimore (phone 202-663-2459, Fax 202-663-2204). They will work in close coordination with the Regional Bureau Transition Coordinators, desk officers and customer service backstops, with PPC/CDIE and PPC's Senior Policy Advisor for Participation Development, and with M/IRM. Please let your regional bureau customer service backstop and the M/ROR team know what assistance you need for customer service planning in your operating unit.

Notice 1006

INFORMATION

USAID/General Notice
M/ROR
10/06/95

SUBJECT Transition Guidance Cable No 6 Transition to
Reengineered Operations Processes - Achieving

REF STATE 214052

I Introduction

A The ADS operations directives (Chapter 201, Strategic Planning, Chapter 202, Achieving, and Chapter 203, Monitoring and Evaluating Performance), replacing Handbooks 2 and 3, went into effect October 1, 1995. This and other transitional guidance cables should be viewed as supplements to the ADS. Operating units should form teams in support of their strategic objectives, develop results frameworks for approved strategic objectives, and align current portfolios with the results frameworks. Further details on this process are provided in the guidance cable on reengineering operations processes, State 221490, and in Paragraph IV below.

B The Achieving chapter, coupled with the Strategic Planning and Monitoring and Evaluating Performance Chapters, forms the operations directive in the series 200 Program Assistance, of the ADS. The Chapter's objective is to ensure that resources are effectively used in carrying out the Agency's development and humanitarian assistance programs, with a focus on the core values emphasizing (1) a results orientation, (2) meeting ultimate customer (end beneficiary) needs, (3) a teamwork approach (including partners and customers), and (4) empowerment and accountability for those individuals and management units closest to the development and humanitarian problems being addressed. Those responsible for drafting the Achieving Chapter coordinated with those drafting other series 200 directives, e.g., participant training, disaster assistance, food aid, housing guarantees, environmental procedures, and various other policies, to help assure consistency in the directives bearing on the implementation of USAID assistance.

programs

II What Will be Different in the Reengineered USAID?

A Results Orientation

1 Greater emphasis is placed on achieving results. While input/output management remains important, Agency staff at all levels are expected to stay focused on the results (established in the results framework) which are essential to accomplishing a given strategic objective. The annual operating unit's results review and resources request (R4) submission will focus on the progress being made in accomplishing planned results, and budget allocations and individual performance evaluations will give higher priority to such progress. Performance monitoring information and evaluation findings will figure prominently in registering progress and making adjustments to implementation arrangements in order to achieve planned results.

2 Results packages provide a more versatile instrument for achieving a strategic objective. Strategic objective teams will organize activities in results packages to accomplish the results set forth in the results framework and deemed essential to accomplishing the related strategic objective. A results package consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established timeframe. It is managed by a strategic objective team or, if desired, by a subsidiary team (results package team). In addition, strategic objective teams create, modify and disband results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective.

B Role of Customers

Closely linked to the results orientation discussed above is a substantially enhanced role for customers to play in all phases of USAID programming. Operating units will be following their customer service plans in engaging both customers and partners in program implementation, as well as program planning, monitoring and evaluation. The objective is to ensure that both intermediate customers

(people and organizations using USAID resources to meet the needs of the ultimate customer, or end-beneficiaries) and ultimate customers are appropriately integrated into USAID's standard operating procedures for executing programs and achieving results. Operating units, particularly the strategic objective core team, will need to consider carefully how best to engage and retain representatives of customers and key development partners on the strategic objective expanded team (see team discussion, below). In addition to customer and partner representation on the strategic objective team, the priority needs and desires of customers can be ascertained through focus groups, town meetings, formal and informal consultations, customer surveys or research, and rapid appraisals.

C Role of Teams

The role of teams in managing resources for results is given greater prominence in the reengineered USAID. While teamwork begins at the planning stage, it is mandatory at the implementation stage. Following agreement on a Management Contract between the cognizant bureau and the operating unit, operating units will establish the authorities and other parameters governing strategic objective team operations and designate a strategic objective core team for each approved strategic objective. The core team, consisting of USAID employees and others authorized to carry out inherently U.S. governmental functions, will establish the strategic objective expanded team, which shall include partners, customers and others relevant to or impacted by the attainment of the strategic objective. The combined core and expanded teams constitute the strategic objective (SO) team. The SO team members are expected to hold themselves individually and collectively accountable for achieving the strategic objective. This principle also applies to subsidiary teams designated by the SO team to achieve a specified result or set of results.

D Empowerment and Accountability

1. A central precept of reengineering is the empowerment

and accountability provided to management units and individuals as close as possible to the development and humanitarian problems being addressed by this Agency. In this spirit, delegations of authority are expected to flow further and more broadly down the chain of command from the Administrator to Assistant Administrators to the heads of operating units to strategic objective teams and their subsidiary teams. Where delegations flow from the Administrator to central bureaus and offices, the same principle would apply. Obviously, those delegated responsibilities at each stage must make informed judgments about further delegations. Delegations are concurrent and one is not relieved of responsibility by delegating to a lower level in the chain of command. It is incumbent on each level of management to insure, in making delegations, that the capacity, experience, judgment and technical knowledge exist that is required by the next lower level to responsibly exercise delegated authorities.

2 Teams are expected to hold themselves accountable and to insure that the team contains the capacity, experience, judgment and technical knowledge required to insure that the agency's requirements (legal, policy and essential procedures) are complied with in conducting Agency business. In terms of accountability, to the maximum extent possible, individual performance work plans and evaluations will be tied to results and related benchmarks contributing to established strategic objectives, strategic support objectives or special objectives.

III Documentation Requirements

A While every effort has been made to reduce regulations and documentation requirements, there remains a set of documents which operating units will need to prepare, issue and retain. These are listed in Appendix B of Chapter 202, and include the following: Strategic Plan, Management Contract, Customer Service Plan, Results Review and Resource Request, Congressional Presentation, obligation documents, nonobligating agreements (e.g., Memorandums of Understanding), implementation orders, implementation letters, results frameworks and associated results package documents, closeout reports, audits,

performance monitoring documents, budget information, Congressional Notifications, waivers, environmental reviews, statutory checklists, and SO team and subsidiary team membership lists, delegations and other parameters governing their operations. Once phase two of the NMS is in place, some of these documents can reside in the corporate data base and be drawn upon as needed.

B Although most of this documentation is familiar to USAID staff, the ADS will include guidance on the preparation of these materials. For example, Chapter 201 discusses Strategic Plans, Customer Service Plans, Results Frameworks, and Management Contracts, Chapters 201 and 203 discuss the R4 (see also Paragraph 3 C, Below), Chapter 203 discusses monitoring and evaluations, series 300 will include model agreements and related guidance for both obligating and non-obligating documents, and Chapter 202 will include guidance on teams, statutory checklists, implementation letters, Congressional Notifications, analyses, and developing and monitoring activities. As necessary, USAID/W will provide additional guidance on the preparation, issuance and retention of these documents.

C Results Review and Resources Request

The R4 is discussed in some detail in the forthcoming operations directives at 201 5 16, E201 5 16A, E201 5 16B, E201 5 16C and 203 5 9A, note particularly E201 5 16A for a discussion of the R4 content. Individual bureaus will provide additional guidance on the R4 with a view to tailoring specific R4 submission requirements to the needs of a given bureau. Such guidance will be cleared by M and PPC.

IV Additional Guidance on Portfolio Transition

While the recent cable entitled, "transition to reengineering operations processes" (State 221490) provides guidance on this topic, additional complementary guidance is provided on the topics listed directly below, which are keyed to topic headings in the above referenced cable. An upcoming transition cable on Results Frameworks is also central to the transition from the old system to the new system embodied in the ADS.

A FY 1996 Obligations

In the process of aligning current portfolios with key intermediate results and related strategic, support, or special objectives and obligating additional FY 1996 funds for such objectives, missions should, where feasible, give preference to obligating new funds by strategic objective agreements. Obviously, care must be exercised in the alignment/obligation process and regional legal advisors and contracting officers should be consulted in the process.

B Alignment of current portfolios with strategic, support, or special objectives

1 For accounting purposes, a specific activity under a given project or program can be aligned to only one strategic, support or special objective at a time. However, programmatically, one activity could support more than one objective and this should be reflected in program documentation. Moreover, the various activities under a given project or program can be aligned with more than one objective. Strong preference is given for the continuation of activities which align with an operating unit's objectives. Conversely, activities which do not support achievement of an objective should be treated pursuant to the guidance outlined in Paragraph 3 of the "Transition to Reengineering Operations Processes" cable.

2 Ongoing project or program authorizations and supporting PROAGS may be amended to indicate which results(s) they support under which objective(s), but only if the amended authorizations and PROAGS are consistent with their respective authorized purpose and do not exceed presently authorized funding levels, or unless specifically approved as part of a Strategic Plan, Management Contract or R4.

C Aligning Existing Activities to Strategic Objectives Within AWACS

Before the AWACS system can become operational, operating units will need to realign ongoing activities within the

strategic plan which forms the basis for the new management system. This will require that existing project and program data be mapped to the new system. It is necessary for the personnel most knowledgeable about the operating unit's program to direct the migration so that project/program data are assigned to the appropriate strategic objective and activity.

All data will be moved from MACS to AWACS. However, since AWACS has many more data fields than MACS, some data for existing activities will have to be entered manually. To carry out the migration, every operating unit will begin by producing a listing of every commitment, whether open or closed. Selected knowledgeable controller, project and program personnel will review the list and assign the old commitments to strategic objectives, activities and subactivities and to managing offices or strategic objective teams within the operating unit. Data entered in the conversion tool will be moved electronically to AWACS to avoid the need for redundant entry. Operating units will receive detailed instructions on how to complete this process, along with special USAID-designed data migration tools, when the new servers are delivered.

V Whom to Contact for More Information

A There will be an extensive help network established in USAID/W to assist bureaus, missions and other operating units during the transition period. For questions related to the new operations system, remember that the first point of contact is your bureau's transition coordinator. The bureau coordinators are:

AFR	David McCloud, AFR/DP
ANE	Frank Young & Jay Nussbaum, ANE/ORA
ENI	Jeff Evans, ENI/PCS
LAC	Bob Jordan, LAC/DPP
BHR	Fred Cole, BHR/PPE
G	Lorie Dobbins, G/PDSP

B Subject matter specialists have been designated to work with the bureau coordinators to insure consistency and accuracy of answers. The subject matter specialists

are

Strategic Planning Michelle Adams-Morgan, Dirk Dijkema

Achieving John Bierke, Barry Burnett

Results Frameworks John Bierke, Tony Pryor

Monitoring and
Evaluating Performance Sharon Benoliel, John Haecker

Customer Service Plan Sher Plunkett, Liz Baltimore

Legal Matters Herb Morris

Operations Software Larry Tanner, David Neverman

General Guidance on
the Operational
Directives Richard Byess, David McCloud

Transitional Issues Wayne King

Notice 1009

INFORMATION

USAID/GENERAL NOTICE
M/ROR
10/25/95

SUBJECT Reengineering Transition Guidance Cable No 7 Results Framework Development

I Summary

A The new Automated Directives System (ADS) became effective on October 1, 1995. This cable provides guidance to assist operating units in transitioning from the old to the new operating system (described in ADS Chapters 201 through 203). This cable does not establish new policies or change the essential procedures contained in the ADS.

B Guidance on developing strategic plans, the results frameworks (RF) and/or converting of existing plans is provided. All of this will take time but we believe it is essential and all operating units will be measured on their success.

C Operating units should submit to USAID/W in the spring of 1996, along with their Results Review and Resource Request (R4), a results framework for all objectives. These RF(s) will be employed to reach FY 97/98 budget decisions. All operating units must have a results framework in place for their SO(s) by the end of FY 1996. Operating units are also expected to have their customer service plans and performance monitoring plans in place by the end of FY 1996. Operating bureaus will provide additional guidance to operating units regarding timing, incorporation and utilization of results frameworks in strategic plans and R4 submissions. All new or revised SO(s) must be submitted to the cognizant Assistant Administrator (AA) for approval.

D Software that supports presentation of information regarding the results framework will be provided in USAID/W in October 1995 and in the field by December 1995. In the spring of 1996, software incorporating planning, implementation and reporting will be rolled out.

E There is an extensive help network available in USAID/W to assist operating bureaus, missions and other units during the transition period. The initial points of contact are your operating bureau's transition coordinator and bureau subject matter

experts (SME) listed in Paragraph VI below

II The Results Framework (RF) and its Purposes

A The RF consists of the SO, supporting intermediate results, and performance indicators for which an operating unit is willing to be held accountable. It is also the framework that individuals and teams must use to manage their work, time and money. The RF is dynamic and subject to change by an operating unit based on its experience. This flexibility facilitates refinements in the intermediate results and activities, over the life of the strategic objective.

B The RF defines the work/roles of employees, agents, partners and customers in terms of intermediate results to achieve a strategic objective.

C New strategic, special or strategic support objectives (SO(s)) or substantive changes to SO(s) must be reviewed fully AA(s) with concurrence from PPC, M, GC, G and BHR, approve SO(s). Changes in intermediate results or activities do not require USAID/W approval, as long as the final results as well as resource requirements (funding, staff), internal logic and time frame are the same as described in the management contract.

D Operating units should not confuse the RF with a Results Package (RP), another management tool. RP(s) are discussed in Chapter 202 of the ADS and in State 214430 Transition Guidance Cable No. 6 on Achieving. The RP defines how the SO team organizes intermediate results and activities. Conceivably, any SO team could organize intermediate results and activities into a variety of different RP(s). Organization of a RP is an internal SO team decision on how best to organize activities to accomplish intermediate results as well as to allocate staff, time and budget to develop, implement and achieve them.

III Preparation and Participation

A Key to successful RF development is including the appropriate people and assuring their participation in the analysis and decision-making. RF development binds customers, partners and USAID staff together and forms the basis for definition of subsequent RP(s).

B RF development can take time and must involve USAID staff and partners We must not simply accept what is in existence We must put all activities through this process

C The RF is the basis for reaching agreement with customers and explaining to Congress what is to be accomplished, at what cost, and over what time frame While intermediate results may require change, the ability to convince budgeteers that we are succeeding may be damaged if we change too frequently

IV Analytical Process

Dependent on field conditions, operating units are encouraged to experiment with the process of developing a results framework and converting approved SO(s) into a results framework. Operating units may present intermediate results in the RF either sequentially (ordering of results by the order in which they may occur in achieving the SO), or hierarchically (ordering of results by importance or significance with respect to SO achievement) and/or a combination of both The results tracking software, that will be released in December to the field, will assist in providing standardization and consistency for presentation purposes but is not required to implement the RF process

A In developing new SO(s) and results frameworks operating units should

1 State the development hypotheses, showing cause and effect relationships, and describe how the accomplishment of intermediate results will lead to the achievement of the SO. When objective trees were employed, they often focused on providing one level (program outcomes) of objectives in accomplishing the SO They will need other levels of results Several levels of intermediate results are necessary to allow for alignment of activities and measurement of progress in achieving them How many indicators and measures for intermediate results are sufficient? This is left to the discretion of the operating unit to work out with its technical team, both within the operating unit and in consultation with partners and other relevant USAID offices

2 The SO team should verify their reasonableness through consultation with customers and partners as well as through a review of our best practices

3 Responsibilities for intermediate results must include who will be responsible (USAID, host government, partners and/or others including other development agencies) When these results are added to the RF, as assumptions or intermediate results, it ensures their progress is monitored

4 Articulate indicators and identify time frames for achievement of intermediate results

5 Examine dualities Intermediate results under one SO may contribute to the achievement of another SO An example would be a result to "increase local government authority over managing schools" Represented as an intermediate result within a D/G SO and RF, if it also contributes to an education SO, it should be represented there as an assumption

6 Estimate resources to be contributed by USAID (both locally and centrally funded), as well as resources (cash and in-kind) contributed by other partners (particularly, the host government) for all activities, intermediate results and SO(s) The life of funding for SO(s) will not be formally authorized, as was the practice with projects and programs

B Developing RF(s) from existing SO(s)

1 Approved SO(s) remain valid For SO(s) that can not be achieved within 5 to 8 years, review their development hypotheses and the cause and effect relationships as amended to meet the requirements of the RF Focus on intermediate results that lead to achievement of the SO If issues arise about the validity or quality of the SO, the operating unit should consult with their operating bureau

2 SO(s) and program outcomes developed under PRISM require redefinition in terms of intermediate results that lead directly to achievement of the SO and/or other intermediate results Program activities may also need redefinition as intermediate results

3 For approved SO(s), projects, programs or on-going activities with no RF, begin by identifying the intermediate results that the activities were designed to achieve Operating units should not assume that long-standing programs with approved CDSS(s) and

CPSP(s) automatically have a results framework

4 Articulate the development hypotheses and the intermediate results that have already been identified

5 Identify other activities (undertaken by the host government and/or other donors) necessary to SO achievement, but not yet covered in your RF. Add these to your RF, initially as assumptions to be verified and possibly incorporated later into the body of the framework as intermediate results. Monitoring of these assumptions is critical for measuring progress in the achievement of the SO.

6 Many SO(s) will require restructuring and/or validation, in conjunction with partners and customers. Consider whether the results already being supported through existing contracts, grants and other actions are indeed necessary and sufficient for achieving the stated SO. For example, if the SO is increased participation in civil society, consider whether existing activities are producing the desired result -- increased participation in civil society -- and whether the existing contracts and grants are effectively reaching the groups necessary to bring about this result. Determine whether this analysis suggests the need to expand existing interventions to include new intermediate results, to develop new activities, or to phase down or eliminate activities that do not support your RF.

V Tools, Presentation and Review

A Operating units should not wait for or let themselves be constrained by the structure of the results tracking software. Operating units should explore and experiment with alternative approaches to development and presentation of the RF. Illustrative approaches are as follows:

1 A tree similar to an organization chart with the intermediate results (measures and targets) in the boxes and with narratives describing the hypotheses, assumptions and causality associated with the connecting lines.

2 Outlines that include a discussion of hypotheses, assumptions, causality, intermediate results, measures and targets, or

3 Networks, which are ideal for presenting results sequentially

and similar to a PERT chart or map of possible alternative routes/detours between points A and B (allows one-to-many relationships between intermediate results in addition to the many-to-one relationships dictated by an organization type chart or an outline)

B The RF is submitted as part of the strategic plan (SP), SP amendment containing a new SO and to support the R4 submission. The SO is approved by the cognizant AA for the operating bureau. Normally the operating bureau's AA will only approve the SO. Within the boundaries of the management contract the RF should evolve as information and experience increases. substantial changes to the RF should be highlighted in an SO amendment or annual R4 submission. Operating units, in consultation with cognizant operating bureaus, shall decide whether modifications to intermediate results are substantial in nature.

VI Help During Transition

There is an extensive help network established in USAID/W to assist bureaus, missions and other operating units during the transition period. The first point of contact is your bureau's transition coordinator.

A The bureau coordinators are

AFR David McCloud, AFR/DP
 ANE Frank Young & Jay Nussbaum, ANE/ORR
 ENI Jeff Evans & Jeff Malick, ENI/PCS
 LAC Bob Jordan, LAC/DPP
 BHR Fred Cole, BHR/PPE
 G Lorie Dobbins, G/PDSP

B Agency subject matter experts (SME) have been designated to work with the bureau coordinators and bureau SME(s) (to be identified) to insure consistency and accuracy of answers. The Agency subject matter specialists are

Customer Service Plan	Sher Plunkett & Liz Baltimore
Strategic Planning	Dirk Dijkerman & Michelle Adams-Matson
Results Frameworks	John Bierke & Tony Pryor
Achieving	John Bierke & Barry Burnett

Monitoring and Evaluating Performance

Sharon Benoliel & John Haecker

Legal Matters

Herb Morris

Operations Software

Larry Tanner & David Neverman

General Guidance on the Operational Directives

Richard Byess & David McCloud

Transitional Issues

Wayne King

Notice 1031

INFORMATION

USAID/GENERAL NOTICE
M/AS
10/25/95

SUBJECT Reengineering Transition Guidance Cable No 8
Automated Directives System (ADS)

I Summary

On October 1, 1995, the Agency's new Automated Directives System (ADS) went into effect. The directives provide comprehensive guidance to Agency employees in Washington and the field on all aspects of USAID program identification, implementation and evaluation. The directives embody the four Agency core values of customer service, managing for results, teamwork, and empowerment/accountability. All of the ADS materials is designed to be available on computer and updated regularly. Because the supplementary references are separate from the directives, they can be updated or replaced from time to time as new examples of best practices and state-of-the-art technical materials emerge.

II Background

The ADS was introduced in a General Notice to the Agency on May 2, 1994. It is a two-tier system that separates policy from essential procedures. It provides clear, concise statements of the mandated core policies of the Agency and is a very effective tool in helping to reduce the Agency's internal regulations by fifty percent (50%) as directed by the National Performance Review and mandated by Executive Order 128061. Used correctly, it will streamline the true internal policies for Agency operation.

The core values and best practices have generated a more flexible operations system to make our development work easier. There are now opportunities not possible or at best difficult to access under old systems. USAID and our partners can begin to make better use of our high levels of skill, energy and initiative to achieve even greater accomplishments. That, after all, is the purpose of the new operations system.

III Rationale for the Directives

The directives were written with five goals in mind

- To make a clear distinction between mandatory policy and procedures and that guidance which is not absolutely essential to carrying out development assistance
- To incorporate reengineering precepts, including the Agency's four core values, into the new guidance
- To preserve and disseminate the Agency's existing "best practices".
- To reduce regulations as mandated by the National Performance Review, and
- To update Agency guidance and consolidate discrete guidance generated over the years by the regional and central bureaus

You have already received copies of the operations directives (Chapters 201, 202, and 203) within the 200 series via E-mail. Other ADS chapters will be provided as they are approved.

IV Structure

A The ADS is a two-tiered system containing policy and essential procedures, organized into five major functional series:

- Series 100 - Organization and Executive Management (formerly Handbooks five and seventeen)
- Series 200 - USAID Program Assistance (formerly Handbooks one through four and seven through ten)
- Series 300 - Acquisition and Assistance (formerly Handbooks one B and eleven through fifteen)
- Series 400 - Personnel (formerly Handbooks twenty-four through thirty-three)
- Series 500 - Management Services (formerly Handbooks six and eighteen through twenty-three)

B Each series contains a number of Chapters organized in the

following standardized format

- 1 Authority
- 2 Objective
- 3 Responsibility
- 4 Definitions
- 5 Policy/Essential Procedures
- 6 Supplemental References

C The DR-CD identifies which Handbooks remain in effect and which ones have been superseded by the newly-reengineered directives

V What's New

A The targeted release of the new ADS is fall 1995 to coincide with other Agency reengineering efforts. The new ADS will be included on the next release of the DR-CD. In addition to the hyperlinking capabilities, the new ADS includes WINDOW-based tools allowing for proximity searches, string searches, highlighting of search terms and other improvements. The DR-CD is accessible to USAID Washington and overseas missions and is also available to the public on a subscription basis.

B As described in earlier cables in this series, the software in the new operations system will revolutionize each operating unit's ability to collect and organize information. It includes a module called the Document Generator, which can locate and pull together information entered into the system and reorganize that information into the format of any document selected from the menu, like a strategic plan or a Results Review and Resource Request (R4). Immediate on-line access to indexed ADS text will make it possible to create accurate and timely reports and improve communications with partners and customers.

C The ADS will make it possible to disseminate new policy guidance more quickly and uniformly, following a streamlined clearance process. Offices with delegated authority to create policy are the responsible authoring office for that policy, however, other offices with interdependent policies cross-reference those policies, thus only stating policy once in the authorized directive.

D The new clearance policy--General Notice dated December 7, 1994--reduces the complexity of and expedites the clearance process by only requiring clearance from GC, IG (if it pertains to waste, fraud and abuse), M/AS/ISS, and offices directly affected by the proposed change. It allows 10 working days for clearance or comments, after which the authoring office will continue with processing the directive

VI Next steps

Key directives not yet completed, to be included in subsequent issuances of the DR-CD, include (1) personnel regulations recently issued by OPM, which will require extensive rewrites in the directives format by M/HR, (2) a new Executive Order on the audit function, which will cause major rewrites of IG Chapters, and (3) M/FM's rewriting of the financial management series M/FM will complete AWACS before rewriting their section of the directives

VII Further Information

For more information, please contact Genease Pettigrew, M/AS/ISS

Notice 1032

INFORMATION

USAID\GENERAL NOTICE
M/ROR
10/25/95

SUBJECT Reengineering Transition Guidance Cable No 9
Teamwork and USAID's Reengineered Operations System

1 This Notice is the ninth in the series of transition guidance messages for the new USAID, prepared jointly by the Office of Results-Oriented Reengineering (M/ROR), the Office of Management Planning and Innovation (M/MPI) and the Office of Human Resources (M/HR). Its purpose is to assist operating units in planning and implementing human resource changes in the reengineered operations system, to respond to specific questions raised by Agency personnel and to provide information that may not be contained in other documents. State 191629 provided additional information and Q&As on teamwork.

2 Beginning October 1, 1995, the reengineered operations system requires that much of USAID's work be achieved by operating unit personnel, customers, stakeholders and partners working together in teams. Operating units shall establish a strategic objective (SO) team for each strategic objective, strategic support objective and special objective defined in the approved strategic plan. Strategic objective teams may establish results package subgroups as deemed appropriate. The responsibilities and authorities for the strategic objective core and expanded teams are defined in the Automated Directives System series 200 (Chapters 201, 202 and 203).

3 The size and scope of the strategic objective teams should be flexible and based on the varying requirements for achieving results. Operating unit managers should provide a clear focus for the team to operate, and state objectives, results and measures for judging progress. It is equally important that the strategic objective team decide which participatory processes it will use to engage customers, stakeholders and development partners in the deliberations of its strategic, strategic support, or special objectives. The team should ensure that it has a plan to obtain sufficient information to make informed decisions for managing objectives and results.

4 It is the Agency's policy to require and encourage participation by and consultation with those involved in

development, both our partners and our customers. Each operating unit and strategic objective team should refer to the General Notice on guidance on consultation and avoidance of unfair competitive advantage issued on August 17, 1995, to avoid possible conflicts when including partners on teams.

5 Operating units and team leaders should look for members who have complementary skills, responsibilities or interests that contribute to achieving results relative to the SO. Team members may serve on a part-time or full-time basis and may be assigned to the unit or assigned to other organizational units within the Agency. Individuals may also serve on multiple teams. The commitment of an individual's time to a team must be negotiated with the individual's parent organization or supervisor. Team members need not be physically resident within the operating unit responsible for the strategic objective, but could participate electronically as "virtual" participants from a distance.

6 The type of work and the nature of the desired result must be examined when considering whether a temporary or permanent team approach is warranted. Although the current Agency organization emphasizes teamwork, a team structure may not be the most effective means of achieving some work objectives. The nature of the objectives and work should determine the organizational design.

7 Teams need not be considered a permanent organizational element of the Agency. They are designed and intended to be flexible instruments, easily formed and dissolved depending on the requirements of significant work products. Managers should draw on the experiences of the Country Experimental Labs (CELs) and other organizational units that have organized around teams, consider the variables of their own organization, the effect on personnel and decide what structure best meets the needs of their operating units in managing for results.

8 Policy and procedural guidance relating to the justification and approval of organizational and associated position actions is contained in ADS Chapter 102. USAID/Washington approval is required only if missions plan to establish a permanent team structure.

9 The operating unit shall establish the authorities and parameters governing strategic objective team operations. When a team is empowered to make decisions, it must receive authority

and be accountable for its decisions and results. Operating managers should provide specific information to the team as follows:

A The specific strategic, strategic support, or special objective to be achieved, which shall be consistent with the approved strategic plan and the operating unit's customer service plan.

B Performance measures and reporting requirements.

C The responsibilities and authorities delegated to core team members.

D The budget for achieving the strategic objective.

E Other requirements or special conditions pursuant to the management contract or that the operating unit deems necessary.

10 A team should be accountable for results within its manageable interest. Teams are accountable individually and collectively within the context of annual evaluation work objectives based on expected results. Work objectives should state the scope of a team member's expected contributions and performance measures. Team members are expected to hold themselves accountable and to ensure that the team has the capacity, experience, judgment and technical knowledge required to achieve results. Team leaders are responsible for coaching, coordinating and assigning the work of the team. Team members, team leaders and supervisors should work collaboratively and supportively to assure accountability is tied specifically to delegated authorities, to the requirements of the team's objectives and is described on the team member's annual evaluation form.

11 The new 360-degree personnel evaluation process supports the team concept in the reengineered USAID. It is expected that this process will provide a means to factor team member's contributions into his or her overall rating. The team should contribute to the determination of each team member's objectives, may approve them, and will be part of the rating process for the team member.

12 Incentives are essential to recognize team results and individual contributions

A Teams, as well as individuals, will be rewarded on the basis of their performance with regard to managing for results. When discussing performance, it is important to distinguish between program success or failure on the one hand and employee or team success on the other. Employees and teams are expected to closely monitor program performance and to take necessary corrective action to insure that strategic objectives are being achieved -- to manage for results. Failure of a particular program intervention is not to be considered a team or individual failure unless action is not taken in a timely way to make mid-course corrections. In the new reengineered USAID, it is important that employees be encouraged to do a certain amount of risk-taking. The new human resources management systems will support sounder performance judgments by line managers and teams on managing for results.

B The new HR incentive systems are being designed to create monetary and non-monetary awards that recognize the achievement of teams. The rewards should be based on demonstrated performance as determined during the R4 process. Operating managers are encouraged to initiate unit level awards to do the same thing. Rewards accruing to teams should be shared within teams. Non-US government team members would be eligible for non-monetary awards.

13 The reengineered Human Resources automated system, once implemented, will support team formation with an electronic skills data base. Managers forming strategic objective, strategic support objective or special objective teams will be able to locate potential team members with the specific skills and interests needed for a specific objective.

14 Other guidance will be issued as we receive questions and when more information becomes available. Please feel free to contact the following individuals regarding this cable.

M/ROR Liz Baltimore or Richard Byess
M/HR/BAA Doug Brandt
M/MPI Susan Walls

Notice 1033

INFORMATION

USAID/General Notice
PPC/CDIE
11/01/95

SUBJECT Reengineering Transition Guidance Cable No 10
Reengineered USAID Performance Monitoring and
Evaluation Systems

I Overview

This message provides guidance on the reengineered USAID performance monitoring and evaluation (PM&E) systems which became effective October 1. For more detail, please refer to Chapter 203 of the Automated Directives System (ADS). PM&E is one of the three key functions of USAID's new operations systems. It is an essential aspect of our ability to achieve development results more effectively and efficiently. Monitoring and evaluating our performance is a key management approach which we will be using to gauge our progress, guide our programming and resource allocation decisions, and report on results to our stakeholders. The new PM&E policy and procedures reflect the Agency's four core values: managing for results, empowerment and accountability, teamwork and participation, and customer focus. They build upon past experience and "best practices" in PM&E. What is different now is that some of these "best practices" in PM&E are being made "standard practices" that all operating units and the Agency as a whole are required to follow. The new guidance requires that

- all operating units managing program funds monitor and report once a year on performance through the Results Review and Resource Request (R4),
- evaluations be carried out only when needed to meet specific management information needs and not be conducted automatically at some arbitrary point in the program cycle,
- a participatory approach involving customers, partners and stakeholders be used in all phases of program performance monitoring and evaluation. In particular, a customer focus should be reflected in the framing of objectives, choice of performance indicators and measurement of performance.

The remainder of this message summarizes key aspects of the new PM&E policies and procedures.

II Why Monitor and Evaluate Performance?

As a learning organization, USAID requires the collection and analysis of performance information to improve

- the planning and implementation of development assistance

- the effectiveness of management decisions
- learning from experience
- joint planning and programming
- accountability and our ability to respond to reporting requirements

Furthermore, the Government Performance and Results Act of 1993 requires that all federal agencies establish performance monitoring systems that measure progress towards the program goals and objectives identified in strategic plans, conduct program evaluations, and report on results in an annual performance report

III USAID's PM&E Policy

To effectively manage for results, the Agency must regularly collect, review, and use information on its performance. At Agency and operating unit levels, this information will play a critical role in planning and management decisions. For example, performance information will be used to

- improve the effectiveness and performance of development activities
- guide decisions on resource allocations
- revise and plan new strategies
- decide whether to abandon programs, strategies or objectives that are not working
- determine when consideration should be given to graduating or exiting programs
- document impacts of assistance and share and use lessons learned
- develop shared visions, common understanding of successful approaches and plan more effectively for the future with our development partners

Sources of performance information include (1) performance monitoring systems, (2) evaluations, and (3) other studies or reports such as research, customer surveys, experience of other development organizations and informal sources such as unstructured feedback from partners and customers

IV Distinctions Between Performance Monitoring and Evaluation

Performance monitoring and evaluation are distinct yet complementary functions. USAID has used evaluations as management tools for decades. Program performance monitoring is much newer within USAID. With reengineering, all operating units managing program funds are required to monitor and report annually on performance. Evaluations support and complement the monitoring system. Performance monitoring is the on-going process of collecting and analyzing data to measure performance. Performance monitoring focuses on the achievement of expected results. It involves the analysis of how changes in specific performance indicators compare with those expected and specified in performance targets. Performance monitoring alerts managers to problems or successes, e.g. when targets are either not being reached or exceeded. For example, performance monitoring could alert a program manager to the fact that a particular strategic objective directed at increasing men's and women's incomes was only increasing women's incomes. It would not tell the manager why this was happening or what to do to increase men's incomes. That is where an evaluation would be needed. Evaluation is a structured analytical effort undertaken, when needed, to answer specific management questions about the performance of programs or activities. Evaluations may be initiated when performance monitoring data indicate unexpected results (i.e. when programs fail to meet their targets, exceed expectations or benefit different segments of the target population unequally).

Evaluations can provide information on why or how results were achieved or not, and draw lessons and recommendations for management actions. Evaluations can also be used to test the basic development concepts underlying our strategies (i.e. is change occurring as we expected, are our interventions efficient, etc). They can be used to explore unintended results and issues of program relevance, effectiveness, efficiency, impact, and/or sustainability.

V Performance Monitoring Systems

All operating units that manage program funds are required to establish and/or maintain performance monitoring systems. These systems are the processes or approaches used by operating units to collect and analyze data on performance. Such systems include performance indicators, performance baselines, and performance targets for all strategic objectives, strategic support objectives, special objectives and USAID-funded intermediate results included in the unit's approved strategic plan and results framework, means for tracking critical assumptions, and performance monitoring plans to manage data collection. Missions with already approved strategic plans and agreed-upon performance reporting systems need to

- review existing plans and practices to make sure that these conform with the new policies and procedures and any supplementary guidance or requirements established by their regional bureau, and
- continue annually to collect and analyze performance data on the approved objectives and intermediate results in their strategic plan

Routine collection of results data Performance monitoring systems are based on the regular and routine collection and analysis of data on results These systems should provide information on outcomes or results at all levels that enables managers to track progress towards achieving strategic objectives, intermediate results, and activity outputs Operating units are required to collect performance data annually This should include the collection of comparable data on the results each year for at least one of the performance indicators for each strategic objective, strategic support objective, special objective and active usaid-funded intermediate result

VI Evaluation

Not a requirement but a management tool Evaluations are no longer required and should only be conducted to meet specific management or other informational needs The decision if and when to evaluate is made by the operating unit specifically by strategic objective (so) teams, in consultation with the senior management of their operating units and with partners and customers The requirement that evaluations only be conducted when needed may lead some operating units to cancel previously-planned evaluations of programs or activities When such evaluations are part of formal program agreements or contracts, operating units should check with their respective bureaus on any bureau requirements or procedures for handling such changes Evaluations may be needed to provide information when

- Performance monitoring data indicates unexpected results (positive or negative),
- A key management decision must be made and there is inadequate information,
- Performance reviews identify key unanswered questions,
- Customer surveys or other customer or partner feedback suggest implementation problems or unmet needs,
- There are issues about sustainability, unintended impacts, or broader lessons learned of interest to the Agency

Follow-up Reviewing evaluation findings and recommendations and taking appropriate actions are the responsibilities of the operating unit. Individual evaluation reports are not formally reviewed by USAID/W bureaus, although they may serve as input into the annual R4 review. Evaluation reports in electronic form should be submitted to PPC/CDIE for inclusion in the Agency's Development Information System to enable sharing of evaluation experiences throughout the Agency and contribute to organizational learning. Operating units should follow their bureau's instructions on further distribution of evaluations or evaluation summaries. Evaluation findings should be openly shared and discussed with partners, customers, stakeholders and other donors.

VII Budgeting for PM&E

When budgeting funds for performance monitoring and evaluation functions, operating units and SO teams should consider allocating between 3% to 10% of the overall budget. Program circumstances will, of course, dictate whether this budget range is appropriate for a specific SO.

VIII Participation in PM&E

With reengineering, a participatory approach involving customers, partners, and stakeholders (as appropriate) is recommended in all phases of performance monitoring and evaluation.

- In planning PM&E approaches
- In conducting data collection
- In analyzing, reporting, and reviewing findings

There are a variety of data collection and analysis approaches which missions can use to strengthen participation and feedback from partners, customers and stakeholders. These include client satisfaction surveys and rapid appraisal techniques such as key informant interviews, focus groups, community interviews, site observation, mini-surveys, and mapping. Active participation of partners, customers and stakeholders in a performance monitoring and evaluation effort builds "ownership", encourages joint actions based on mutual understanding of performance issues and successes, and can contribute to strengthened future planning and action. Participatory approaches may take more time and effort. The ultimate customers' needs, priorities, and expectations for development assistance should be a key foundation for the development results we seek to achieve, and should be reflected in our choice of objectives and intermediate results, and how we monitor these results. In setting objectives and designing performance monitoring and evaluation activities, it is important to take into account gender and other customer characteristics to

ensure that all customers are represented (see also Transition Guidance Cable 5, Customer Service Planning).

Operating units are encouraged to help strengthen performance monitoring and evaluation capacity within recipient developing countries, and to participate in networks for the sharing and exchange of development experience information with partners, practitioners, researchers, and other donors

IX Results Review and Resource Request

All operating units that manage program resources are required to prepare and submit to USAID/W annually the Results Review and Resource Request (R4). The R4 contains two components -- (1) results review and (2) resource request. The R4

- assesses progress towards objectives established in the strategic plan (i.e. compares actual results with planned results)
- analyzes and explains performance (e.g. why performance targets are or are not being met)
- draws on performance information from monitoring, evaluations, and other sources
- makes performance a factor in program and budget proposals and decision-making
- updates estimates of resource requirements for achieving objectives and targets
- provides a mechanism for USAID/W reviews of progress and draws attention to key performance issues
- provides information for external inquiries and results reporting
- confirms or suggests needs to amend the strategic plan and management contact

The R4 draws upon the operating unit's internal review of progress, annual collection and analysis of performance data, and other assessments of program and activity performance as well as special studies, analyses and evaluation. The R4 provides a focus for Agency-wide operating unit performance. This year, during the transition period, some bureaus will ask missions to submit the R4 in two separate segments with the first part of the R4, the results review, being submitted before the second part, the resource request. Bureaus with this requirement will advise missions. The Transition Steering Committee is reviewing the need for other routine reporting such as the close-out reports

for activities, results packages, and strategic objectives cited in Section 202.5 2A(3)E of the ADS chapter on achieving

XI Supplementary References

The PM&E policies and essential procedures are intentionally kept short and focused on directives that the Agency and its operating units must follow. Operating units may choose how they implement these policies and procedures. PPC/CDIE is now preparing supplemental references to help operating units plan, implement and use their performance monitoring and evaluation systems. See Chapter 203.6 For a list of planned topics. These supplemental references will provide practical, step-by-step "how to" advice, based on USAID's and other agencies' best practices in PM&E and the general literature. CDIE is very interested in getting your views and feedback on what you would like to see included in the supplemental references.

POINT OF CONTACT Please respond with your ideas and suggestions to PPC/CDIE, Attention Annette Binnendijk or Harriett Destler, the subject matter experts (SMEs) for performance monitoring and evaluation.

Notice 1102

USAID



**U.S. AGENCY FOR INTERNATIONAL
DEVELOPMENT**

**QUALITY COUNCIL
COMMUNICATIONS STEERING GROUP**

**USAID
REENGINEERING & REFORM
REFERENCE GUIDE
NOVEMBER 1, 1995**



TABLE OF CONTENTS

	Page
Administrator's Messages	1
General Reengineering	2
Accountability	3
Accounting	3
Budget	4
Computers	4
Country Experimental Labs	5
Customer Service	7
Feedback	8
Glossaries	8
New Partnerships Initiatives	8
Operations	9
Participation	9
Personnel	10
Procurement	12
Strategic Objectives Agreement (SOAG)	13
Training	13
Transition Guidance	13
Videos	15
Who's Who in the Reform Effort	16
Suggested Readings	16

USAID
REENGINEERING & REFORM REFERENCE
GUIDE

PUBLICATIONS

For corrections or for suggested additions to this reference list, contact Betty Snead, LPA, 202/647-3794

*--available electronically on the Reinventing USAID Bulletin Board

ADMINISTRATOR'S MESSAGES:

*"USAID Senior Management Retreat" -- USAID General Notice, Jan 4, 1995

*"A Message from the Administrator on Reinventing USAID" -- USAID General Notice, April 4, 1995

*"Administrator's Message on the New Employee Evaluation Program" -- USAID General Notice, May 23, 1995.

*"Message from the Administrator on Reengineering" -- USAID/W Notice, June 22, 1995

*"The Proposed USAID Merger" -- USAID General Notice, Aug. 7, 1995

*"Human Resources BAA" -- USAID General Notice, Sept 6, 1995

*"A Message from the Administrator on Reengineering (New Management Systems)" -- USAID/W Notice, Oct 5, 1995

GENERAL REENGINEERING

*"On Track" -- a monthly newsletter devoted exclusively to cutting-edge agency reengineering developments

Contact Karen Thornton, M/ROR Phone 202/663-2458

"IRM at Work on the Information Highway" -- a monthly newsletter, usually eight pages, from the Office of Information Resources Management, M/IRM, that includes IRM-related reengineering information

Contact M/IRM Phone 703/875-1316

*"Reengineering Highlights" -- a three-page paper answering such questions as What are we reengineering? When will this happen? Why are we reengineering? How will the reengineered system work?

Contact Betty Snead, LPA Phone 202/647-3794

"Creating a Government that Works Better & Costs Less" -- National Performance Review (NPR) accompanying report on USAID, 55 pages The September 1993 report contains seven specific USAID recommendations and 38 actions related to them

Contact Bill Bacchus, DAA/M/QC Phone 202/736-4315

"Summary Report of the Overseas Reinvention Impact Review" -- The purpose of the review, requested by the USAID administrator and the AA/M, was to assess the impact of planned agency reengineering and reform on the effectiveness and efficiency of current mission operations, on organizational structure and on human resources Teams visited Latin America and the Caribbean, Asia, Near East and Africa This summary report, dated March 9, 1995, contains 42 pages plus attachments

Contact Susan Walls, M/MPI Phone 202/647-0943

"Illustrative Indicators for Measuring the Four Core Values" -- five pages, January 1995

Contact Turra Bethune, CDIE Phone 703/875-4829

*"Approval to Conduct Surveys" -- USAID General Notice, March 14, 1995

*"Reengineering Really Works" -- by Mary Reynolds, *On Track*, June

1995

"Common Sense Government -- Works Better and Costs Less" -- Vice President Gore's Third Report of the National Performance Review, Sept 7, 1995

Contact Bill Bacchus, DAA/M/QC Phone 202/736-4315

*"A Message from the AA/Management on Reengineering" -- USAID/W Notice, Sept 13, 1995

"A Message from AA/Management" -- USAID/W Notice, Oct 16, 1995
First edition of Reform Glossary attached

"Toward the New USAID: An NPR Progress Report" -- 26 pages.
Gives results/actions taken by USAID to address NPR recommendations, also government-wide NPR actions are included.

Contact Bill Bacchus, DAA/M/QC Phone 202/736-4315

"New Management Systems (NMS) Update" -- *IRM at Work*, September 1995

*"Projects, Strategic Objectives, Activities..." by David McCloud, M/ROR *On Track*, September 1995

*"Africa Bureau Hosts Partners for Reengineering Workshop." *On Track*, September 1995

*"Stakeholder Analysis: A Vital Tool for Strategic Managers" by Benjamin L Crosby, March 1992, five pages

ACCOUNTABILITY

*"Guidance on Consultation and Avoidance of Unfair Competitive Advantage" -- USAID General Notice, Aug 17, 1995

ACCOUNTING

"AWACS: What is it and what will it do?" -- summary of USAID's new worldwide accounting and control system, *IRM at Work*, June 1995

"How will USAID do business with AWACS?" -- three-page summary

Contact Doug Arnold, M/FM

Phone 202/663-2170

BUDGET

"Business Area Analysis: Budget and Fund Allocation, Report to Management," Vol I, August 1994 A report on the agency's reinvention of its budget process Describes problems with present budget systems, contains recommendations for reengineering budget and fund allocation processes and outlines the major benefits of automating processes Specifies follow-on projects to build an integrated budget system Five sections, with appendices and figures

"Business Area Analysis: Budget and Fund Allocation, Technical Appendices," Vol II, July 1994

Contact Ken Milow, M/B

Phone 202/647-6671

COMPUTERS:

"The Leland Initiative: Empowering Africans in the Information Age" -- article on improving the electronic networkability in Africa, *IRM at Work*, August 1995

"A Plea from the Field" -- by Chuck Patalive Discusses IRM standard software and personal computer use, *IRM at Work*, August 1995

"Disk Duplication Services" -- by Ed Stuart, *IRM at Work*, August 1995

"IRM's Interoperability Lab" -- by Herb Thompson, on testing the agency's New Management Systems (NMS), *IRM at Work*, August 1995

"Technologies for Developing Countries" -- by Jim Russo, on telecommunications in developing countries, *IRM at Work*, August 1995

*"IRM Customer Support Center" -- USAID/W Notice, June 12, 1995

"Windows 95 at USAID" -- *IRM at Work*, September 1995

"Computer Security at USAID" -- *IRM at Work*, September 1995

"IRM Shops Join Forces" -- *IRM at Work*, September 1995 Examines

shared services of USAID, State, USIA, and ACDA

"VSAT" -- continued -- *IRM at Work*, September 1995
Installation of the VSAT equipment, including satellite dishes at 44 missions, is in full swing See July issue of *IRM at Work* for the introductory article on VSAT

"The IRM Two-Step Shuffle" -- personnel changes in IRM *IRM at Work*, September 1995

"Help is just a call away" -- *IRM at Work*, September 1995 The Consulting and Information Services Division of IRM is designing and will be implementing a centralized IRM Help Desk

COUNTRY EXPERIMENTAL LABS (CELS)

*"Synthesis of Country Experimental Lab Reporting from October 1994 to March 1995," 32 pages plus appendices

Contact Turra Bethune, CDIE

Phone 703/875-4829

*"Delegation of Authority to Country Experimental Labs" -- State cable 12400, May 20, 1995

Bangladesh:

*Experimental Labs Specific Needs and Timeframe, August 1994, two pages

Monitoring and Evaluation System for USAID/Bangladesh Country Experimental Laboratory, April 1995, 10 pages plus appendices

*Reengineering Report #1 The Experiment and Hypotheses, December 1994, six pages

*Reengineering Report #2 The Model and Charter, January 1995, eight pages

*Reengineering Report #3 The Evaluation Plan, February 1995, seven pages

*Reengineering Report #4 Evaluation Findings, October 1995, ten pages (Attachments not including)

Dominican Republic:

The First Six Months A Status Report of the Country Experimental Laboratory Experience (October 1994 - March 1995) - provides detailed information and highlights of before and after reengineering, 32 pages

An interview with Marilyn Zak -- Zak, mission director in the Dominican Republic, discusses USAID's reengineering efforts,

Front Lines, May/June 1995

Guatemala

- *Reengineering Status Report, October 1994, six pages plus charts
- *CEL Report #2 -- cable, April 24, 1995, four pages
- *Strategic Plan -- April 21, 1995, 21 pages, plus annexes
- *Plan for Improving Client Satisfaction with the Health Sector Program, April 20, 1995, nine pages
- Reengineering USAID/Guatemala -- an interview with Stacy Rhodes, mission director, *Front Lines*, July 1995
- *"Report from the Field USAID/G-CAP's Strategy Development" by Pat O'Connor, USAID/Guatemala-Central American Programs (G-CAP) *On Track*, September 1995

Jamaica:

- *Customer Service Plan, five pages
- *Reengineering Proposal Tracking Report
- *Report #1 -- Cable, USAID/Jamaica, Nov 30, 1994, two pages
- *Report #2 -- Reengineering at USAID/Jamaica, two pages
- *Report #3 -- Reengineering Effectiveness Report, April 1995, three pages

Madagascar

- *CEL Report #1 -- Describes mission's strategy and major findings based on CEL activities, April 1995, 10 pages
- *CEL Reporting Plan, three pages
- *CEL Report #2 -- July 1, 1995, six pages
- *Customer Service Plan -- Discusses customers, how to reach them, principles of customer service, monitoring and evaluating services, etc July 1995, 12 pages

Mali

- *Report #1 -- Reengineering Activities, 13 pages
- *Report #2 -- Reengineering Activities, six pages
- *Customer Service Plan, June 12, 1995, seven pages

Niger.

- *Report #1 -- Strategic Planning, five pages
- *Customer Service Plan -- July 10, 1995, 37 pages

Philippines

- *CEL Reporting Plan, February 1995, two pages
- *CEL Report #1 -- Reengineering Status Report, Nov 28, 1994, four pages
- *CEL Report #2 -- update, March 1995, two pages
- *CEL Report #3 -- update, May 1995, two pages
- *"Bringing Support and Technical Offices Together" by Mark Ward, USAID/Philippines *On Track*, September 1995
- *Lessons Learned Negotiating a Strategic Objective Agreement --

memo, Oct 5, 1995, three pages

Senegal

*Report #1 -- Provides background information and CEL update, March 1995, 37 pages

For reports and materials relating to Country Experimental Labs, contact Yvonne John, AA/M/ROR Phone 202/663-3397

CUSTOMER SERVICE

*"Guidelines for Developing Customer Service Plans" -- USAID General Notice, April 1995

"Phase I Customer Service Plan" -- eight-page brochure addresses concerns voiced by the agency's development partners (PVOs, NGOs, universities and businesses)

"Uncle Sher's Maxims for Customer Service Plans" -- H S (Sher) Plunkett, M/ROR, March 1995

"Illustrative Indicators for Measuring the Four Core Values" -- M/ROR (modified version), February 1995

"Basic Concepts and Techniques of Rapid Appraisal" -- James Beebe, Human Organizations, Spring 1995

"Results of the M/AS Overseas Customer Service Survey" -- March 1995, six pages

"Results of M/AS Customer Service Survey" -- December 1994, four pages

*"Service Quality and Customer Satisfaction Assessment" -- General Notice, May 1995

*"Steps for Customer Service Planning" -- USAID General Notice, June 1995

*"Ten Easy Steps for Developing Customer Standards" -- Liz Baltimore, June 1995, five pages

*"Customer Service Plan Questions and Answers" -- Sher Plunkett, Aug 14, 1995, three pages

Contact for all above customer service material Sher Plunkett, M/ROR, Phone 202/663-3390 or Liz Baltimore, M/ROR, Phone 202/663-2459

"Conveyance of Client Direct Shopping System Survey Results to Survey Participants" ---- March 1995, five pages

Contact Marcia May, M/AS/COOS Phone 703/516-1991

*"M/AS Announces Customer Service E-Mail Hotline" -- USAID General Notice, Jan 3, 1995

*"M/IRM Establishes Ombudsman Hotlines" -- USAID General Notice, Jan 3, 1995

*"IRM Customer Support Center" -- USAID/W Notice, June 12, 1995

FEEDBACK.

"Mini-Retreat Reports" -- Summaries of feedback received by the administrator in May 1995 from over 60 USAID missions and offices following his request for better two-way communication on the agency's reform effort Each report includes a series of taskers responding to this feedback requested by Administrator Atwood in June 1995 Report topics are as follows

- *1 Communications
- *2 Computers and Information Management Systems
- *3 Customer Focus/Participation
- *4 Empowerment and Accountability
- *5 General/Misc
- *6 Operations Reengineering
- *7 Personnel
- *8 Procurement
- *9 Teams
- *10 Training
- *11 Transitions

Contact Chris Phillips, AA/LPA Phone 202/647-4201

GLOSSARIES

IRM Glossary - Contact Judy Griffin, M/IRM/IPA
Phone 703/875-1325

Operations BAA Glossary - Contact Mary Roko, M/AS
Phone 202/736-4746

*Reform Glossary - Contact Liz Baltimore, M/ROR

Phone 202/663-2459

NEW PARTNERSHIPS INITIATIVES

*"New Partnerships Initiatives" -- USAID General Notice, May 24, 1995

OPERATIONS

"Making a Difference for Development" -- 144-page report prepared by USAID Business Area Analysis Team for Operations Focus is on reengineering the agency's program operations with emphasis on four core values customers, results, empowerment and teamwork

Contact Mary Roko, M/AS

Phone 202/736-4746

"A New Beginning" -- The ADS (Automated Directives System) brochure, March 1995 Briefly outlines new ADS

Contact Genease E Pettigrew, M/AS/ISS Phone 703 647-8147

*"Automated Directives Systems (ADS)" -- *On Track*, June 1995

"The NMS Task Force. Teaming Up for Tough Decisions" -- by Joan Matejcek, *IRM at Work*, July 1995

"USAID's Network Management" -- by Pat Kristobek, *IRM at Work*, June 1995

*"Automated Directives System" -- USAID General Notice, May 24, 1995

*"Global Leadership in Technology, Communications and Research" -- USAID General Notice, Aug 1, 1995

*"Automated Directives System. Series 200, Chapters on Strategic Planning, Achieving, and Monitoring and Evaluating Performance" -- USAID/General Notice, Sept 29, 1995

PARTICIPATION

"How to Recognize a Participatory Approach (if you bump into it in a dark alley)"-- Diane LaVoy, PPC/SP, January 1995

"Statement of Principles on Participatory Development" -- Brian Atwood, Nov 16, 1993

"Workshop Notes: Rapid Appraisal and Beyond" -- 15 pages
Available Oct 31

"The Participation Forum" - Summaries of monthly sessions of the Participation Forum, which include related E-mail on the subject

- *Session 1 "Host Country Participation in USAID's Country Strategy Development" -- nine pages
- *Session 2 "Building Participatory Programs on Local Culture" -- eight pages
- *Session 3 "Participation in Policy Reform" -- 12 pages
- *Session 4 "Participation in Policy Reform, continued" -- 13 pages
- *Session 5 "Breathing New Life into Old Projects through Participation" -- 14 pages
- *Session 6 "Improving Technical Rigor Through Participation" -- 12 pages
- *Session 7 "Participation and Gender" -- 10 pages
- *Session 8 "Participation in Conflict Resolution" -- 10 pages
- *Session 9 "Participation When There Is No Time" -- 12 pages
- *Session 10 "Strategies for Community Change" -- 12 pages
- *Session 11 "Customer Service Plans: A New Commitment to End-User Participation or Just 'New-Speak' for Old Practices?" -- 12 pages
- *Session 12 "From Clientilism to 'Customer Service' Orientation: Features of Good Public Sector Programs" -- 10 pages
- *Session 13 "Do We Need to Practice What We Preach?" -- 10 pages

Contact Diane LaVoy, PPC/AA

Phone 202/746-7057

Please contact Diane LaVoy if you would like to be added to the "Participation Network " Forum members will receive copies of participation material and E-mails announcing all participation events

To subscribe to the **Global Participation Network (GP-NET)**, please contact Wendy Kapustin (AA/PPC, 202-736-4299) GP-NET is a new electronic discussion group for USAID staff and other development practitioners anywhere in the world, which focuses attention on specific experiences and lessons learned about participatory approaches

PERSONNEL:

*"Human Resources BAA" -- USAID General Notice, Sept 6, 1995

"Human Resources Business Area Analysis" -- Vol I, Workforce Management Employee Administration Compensation & Benefits, August 1995 This final report on human resources has been completed and approved for implementation The report is being transmitted to each mission and office electronically

Contact Douglas Brandt or Robert Egge, M/HR/BSA,
Phone (202) 663-3400

*"Employee Evaluation Program (EEP) TOTs" (Training of Trainers)
-- USAID General Notice, May 3, 1995

*"The New FS and GS Employee Evaluation Program" -- USAID General Notice, May 10, 1995

*"Overview of the Human Resources Business Area Analysis - USAID Reengineering Issues, Report #4" -- eight pages This report discusses the work of the BAA team which is attempting to reengineer the agency's personnel functions and to automate many personnel processes The team is supporting ongoing reforms in M/HR In cable form, State 153219

Contact Ron Olsen, M/MPI/OD Phone 202/647-2083

*"Teamwork -- Views from the Field" -- On Track, July 1995

*"Overhauling Personnel Systems" -- by John Martin, On Track, May 1995

*"The Agency's Technical Staffing: New Relationships" -- USAID General Notice, June 19, 1995

*"Guidance on Handbook 25, Supplement 35A & Supplement 40C" -- USAID General Notice, May 12, 1995

*"Changing Roles in the Reinvented USAID" -- Sketches of how agency jobs will be affected by reform Contracting Officer, Controller, Executive Officer, Mission and Office Director, Program Officer, Project Development and Technical Officer, Support Staff, and Foreign Service Nationals

Contact Susan Walls, M/MPI Phone 202/647-0943

*"HR-BAA Personnel Service Client Survey" -- USAID General Notice, May 5, 1995

- *"HR Responds to Survey" -- by John Martin, *On Track*, June 1995
- *"M/HR Relocation and Service Directory" -- USAID/W Notice, May 12, 1995
- *"Distribution of the Employee Evaluation Program Guidebook" -- General Notice, June 30, 1995
- *"Contractor Past Performance Information System" -- USAID General Notice, July 14, 1995
- *"Correction on MPI Reinvention Brochures" -- USAID General Notice, June 30, 1995
- *"Administrator's Message on the New Employee Evaluation Program" -- USAID General Notice, May 23, 1995
- *"Reinventing Support Staff Roles: the CDIE ATeam." *On Track*, September 1995

PROCUREMENT

"Acquisition & Assistance Business Area Analysis Report, May 1994" -- a 65-page report, including appendices, by USAID's Office of Procurement and Office of Information Resources Management. This report presents the results of the six-month Acquisition and Assistance Business Area Analysis Project conducted by a team of federal procurement professionals and systems specialists. The project applied information engineering techniques to the information needs of the agency's procurement functions.

Contact Terry Payne

Phone 703/812-0046

- *"Contractor Past Performance Information System" -- USAID General Notice, July 14, 1995
- *"Agency Procurement Ombudsman" -- USAID General Notice, Jan 24, 1995
- "Acquisition & Assistance -- A New Management System" -- by Vicky Lieber, IRM at Work, June 1995
- *"Procurement Integrity" -- USAID General Notice, Feb 1, 1995
- *"Policy Principles for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance" -- USAID General Notice, May 25, 1995

*"Delegation of Authority To Issue Indefinite Quantity Contract (IQC) Delivery Orders in the Field" -- USAID General Notice, Jan 18, 1995

"Procurement Reform Report: Changing the Way We Do Business Around the World" -- Report focuses on 18 elements in streamlining USAID's procurement process, 155 pages

Contact Marcus Stevenson, M/OP/OD Phone 703/875-1150

Strategic Objective Agreement (SOAG)

"U S./Philippines Strategic Objective Agreement (SOAG). Agreement between U.S., acting through USAID, and the Republic of the Philippines, for a natural resources management program." Please note that this was signed prior to the distribution of the model SOAG located in the ADS 350 series. Copies of the principal agreement and Annex 1, the Amplified Description, are available through Richard Byess. Annex 2, the Standard Provisions, which were modified here in USAID/W after the execution of some CEL SOAGs, are available as part of the model referred to above in the ADS 350 series. While the Philippines-U S SOAG may be helpful for those preparing the strategic objective descriptions and related conditions of a SOAG as one example of such an effort, SO drafters should be certain to refer to the agency model, including the Standard Provisions, and related guidance notes found in the 350 series.

Contact Richard Byess, M/ROR Phone 202/663-2502

TRAINING

*"Training for New Information Systems and Reengineered Operating Systems"-- General notice to all employees from AA/M Larry Byrne, April 28, 1995

Contact Lucy Sotar, M/HR/TD, Phone 703/875-1596 or
Dennis Wendel, M/HR/TD, Phone 703/875-1521

*"EEP TOTs" -- USAID General Notice, May 3, 1995

*"Hot TOTs Video" -- USAID General Notice, May 4, 1995

TRANSITION GUIDANCE

***"Reengineering Transition Guidance Cables"-- a series of cables written for both USAID/W and the field that answer reengineering implementation and transition questions**

***1 Cable #1 -- "Rollout of the Reengineered USAID Systems,"**
State 214052, Sept 9, 1995 (Also sent as General Notice,
9/11/95)

Contact Richard Byess, M/ROR Phone 202/663-2502

***2 Cable #2 -- "Transition to Reengineered Operations Processes,"** State 223146, Sept 18, 1995 (Also sent as General Notice, 9/20/95)

Contact Wayne King, M/ROR Phone 202/663-2499

***3 Cable #3 -- "New Management Systems Infrastructure,"**
State 221491, Sept 18, 1995 (Also sent as General Notice,
9/27/95)

Contact Joe Heffern, M/IRM/TCO Phone 703/875-1228

***4. Cable #4 -- "New Management Systems (NMS) Applications Software,"** State 221492, Sept 18, 1995 (Also sent as General Notice, 10/3/1995)

Contact Carrie Johnson, M/OP/E Phone 703/812-0045

***5. Cable #5 -- "Customer Service Planning,"** State 234428,
Oct 3, 1995 (Also sent as General Notice, 10/5/1995)

Contact Liz Baltimore, M/ROR, Phone 202/663-2459 or
Sher Plunkett, M/ROR, Phone 202/663-2496

***6 Cable #6 -- "Transition to Reengineered Operations Processes - Achieving,"** State 234430, Oct 3, 1995 (Also sent as General Notice, 10/6/1995)

Contact Barry Burnett, A/MM Phone 202/647-4390

***7 Cable #7 -- "Results Framework Development,"** State 255335,
Oct 28, 1995 (Also sent as General Notice, 10/25/95)

Contact John Bierke, M/ROR Phone 202/663-2486

***8. Cable #8 -- "Automated Directives System in (ADS),"**
State , (Also sent as General Notice, 10/25/95)

Contact Genease Pettigrew, M/AS/ISS Phone. 202/647-8147

*9. Cable #9 -- "Teamwork and USAID's Reengineered Operations System," State 255298, Oct 28, 1995 (Also sent as General Notice, 10/25/95)

Contact Liz Baltimore, M/ROR Phone 202/663-2459

*10. Cable #10 -- "Reengineered USAID Performance Monitoring and Evaluation Systems," State 255113, Oct 28, 1995

Contact Harriett Destler, PPC/CDIE/PME, Phone 703/875-4223, or Annette Binnendijk, PPC/CDIE, Phone 703/875-4235

VIDEOS

"The Story of a Mission Reengineering at USAID/Senegal" -- 21 minutes
Mission staff tells how USAID/Senegal is applying the fundamentals of reengineering -- creating strategic objective teams, changing the roles of mission personnel and empowering FSNs Also featured are U S Ambassador to Senegal Mark Johnson and AA/Africa John Hicks Released September 1995

"Doing It Right" -- 14 45 min Answers questions about foreign assistance and illustrates successful programs in countries where USAID is scheduled to close its missions Costa Rica, the Czech Republic and Botswana

"Reinventing USAID" -- 1 hr 15 min New contracts management and procurement procedures A short version (11 min) also available

"Participation" -- 21 min A series of discussions and questions on what participation means

"Reengineering" -- 50 min Covers a series of presentations and panel discussions on what reengineering USAID means

"USAID Reforms The First Country Lab Reports" -- 61 min USAID/W all-agency meeting with reengineering reports from missions in the Philippines, Guatemala, Mali, Madagascar, Bangladesh, Jamaica and the Dominican Republic

"Reinventing Government...By the People -- National Performance Review" -- 33 min Vice President Al Gore speaks and answers questions from U S. government employees

"USAID Performance Review" -- 16 30 min Explains the new combined performance evaluation system for Civil Service and Foreign Service employees

"Global Connections" (USAID Overview) -- 21 minutes (A short version, 12 min , also available) Presents an overview of the U S foreign economic and humanitarian assistance program and describes USAID's strategic priorities in the post-Cold War era Explains how the U S commitment to help developing countries has benefited Americans by creating new markets, new exports and jobs

"New Management Systems - Training of Trainers Meeting" -- Aug 7, 1995, 30 minutes This video features remarks by Administrator Brian Atwood and AA/M Larry Byrne presented at the Training of Trainers

course on the new management systems and how this will change the way the agency works

"The Future of Foreign Aid" -- Aug 30, 1995, 57 minutes This video features remarks by Administrator Atwood at a panel discussion on the future of foreign aid, organized by the Center for National Policy

Contact for all above videos Rolanda Savoy, LPA/MC
Phone 202/647-3910

"The Three Cornerstones of the Learning Organization" -- USAID recently participated in a video conference program led by Dr Peter Senge and Dr Rick Ross and Production Associates The three-part program is shown in three videos Each program is approximately 2 hrs 30 min in length and is designed to be presented in a group format suitable for discussion Videotapes of the three programs are available at the USAID Learning Resources Center

Contact Ellen Boissevain, M/HR Phone 703/875-1919

"USAID Performance Review" -- a TOTs 16 min video that covers the high points of the new personnel system

Contact Roger Conrad, M/HR Phone 202663-1443

WHO'S WHO IN THE REFORM EFFORT:

*A list of USAID employees serving on reengineering committees along with phone numbers

Contact Karen Thornton, M/ROR Phone 202/663-3387

SUGGESTED READINGS.

*"Reengineering: The Latest in the Literature" -- Updated each month in *On Track*

BOOKS

All Teams Are Not Created Equal: How Employee Empowerment Really Works, Lyman D Ketchum

Bosses Without Bosses, Self-Managing Teams, Charles C Manns and Henry P Sims

Change Agents, Manuel London

Change-Agent Skills Assessing & Designing Excellence, Gerard Egan

Coaching for Commitment, Dennis C Kinlaw

Deming Management at Work, Mary Walton

The Deming Management Method, Mary Walton

Empowerment in Organizations: How to Spark Exceptional Performance, Judith F Vogt

The Fifth Discipline, The Art and Practice of The Learning Organization, Peter M Senge

From Red Tape to Results: Creating a Government that Works Better & Costs Less: Report of the National Performance Review

How to Win Customers and Keep Them for Life, Michael LeBoeuf

In Search of Excellence, Tom Peters and Robert H Waterman, Jr

Intervention and Collaboration: Helping Organizations to Change, Hedley G Dimock

Liberation Management: Necessary Disorganization for the Nanosecond Nineties, Thomas Peters

Management of Organizational Behavior. Utilizing Human Resources, Paul Hersey

Management Reform: Implementation of the National Performance Review's Recommendations, U S General Accounting Office

Measuring Customer Satisfaction, Bob E Hayes

A Passion for Excellence, Tom Peters and Nancy Austin

Raving Fans, A Revolutionary Customer Service Approach,
Ken Blanchard and Shelton Bowles

The Reengineering Corporation, Michael Hammer and James Champy

Reengineering Management: the Mandate for New Leadership,
James Champy

The Reengineering Revolution, Michael Hammer

Reengineering the Corporation: A Manifesto for Business
Revolution, Michael Hammer

Reinventing Government, David Osborne and Ted Gaebler

Self-Directed Work Teams, Jack D Orsburn, Linda Moran,
Ed Musselwhite and John Zenger

Seamless Government: A Practical Guide to Reengineering in the
Public Sector, M Linden Russell

Sculpting the Learning Organizations: Lessons in the Art and
Science of Systemic Change, Karen E Watkins

Teaching the Elephant to Dance. Empowering Change in Your
Organization, James A Belasco

Thriving on Chaos, Tom Peters

Ten Steps to a Learning Organization, Peter Kline

The Tom Peters Seminar: Crazy Times Call for Crazy Organization,
Thomas J Peters

The Transformational Leader, Noel M Tichy and Mary Anne Devanna

Reinventing the Workplace: How Business and Employees Can Both
Win, Donald I Levine

The 21st Century Organization: Reinventing through Reengineering,
Warren Bennis

ARTICLES

A Primer On Process Reengineering, A C Hyde, The Public Manager,
Spring 1995

Beyond Total Quality Management and Reengineering: Managing

Through Processes, Harvard Business Review, September-October 1995

Build Learning Into Work, Marcia Atkinson, HR Magazine, September 1994

Control in an Age of Empowerment, Robert Simons, Harvard Business Review, May-June 1995

Eureka? (reinvention lab), Marcia Atkinson, HR Magazine, September 1994

The Fifth Discipline, Peter M Senge, Soundview Executive Book Summaries, 1994

Government Executive Reengineering Guide, Government Executive, September 1995

Grasping the Learning Organization, Gene Calvert, Sandra Mobley and Lisa Marshall, Training & Development, June 1994

How to Lead a Revolution, Thomas A Stewart, Fortune, Nov 28, 1994

In Search of the Future, Tom Broersma, Training & Development, January 1995

Introducing Reengineering to Government, Carolyn Burstein, The Public Manager, Spring 1995

Leading Change Why Transformation Efforts Fail, John P Kotter, Harvard Business Review, March-April 1995

Leveraging Processes for Strategic Advantage, David A Garvin, Harvard Business Review, September-October 1995

The Learning Organization: An Integrative Vision for HRD, Victoria J Marsick and Karen E Watkins, Human Resource Development Quarterly, Winter 1994

Mr. Learning Organization, Brian Dumaine, Fortune, Oct 17, 1994

New Ideas from the Army, Lee Smith, Fortune, Sept 19, 1994

Point-Counterpoint: Teams in the Workplace, Adam D Silverman and Mike Puelle, The Public Manager, Spring 1995

Reengineering: Plug into the Human Factor, Richard S Wellins and Julie Schulz Murphy, Training & Development, January 1995

Reengineering Reviewed, The Economist, July 2, 1994

The Struggle to Create an Organization for the 21st Century,
Rahul Jacob, Fortune, April 3, 1995

The Trouble with Teams -- Together Has its Perils,
The Economist, Jan 14, 1995

Trust and the Virtual Organization, Charles Handy, Harvard
Business Review, May-June 1995

When Intelligence Rules, the Manager's Job Changes,
Oren Harari, Management Review, July 1994

When New Worlds Stir, Nicolas Imparato and Oren Harari, American
Management Association, October 1994

Why Microsoft Can't Stop Lotus Notes, David Kirkpatrick, Fortune,
Dec 12, 1994

AUDIO: (Books on cassette)

The Fifth Discipline, The Art and Practice of the Learning
Organization - Peter M Senge

In Search of Excellence - Tom Peters and Robert H Waterman, Jr

Managing in Turbulent Times - Peter Drucker

Reengineering the Corporation - Michael Hammer and James Champy

The Reengineering Corporation - Michael Hammer and James Champy

Thriving on Chaos: Handbook for a Management Revolution - Tom
Peters

TABLE OF CONTENTS

Action Memorandum signed by Administrator, September 18, 1995 1

The Strategic Framework 1995/96

Figures

1	U S National Interest, Agency Mission and Agency Goals	4
2	Agency Mission, goals and Objectives	5
3a	Economic Growth Framework	6
3b	Economic Growth Goals and Objectives with Indicators	7
4a	Democracy Framework	8
4b	Democracy Goals and Objectives with Indicators	9
5a	Population, Health and Nutrition Strategic Framework	10
5b	Population, Health and Nutrition Goals and Objectives with Indicators	11
6a	Environment Strategic Framework	12
6b	Environment Goals and Objectives with Indicators	13
7a	Humanitarian Assistance Framework	14
7b	Humanitarian Goals and Objectives with Indicators	15

Appendices

A	Frequently Asked Questions about the Framework and Indicators
B	Conceptual Description of the Framework
C	The Indicators for Agency Goals and Objectives for 1995/95



US AGENCY FOR
INTERNATIONAL
DEVELOPMENT

1995 SEP 13 P 5 38
SECRETARIAT

SEP 7 1995

ACTION MEMORANDUM FOR THE ADMINISTRATOR

FROM: SDAA/PPC: Janet Ballantyne *Ballantyne*
SUBJECT: Agency Strategic Framework 1995/96

Issue: Your approval of the concept and contents of the Agency Strategic Framework is required so that it can be used by all Missions and Offices for strategic planning and reporting results during 1995/96

Discussion: In May, 1995, you charged PPC/CDIE with developing a simple and comprehensible system for measuring the agency's performance. A central component of the system is the Agency's Strategic Framework. The basic Framework concept was adapted from PRISM and already is used in most of the Agency's Missions and Offices. The concept was further developed during four Performance Measurement and Indicator Workshops. The Framework was refined by the Agency Sector Working Groups, led by PPC's Senior Policy Advisors, and used by each group to organize their recent sector reviews. Immediately prior to the reviews, PPC/CDIE briefed the M Bureau, the Sustainable Development Council, the Quality Council, and the Senior Staff on the concept and content of each sector framework.

The proposed Agency Framework presents, in a simple graphic, the *Strategies for Sustainable Development* and the *Implementation Guidelines*. It is a hierarchy of objectives and strategies displayed in five levels,

- * **U.S. national interests** considered when identifying recipients of foreign assistance
- * **Agency mission:** Sustainable Development USAID's unique contribution to those interests
- * **Agency goals:** the long-term changes in countries which contribute to the mission

- * **Agency objectives:** significant development results that contribute to the Agency goals in each sector
- * **Agency program approaches:** the strategies and activities that operating units implement to achieve results which contribute to Agency objectives.

The completed Agency Framework will include common performance indicators. Sector working groups are currently selecting indicators for each Agency goal and objective to show the changes to which our programs contribute (a draft list has been delivered to the DA and the final selections will be in place by September 30, 1995). As countries cross "thresholds" established for goal indicators in each sector, graduation from assistance in that sector will be considered. When a country crosses the threshold in several of the five sectors, it will be considered for graduation from our entire program. Following the selection of common indicators we will modify the Agency's "Results Tracking System" and associated directives to include the indicators and how they will be measured and reported.

Besides presenting the essence of the Agency's strategic plan, the Framework will be used by operating units to focus their own plans on the principal objectives of the Agency. The Framework also provides a common frame of reference for analyzing and reporting and enhances our ability to manage for results.

PPC proposes that the Agency work with the attached Framework for a year before making further changes. An "open season" for considering improvements will be held in connection with the sector reviews in July each year.

Recommendation: That you approve USAID's Strategic Framework for 1995/96, as described in the attachments.

Approve: _____



Disapprove: _____

SEP 18 1995

Date: _____



Attachments:

- 1 Agency Strategic Framework, Figures 1-7
2. Paper: USAID's Strategic Framework.



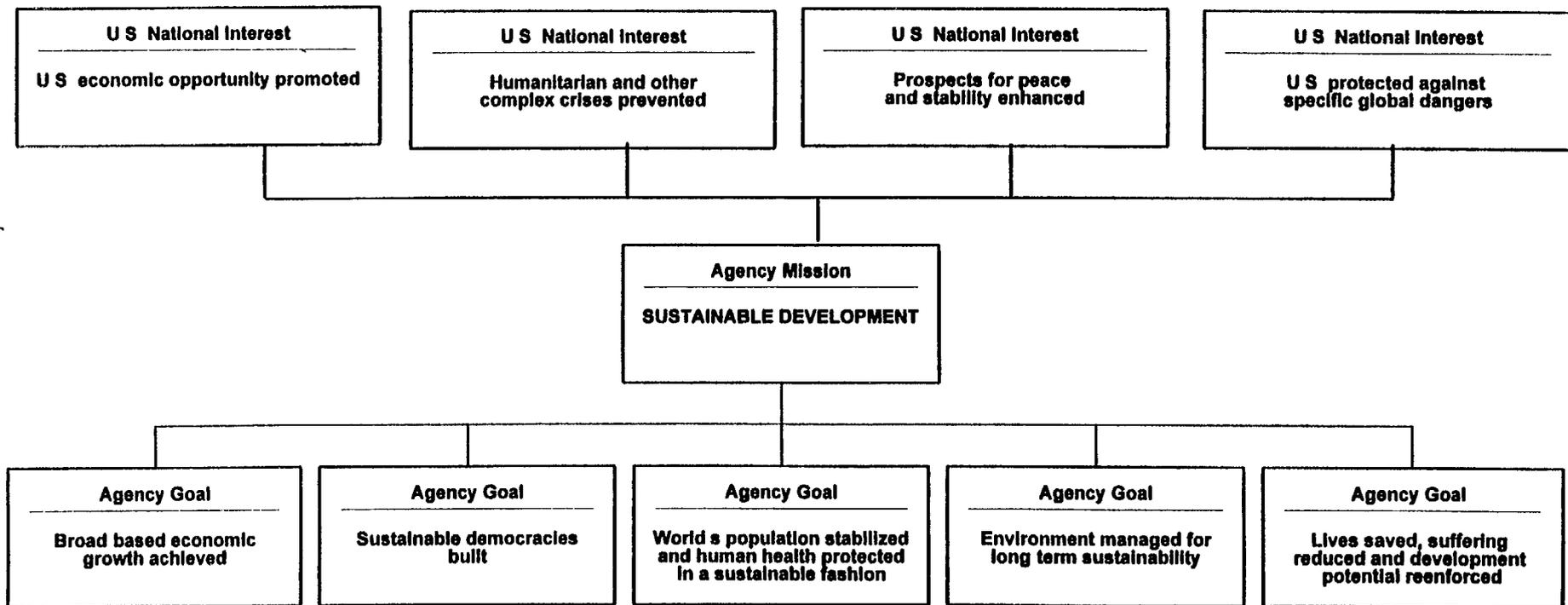
**UNITED STATES AGENCY
FOR
INTERNATIONAL DEVELOPMENT**

**THE
AGENCY'S
STRATEGIC FRAMEWORK
AND INDICATORS
1995/96**

**Performance Measurement and Evaluation Division
Center for Development Information and Evaluation
Bureau for Policy and Program Coordination**

Figure 1. USAID Strategic Framework 1995/96.

U S National Interests, Agency Mission and Agency Goals



4

6/26

**Figure 2: USAID Strategic Framework 1995/96.
Agency Mission, Goals and Objectives**

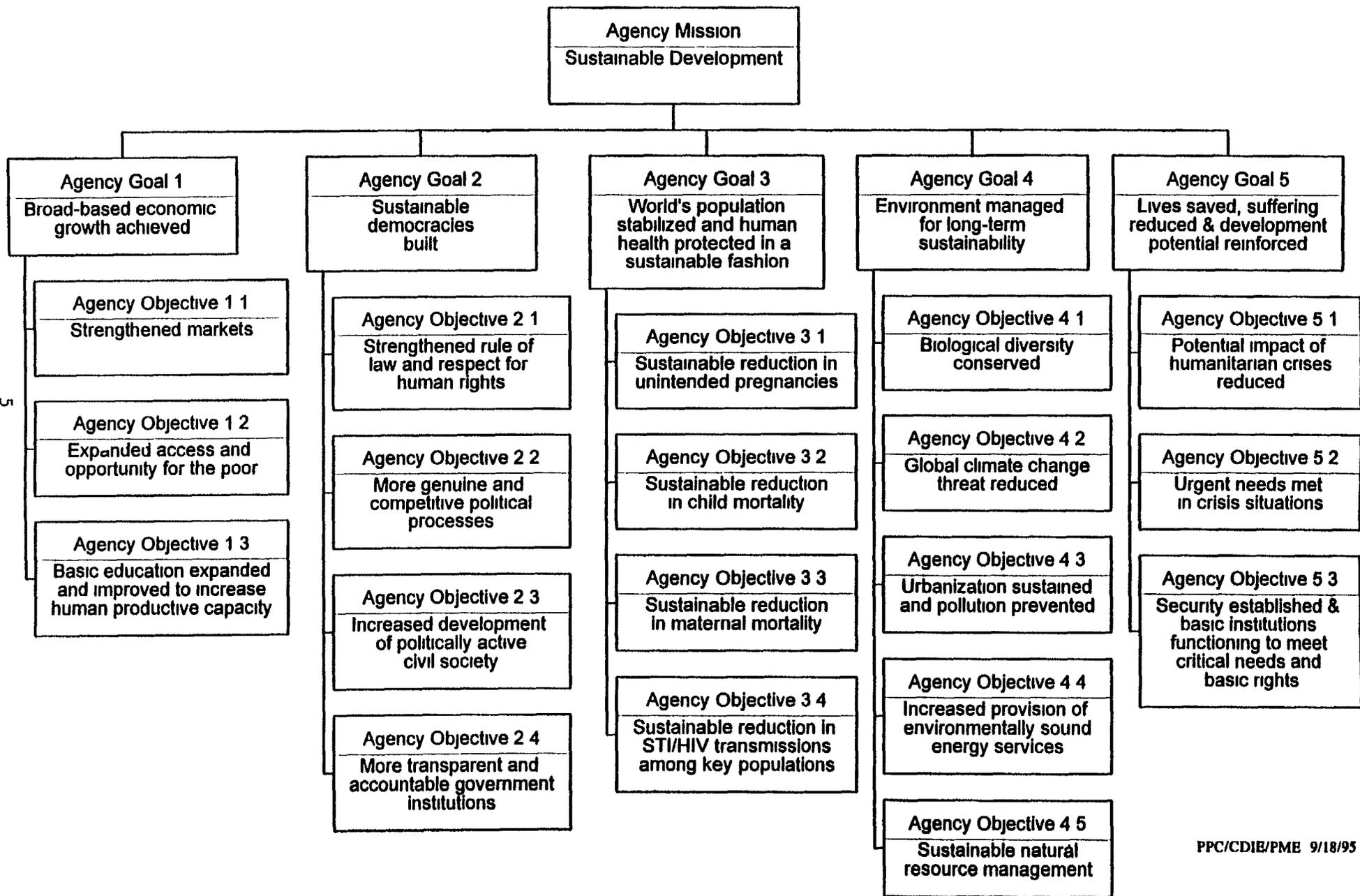
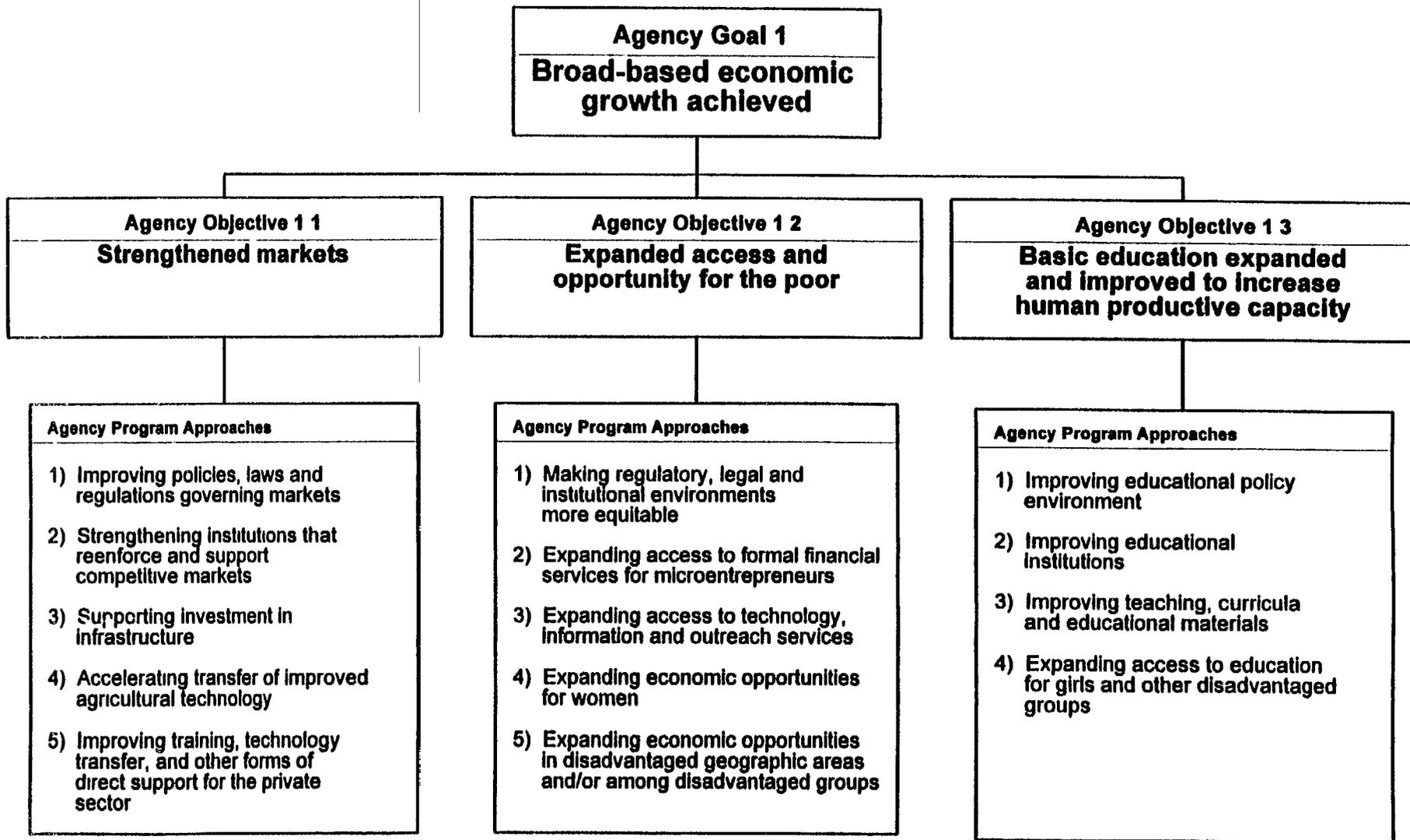


Figure 3a' Economic Growth Strategic Framework 1995/96



9

409

Figure 3b: Agency Economic Growth Goal and Objectives 1995/96, with Indicators

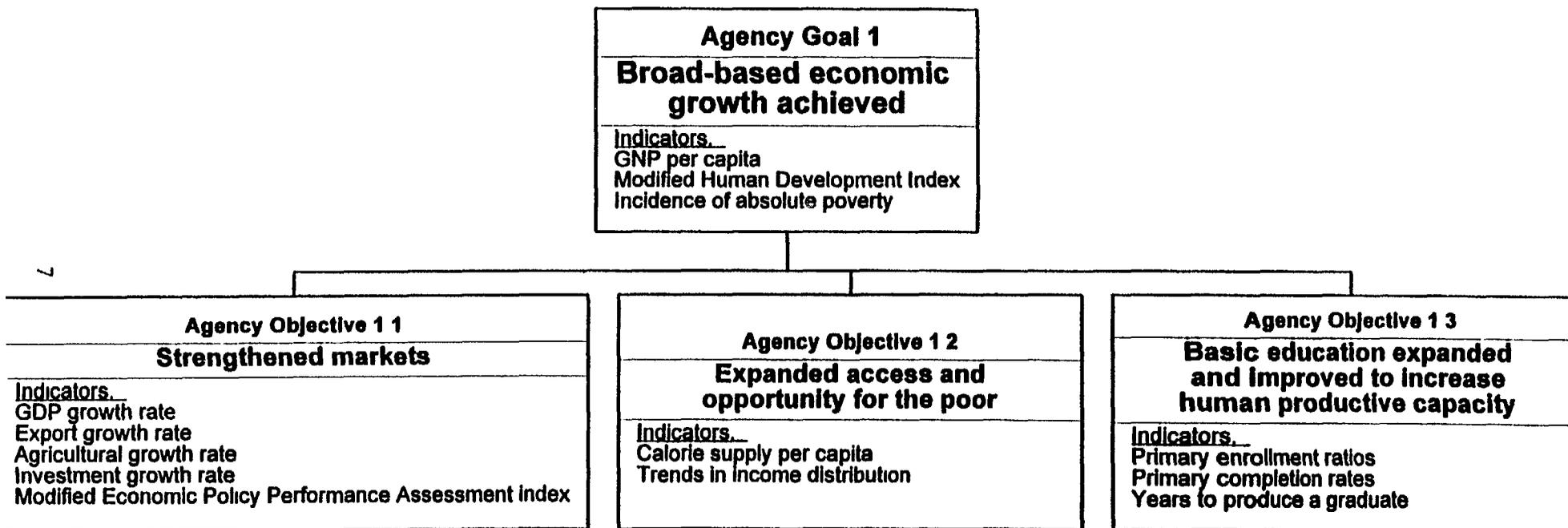
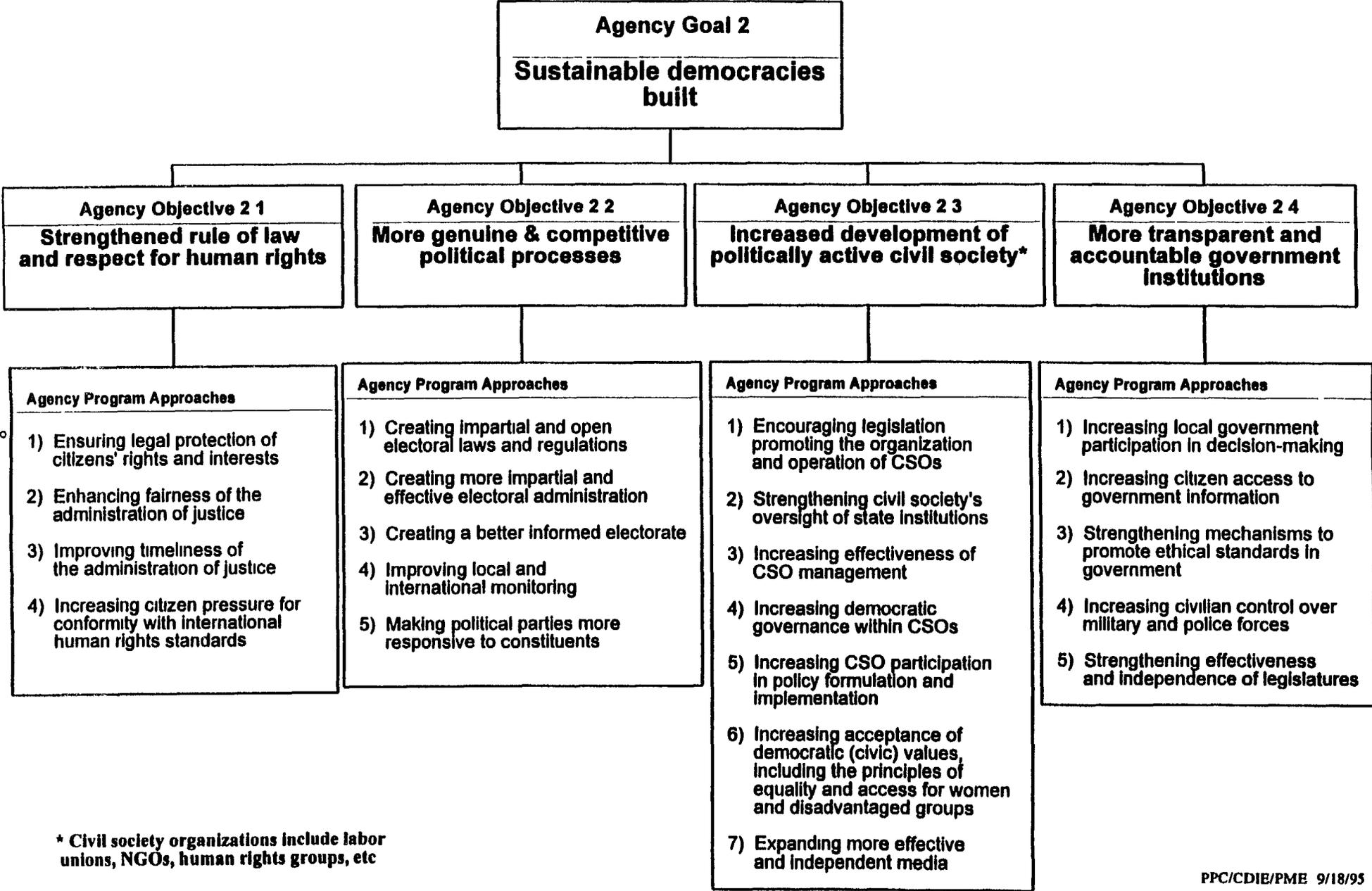
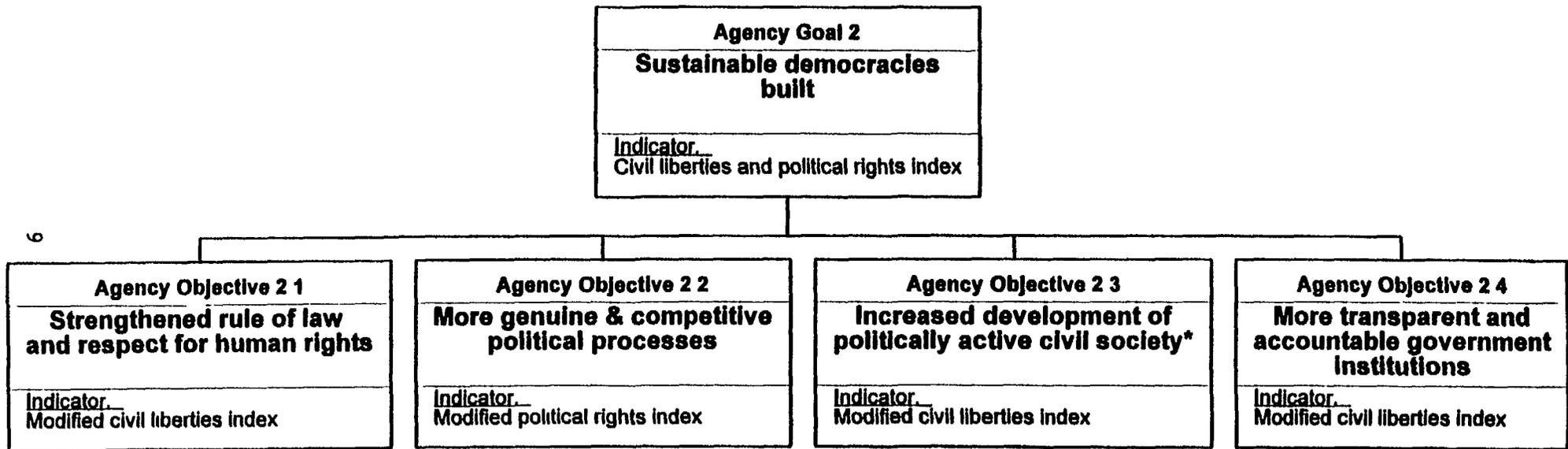


Figure 4a Democracy Strategic Framework 1995/96



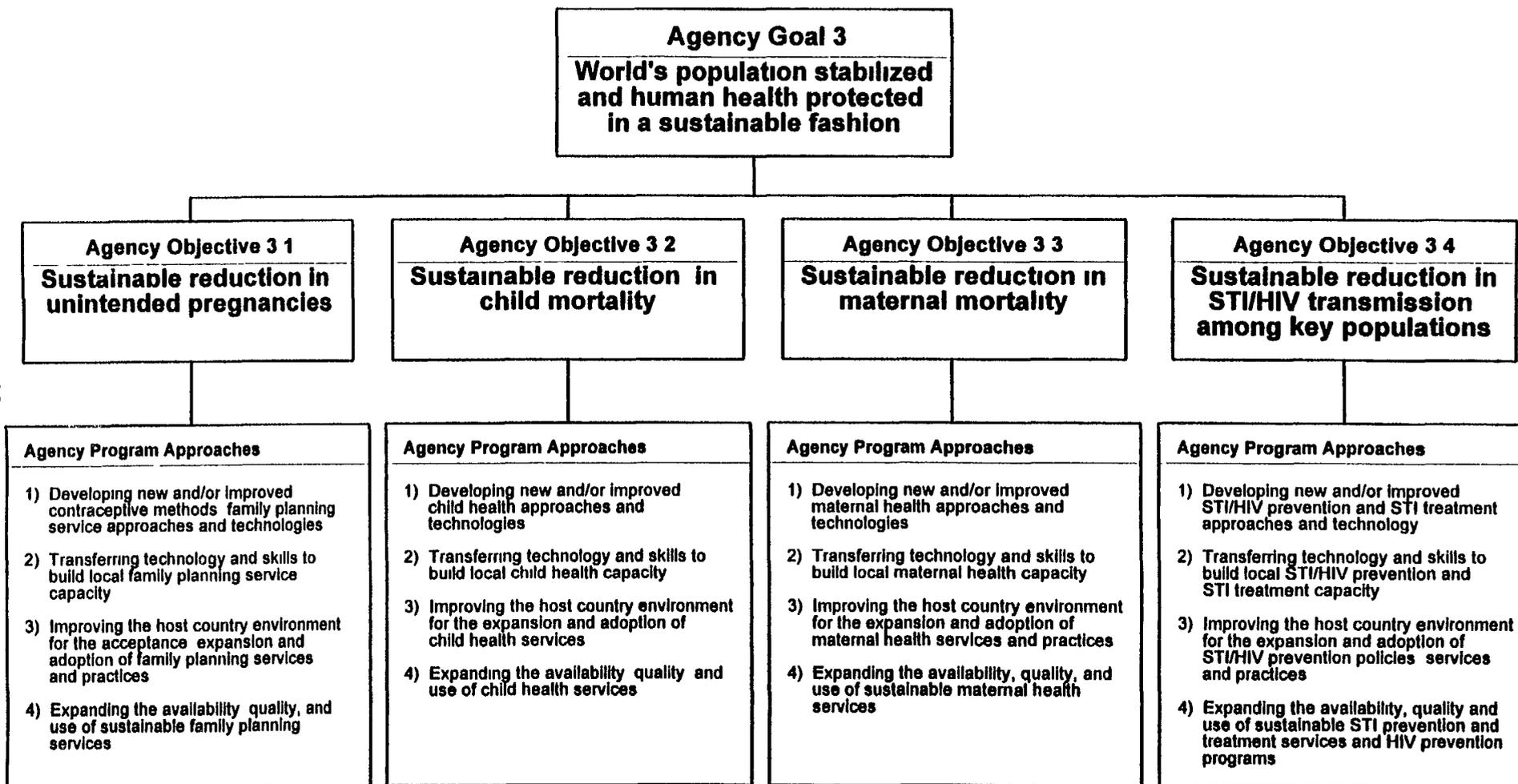
114

Figure 4b: Agency Democracy Goal and Objectives 1995/96, with Indicators



* Civil society organizations include labor unions, NGOs, human rights groups, etc

Figure 5a Population, Health and Nutrition Strategic Framework 1995/96



10

4/3

Figure 5b. Agency Population, Health and Nutrition Goal and Objectives 1995/96, with Indicators

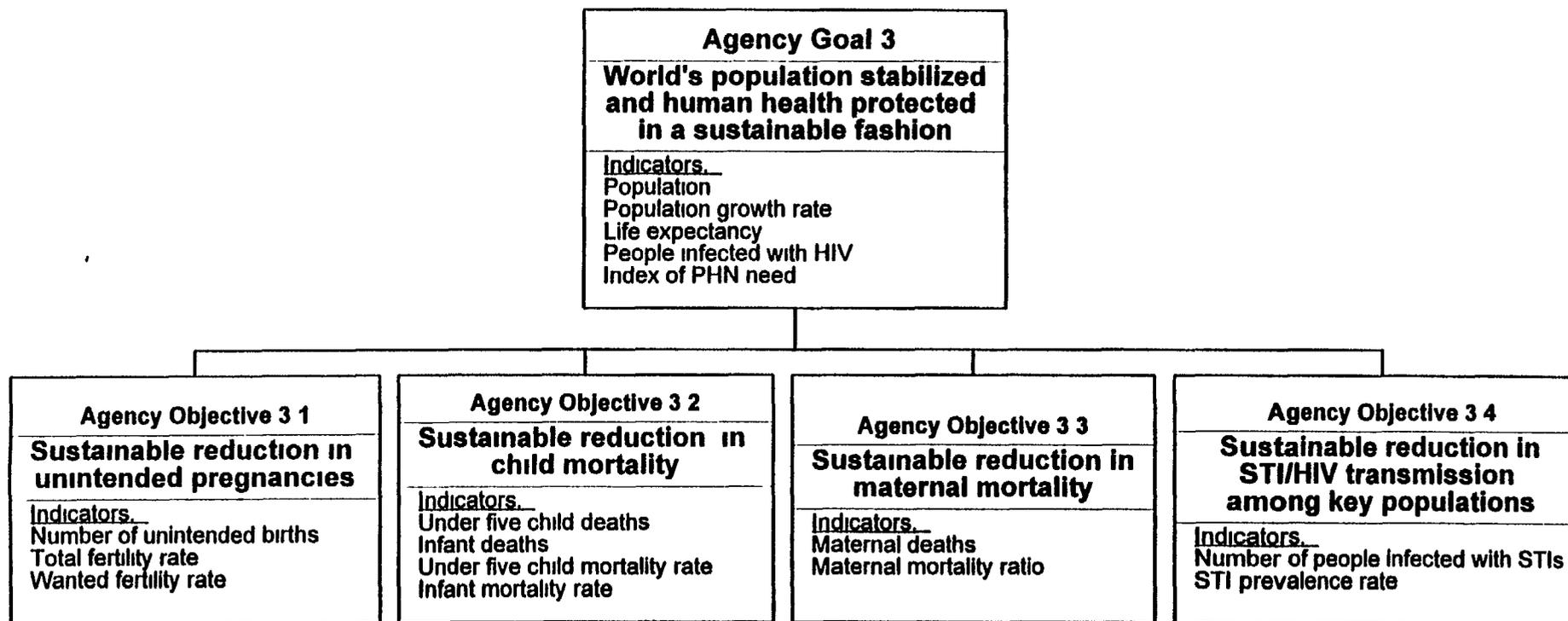
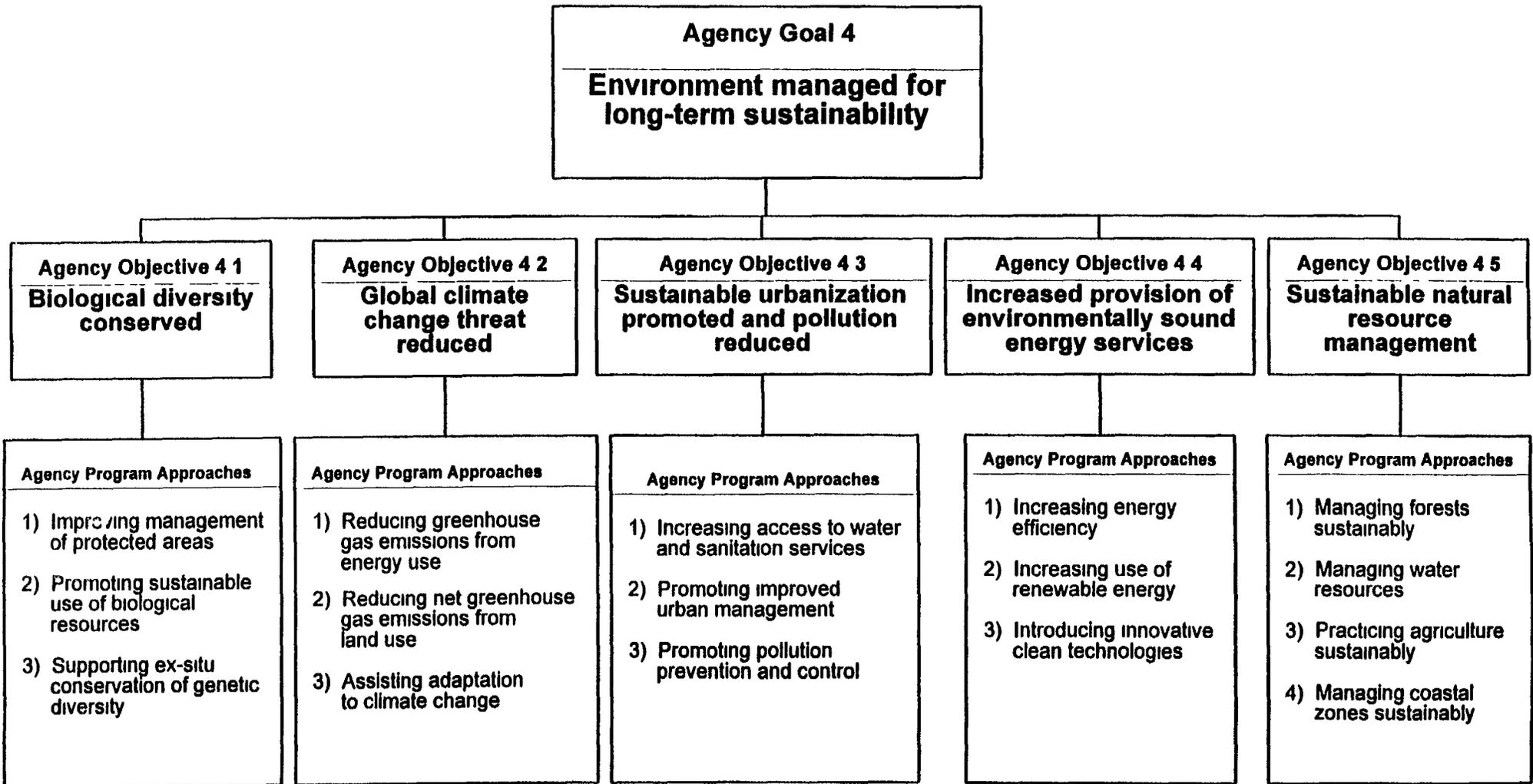


Figure 6a' Environment Strategic Framework 1995/96



12

21

Figure 6b. Agency Environment Goal and Objective 1995/96, with Indicators

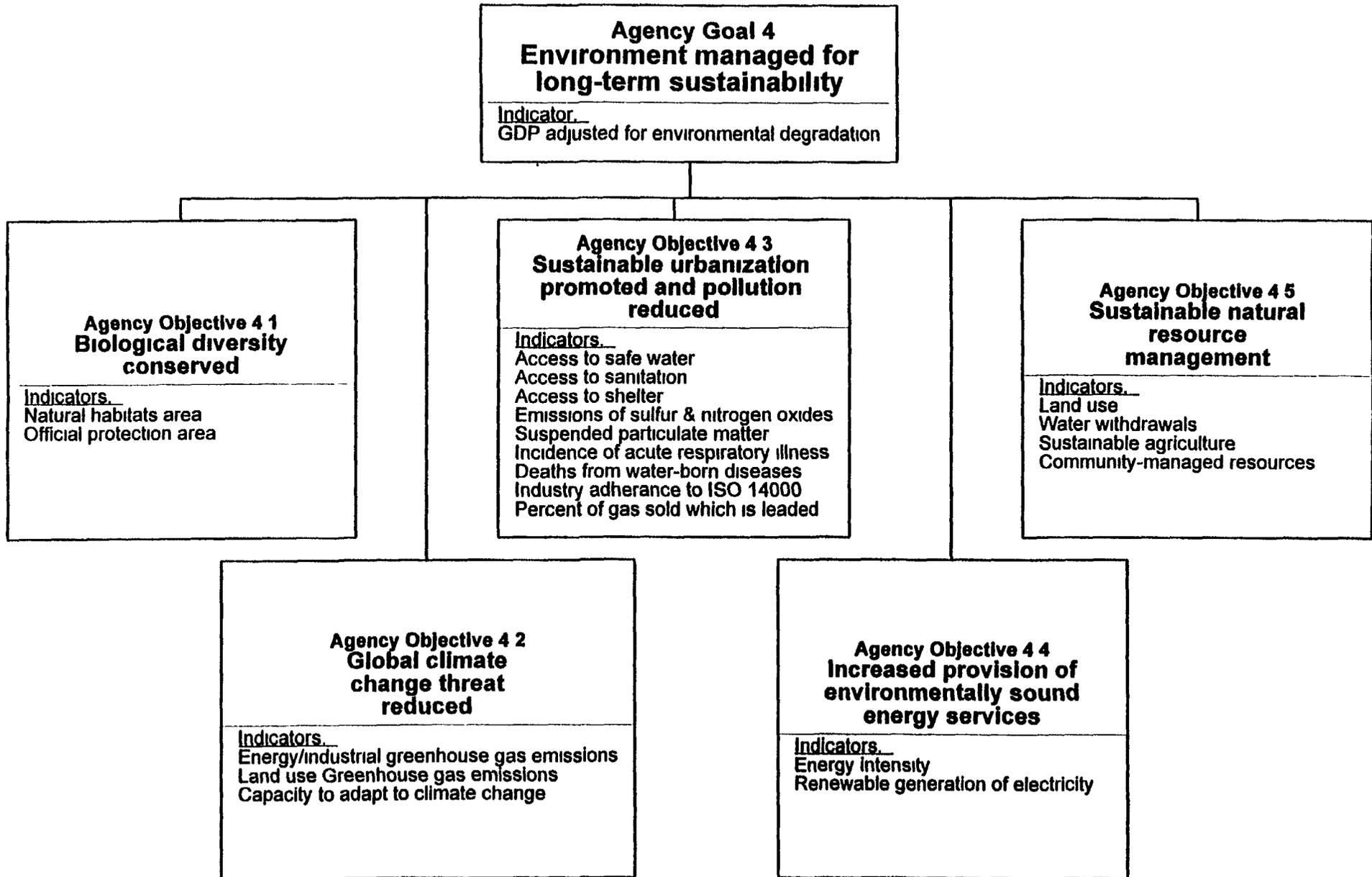
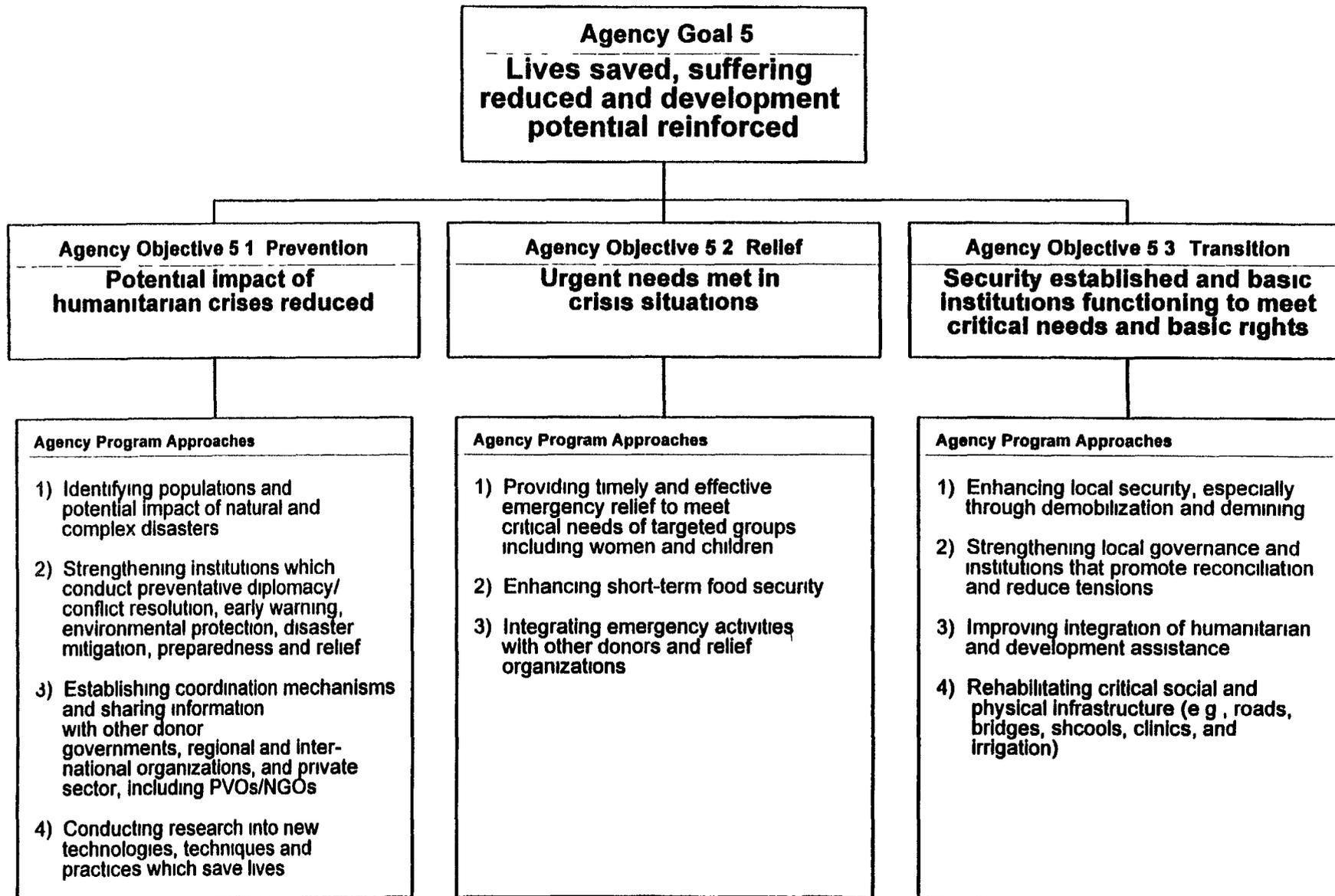


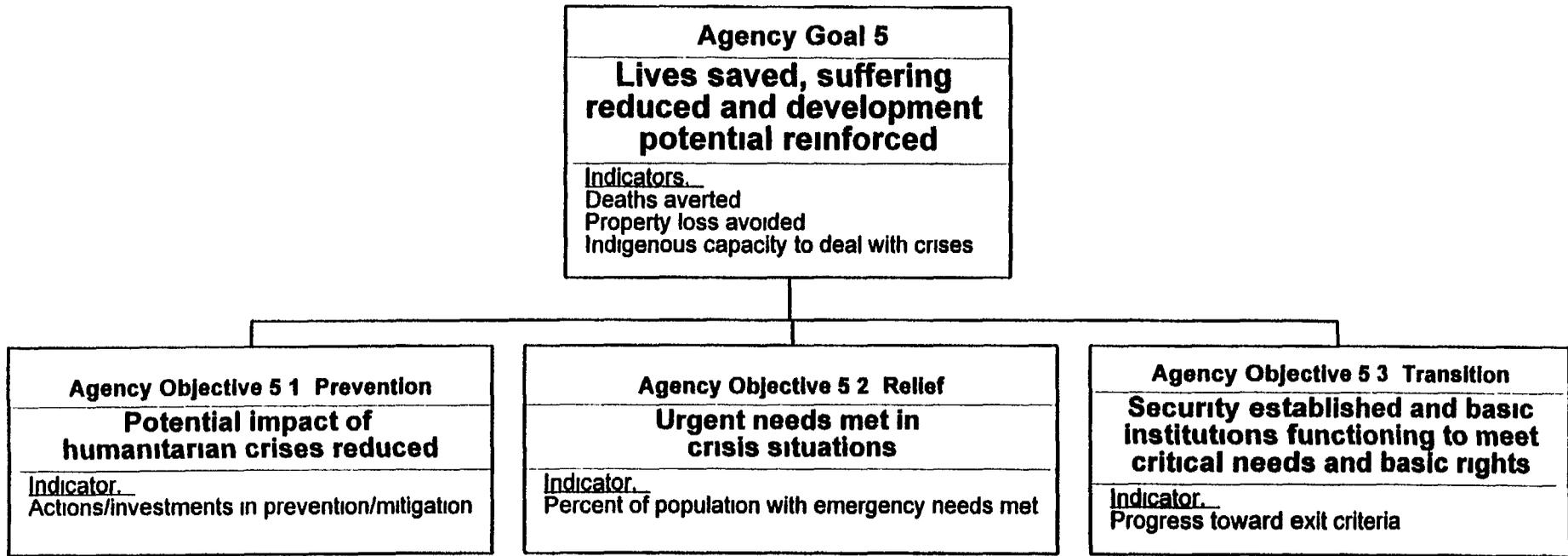
Figure 7a: Humanitarian Assistance Strategic Framework 1995/96



14

417

Figure 7b. Agency Humanitarian Assistance Goal and Objective 1995/96, and Indicators



15

218

**THE AGENCY'S STRATEGIC FRAMEWORK AND INDICATORS
1995/96**

APPENDIX A

**FREQUENTLY ASKED QUESTIONS
ABOUT
THE FRAMEWORK AND INDICATORS**

**FREQUENTLY ASKED QUESTIONS
ABOUT
THE STRATEGIC FRAMEWORK
(11/95)**

1 What is the Agency Strategic Framework?

The Agency Strategic Framework is a simple diagram of Agency goals, objectives, and program approaches drawn from USAID's *Strategies for Sustainable Development* and the associated Implementation Guidelines

The framework is a tool for communicating USAID's development strategy and strategic plan. The framework establishes an organizing basis for strategy and performance reviews, budgeting, and external reporting.

2. What are Agency goals and objectives?

Agency goals and objectives are those changes in developing country conditions that USAID has identified as critical for sustainable development. USAID works with its development partners to contribute to change in these important areas. In reviewing Agency performance and preparing the annual performance report, USAID assesses the progress of countries in which we are working toward achieving these goals and objectives.

3 What about Agency program approaches?

The Agency program approaches are the primary ways -- the kinds of program and policy interventions -- through which USAID contributes to Agency goals and objectives in a country. These approaches build on successful strategies currently being used in the field. They were refined by USAID's senior technical and policy advisors to ensure that they reflect current best advice.

4. What is the relationship between the Agency Strategic Framework and country and other programming?

All country, regional and global programs must contribute to the Agency-wide goals and objectives represented in the Agency strategic framework. Every proposed strategic plan (country, regional or global) must include a discussion of the linkage of the strategy to Agency goals and objectives.

Each operating unit's strategic objective must be linked to one Agency goal. It may be linked to other Agency goals on a secondary basis if necessary.

Each operating unit's strategic objective should also be linked to one or more Agency objective within its primary goal. Most activities represent one or more of the Agency approaches listed under the Agency objectives. Operating units should identify the program approaches they are using -- both in their strategies and their R4 reporting.

5. Can missions pursue activities that contribute to an Agency objective but that don't coincide with the program approaches listed for that objective?

Yes. The list of approaches is a work-in-progress. We will be seeking to improve the list of approaches over the coming year. It would be helpful to hear from missions and other operating units about program approaches which they consider especially effective. And, regional bureaus will likely want to learn about new and innovative approaches (and the results they achieve) in country strategy and R4 reviews.

6. Why have indicators been developed for the strategic frameworks?

Agency-wide working groups have developed indicators to monitor the progress of countries toward Agency goals and objectives, both for USAID-assisted countries and for other countries where we want to track development progress. This information will help us assess Agency performance and report on it in USAID's annual report on performance. While we will be assembling time series data on these indicators, we will not be setting performance targets. USAID may, however, identify thresholds (or ranges) for indicators at the goal level as one basis for considering if a country should graduate.

We will also be developing menus of indicators for the Agency program approaches. These menus will be based on current best practice and mission experience with the indicators they are using to monitor performance. Operating units are free to determine which, if any, indicators from these menus they will use.

7. Can we attribute any changes in these country indicators to USAID's programs? Don't they represent high level changes in country conditions that are often far removed from what we do on the ground?

Certainly, there are only a few cases in which we can directly link the results of specific USAID interventions to changes in these country level indicators. But these

indicators of change related to Agency goals and objectives do provide an important "frame of reference" for analyzing country programs and Agency performance. These are the key development changes which we want to address with our development partners.

8 How will information on Agency indicators be factored into budget decisions?

These data will be used in assessing Agency performance as an input into budget decision-making. With additional contextual information, they provide a reasonable picture of a country's development status, how that country compares to other countries in critical development areas, and how that country is progressing over time. This is an important reference point for analyzing USAID's contribution. It also provides a clearer basis for Agency-wide strategic planning and reporting under the Government Performance and Results Act of 1993 (the GPRA).

These kinds of data (along with other information on program performance, policy priorities, technical capabilities, and foreign policy significance) are already being used by USAID managers at all levels in setting priorities and allocating budgets.

The Agency indicators could be likened to red warning lights on a car dashboard. If countries fail to make progress with respect to Agency goals and objectives, or even slip back, that's cause for concern. It's something we'd want to explain and do something about, if possible. Similarly, if a country performs particularly well, we'd want to understand that, too. The warning lights don't provide answers, but do raise important questions.

9. Analyzing these kinds of data is complicated and requires sector and country knowledge. How will this analysis be carried out? Who will participate?

Analysis of the indicator data will be a part of the program and budget reviews of each sector. These reviews will draw upon expertise from PPC, the regional bureaus, and technical staff from the Global and Humanitarian Response Bureaus. These data may also be used by operating units themselves as a basis for relating the performance of their programs to broader development changes.

10 Won't getting all this data on Agency goals and objectives be an enormous burden on country missions?

We certainly hope not. Wherever possible, the Agency working groups selected indicators for which data were available from secondary sources. Such data are fairly well established in areas like economic growth, population, and health. In

newer program areas like environment and democracy, USAID may need to be more proactive in developing indicators and collecting data -- along the lines of our pioneering work in creating a worldwide demographic and health data base

While we have tried to minimize the burden on missions and other operating units in collecting data on these performance indicators, there may be occasions when data on specific indicators may be requested. Any such decisions will be made judiciously and in consultation. Better data are only worth getting if their value to the Agency outweighs the costs of collecting them

11. What happens if a mission believes that data for certain indicators in their country are inaccurate?

We have selected indicators for which comparable data are available from generally accepted sources. Any concerns about the accuracy of data will be examined with Missions and Bureaus

12. How should Missions use the Agency indicators in their programming? Should Missions specifically design their programs to affect the Agency indicators?

Missions should certainly design programs around the Agency goals and objectives, which reflect what we would like to achieve as an Agency, but not around the Agency indicators themselves. These Agency indicators represent the best data we can obtain from secondary sources and reflect national level changes that are substantially beyond most missions' manageable interest and the scope of their strategic objectives. Changes in these indicators are likely to be only indirectly linked to mission programming and budgeting, which should more directly reflect a mission's performance in achieving its own strategic objectives and intermediate results

We recognize, moreover, that the Agency indicators are not necessarily the *best* indicators of what our programs are trying to accomplish in particular countries, but reflect practical considerations and world-wide availability. Certainly, such high level Agency indicators should not drive mission programming

13. Are there any plans to update or revise the framework and indicators based on experience?

The current framework and indicators aren't perfect. They represent an important first step in systematically setting out and tracking Agency goals and objectives. We will use this framework in program planning and review this year and evaluate its

appropriateness and utility Each year, as part of the Agency-wide sector review, goals, objectives and indicators will be updated, as necessary

14. How can Agency staff contribute to changes in the Agency Strategic Framework and indicators?

In addition to the more formal Agency-wide annual review mentioned above, we would welcome hearing your suggestions, concerns, or issues with the Strategic Framework and indicators at any time We would also be glad to try to answer any questions you may have about the frameworks or performance monitoring and evaluation for your own program or more generally Just email us through the Agency's PM&E Hotline

**THE AGENCY'S STRATEGIC FRAMEWORK AND INDICATORS
1995/96**

APPENDIX B

USAID's Strategic Framework

What is it?	B-1
How can it be used?	B-1
The Components of the Framework	B-2
Performance Indicators	B-2
Analysis and Reporting	B-3
Performance Measurement and Evaluation	B-3
Implications for Missions and Offices	B-4

Figures

B-1	Principal Components of the Framework	B-5
B-2	Expanded Version of Components	B-6
B-3	The LINK between the Agency Strategic Framework and Operating Unit Results Framework	B-7
B-4	Relationship of Agency and Operating Unit Strategic Plans	B-8

USAID'S STRATEGIC FRAMEWORK

What is it?

USAID's strategic framework is the hierarchy of the Agency's mission, goals, objectives, and program strategies taken from the Agency's strategic plan (currently the Strategies for Sustainable Development and the Implementation Guidelines). The framework is one of the tools we use to manage for results. Its strength comes from its simplicity, but it has its limitations. Additional tools are needed to analyze cross-cutting concerns, such as integration, sustainability, and participation. The framework summarizes Agency policy and reflects the results being sought by Missions and offices (operating units). It is a conceptual diagram which illustrates the causal links between

- 1 the Agency's mission and the national interests which USAID serves by fostering sustainable development,
- 2 the Agency goals and objectives and the Agency mission, and,
- 3 the objectives which the operating units pursue to contribute to the achievement of the Agency objectives, goals and mission

How can it be used?

It is a tool which can be used

- 1 To **communicate** the essence of the Agency's strategic plan, by clearly articulating Agency goals, objectives and strategies
- 2 To **focus operating unit strategy plans**, by ensuring that their strategic objectives and intermediate results are explicitly related to Agency priorities
- 3 To **analyze and report results** of Agency programs for internal and OMB reviews, Congress, and the annual report required by the Government Performance and Results Act (GPRA)
- 4 To **contribute to management decisions**, by providing performance and results information for program direction and resource allocations

The components of the framework -- see figures on pages 5- 7

- * ***U.S. national interests*** considered in identifying recipients of foreign assistance
- * ***The Agency mission*** -- Sustainable Development USAID's unique contribution to those national interests
- * ***The Agency goals*** -- the long-term changes in countries which contribute to the mission
- * ***The Agency objectives*** -- significant development results that contribute to Agency goals in each sector
- * ***The Agency program approaches*** -- the strategies and activities that operating units implement to achieve results which contribute to the Agency objectives

Performance Indicators

Performance indicators are dimensions of goals or objectives which are measured to assess progress being made towards the goal or objective. Baselines and targets are the values of performance indicators at the beginning and end of the planning period. We will consider graduating countries from assistance in each sector as the values of goal indicators approach targets or "thresholds" established by the Agency for each country.

Agency mission There are no distinct performance indicators at this level at this time. Success in reaching the Agency's mission is determined by examining performance for each of the Agency goals.

Agency goal indicators Indicators of goal achievement are changes in country characteristics. Goals are long-term (10+ years) objectives. Changes in their indicators may be slow and only partially caused by USAID programs. The targets established for the goal indicators are the "threshold" values which show at what point USAID assistance may no longer be needed in a sector. Policies regarding exit strategies and graduation are being developed and will be promulgated this fall.

Agency objective indicators Agency objectives are medium-term (5-8 years) and their indicators are also country characteristics. Measurable change in their indicators may take several years. Changes in these indicators may be more directly related to USAID programs than changes in goal indicators.

Agency program approaches Each of the Agency's program approaches has a menu of indicators, primarily derived from the indicators being used by operating units for their strategic objectives. Within each approach we will assess the

effectiveness of the strategies by analyzing the performance indicators for the strategic objectives and intermediate results of the operating units

Analysis and Reporting

Agency mission and goals At this level we will examine and report on global, regional, and national trends in 25-30 common indicators (5-6 for each goal) representing changes in country conditions and taken primarily from existing international databases of development indicators

Agency objectives Here we ask "What progress are the countries where we are working making towards achieving key objectives in each sector? How does their progress compare with countries not receiving our assistance? How do trends at this level compare with trends at the goal level? Are there management or technical issues that require further analysis?" Data will be drawn from international databases

Agency program approaches Here we can examine the approaches and the expected and actual results from operating units using the same strategy. Within each group we can examine performance by analyzing the changes in the indicators of the strategic objectives and intermediate results and reviewing the narrative explanations in annual performance reports. Performance data on strategic objectives and intermediate results for all USAID-assisted countries is available on the automated, agency-wide, performance tracking system.

Results can be "rolled up" in various ways to provide a more complete picture of our results and their significance. For example, we can aggregate results across countries and look at regional trends when operating units have the same objectives and indicators. We can report and compare progress being made within a group of units pursuing the same strategy. We can compare the progress of units using different strategies to reach the same objective -- interpreting the results with caution. We can assess Agency contributions to changes in country conditions by comparing trends in country level indicators with trends in strategic objective and result indicators. We can identify successes and failures to provide a basis for further investigation. We can provide information for management decisions.

Performance Measurement and Evaluation

Both performance measurement and evaluation are required to ensure that Agency resources are deployed most effectively towards Agency goals and mission. They are distinct, but complementary, ways of obtaining information for decisions.

Managers use **performance measurement** to track their results. The Administrator and other stakeholders, through GPRA, will use performance measurement to assess how well the Agency is performing its mission. The core of the system is a clearly defined hierarchy of objectives, which is derived from development theory and practical experience. A limited set of performance indicators for each objective is measured to assess progress towards that objective. Performance measurement answers questions about "**whether and if**" results are being achieved on schedule, at cost and if expectations are being met. Performance measures provide clear insights about where more in-depth evaluations should be done.

Evaluation can answer managers' questions about "**how and why**" results are, or are not, being achieved. They can examine both intended and unintended results and more complex issues such as sustainability. They enable us to go far beyond performance measurement to examine and describe the fuller impacts of our activities. Performance measures are useful in evaluation, but they provide only a portion of the information required for impact assessment and management decisions.

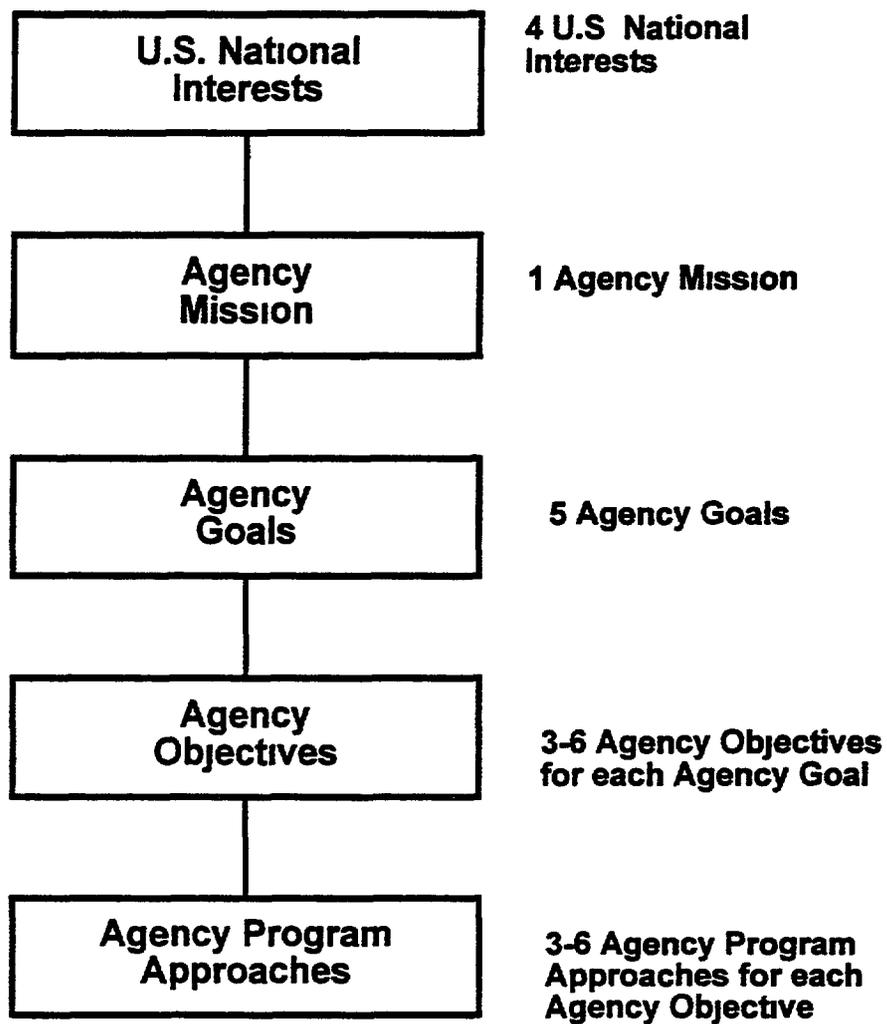
To analyze our results we need both performance measures and evaluations. These are the integral parts of an effective results management system. Shortly USAID will have a broad base of performance data regarding all its programs. We can use this information to plan our evaluations more strategically -- which in turn will improve our performance measures.

Implications for Missions and Offices

Missions and Offices will be able to use the Agency Framework as guidance when they develop and revise their country strategic plans. The Missions will be able to designate the Agency Objectives to which their activities contribute. They will also be able to indicate which program approaches they are using to reach their objectives and, wherever possible, choose an indicator or indicators from a menu of indicators associated with each Agency program approach. Operating unit objectives not linked to an Agency objective will have to be clearly explained in the Mission strategic plan.

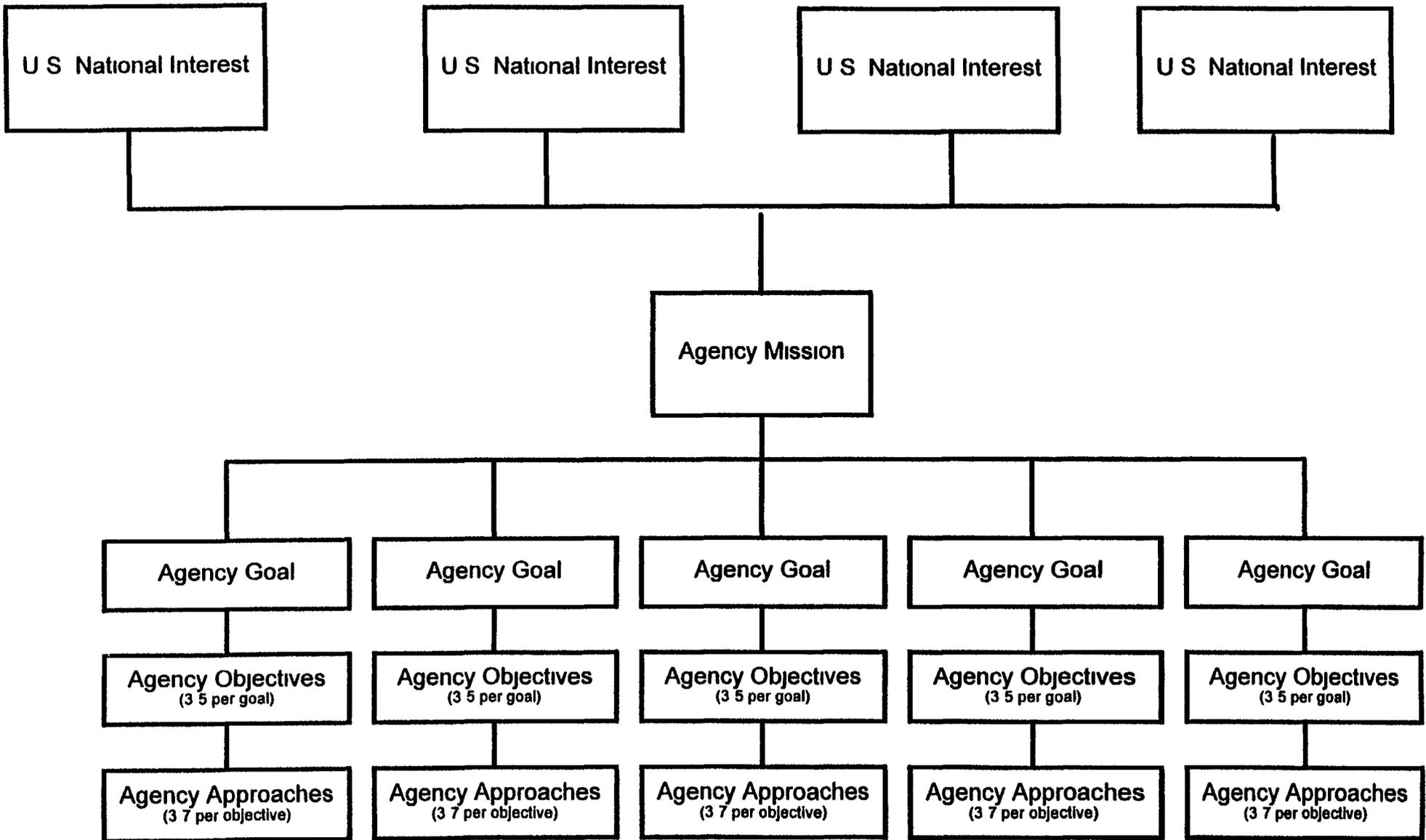
u \gkerr\docs\frmwkbrf918

Figure B-1 Agency Strategic Framework: Principal Components



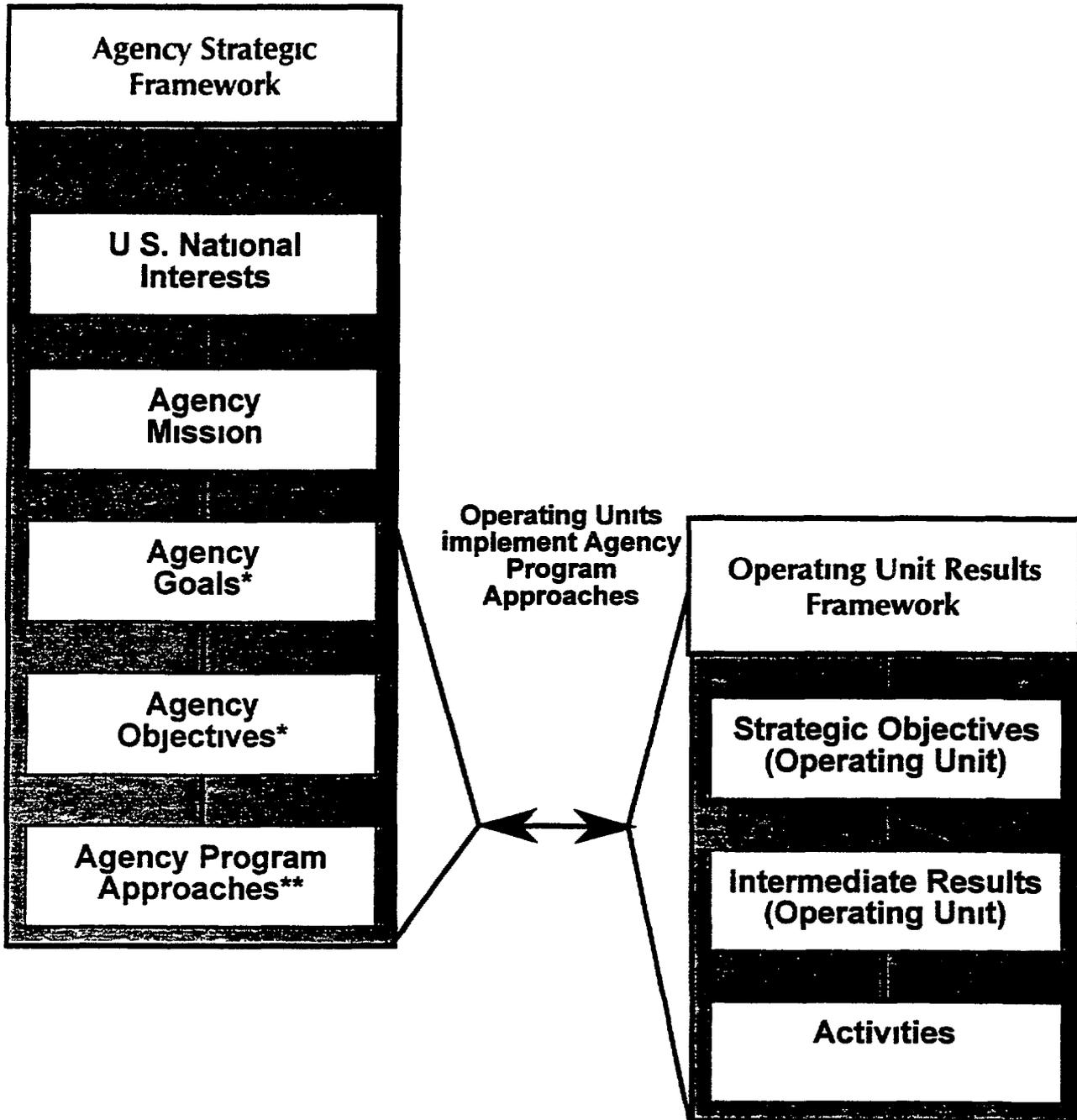
PPC/CDIE/PME, 9/18/95

Figure B-2 Agency Strategic Framework: Expanded Version of Components



131

Figure B-3: Agency Strategic Framework: The Link between the Agency Strategic Framework and Operating Unit Results Framework



*Indicators with standard, cross-country comparable definitions, data primarily from international sources

**Indicators with similar definitions, commonly shared by Missions, data primarily from Mission sources

**THE AGENCY'S STRATEGIC FRAMEWORK AND INDICATORS
1995/96**

APPENDIX C

THE INDICATORS FOR 1995/96

1	Information Memorandum for the Administrator, October 6, 1995	C-1
2	Economic Growth Indicators	C-4
3	Democracy Indicators	C-5
4	Population/Health Indicators	C-8
5	Environment Indicators	C-9
6	Humanitarian Assistance Indicators	C-11



US AGENCY FOR
INTERNATIONAL
DEVELOPMENT

OCT 6 1995

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

FROM AA/PPC, Colin I Bradford

CB

SUBJECT: Performance Indicators for Agency Goals and Objectives

The attachment to this memorandum lists the performance indicators which have been selected for the Agency's Goals and Objectives specified in the Agency's Strategic Framework which you recently approved. These indicators will track the development changes which USAID seeks to help bring about in countries where we work.

The consideration of indicators began in February, 1995 when CDIE distributed "Draft Agency Results Frameworks". These frameworks were used to develop indicators in four workshops which were co-sponsored by PPC with the appropriate Global Center or the Bureau of Humanitarian Response, between March and July, 1995. These workshops involved more than two hundred staff from all parts of the Agency and many of our development partners. Subsequently Sector Working Groups, with representatives from all central and regional bureaus, refined the Agency Framework as they prepared for the Sector Reviews in July. Some of the Sector Working Groups have also taken the lead in developing the lists of indicators.

Many concerns and issues were raised by the teams as they struggled with the selection of indicators. This led to a set of working assumptions which addressed some of the issues and provided important guidance as the groups moved forward. The key working assumptions are:

- 1 The "Agency indicators" reflect country performance on a limited number of key dimensions of the Agency goals and objectives. They do not usually directly reflect the performance of USAID's programs -- they reflect country performance to which USAID contributes.

CB

- 2 **USAID program performance is tracked with the "program indicators" of strategic objectives and intermediate results which are presented in mission results frameworks**
- 3 **The indicators act like "signal lights" on a dashboard telling us if and how fast we are progressing towards our destination. The full understanding of country and program performance, however, requires the collection of much more data than is available in the results tracking system. Sound programming and budget decisions require that indicator data be supplemented with performance information from evaluations and case studies of both our own and our partners programs and that this be factored in with political, social, financial, and other information prior to any decision**
- 4 **Data for the Agency indicators should, ideally, be available in recognized published sources, for most of our recipient countries, and brought up-to-date regularly**
- 5 **All Agency and program objectives and indicators will be available to all Agency staff in the new management system (NMS) so that they can use them when appropriate**
- 6 **The Agency indicators will be used to assess and report on broad performance of USAID-assisted countries for the sector reviews, annual performance reports, the Congressional Presentation, and other reports. In these reports the performance data will be supplemented with additional analysis and narrative**
- 7 **The targets set for Agency goal indicators will act as thresholds for our consideration of programs and countries for graduation**

The working assumptions do not address completely all the issues raised during the selection of the indicators and the groups working on their implementation and use will continue to explore and resolve the remaining issues as outlined in step 2 below

In keeping with the principles of re-engineering and USAID as a learning organization, I present these lists of indicators as first step in a continuing process of development and refinement. I propose the following as the next steps

- 1 **PPC will provide the 1995/96 Agency Strategic Framework and the Agency Performance Indicators to all Agency staff, together with the working assumptions listed above and a list of frequently asked questions (FAQs) and issues, with answers, raised during indicator development. Staff will also receive the revised Implementation Guidelines**

- 2 The Sector Working Groups will address and seek clarification and resolution of the following issues
 - a. Is the reliance on data from secondary sources too limiting and will it force the Agency to use indicators that do not adequately reflect goals and objectives? Do we need to collect additional data in some areas to capture better the changes we are seeking to bring about?
 - b. Will indicators, rather than objectives, determine design of our programs? Will Missions design their programs to reach objectives or to "look good" on certain indicators?
 - c. How can we more closely relate changes in Agency objective and goal indicators to the results of our programs?

- 3 PPC/CDIE, working with the G, BHR, Regional and M Bureaus, will assemble a database of indicator measures and prepare them for entry into the NMS

- 4 Bureaus and Missions will be asked to vet the indicators and the database and provide suggestions for their improvement

- 5 PPC/CDIE, working with the G, BHR, and Regional and M Bureaus, will use the indicators in the 1995 Annual Report on Program Performance and FY 1997 Congressional Presentation. As we prepare the Sector Reviews in 1996 we will review their utility, make recommendations for changes, and develop paradigms for using the indicators in programming and budget decisions

Attachments

- 1 List of Agency Indicators by Sector

Clearances

PPC/CDIE SSmith _____ Date _____
 SDAA/PPC JBallantyne _____ Date _____
 ES AWilliams _____ Date _____
 DA/AID CLancaster _____ Date _____

Proposed Indicators for Economic Growth Goal and Objectives

AGENCY GOAL 1· Broad-based Economic Growth Achieved

Indicators

- 1 Growth rate of GNP per capita
- 2 Modified Human Development Index based on Per capita income in purchasing power terms, Life Expectancy, Literacy rates, Ratio female to male enrolment rates in primary school -- (as an indicator of women's status, which in turn reflects whether economic growth is broad -based)
- 3 Trends in the incidence of absolute poverty

AGENCY OBJECTIVE 1.1 Strengthened markets

Indicators

- 1 GDP Growth rate
- 2 Export Growth rate
- 3 Agricultural Growth rate
- 4 Investment Growth rate
- 5 Modified Economic Policy Performance Assessment index reflecting trade, foreign exchange, monetary and fiscal policy, and inflation

AGENCY OBJECTIVE 1.2· Expanded access and opportunity for the poor

Indicators

- 1 Calorie supply per capita
- 2 Trends in income distribution

AGENCY OBJECTIVE 1.3. Basic education expanded and improved to increase human productive capacity

Indicators

- 1 Primary enrolment ratios
- 2 Primary completion rates
- 3 Number of years to produce an "x" grade graduate

Proposed Indicators for Democracy and Governance Goal and Objectives¹

AGENCY GOAL 2: Sustainable democracies built

Indicator

1 Civil Liberties and Political Rights as defined in the Freedom House Index

Measures Freedom House

AGENCY OBJECTIVE 2.1: Strengthen rule of law and respect for human rights

Indicators

1 Modified Civil Liberties Index based on the following questions

- a. Are there free and independent media, literature and other cultural expressions?
- b. Is there open public discussion and free private discussion?
- c. Is there freedom of assembly and demonstration?
- d. Is there freedom of political or quasi-political organization?
- e. Are citizens equal under the law, with access to an independent, nondiscriminatory judiciary, and are they respected by the security forces?
- f. Is there protection from political terror, and from unjustified imprisonment, exile or torture, whether by groups that support or oppose the system, and freedom from war or insurgency situations?

Measures Freedom House, disaggregation of the Civil Liberties Index

AGENCY OBJECTIVE 2.2 More genuine & competitive political processes

Indicators

1 Modified Political Rights Index based on the following questions

- a. Is the head of state and/or government or other chief authority elected through free and fair elections?
- b. Are the legislative representatives elected through free and fair elections?

Freedom House publishes an annual survey of Political Rights and Civil Liberties. These two indices consist of 22 questions. The indicators listed under each Agency DG goal and objective consist of some combination of the 22 questions identified in the Freedom House indices

- c Are there fair electoral laws, equal campaigning opportunities, fair polling and honest tabulations of ballots?
- d Are the voters able to endow their freely elected representatives with real power?
- e Do the people have the right to organize in different political parties or other competitive political groupings of their choice, and is the system open to the rise and fall of these competing parties or groupings?
- f Is there a significant opposition vote, *de facto* opposition power, and a realistic possibility for the opposition to increase its support or gain power through elections?
- g Does the county have the right of self-determination, and are its citizens free from domination by the military, foreign powers, totalitarian parties, religious hierarchies, economic oligarchies or any other powerful group?
- h Do cultural, ethnic, religious and other minority groups have reasonable self-determination, self-government, autonomy or participation through informal consensus in the decision-making process?
- i Is political power decentralized, allowing for local regional and/or provincial or state administrations led by their freely elected officials? [optional]

Measures Freedom House's Political Rights Index

AGENCY OBJECTIVE 2.3: Increased development of politically active civil society

Indicators

- 1 Modified Civil Liberties Index based upon the following questions
 - a Are there free and independent media, literature and other cultural expressions?
 - b Is there open public discussion and free private discussion?
 - c Is there freedom of assembly and demonstration?
 - d Is there freedom of political or quasi-political organization?
 - e Are there free trade unions and peasant organization or equivalents, and is there effective collective bargaining?
 - f Are there free professional and other private organizations?
 - g Are there free businesses or cooperatives?
 - h Are there free religious institutions and free private and public religious expressions?
 - i Are there personal social freedoms, which include such aspects as gender equality, property rights, freedom of movement, choice of residence, and choice of marriage and size of family?
 - j Is there equality of opportunity, which includes freedom from exploitation by or dependency on landlords, employers, union leaders, bureaucrats or any other type of denigrating obstacle to a share of legitimate economic gains?

Measures Freedom House, disaggregation of the Civil Liberties Index

AGENCY OBJECTIVE 2.4. More transparent and accountable government institutions

Indicator

1 Modified Governance Index based upon the following questions

- a. Is there freedom from extreme government indifference and corruption?
- b. Are all costs and revenues related to major public investments included in the national budget?
- c. Does the military report to and fall under the ultimate control of the civilian government?
- d. Is the entire military budget included in the national budget?
- e. Is there a published legislative agenda?
- f. Do ministries publish their program and operating budgets?
- g. Do public employees receive their salaries on a regular basis?
- h. Are there uniform civil service regulations for the administrative branch?
- i. Do local government control expenditures under their own budget?

Measures analysis

Freedom House, disaggregation of the Civil Liberties Index and in-house

Proposed Indicators for Population/Health Goal and Objectives

AGENCY GOAL 3· Stabilize World's Population and Protect Human Health in a Sustainable Fashion

Indicators

- 1 Total world's population
- 2 World's population growth rate
- 3 Life expectancy of women/men in the developing world
- 4 # of people infected with HIV
- 5 Summary index of PHN need

AGENCY OBJECTIVE 3.1 Sustainable Reduction in Unintended Pregnancies

Indicators

- 1 # of Unintended births
- 2 Total fertility rate
- 3 Wanted fertility rate

AGENCY OBJECTIVE 3.2 Sustainable Reduction in Child Mortality

Indicators

- 1 # of Under five child deaths
- 2 # of Infant deaths
- 3 Under five child mortality rate
- 4 Infant mortality rate

AGENCY OBJECTIVE 3.3: Sustainable Reduction in Maternal Mortality

Indicators

- 1 # of Maternal deaths
- 2 Maternal mortality ratio

AGENCY OBJECTIVE 3.4 Sustainable Reduction in STI/HIV Transmission Among Key Populations

Indicators

- 1 # of people infected with STIs
- 2 Selected STI Prevalence rates

Proposed Indicators for Environment Goal and Objectives

AGENCY GOAL 4· Environment Managed for Long-Term Sustainability

Indicator GDP adjusted for environmental degradation

AGENCY OBJECTIVE 4.1 Biological diversity conserved

Indicators

- 1 Area of remaining natural habitats*
- 2 Area under official protection

AGENCY OBJECTIVE 4.2: Global climate change threat reduced

Indicators

- 1 Greenhouse gas (GHG) emissions from energy and industrial sources, expressed as CO2 equivalents
- 2 Net GHG emissions from land use changes, as CO2 equivalents
- 3 Country capacity to adapt to climate change*

AGENCY OBJECTIVE 4.3· Sustainable urbanization promoted and pollution prevented

Indicators

- 1 Access to safe drinking water
- 2 Access to sanitation
- 3 Access to shelter
- 4 Emissions of sulfur and nitrogen oxides
- 5 Concentrations of suspended particulate matter
- 6 Incidence of acute respiratory illness
- 7 Deaths from water-borne diseases
- 8 Percent of gasoline sold which is leaded
- 9 Industry adherence to int'l environmental management standards (ISO14000)*

AGENCY OBJECTIVE 4 4 Increased provision of environmentally sound energy services

Indicators

- 1 Energy intensity (total commercial energy consumption/GDP)

- 2 Share of electricity generation from renewable sources (solar, wind, geothermal, hydro, biomass)

AGENCY OBJECTIVE 4.5. Sustainable natural resource management

Indicators

- 1 Land use changes (cropland, permanent pasture, forest and woodland, etc)
- 2 Water withdrawals as a percentage of water availability
- 3 Area under sustainable agricultural practices*
- 4 Area of community-managed forests, fresh water and marine resources*

* New indicator proposed, requires further definition and data collection.

Proposed Indicators for Humanitarian Assistance Goal and Objectives

AGENCY GOAL 5: Lives Saved, Suffering Reduced, and Development Potential Reinforced

Indicators

- 1 Deaths averted
- 2 Property loss avoided
- 3 Increased indigenous capacity to deal with crises

AGENCY OBJECTIVE 5.1: Potential Impact of Humanitarian Crises Reduced

Indicator

Significant actions/investments in crisis prevention/mitigation in crisis prone countries

AGENCY OBJECTIVE 5.2: Urgent Needs Met in Crisis Situations

Indicator

Percent of vulnerable population with emergency needs met.

AGENCY OBJECTIVE 5.3 Security Established and Basic Institutions Functioning to Meet Critical Needs and Protect Basic Rights

Indicator

Progress toward pre-determined, crisis-specific, exit criteria.

u \gkerr\docs\indicator mem November 8, 1995

Draft Date: 5:15 pm August 31, 1995
doc u:\pmes\doc\4mod 831

PRECEPTS FOR EMPLOYEE PERFORMANCE EVALUATION

A. PURPOSE

The U.S. Agency for International Development can accomplish its mission only if its employees have the capacity, including the dedication and the skills, to achieve that mission. Accordingly, USAID has established an evaluation program designed to accurately assess the abilities, accomplishments and potential of its employees. To this end, the Employee Evaluation Program (EEP), on an annual basis, evaluates the performance of each Agency employee, whether Foreign Service (FS) or Civil Service (CS). The EEP, properly implemented, encourages accomplishment in the areas of Core Values and skills, enables employees' performance to be recognized, and results in constant feedback from supervisors to employees regarding their performance and contributions as members of teams. In this regard the EEP's Annual Evaluation Form (AEF) is an important, regular means of communication and serves as a tool for reviewing and planning each employee's performance and career goals.

Primarily, the EEP enables USAID to accomplish the following

- o Provides work unit managers a regular opportunity to convey to their subordinates important information on employee performance, management expectations, and actions needed to advance the employee's career in USAID
- o Gives employees the opportunity to inform managers concerning their work, to discuss their performance, and to identify their professional goals and interests.
- o Evaluates all employees (FS and CS) for promotion

5 15 pm August 31, 1995

445

consideration in accordance with governing regulations for each system,

- o Produces information necessary to help ascertain those employees who are to be considered for selection out for relative performance (FS) or for separation for failure to successfully perform requirements (CS),
- o Evaluates tenure candidates or conversion to career appointment,
- o Recommends eligible employees (FS) for limited career extension (LCE).
- o Determines eligible employees (CS and FS) for performance awards
- o Ascertains staff development and career training needs.

B. AUTHORITY

"legal"

1. CIVIL SERVICE:

- a 5 USC Chapter 43, Performance Appraisal; 5 CFR 430, Subparts A, B, and C.
- b. 5 USC 4503 and 5406, Agency Awards and Performance Awards, respectively; 5 CFR 430, Subpart E.
- c 5 USC Chapter 45, Superior Performance Awards, 5 CFR 451, Subpart A
- d. 5 USC 5335 and 5304, Locality-based comparability payments and Periodic step-increases, respectively; 5 CFR 531, Subpart D, Within-Grade Increases.
- e. 5 USC 5336, Additional step-increases, 5 CFR 531, Subpart E, Quality Step Increases.
- f. 5 USC 3502, Order of Retention; 5 CFR 351 504, Credit

4/10

for Performance

- g. 5 USC 552a, Records maintained on individuals; 5 CFR 293.404 and 293.205, Retention schedule and Disposition of records, respectively
- h. 5 USC 5305, Special pay authority; 5 CFR 540 106, General pay increases.
- i. 5 USC 5404, Merit increases.
- j. 5 USC 3321, Competitive service; probationary period.
- k. 5 CFR, Part 432, Reduction in Grade and Removal Based on Unacceptable Performance

2. FOREIGN SERVICE:

- a. Sections 405, 406, 601-605, 608 and 2103, Foreign Service Act of 1980, as amended
- b. 3 FSM 226.4-3, Performance-Based Salary Adjustments
- c. HB 25, Chapter 38, Senior Foreign Service.

3. EMPLOYEE EVALUATION PROGRAM

- a. Policy 419 to 419.5.h
- b. Essential Procedures E419 to E419.5.1
- c. Employee Evaluation Program (EEP) Guidebook

4. SES (Reserved)

5. FSN (Reserved)

C. THE ANNUAL EVALUATION AS A TOOL FOR CIVIL SERVICE

5 15 pm August 31, 1995

447

AND FOREIGN SERVICE EMPLOYEE PERFORMANCE EVALUATION

The EEP produces information to document employee performance and support USAID management decisions in the areas set forth in subsections C 1 through C.4. This information is developed by the Rating Official and approved by the Appraisal Committee (AC). The vital role of the AC is outlined on page 3 of the EEP Guidebook. This information is recorded on the AEF for CS and FS employees and on the Supplementary Evaluation Form (SEF) for certain categories of FS employees. An SEF is not required for CS employees.

For information concerning any aspect of EEP, including implementation, consult the USAID EMPLOYEE EVALUATION PROGRAM GUIDEBOOK

1 Evaluation

Because FS and CS matters are dealt with in different laws and regulations, special factors and considerations have been incorporated in the EEP as follows

- o Civil service employees are participants in the evaluation process. Accordingly, Merit Promotion Boards, and such other agency organizations, as appropriate under law or regulation, may review the AEF results for CS employees for such purposes as assessment of staff development needs, conversion to career appointment, promotion, or whether employees should be separated for failure to successfully perform their requirements. These assessments are, at least in part, based upon materials and documentation produced in the EEP.
- o Foreign Service employee rankings are based solely on the EEP annual evaluation process. Selection Boards review information contained in employee evaluation files to assess employees based upon relative performance in order to recommend those who are appropriate for retention, promotion, and selection out. Those recommended for promotion must have clearly demonstrated a readiness for promotion by evidencing the skills, strengths and

potential for performing now at the next higher level. They must also have demonstrated considerable potential for future growth. Those identified for retention must have demonstrated performance that consistently meets and occasionally exceeds expectations. Those selected by the Boards for referral to the Performance Standards Board must have demonstrated performance that is relatively less competitive with their peers.

FS Selection Boards, in considering and assessing employees, shall be guided by the criteria set forth below (Sections E and F)

- o It is important for employees to realize the importance of continuing to maintain the best possible performance wherever they are. In this regard, the vast majority of employees are expected to achieve an effective level of performance. Only for a few is it expected that the EEP will document performance that is exceptional, needs improvement or is unsatisfactory.

The same form, the AEF, is prepared annually for both Civil Service and Foreign Service employees, however, no SEF is prepared for CS officers. An SEF is prepared for all SFS and overseas Senior Management Group (SMG) officers, those officers whom the relevant AC recommends for promotion and those officers who are up for tenure determination. With regard to the Summary Skill Areas and the Specific Skill Areas (Sections I and III of the AEF) the form provides the adjectival rating categories for employees set forth below. Annual evaluation materials furnished to the Selection Boards contain only a Summary Skill Areas section and do not contain Section III of the AEF (Specific Skill Areas) which is intended primarily to provide the employee with feedback on the overall quality of his/her performance. Note. for CS employees the summary rating must be consistent with and supported by the ratings of work objectives. The adjectival ratings are

- o Exceptional - Work performance or a specific skill almost always exceeds expectations

5 15 pm August 31, 1995

- o Effective - Work performance or a specific skill consistently meets, and occasionally exceeds, expectations
- o Needs Improvement - Work performance or a specific skill meet some expectations, but improvement is needed
- o Unacceptable - Work performance or a specific skill does not meet expectations

2. Pay Adjustments, Bonuses and Meritorious Pay Increases

The Employee Evaluation Program provides specific employee performance information that serves as a basis for other management determinations such as Within-Class Pay Adjustments, Meritorious Service Increases (MSI's) and Performance Pay Bonus

3. Tenure

a. Civil Service

The AEF's for CS employees shall be available to the Agency in accordance with CS rules/regulations as from time to time amended, for the purposes of considering matters related to probationary periods and career candidacy of CS personnel

b. Foreign Service

The Tenure Board shall review the performance evaluation file of each Career Candidate referred to it, evaluate the candidate's fitness and aptitude for the work of the AID Foreign Service, and make a recommendation to the DAA/M/HR or IG, as appropriate, regarding the tenuring of each candidate. The Board shall base its decisions only on material properly part of the candidate's performance evaluation file.

4. Performance-Based Separation

a. Selection Out (FS)

5 15 pm August 31, 1995

A career employee may be selected out for failure to meet the standards of performance established for that employee's class (Section 608, Foreign Service of 1980, as amended, hereafter referred to as the Act.) Basic standards of the class are defined in the precepts. However, each Selection Boards conducting the performance evaluations, builds upon that basis to further develop standards of the class.

b Unacceptable Performance (CS)

Performance that fails to meet the minimum performance standards for one or more critical elements of an employee's performance plan. If the performance on any critical element is unacceptable, the employee's overall rating is also unacceptable.

D. EQUITY AND DIVERSITY

The Administrator has committed the Agency to achieving a workforce that is diverse and representative of the U. S workforce profile. That commitment encompasses developing and implementing comprehensive managerial processes that assure equal employment opportunity for each and every employee in all facets of the employment relationship. Appraisal Committees and CS and FS Boards, therefore, shall give the same positive consideration to employees who demonstrate successful accomplishment in meeting the diversity commitment as they do to officers who demonstrate successful performance and accomplishment in Specific Skills or Core Value Areas

1. Equal Employment Opportunity Program

Support of USAID's Equal Employment Opportunity Program is mandated by statute and Executive Order and is a value that arches over all of the Agency's programs. It represents an integral part of the Agency's human resources management program. Employees can take positive steps in support of this program by acting on affirmative employment objectives in hiring, promotions, and assignments. Below are but a few illustrative

5 15 pm August 31, 1995

451

examples of how employees can support the Agency's EEO program.

- o insuring that all employees are given career enhancing assignments and training opportunities on an equitable basis,
- o insuring that all staff are briefed on EEO principles and expectations,
- o providing thoughtful career counseling,
- o assuring staff of a work environment free of sexual and racial harassment or prejudice;
- o insuring compliance with discrimination complaints regulations,
- o insuring that employees receive equitable recognition for work done,
- o applying EEO principles and policy in daily work by including minority and female colleagues in office/bureau/mission decisions (e.g., objectives, planning, budget, team projects),
- o demonstrating leadership in appreciation and valuing multi-cultural diversity both with regard to direct hires and foreign service nationals. This suggests taking actions that reflect fair-handedness, respect and courtesy with issues related to foreign service nationals, (e.g , religious holidays, gender equity in assignments, culture and traditions.)

2. Equality of Consideration

All employees shall be evaluated solely on merit with complete fairness and justice. This responsibility includes an equitable weighing of performance data reviewed and a positive discounting of any apparent bias or unfairness, either conscious or

5 15 pm August 31, 1995

432

unconscious found in the performance data. In this respect, there shall be no discrimination against any employee, directly or indirectly, for reasons of race, color, religion, sex, age, disabling condition, national origin or means of entry into the Service

E. CORE VALUES AND SKILL AREAS

In large part, achievement in Summary Skill Areas and accomplishment in Core Values form the basis for evaluation of USAID CS and FS employees. These achievements are documented in Sections I and II of the AEF and, for some FS employees, in the SEF. For FS employees, achievement and accomplishment in these areas assist Selection Boards to determine whether the competitive standard of ability to perform at a higher level has been met by an employee and, conversely, whether an employee is less competitive in his/her class. With regard to CS employees, positive accomplishment and achievement in these areas enhance their ability to compete for higher graded positions through the processes of the Merit Promotion System.

The six Specific Skill Areas, which are required to be summarized in Section I of the AEF, are described in detail in the USAID EMPLOYEE EVALUATION PROGRAM GUIDEBOOK, in the section entitled "USAID Performance Guidelines". The Core Values are explained below in subsections E.1 through E. 4. For each rating year, the Work Objectives and Performance Measures (WPs) required by Section II of the AEF should be drafted so that they include an employee's accomplishment in Core Value areas in order to meet the specific objectives. In this regard, Work Unit Managers and Appraisal Committees should exercise vigilance to assure that Section II of each AEF, as negotiated with the rated employee, reflects the inclusion of Core Values. While employees, rating officials and ACs are encouraged to incorporate Core Values in the agreed-upon WPs, Selection Boards should recognize that the responsibilities inherent in each position or assignment will not necessarily lend themselves to the embodiment of each of the four Core Values.

CORE VALUES

1. Customer Focus

The employee should facilitate or enhance the flow of assistance and services to customers. USAID has defined its ultimate customer to be the end user/beneficiary in host countries where the Agency invests US government resources, (however, the Agency also recognizes a wide variety of other customers). For instance, there can be internal Agency customers, such as (1) all employees and (2) Agency management, for processes and administrative services made available by the various divisions of the Human Resource Directorate. Additionally, there can be various partners in the Agency processes, i.e., those with whom employees collaborate to achieve work objectives and to secure customer participation. Partners need not be internal to the Agency and could, for instance, be NGO's or other organizations. Customers and their needs should be identified early, and should be included in the planning process to assure that their needs are met and that constructive results are achieved.

? iHC
0
24 PV
166

2. Managing for Results

For the Agency to be results oriented, it must focus upon achieving beneficial changed conditions for the customer. All Agency processes have customers. Substance should prevail over form as the customer is served. Thus, while prudent management principles should be maintained and observed, flexibility in the deployment of resources should be sought, and is encouraged, to effectively meet Agency objectives. All Agency processes should have demonstrable results. A results orientation places greater emphasis on accomplishing objectives which serve the customer rather than on the processes, which can become overly bureaucratic. A results orientation means managing to achieve results. The targeted results should be within the manageable interest of the operating unit and the employee. The scope of USAID's manageable interest is the extent to which an operating unit believes it can materially affect a selected development result using its own human, financial, and other resources.

The achievement of results is one indicator of success in managing for results, but ~~is not the only indicator~~. Failure to achieve expected results must, however, be explained. Continued failure by an individual or organizational unit to achieve expected results over time should be grounds for special management attention and concern.

3. Teamwork

Where appropriate to the circumstances, increased teamwork is encouraged as it will permit limited Agency resources to be brought to bear on problems through creation of new types of working groups. Teams will be drawn from various interested groups or from individuals who have a stake in the outcome or objective and, in general, will be given specific responsibility and the authority, autonomy and accountability to accomplish an assigned objective.

Teams are groups of individuals coming together in a common approach to achieve objectives or results. Typically, team members bring specific skills needed to achieve a result, or represent an interest central to that achievement. Teams function in a collaborative and supportive fashion, drawing on the strengths of individual members. They work best when these individual strengths are combined into a unit of interested parties working more effectively because they have agreed to this union and because they understand that, "Together, each achieves more."

Teams will draw full and part-time members from throughout USAID and could include representatives of partners, grantees, contractors and, whenever appropriate and feasible, customers who are the host country end users.

The following characteristics should be taken into account when assessing an employee's contributions as a leader or member of a team (or teams):

- o The effectiveness of the employee in working as a member of a team or the effectiveness of the employee in establishing and empowering teams,

5 15 pm August 31, 1995

*
↓
#2

455

- o Effectiveness of the employee in allocating time and effort between multiple teams and projects;
- o Interactions with team members and customers characterized by respect for other team members and the exchange of useful information,
- o Successful adaptation in a team setting of the employee to a host country cultural setting and the ability to interact with host country nationals and organizations with whom he/she needs to work.

4 Empowerment and Accountability

Accomplishment of the previously described Core Values will generally require concomitant empowerment. In a customer and results-focused USAID, empowerment must result in authority delegated closer to where the action takes place. However, it must also be bound by parameters related to legal and ethical standards as well as organizational goals and management objectives. A key dimension of this Core Value is eliminating unnecessary rules and clarifying all the limitations that remain.

Empowerment implies accountability for decisions made. If an employee or team is empowered to make decisions, they must be delegated sufficient authority and have sufficient knowledge of the legal, ethical and policy related issues to be willing and capable of assuming accountability for that decision.

F. GUIDANCE TO SELECTION BOARDS (FS)

1. General

Selection Boards shall rank eligible employees on the basis of a review of the employee's evaluation file which includes performance documentation in the "Work Objectives and Performance Measures" section as well as the various Specific Skill Areas reflected in the "Summary Skill Areas" section of the AEF, the Summary Statement of Section I, and, as applicable, a review of the SEF and the Employee's Statement. In determining relative

merit and the potential of the employee to perform at the next higher level, The Boards consider and weigh the important areas of character, ability, conduct, quality of work industry, experience, dependability, usefulness, and general performance as these are embodied in the completed AEF Boards should exercise their responsibilities with care and discernment and, in doing so, base their considerations and recommendations solely on information included in the employees evaluation file.

2. Equal Opportunity Program Briefing

The Boards will be briefed by the Office of Equal Employment Programs (EOP) on EEO matters before they begin their deliberations The performance rating process shall be insulated from irrelevant or improper influence Stereotypes, group assumptions and sexist or ethnic comments shall not affect Board deliberations. If a Board discerns such unfairness in an evaluation file, it shall discount the statement or implication and refer the matter to the Chief, HR/PMES or IG/RM, as appropriate, or designee, and the Director, EOP, for appropriate action. If a Board member discerns such unfairness or bias on the part of another Board member, the member should bring his/her concerns to the immediate attention of the Directors, HR and EOP or Chief, PMES for appropriate action.

3 Framework for Developing A Composite Picture

USAID relies on the collective experience of Selection Boards, and the individual judgment of members, as they adopt and implement procedures in order to arrive at well-considered, equitable rankings and recommendations at the conclusion of the evaluation process. The Selection Boards are guided by the following framework in

- o assessing an employee's ability to perform at the next higher level
- o determining potential for continuing growth.
- o developing a composite picture

5 15 pm August 31, 1995

457

- o assessing relative merit

There are four major factors in the framework, each of equal weight, to be considered in developing the composite

a. Achievements in the Specific Skill and Core Values Areas

Success in fulfilling annual work objectives and positive accomplishment of Core Values, and the skills brought to bear in accomplishing them, are keys to successful career development. Persistent weakness in these areas normally precludes advancement and could lead to selection-out for relative performance. Core Values are explained in Section E, above, and the six Skill Areas are detailed in the USAID EMPLOYEE EVALUATION PROGRAM GUIDEBOOK. Boards carefully consider each work objective and performance measure of an employee under the assumption that Core Value concepts have been incorporated in the appropriate sections of the AEF. The responsibility in this regard rests with the various USAID work units, including the rating officer, the Appraisal Committees, and the employee to assure that Core Values are reflected in the work objectives of each officer. Also, the Boards, in determining potential to perform at the next higher level, will be guided by their independent assessment of the relative degree of difficulty, complexity, and challenge of the stated work objectives

b. Understanding of and Ability to Advance the Agency's Mission

As employees progress in the Agency by taking on various assignments, they are expected to show a deeper understanding of the Agency's objectives and how these evolve, how the Agency works (both in the U S. and overseas), and how individual performances contribute to the achievement of the Agency's mission and purpose. Narrative in the AEF and/or SEF should be framed in a way that facilitates a Board's discernment of such attributes

c Past Performance

Evaluation reports have been designed to record and assess the ratee's performance achievements. The Boards, when evaluating and ranking employees, place greatest emphasis on the most recent five years of service or the period the employee has been in the present class, whichever is longer.

Boards should give more weight to employees who have consistently fulfilled particularly challenging work objectives within the context of the work environment. By the same token, Boards should consider low marks for those who fail to achieve performance measures. Boards should keep in mind that fulfillment of work objectives is a prerequisite for recommendation for promotion. In this regard, consideration of such issues as whether the work objectives were within the employee's span of control (resources and authority) are within the province of the Board.

Past performance is an area subject to Board interpretation and judgment as so many times there are extenuating circumstances (bureaucratic, environmental, political, security) which assist or hinder an employee's performance. Nevertheless, the Agency must rely on the Boards' experience and judgment to arrive at thoughtful and equitable rankings.

d. Judgment of Potential

Appraisal Committees are required in the SEF to discuss how the employees they nominate for promotion have demonstrated the skills, strengths and potential to perform successfully at the next higher level. Potential can also be discussed in the AEF. The perspective of the ACs is significant for the Board to consider when arriving at its composite view of an employee. However, the Board is required, and expected, to arrive at its own assessment of skills, strengths and potential by developing a composite picture which incorporates all four conceptual framework factors -- not just one.

4 Special Considerations for Promotion

The Special Considerations for Promotion applicable to promotion at all grade levels, including into and within the SFS, are set forth in Attachment A , hereto. These set forth in depth the different levels of achievement and accomplishment which must be displayed by officers according to grade level. Boards should carefully read and become familiar with the Special Considerations at the commencement of the evaluation process.

5. Inadmissible Comments

Selection Boards shall ignore any information in the evaluation file identified by regulations as inadmissible (see page 9, USAID EMPLOYEE EVALUATION PROGRAM GUIDEBOOK) Such information shall not be discussed or be a basis for performance evaluation decisions.

5 15 pm August 31, 1995

1612

ATTACHMENT A

Special Considerations for Promotion

Selection Boards should keep the following considerations in mind when considering officers for promotion. In general, the importance of leadership and teamwork/interpersonal skills relative to other specific skills increases as one moves up the ranks into more responsible positions

A. Special Considerations: FS-2 and Below

1. General

Subsection A.2 , below, lists the skills, in order of importance, for those at FS-2 and below. In addition, Subparts A.3 and A 4, below, describe values and skills that characterize promotable performance at certain grades.

2 Most Useful Skills

- a. Professionalism/Quality of Work/Management
- b. Teamwork/Interpersonal Skills
- c. Leadership
- d Staff Development

3 Promotion from Class 4 to Class 3

Employees should have demonstrated strong motivation and commitment to the Foreign Service, adaptability to the demands of living and working overseas, understanding of USAID's development role in support of U.S. national interests and good knowledge of employee's professional discipline. Strong teamwork and interpersonal skills are necessary for the conduct of day-to-day business, e g., in establishing meaningful contact with host country audiences, and in dealing successfully with colleagues, subordinates, superiors within missions and in AID/W

4 Promotion From Class 3 to Class 2

5 15 pm August 31, 1995

Employees' performance should demonstrate increasing sophistication and creativity in advancing the Agency's mission. Employees should have made significant progress in developing and capitalizing on skills and values to accomplish operational objectives. They are expected to have demonstrated good managerial, negotiation and analytical skills; well-developed knowledge in their chosen professional discipline; and should display increasing skill in teamwork, management, and staff development.

B. Special Considerations: Promotion From Class 2 to Class 1

Attainment of Class 1 is considered the culmination of a full career. Employees at this rank are expected to formulate and oversee implementation of strategy in a sector or an area, to help formulate internal/external policy and carry out policy dialogue, set implementation targets and assess progress; to be the principal spokesperson for Unit/Sector/Area and/or serve as Senior Technical Advisor.

To be promoted to Class 1, employees should have demonstrated considerably increased skill and resourcefulness in managing for results and potential for working with and through others to achieve results, if appropriate for the employee's occupational specialty.

Employees should have clearly demonstrated effectiveness in utilizing values and skills such as

- o customer service,
- o managing for results,
- o team-building,
- o matching leadership styles to specific work situations,
- o planning work collaboratively,
- o giving and receiving feedback,
- o strategic planning, conducting policy evaluation review and/or using evaluation data; and managing conflict

They must also have demonstrated assignment versatility (see

Section D below).

Strategic planning and conceptual skills should be evident in their performance as well as demonstrated effective use of a foreign language in an overseas environment.

C. Special Considerations: Threshold and Senior Foreign Service

1 General

In considering employees for promotion into and within the SFS, Boards should be guided by the Foreign Service Act which envisioned ". a Senior Foreign Service.. characterized by strong policy formulation capabilities, outstanding executive leadership qualities and highly developed functional, foreign language and area expertise."

Boards should keep in mind that attainment of the FS-01 grade level represents full career achievement and that promotion beyond this level was not envisioned for the vast majority of employees, nor attainable, given the small number of SFS positions. Members of the Senior Foreign Service serve in the most demanding and sensitive positions in the Agency overseas and in the United States.

In general, to be promoted into the SFS, employees must have successfully completed several diverse and increasingly responsible assignments (See Section d 5.b. "Assignments").

It is also desirable to have attained language proficiency (S-3 in a category A language and S-2 in a category B language) in at least one AID useful language and preferably two languages, and to have served in at least one 20% or more differential hardship post

Advancement and retention in the SFS depends primarily on the extent to which executive potential is realized. The assessment and recommendation for promotion of threshold and

SFS employees reflects the determination that an employee has demonstrated the ability to fulfill the leadership and policy-making responsibilities of senior level Agency positions; that the employee has strong strategic thinking and planning skills as evidenced in past performance, and that the employee has demonstrated exceptional ability in achieving Agency strategic and operational objectives.

In the SFS, successful performance is characterized by strong proficiency in virtually all of the Specific Skills areas and accomplishment in Core Values, ability to meld and draw on these skills and values to establish and attain Agency and U S. national interest objectives and goals; and strong potential for assuming the broad, high-level management, teamwork, and leadership roles which are inherent in any SFS position

Performance in SFS positions is further characterized by

- o Fostering EEO;
- o Fostering ("nurturing") external relationships, e.g , Host Governments, Congress, the Department of State or other Federal agencies,
- o Managing for results,
- o Demonstrating initiative and ability in assessing how effectively the operational unit is functioning;
- o Demonstrating the capacity to develop a "vision" for where the operational unit should be going;
- o Demonstrating the capacity to communicate and gain commitment of staff to "vision" and values;
- o Demonstrating superior managerial effectiveness such as matching leadership styles to specific work situations, planning work collaboratively, giving and receiving feedback, team-building,

5 15 pm August 31, 1995

464

strategic planning, conducting evaluation review and/or using evaluation data effectively, and managing conflict,

2. Most Useful Skills FS-01 and Senior Foreign Service

The following specific skills, ranked in order of importance, have proved most useful for those at these levels.

- a. Teamwork and Interpersonal Skills/Leadership
- b. Staff Development
- c. Management
- d. Professionalism/Quality of Work

3. Promotion to Counselor

Employees promoted to the Counselor level should have a solid record of achieving results and have demonstrated the following competencies in achieving results operational planning; teamwork; analysis, strategic planning and thinking, managing personnel and other resources, and, have superior long-range potential for assuming higher level responsibilities, e.g , more complex or diverse operations at a larger mission or, in AID/W, on an Agency-wide, bureau-wide or regional basis

While there are a limited number of senior positions for specialists in the technical and support areas, such positions generally will have significant executive and policy-making dimensions Boards should keep in mind that upon promotion into the SFS the performance of specialists will be evaluated relative to all employees at their class level -- employees who may have greater executive experience or managerial responsibility

To be eligible for promotion to the Counselor level, an officer must have been in grade at the FS-01 level for, at least, one year and must have, at least, 6 years of USAID experience overseas as a direct-hire employee.

4. Promotion to Minister-Counselor

In considering employees for promotion to the Minister-Counselor level, an even greater emphasis is placed on broad, substantive policy formulation and executive management. To be considered for promotion, employees who have progressed through technical or other professional channels should have demonstrated a broad capacity for managing for results in their own professional discipline and preferably across functional lines as well.

Any employee promoted to the Minister-Counselor level based on technical or professional skills alone should be an acknowledged and established leader in his/her field.

5. Promotion to Career Minister

Finally, for consideration for promotion to the Career Minister level, the highest level in the SFS, employees are expected to possess the broadest possible executive leadership and policy-making capabilities. The Career Minister rank is parallel with Executive Level IV, i.e., the rank held by AID Assistant Administrators and Department of State Assistant Secretaries.

The rank of Career Minister is reserved for a small number of truly outstanding senior officers who have consistently demonstrated superior ability in managing for results by discharging the most responsible and difficult duties in support of the Agency's mission and the nation's foreign affairs goals.

Employees promoted to Career Minister rank should have the capacity to serve as a Deputy Assistant Administrator, or in other positions of comparable rank in AID, the Department of State or international organizations. Consequently, no employee should be promoted to Career Minister who does not have a broad and proven ability to achieve the highest order results through managing the Agency's largest and most complex programs overseas and in the United States.

D. Other Factors for Board Consideration

1 Increasingly Responsible USAID Assignments

The Agency seeks to move FS employees, based on performance and potential, through a series of increasingly responsible assignments which promote mastery of the special skills and provide geographic and functional versatility needed to meet the Agency's long-term requirements to achieve results in sustainable development

2. Substantial USAID Overseas Service

A primary purpose of AID's Foreign Service group is to conduct development work overseas. While a Foreign Service career will consist of both service overseas and in the United States, a considerable portion of the career will be spent in overseas assignments. Given the nature of assignment realities, it may not be possible for all members to match the Agency's ideal of spending no more than six consecutive years in AID/W and not more than ten consecutive years overseas. It is the Agency's goal to have all members serve a substantial amount of time overseas while in the middle and senior grades

3 Diversity in USAID Assignments

Boards give equal weight to overseas and USAID/W service. However, Boards give consideration to those employees who have served in two or more geographic bureaus in USAID/W or overseas, and those employees who have expanded their understanding of the Agency by serving in non-geographical bureaus. Such diversity in assignments is essential for development of executive potential. Because of our increasingly important role in humanitarian response and rebuilding both in the wake of, and in planning for the prevention or forecasting of, natural and political upheavals, Boards shall give equal consideration to these efforts

4. Board Service

Service on USAID selection, tenure and technical review boards gives employees understanding of the Agency that is difficult to replicate in any other manner. Selection Boards should give positive weight to such experience. Boards also should view positively similar activities that benefit the Agency as a whole and from which the employee gains a broader and deeper understanding of the Agency as a whole, e.g., a major Agency reorganization task force, committee or working group.

5 Non-Traditional USAID Assignments

As USAID reinvents itself, employees are faced with work situations characterized as "traditional" or "non-traditional" or "reinvention" related. Such non-traditional" or "reinvention" related work is gaining in importance. Selection Boards are to consider such work as equal in importance with "traditional" USAID work. The following are representative

- o Working on teams.
- o Serving in reinvention labs or similar situations
- o Assignments in non-traditional programs as the agency expands its focus.
- o Participation in unique situations such as downsizing, closeouts, and phaseouts that are necessitated by changing international and political climates
- o Performance of work outside of or in addition to the classic work of a backstop should be considered equal in importance with normal backstop work

6. USAID Related Outside Assignments

Assignments outside the Agency to the Department of State, other Federal agencies, Congress, International

5 15 pm August 31, 1995

Organizations, non-government organizations, and private voluntary organizations, which are related to Agency's primary functions, may provide experiences that will enhance the employee's core skills and thus benefit the Agency. Boards shall give full credit to employees who have been willing to extend professional capabilities by accepting such assignments for appropriate periods of time (not more than three years) and/or at the discretion of the Agency and who have used them to enhance their long-term potential within the Agency.

7. Training Assignments

USAID related training assignments are of fundamental importance to career development, i.e., preparing for higher level responsibilities. Boards shall give equal consideration for career development activities, including language and long term training, undertaken by employees in evaluating their overall performance and potential. This includes grades and/or other evaluation material of language and other long or short term training programs.

8. Hardship Assignments

Service in USAID hardship assignments (i.e., at posts with 20% or more post differential and/or danger pay) can demonstrate a dedicated and disciplined attitude toward the Service. Selection Boards shall give due consideration to employees who have worked successfully in difficult and sometimes dangerous environments and who have used such experience to enhance their contributions to the Service and to develop their own performance and potential.

9. Short-term Assignments

Short-term assignments, in and of themselves, to a complement of a year or less shall not be considered a negative factor in evaluating an employee. Extended periods spent assigned to a complement need to be explained in the employee's AEF. Barring exceptional circumstances, such extended periods will result in a loss of competitiveness.

10. Cross-functional Team Assignments

Cross-functional team assignments, such as a major Agency task forces, are important both to the employee's career development and to the Agency's ability to accomplish its mission. Such work should be considered equal in importance with "traditional" USAID work. Most often, employees will carry out these duties in tandem with their regular assignment. A series of cross-functional team assignments in lieu of a regular assignment is not encouraged and could be detrimental to an employee's career development.

11. Leave Without Pay

Selection Boards shall rate all employees, including those in non-duty status (Leave Without Pay), based on material in their evaluation files including material submitted by the employee explaining how the detail experiences improves the employee's USAID related skills. Boards shall give due credit to evidence that such employees have made use of such periods to improve Foreign Service related skills.

12. Details To Other Organizations

For employees seconded or detailed to other organizations, Selection Boards shall give due credit to evidence that such employees have made use of such periods to improve USAID related skills. Employees on secondment should assure that current evaluation materials are provided to M/HR/PMES/PMA or IG/RM/PFM, as appropriate, for placement in their official performance evaluation file.

F. Identifying Performance Problems

Boards will give particular attention to an employee's performance, in regard to the factors listed below. The presence of one or more of these factors may be cause for precluding a promotion recommendation or including an employee in the relatively less or least competitive category and, possibly, referral to a PSB.

1. Absent mitigating circumstances beyond the employee's control, failure to complete a work objective for the current rating period. Failure to complete work objectives for several rating periods (three or more) could result in referral to the Performance Standards Board.
2. Reluctance to accept responsibility.
3. Marginal productivity in reaching established work goals.
4. Lack of adaptability
5. Unreliable performance under conditions of hardship and danger.
6. Failure to carry out properly assigned tasks within an established time frame or a reasonable period of time if no deadline is established.
7. Less than full commitment to the Agency's EEO programs and policies.
8. Refusal to accept or implement legitimate directives from authorized officials.
9. Inability or unwillingness to work fairly and cooperatively with supervisors, colleagues, or subordinates.
10. For rating officials who prepare evaluations -- unfair, biased, evasive or consistently late reports. Evaluation reports which are prepared in a careless or incomplete manner, are biased or evasive, or which overrate an employee are unfair to all employees, detrimental to the rated employee's long-term career and misleading to management.
11. Deficiencies in the substantive knowledge required to be competitive at current class level and backstop.

12. Inefficient uses of financial, human, and physical resources; failure to anticipate and plan for future requirements; or failure to set appropriate priorities.

13. Failure to demonstrate sound organization skills and personal work habits, such as ability to plan and organize assigned work effectively and establish priorities.

14. Micromanaging staff and thus thwarting staff career development.

END OF ATTACHMENT A

BEST AVAILABLE COPY

5 15 pm August 31, 1995