“Metrics Demystified”
Best Practice Strategic Planning

October, 2012

Louise Davidson, Metrics Coordinator
Question:

- What’s your understanding of Performance Management?
A clear “line of sight” towards our mission

- **Campus:**
  - Alignment on clearly communicated campus goals

- **Units:**
  - Clearly articulated goals and metrics that cascade from campus goals

- **Supervisors:**
  - Metrics for work program goals

- **Individuals:**
  - Unit goals

Performance management affects our organization at all levels.
Strategic Performance Management Process

End-to-End Process

1. What is the strategic context within which we are operating?
   - Environmental Scan

2. What are we trying to accomplish, and why?
   - Strategic Objectives

3. What do we need to achieve our objectives?
   - Resource Allocation
   - Expenses
   - Capital

4. What are the risks?
   - Risk Scan

5. How are we doing?
   - Performance Management

6. What must management do to stay on track?
   - Critical Actions
# Strategic Direction

"Are We Focusing On the Right Things?".

## Business Line

<table>
<thead>
<tr>
<th>Strategic Management</th>
<th>Strategic Objectives</th>
<th>High-Level Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enhanced Bank-wide Strategy Formulation, Articulation, and Understanding</td>
<td>Prior 12</td>
</tr>
<tr>
<td></td>
<td>• Satisfaction with Strategic Forum/Dialogue (1-10)</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>• Assessment of MTSF (1-10)</td>
<td>7</td>
</tr>
<tr>
<td>Finance Management</td>
<td>Dynamic, adaptable and sustainable financial strategies</td>
<td>Prior 12</td>
</tr>
<tr>
<td></td>
<td>• Assessment of Financial Sustainability (1-10)</td>
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<tr>
<td></td>
<td>• Assessment of Pricing and Income Allocation (1-10)</td>
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<tr>
<td>Risk Management</td>
<td>Proactive Management of Bank-wide Risks</td>
<td>Prior 12</td>
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<tr>
<td></td>
<td>• Risks Understood by Key Stakeholders (1-10)</td>
<td>4</td>
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<tr>
<td></td>
<td>• Senior Management’s Satisfaction with Loan Loss Provisioning (1-10)</td>
<td>8</td>
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<tr>
<td>Resource &amp; Performance Management</td>
<td>Meaningful Budget Reforms Leading to Improved Cost-Effectiveness and Cost-Efficiency</td>
<td>Prior 12</td>
</tr>
<tr>
<td></td>
<td>• Budgeting Cost as % of BB (%)</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>• Board Satisfaction with Budget Reform (1-10)</td>
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</table>
Strategic Choices

Are We Deploying Resources Effectively to Meet Our Objectives?".

Shifts and Tradeoffs

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Decrease -1</th>
<th>Increase +1</th>
<th>Comment</th>
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</thead>
<tbody>
<tr>
<td>Resource &amp; Performance Management</td>
<td>$0.5M</td>
<td>$0.5M</td>
<td>Increased Focus on Macro-level RPM Costs</td>
</tr>
<tr>
<td>Resource &amp; Performance Management</td>
<td>$0.5M</td>
<td>$0.5M</td>
<td>Reduced Focus on Micro-level RPM Costs</td>
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</table>

Resource Allocation (All sources of funds)

<table>
<thead>
<tr>
<th>Year</th>
<th>Strategic Management</th>
<th>Financial Management</th>
<th>Risk Management</th>
<th>Development Marketplace</th>
<th>Other Bank Budget</th>
<th>Other Sources of Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04 ACTUAL</td>
<td>1.4</td>
<td>1.2</td>
<td>4.0</td>
<td>4.7</td>
<td>1.3</td>
<td>8.8</td>
<td>$26.6M</td>
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<tr>
<td>FY05 PLAN</td>
<td>1.7</td>
<td>1.1</td>
<td>4.0</td>
<td>6.1</td>
<td>1.0</td>
<td>8.8</td>
<td>$28.1M</td>
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<tr>
<td>FY05 OUTLOOK</td>
<td>1.9</td>
<td>1.3</td>
<td>4.2</td>
<td>6.4</td>
<td>1.2</td>
<td>8.2</td>
<td>$28.9M</td>
</tr>
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<td>1.3</td>
<td>4.2</td>
<td>6.4</td>
<td>1.2</td>
<td>8.2</td>
<td>$28.9M</td>
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</table>

FY07

FY08
Performance Management

“How Well Are We Performing?”

Strategic Management

Proportion of SI Budget Allocated to Analysis

Demand/Uptake of SFRSI Analysis

Finance Management

Bank’s Rating by Rating Agencies
Assessment of Bank’s Financial Sustainability (1-10)
IBRD Stress Test Assessment (1-100)
Increase in Usability of National Currency Paid In Capital

Institutional KPIs

Fixed Cost Ratio
Quality of Training Received
Amount of Training
Internal Mobility
Engagement Index
Management Index

Risk Management

Institutional Risk
Risk Scan Fill Ratio (%)
Country Credit Risk
IBRD Portfolio Rating Comprehensiveness (%)
Counterparty Credit Risk
Financial Loss from Counterparty Credit Default (%)
Market Risk
Duration Difference Between IBRD Equity and Loans (# Mths)
Institutional Insurance
Cost of IBRD Institutional Insurance Premiums ($M)

Resource & Performance Management

Degree of Uptake of PM Process
Senior Management Satisfaction with SPCs
Board Satisfaction with QBRs
Insight into Results
Enabling Tools
Results Chain
You Can't Measure What You Can't Describe

Sustain Berkeley's excellence and unique public character

Safe, Secure and Environmentally Friendly Campus/Sports
Mission-aligned Strategy and Resources underpinned by sustainable Financial Capacity
World-Class Administrative staff and operations and facilities and technology Infrastructure
Mainstreamed Best Practices in High Performing Culture (And Development Ideas)

Police Protection
Laboratory standards
Health Services
Bear Buy
Parking

BAS Functions
(eg Security, Health, Environment, Parking&Transportation, Purchasing)

Budget
Human Resources
Technology
Knowledge
## Process Maps

### FIGURE 18
Use of Process Map: LEG Example

**Business Line:** Legal Advisory Services and Support (to Regions, Network Anchors & Corporate)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Operations &amp; Projects</th>
<th>Other Advisory Services</th>
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</thead>
<tbody>
<tr>
<td>Knowledge, Research &amp; Outreach</td>
<td>Clear, Substantive, Proactive and Professional Input in Key Legal Areas</td>
<td>Timely, Value-Added Legal Support</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activity Outcomes</th>
<th>Other Advisory Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant, Strategically Important Legal Knowledge Research &amp; Outreach Programs</td>
<td>Anchors</td>
</tr>
<tr>
<td></td>
<td>Regions</td>
</tr>
<tr>
<td></td>
<td>Corporate</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>Other Advisory Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Satisfaction for Knowledge, Research and Outreach</td>
<td>Anchors</td>
</tr>
<tr>
<td>Self Assessment of Knowledge, Research &amp; Outreach Services</td>
<td>Regions</td>
</tr>
<tr>
<td># of Website Hits</td>
<td>Corporate</td>
</tr>
<tr>
<td>Client Satisfaction for Legal Advisory Services in Operations &amp; Projects</td>
<td></td>
</tr>
<tr>
<td>Time Charged for Legal Advisory Services in Operations &amp; Projects</td>
<td></td>
</tr>
<tr>
<td># of Requests for Legal Advisory Services in Operations &amp; Projects</td>
<td></td>
</tr>
</tbody>
</table>
The Project

The Scope:

1. Campus-wide level
2. Unit level
3. Insight into Results

The Approach:

- Useful
- Automated
- Willing/Voluntary/Pilots
- Engagement of a cross-section of unit types
- Nimble
- Integrated

A framework that enables the roll up of metrics and provides leaders with useful information to make better decisions and communicate achievements
The Timing

Fall 2012
High level design
- What is it?
- How will it be used?

Spring 2013
Working Model-
Prototypes with pilot units

Summer-October 2013
Finalizing the Design

October 2013- Roll Out