

A Balanced Approach to Meeting Fiscal Constraints

Integrity - Service - Excellence

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Overview

- Background
- Performance Measurement Landscape
- USAFA Case Study Example
- Conclusion

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Background

- **BLUF: *can a performance measurement system be used as the foundation of a budget allocation tool?***
- **“What gets measured gets rewarded, what gets rewarded get done”**
 - Different than status quo: “what gets spent gets rewarded”
- **“What gets measured gets budget, what gets budget gets done”**
 - Challenge is to measure the right things! Allocate the right budget
- **Perspective**
 - Foundation of a much larger empirical study of processes and best practices of Institutions of Higher Education (IHE) that have embraced BSC looking for lessons learned for DoD

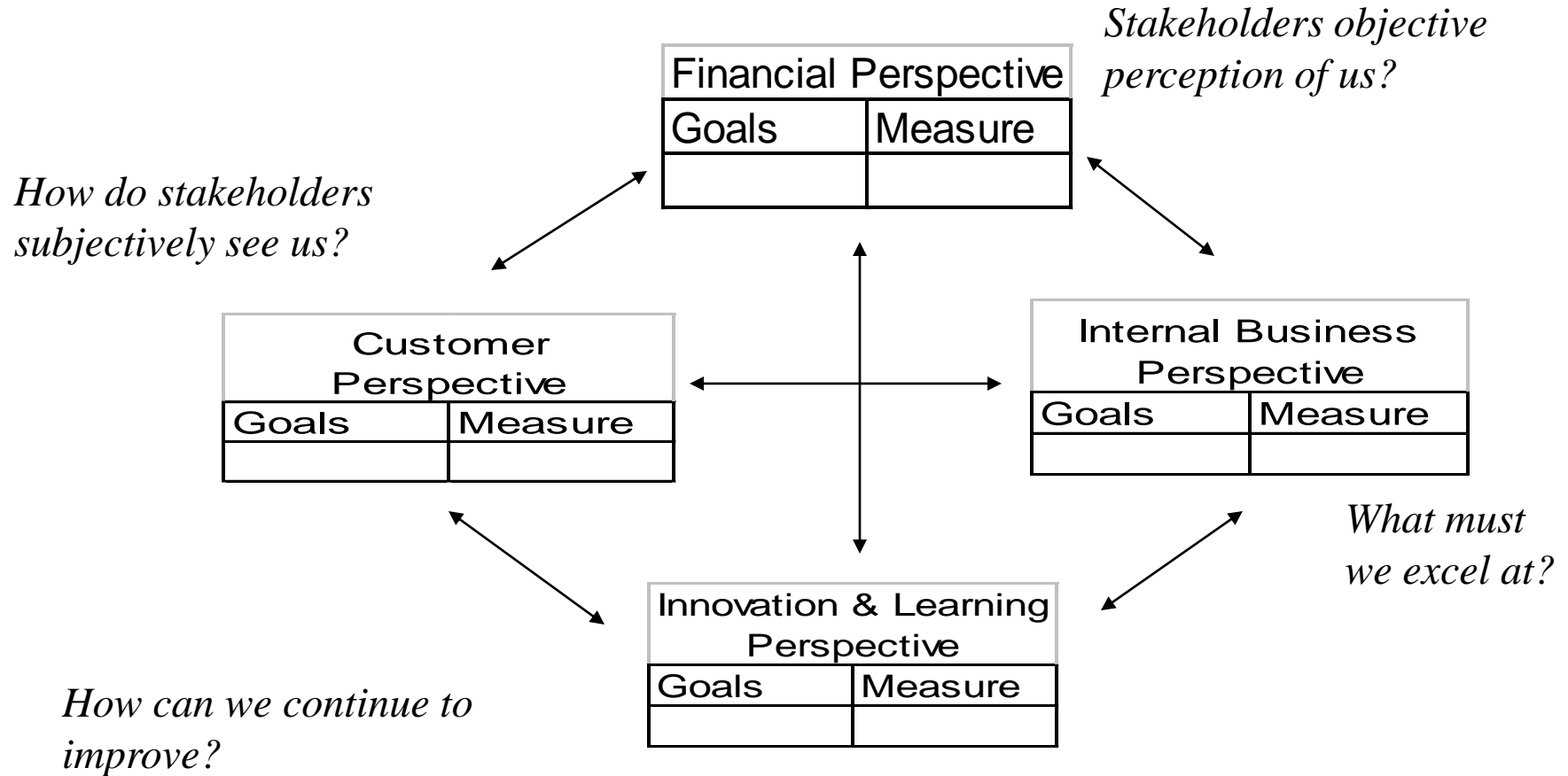


Performance Measurement Landscape

- Allocation of scarce resources
 - Money-Time-Tangibles
- *Optimization?*
 - Not a good candidate for modeling
- Performance-Based Budgeting
 - New metrics, new paradigm... old concept!
- Always seems to come back to: what do you measure...and how?



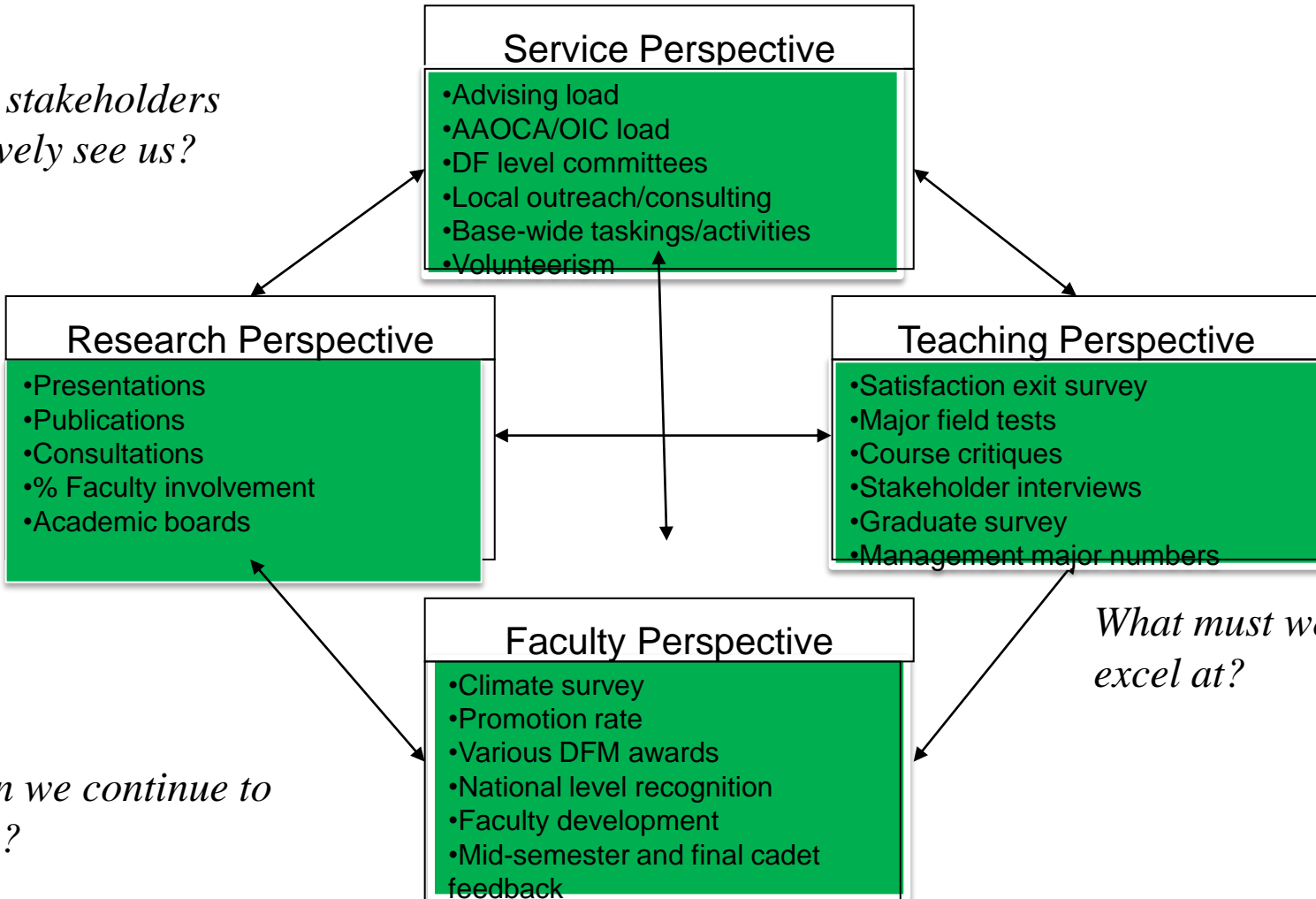
Balanced Scorecard: Kaplan-Norton





Stakeholders objective perception

How do stakeholders subjectively see us?



How can we continue to improve?

What must we excel at?



Case Study: USAFA Integrated Strategic Planning

- Academy-Wide Strategic Plan
- Mission and Vision Driven
- Focused on Mission Outcomes
- Linked to Financial Realities
- Using Integrated Mission Elements
- Balanced Scorecard
- Mapping Strategy
- Establishing Metrics and Benchmarks





Strategic Planning and Balanced Scorecard

- Well known and respected methodology for strategic planning and resource management
- Commonly used in for-profit businesses, non-profit organizations, and government agencies
- Begins with vision and mission and aligns activities to the vision and strategy of the organization
- Improves internal and external communications
- Stresses measurement of organization performance towards meeting strategic goals





Mapping Strategic Outcomes and Performance Measures

- Mapped Strategic Outcomes to the Performance Measures in the Balanced Scorecard
- Mission Outcomes
 - Stakeholders
- Financial Goals and Limitations
 - Budget Process
 - Fiduciary Perspective
- Operational Objectives
 - Internal Processes
- Developing and Supporting People
 - Learning and Growth



The Nation's premier institution for producing leaders of character

Vision

Educate, train, and inspire men and women to become officers of character motivated to lead in the United States Air Force and in service to our Nation

Mission

Mission Outcomes

Highly Educated and Trained Officers

M.1

Inspired Leaders of Character

M.2

Operational Objectives

Attract

Quality

O.1

Develop

Comprehensive Curriculum and COI

O.3

Execute

Integrated Curriculum and COI

O.5

Institutional Competencies and Outcomes Assessment

O.6

Strengthen Strategic Communications

O.8

Institutionalize Our Corporate Processes

O.9

Develop and Support Our People

Secure and Manage Resources

D.1

Develop and Motivate the Workforce

D.2

Foster a Culture of Respect and Inclusion

D.6

Attract Diversity

D.5

Take Care of Airmen and Their Families

D.3

Deploy Combat Ready Airmen

D.4



Financial Resources Measurement System

- Secure and Manage Financial Resources
- Key Objective Points
- Measurement Statement
- Previous Status
- Current Status
- Trend
- Forecast





Secure and Manage Resources

Key Objective Points

- Responsibly manage all financial resources entrusted to USAFA
- Sustain requirements-based programs, infrastructure, “margin of excellence” initiatives
- Secure multiple funding streams
- Evaluate institutional investments and alternatives by cascading programs and initiatives using established criteria – EX: msn failure, QoL, margin of excellence, USAFA/CC priorities

	Measure Statement	Previous Status	Target	Current Status	Trend	Forecast	
Develop & Support	1. Percent of FY13 budget (by PE) identified in formal spend plans (FM)		100% May		↑	100% (Sep)	G 100% Y ≥90% R <90%
	2. Percent of programs and initiatives fully defined over the FYDP (by PE) (FY13-14 via MIT PEM parades) (A8A)		100% Fall	100%		100%	G 100% Y ≥ 90% R ≤ 90%
	3. Percent of budget fall-in after 1 Oct) (FM)	0.9% Oct 2011	0.2%	0.34%	↑	0.2%	G ≤0.2% Y ≤%0.5% R >0.5%
	4. Percent of “Fix USAFA” efforts still on track – dollars executed (A7)	51%	100% Sep	85.6%	↑	90%	G 100% Y >95% R ≤ 95%



Mapping and Measurement Developing Quad Charts

- Academy-Wide Approach
- Used by all Mission Elements
- Basic Information
- Target Information
- Metric Description
- Measures of Success





Template: Quad Charts

Objectives, Outcomes, and Development

BASIC INFO:

- Balanced Scorecard Area:
- Strategic Goal:
- Level of Review:
- Frequency of Measure:
- Suggested Responsible Office for Tracking the Metric:

METRIC DESCRIPTION:

- Describe Measurement
- Explain Expectations
- Discuss Data Collection Approach

RESOURCES NEEDED/ TARGET INFO:

Measure Statement	Target	Current
		Color Coded

MEASURES OF METRIC SUCCESS:

- Specific:
- Measureable:
- Actionable:
- Relevant:
- Timely:
- Already Measuring:



Developing Quad Charts

Dean of Faculty Examples

- Academy-Wide Approach Examples
- There are over 60 of these!
- Lacrosse Team Example



BSC Metric Recommendation

BASIC INFO:

- BSC Area: TBD
- DF Strategic Goal: #4
- Level of Review: DF
- Freq of measure: Annual
- Suggested DF office responsible for tracking the metric: DFER

METRIC DESCRIPTION:

- Amount of financial support for research and scholarship
- Compare research and scholarship financial support at USAFA with other universities or USAFA goals
- Maintain record DF and department budgets allocated to research and scholarship

TARGET INFO: TBD

Measure Statement	Target	Current
Faculty Scholarship and Research Support	\$\$\$	Green

MEASURES OF METRIC SUCCESS:

- Specific: yes
- Measureable: yes
- Actionable: yes
- Relevant: yes
- Timely: yes
- Already measuring: yes (in some departments)



Transonic Wind Tunnel Initiative

■ INITIATIVE GOALS:

DF Goal 3.3

1. Maintain world-class education in Aeronautics
2. Expose cadets to challenges associated with operating in the transonic regime
3. Perform full-scale small UAV aerodynamic testing

■ KEY MILESTONES:

- June 13: Business Case Analysis
- June 14: 65% Design Review
- Nov 16: Secure funding for TWT
- Jan 17: Begin construction of TWT

■ RESOURCES AVAIL/NEEDED:

- \$100K –Business Case Analysis
- \$200K – 65% Design Review

MEASURE OF METRIC SUCCESS:

- Specific: yes
- Measurable: yes
- Actionable: yes
- Relevant: yes
- Timely: yes
- Already measuring: no

FY	13	14	15	16	17
Need	100	200	0	28000	0
Fund	0	0	0	0	0

List sources: O&M; gifts; R&D; MILCON; etc.

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Conclusion: A Balanced Approach

- University-Wide Strategic Plan
- Mission and Vision Driven
- Focused on Mission Outcomes
- Linked to Financial Realities
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