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MEASURING PERFORMANCE: PURPOSE, PROCESS, AND PRACTICE

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The authors have worked diligently to ensure that all information in this report is accurate as of the time of publication and consistent with standards of good practice in the general management community. As research and practice advance, however, standards may change. For this reason, it is recommended that readers evaluate the applicability of any recommendations in light of particular situations and changing standards.

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**RESEARCH.
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Performance measurement systems provide tools for associations to assess their mission and operational goals—where they stand relative to those goals, where they want to be, how to get there, and if they have arrived.

The ASAE Foundation's Metrics for Success study looked at the structures associations use to define success, mark progress, and ultimately achieve their desired outcomes. Examining these systems specifically as they apply to associations was central to the study's aims.

Data-driven decision making is consistently identified as a characteristic of successful association management. The landmark ASAE research project and resulting book *7 Measures of Success: What Remarkable Associations Do That Others Don't* (2006, 2012), highlighted performance measurement in its identification of key practices for organizational success. It was shown that data-driven strategies were contingent upon well-developed performance measurement processes, and that aligning products and services to mission was integral to success.

The Metrics for Success project was designed to provide more information about field approaches to these intertwined best practices. The study looked at the structural characteristics of performance measurement systems currently used by associations. In addition, the research aimed to identify areas where association leaders apply collected performance data to make decisions to improve mission achievement and organizational health.

The research showed that for associations to successfully implement performance measurement systems, organizational leaders must foster a culture that values data-based decision making. They have to create a definition of success, engage in a process to evaluate progress, and practice ongoing recalibration of the assumptions underlying their strategies based on the results—these steps are the core of most performance measurement processes. This report summarizes the specific steps that go into the development and implementation of performance measurement systems and provides specific examples of how association leaders are using these processes in their own organizations

This study examined the components of performance measurement systems in associations, including approaches to design and implementation.

Using existing theories of performance measurement and the data collected from associations, the research identified some common trends among successful performance measurement systems.

Establish Systems to Identify and Track Goals

Associations that had a planning document linking activities to mission were seven times as likely to reach their goals. Identifying unique markers of success in the planning process allows association leaders to build a framework for their performance measurement practices. Implementation guides, which outline all the processes involved, are an effective way to track activities.

Be Ready for Revision

Effective performance measurement relies on viewing the system itself as an evolving model. Adjustments need to be made as assumptions are tested and new markers are identified on the path to achieve goals and intended outcomes.

Get Everyone on Board

Creating a data-driven culture requires buy-in at all levels, beginning with commitment from boards and executives. Middle management and front-line staff must both recognize the value in the information they gather and see how data is applied to implement changes in the association.

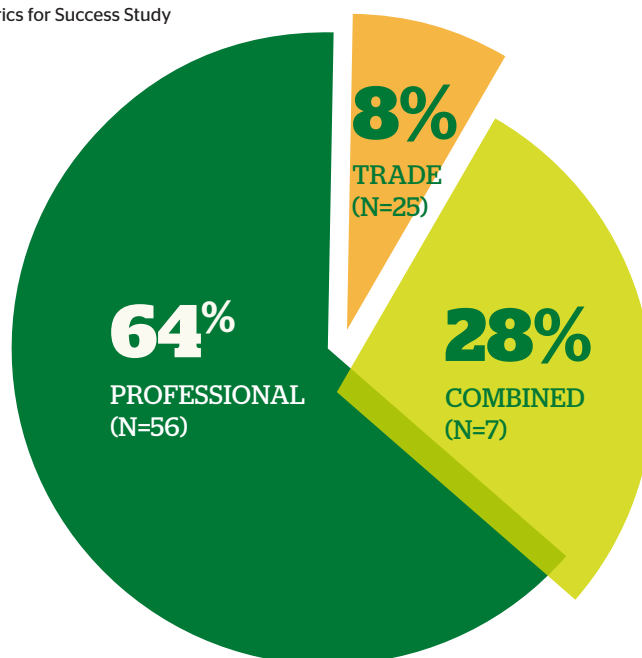
The Metrics for Success study used a two-phase approach to research and analysis.

In the first phase, ASAE engaged researchers from Root Cause to perform a literature review and interviews with experts to develop an introduction to performance measurement. The report on that phase, the research brief *Why Performance Measurement?*, provides an overview of the history and theory behind performance measurement. It shares general best practices from both private and public sectors as well as ideas for applying that knowledge in the association field.

In phase two, the researchers conducted surveys and interviews with ASAE members to understand how association leaders apply performance measurement theory and practice. This report introduces the findings of this research.

In March 2016, the survey was sent to approximately 1,000 ASAE members, of which 89 responded. The majority of respondents represented professional associations, more than a quarter represented trade associations, and less than 10 percent represented combined associations—associations that represent both organizational and individual members (Figure 1). Response totals may not equal 89 due to non-responses to some questions.

figure 1
RESPONDENT AFFILIATION
Source: Metrics for Success Study



The 89 respondents reported a wide range of satisfaction with their performance measurement systems. Thirty-four percent reported being either *not very satisfied*, *a little satisfied*, or *neutral* with their performance measurement, while another 33 percent reported being either *pretty satisfied* or *very satisfied*, and 29 percent did not answer this question (see Appendix for a detailed breakdown of the responses). Given the almost even division of respondents who were satisfied with their system versus those who were not, or were neutral, the data gathered from the survey reflects a range of members' expertise and experience with performance measurement.

As a supplement to the survey results, in-depth interviews were conducted with eight respondents to gain deeper insights into application of performance measurement among associations. When selecting those to be interviewed, consideration was given to choosing a group that represented a range of responses to the following criteria: type and size of association, annual income, industry served, and self-reported satisfaction with their performance measurement system. Table 1 describes the characteristics of each interviewee's association, each of which has been given an alternate name to maintain anonymity.

table 1

INTERVIEW PARTICIPANT PROFILES

Source: Metrics for Success Study

ASSOCIATION	ROLE OF INTERVIEWEE	NUMBER OF MEMBERS	INDUSTRY	INCOME	SATISFACTION WITH PERFORMANCE MEASUREMENT
PROFESSIONAL ASSOCIATIONS					
Association A	Executive Director & CEO	18,500	Medical Specialty	\$25 mil.-\$50 mil.	Pretty satisfied
Association B	Deputy CEO	Unknown	Healthcare	\$1 mil.-\$5 mil.	Not very satisfied
Association C	Executive Director	Unknown	Education	\$100 thou.-\$500 thou.	Pretty satisfied
Association D	VP	2,500	Education	\$5 mil.-\$10 mil.	A little satisfied
Association E	Executive VP & CFO	35,300	Healthcare	\$10 mil.-\$25 mil.	Did not respond
TRADE ASSOCIATIONS					
Association F	VP & COO	1,236	Healthcare	\$5 mil.-\$10 mil.	Did not respond
Association G	Executive Director	600	Construction/ Contractors	\$500 thou.-\$1 mil.	Pretty satisfied
COMBINED ASSOCIATIONS					
Association H	Executive Director	46,950	Healthcare	\$1 mil.-\$5 mil.	Neutral

Performance measurement systems are the collective processes by which data are gathered, framed, and analyzed to implement improvements to organizational strategies.

They require associations to continuously evaluate whether the metrics selected are based on accurate assumptions and that the activities implemented are achieving the desired results.

To practice effective performance measurement, organizations need to leverage data for decisions strategically, by testing underlying hypotheses for metrics selection and reevaluating where necessary, and tactically, by assessing whether activities are being implemented and achieving desired results. Associations must also place particular focus on cultivating a data-driven culture at the board, executive, and staff levels.

Components of a successful performance measurement system are:

Planning document: A planning document, such as a logic model, theory of change, or strategic plan, demonstrates how the organization believes its activities will lead to its intended mission or impact, and outlines the organization's definition of success.

Performance measurement framework: A performance measurement framework is based on the key priorities and outcomes identified in the planning document. This framework is a structure, including guidelines, for selecting metrics, analyzing outcomes, and using findings for decision making in order to achieve success as outlined in the planning document. Some associations use frameworks that they have designed internally, others prefer those created by external sources.

Performance measurement implementation guide: A performance measurement implementation guide is a documented set of instructions for effectively running performance measurement systems, including information such as staff roles, frequency of practices, and standard procedures.

Staff roles and responsibilities related to each of these processes, including specific definitions of the metrics, should be institutionalized to ensure data of consistent quality and regular availability. There are a myriad of ways to set up data collection, analysis, and reporting processes depending on an association's staff structure, budget, and performance measurement framework. The examples provided in this report represent just a few approaches to each of the three core types of processes that make up a performance measurement system: data collection, reporting, and analysis.

Data Collection: Gathering and Tracking Data

Having an established system for data collection gives staff a clear understanding of what needs to be gathered, including exact definitions of metrics and the format that will be used for tracking. Association E's executive vice president reported that prior to beginning data collection, he ensures that all staff use the same definitions of metrics and collect data in the same way. This consistency helps facilitate an objective analysis of data.

The executive from Association G provided an example of how data can be collected on an automatic basis through targeted activities. To understand demand for services, they disseminate member surveys and gather product metrics, such as publication subscription rates, that are instantly compiled through online purchase systems.

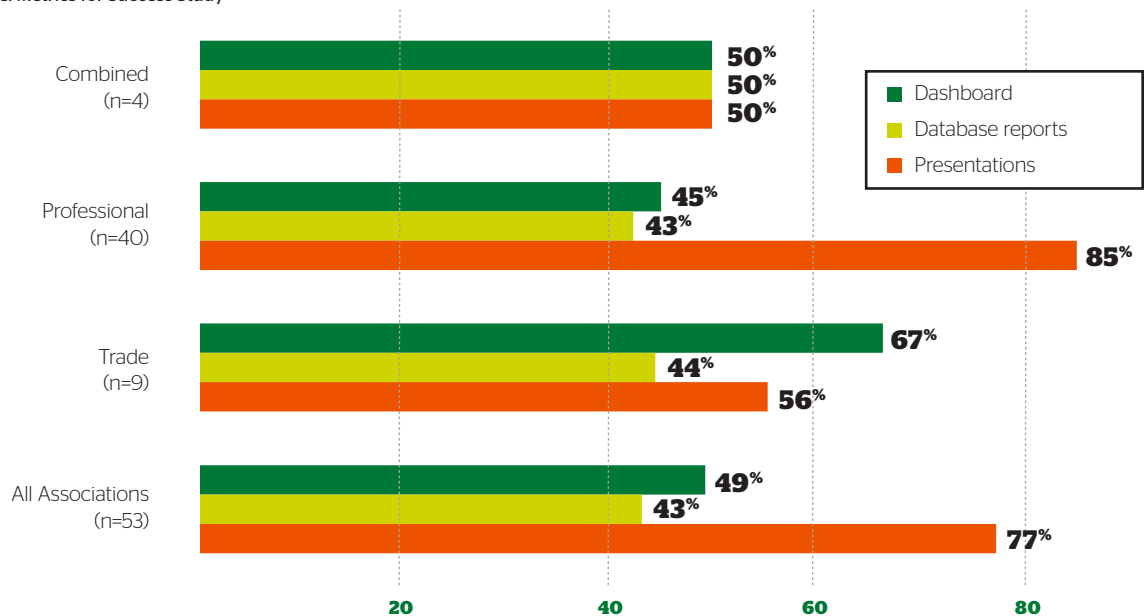
Data Reporting

Data reporting is the process of sharing findings with one or more audiences. Frequent reporting allows organizations to track trends over time in a detailed way. Reporting on a quarterly basis was most common among respondents, followed by reporting on a monthly basis. The most common format used for reporting was presentations (Figure 2).

figure 2

DATA REPORTING FORMATS USED BY RESPONDENTS

Source: Metrics for Success Study



Data Analysis

The format of data reporting can heavily inform data analysis, or the aggregation of data and identification of general trends, often as a means of answering specific questions. For example, Association H uses a large spreadsheet to report each metric with a related goal, strategy, and tactic outlined in the strategic plan, as well as the expected completion date. As metric data is updated, management can easily compare progress to expected targets and identify areas where tactics may need to be modified.

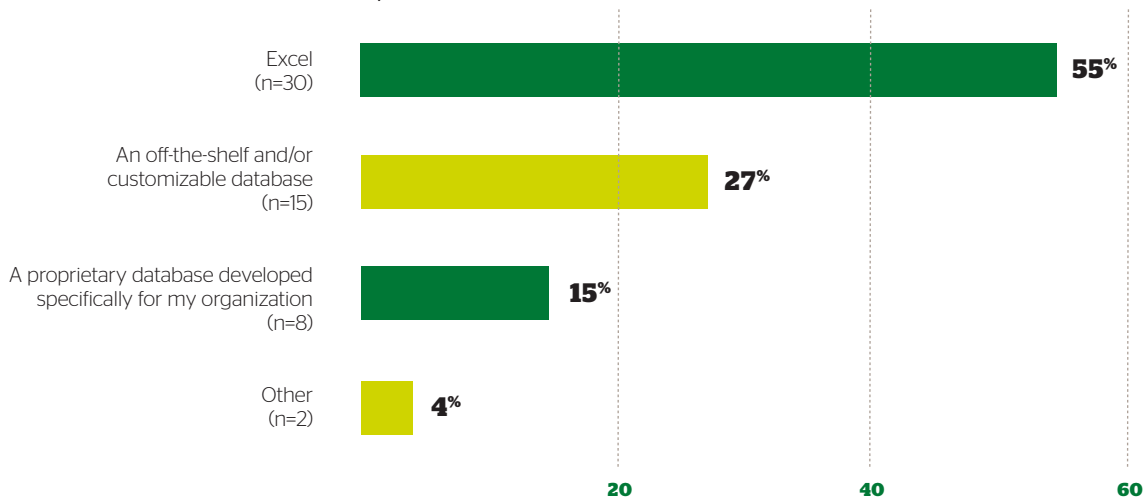
Data Management Tools

Data management tools regulate performance measurement processes for associations. These include association management systems/software (AMS), Excel, SurveyGizmo, and a multitude of other platforms of varying levels of complexity. As illustrated in Figure 3, Excel spreadsheets were cited as the single most common way that survey respondents track and store data, likely because it is a relatively low-cost tool.

figure 3

TOOLS TO TRACK AND STORE DATA USED BY RESPONDENTS

Source: Metrics for Success Study



Interviewees used a variety of off-the-shelf customer relationship management and AMS platforms. Association C uses the Wild Apricot system for centralized membership and communications tracking; Association F has used both Personify and ClearVantage; Association G uses Internet4Associations.

Other platforms were specifically designed as performance measurement systems. For example, Association D uses a performance measurement framework, which explicitly links personal staff goals to the organizational goals outlined in the strategic plan to ensure that individuals' daily work advances the organization. To track those efforts, they use a platform called SuccessFactors, which requires staff to enter a personal goal along with the metric they will use to track it. A staff member in the sales department might set a goal of expanding a new service line, and then enter a target number of webinars as the tracking metric. Supervisors and contributing reviewers complement the reports produced by SuccessFactors with qualitative competency assessments.

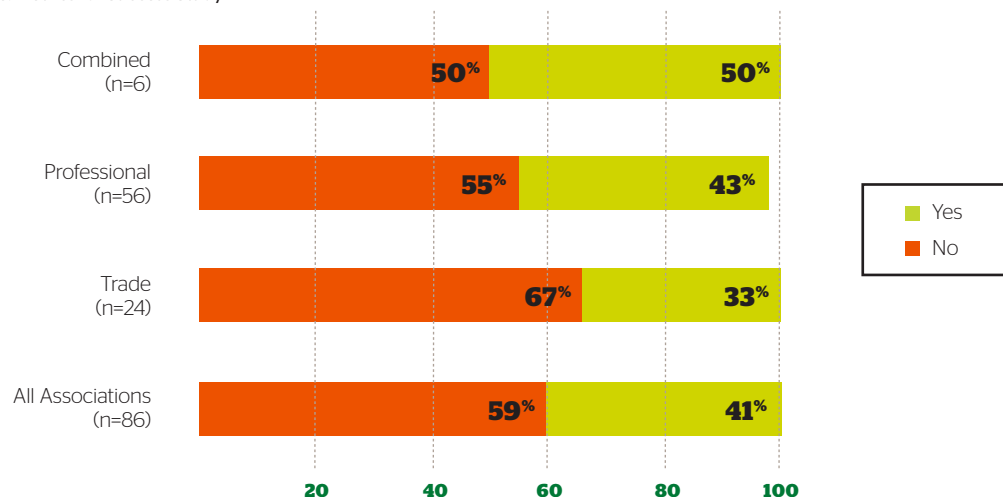
Performance Measurement Implementation Guide

A documented guide outlining the processes that collectively make up a performance measurement system is a key part of ensuring that the whole system runs smoothly. Despite that fact, less than half of respondents said that they had such a guide (Figure 4). Documentation makes it easier to track and refine processes.

figure 4

RESPONDENTS WHO HAVE A DOCUMENTED IMPLEMENTATION GUIDE BY ASSOCIATION TYPE

Source: Metrics for Success Study



Many of the challenges survey respondents articulated around performance measurement have to do with inefficient processes. In particular, when asked in what ways their system could be enhanced, respondents expressed a strong focus on creating automation and reducing demands on staff time, as illustrated by their comments below:

- *“Automation and sophistication. Needs to be more efficient and lean.”*
- *“It needs to be automated. We’re looking at implementing Tableau [for reporting].”*
- *“Less labor-intensive system would be great.”*
- *“Less manual, more integrated.”*
- *“Less time consuming to track.”*
- *“Make it easier for decision makers to manipulate the data.”*

Creating a documented performance measurement implementation guide is a useful way to identify possible hiccup points in implementing a performance measurement system. Creating a manual of procedures will help staff across an association more easily engage with the system. Like any aspect of internal operations, the processes that make up performance measurement systems can be continually refined and improved. Depending on the tools an association uses and the metrics it adapts, there can be a high degree of automation and streamlining. However, the ultimate goal to keep in mind is that performance measurement systems should be informative, and compromising that for an easier system undermines their purpose.

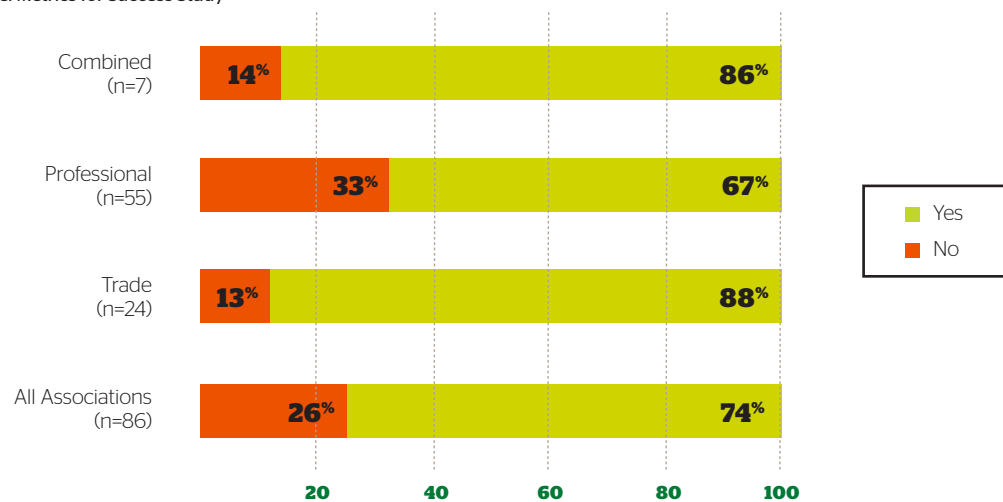
A planning document serves as the foundation of a performance measurement system.

It outlines the assumed linkages between an organization's intended impact, outcomes, and strategies that the metrics in a performance measurement system should demonstrate. A planning document is a valuable component of a performance measurement system because it provides an understanding of what the organization as a whole is planning to achieve, creating a strong foundation for performance measurement activities. Potential approaches to planning documentation are discussed in more detail in *Why Performance Measurement?*

Among survey respondents, 74 percent said they have a theory of change, logic model, strategic plan or other planning document that illustrates how the organization's activities are designed to achieve its mission. Survey respondents who used a planning document were far more likely to intentionally and formally track metrics related to both organizational health and mission attainment than those who did not, at a comparative rate of 67 percent to nine percent.

figure 5
RESPONDENTS WHO HAVE A PLANNING DOCUMENT
BY ASSOCIATION TYPE

Source: Metrics for Success Study



Planning documents formally define a key first step for an organization building a performance measurement system—defining what success means in the organization's unique context. For this study, elements of success are captured by two concepts that differentiate between an organization's overarching mission and the components that contribute to fulfilling said mission:

- **Intended impact** summarizes what an organization hopes to ultimately achieve as defined in its vision.
- **Outcomes** are the *measurable* results of the activities, services, or programs designed to achieve the intended impact. Outcomes can be accomplished in short-, medium-, and long-term timeframes.

Seven of the eight association executives interviewed used a planning document. Of those, two use a three-year strategic plan as their planning document. Other interviewees, while they recognized the importance of framing success on a high level, rejected the notion that strategic planning needs to be conducted using a scheduled cycle connected to the planning document.

Association H's leadership set goals and the corresponding strategies to achieve them every three years. Their process begins with the board and strategic planning committee establishing priorities. Once the goals are outlined, staff and other board committees provide input on the specific activities used to implement strategies and alignment of financial resources.

At Association F, the strategic planning committee and government relations committee conduct a two-day retreat every three years. They use this time to review trends and challenges and identify goals and objectives for the next cycle of strategic planning. Once determined, goals are assigned to directors across the association who will develop area-specific plans and activities, including suggested metrics.

In contrast, Association A practices what they refer to as “continuous planning.” Instead of the type of high-level objective setting that is traditionally conducted by a single strategic planning team, such as a board committee, that then seeks reactions from stakeholders, Association A performs its planning in a decentralized manner. Senior staff provide input into strategic objectives on an ongoing basis.

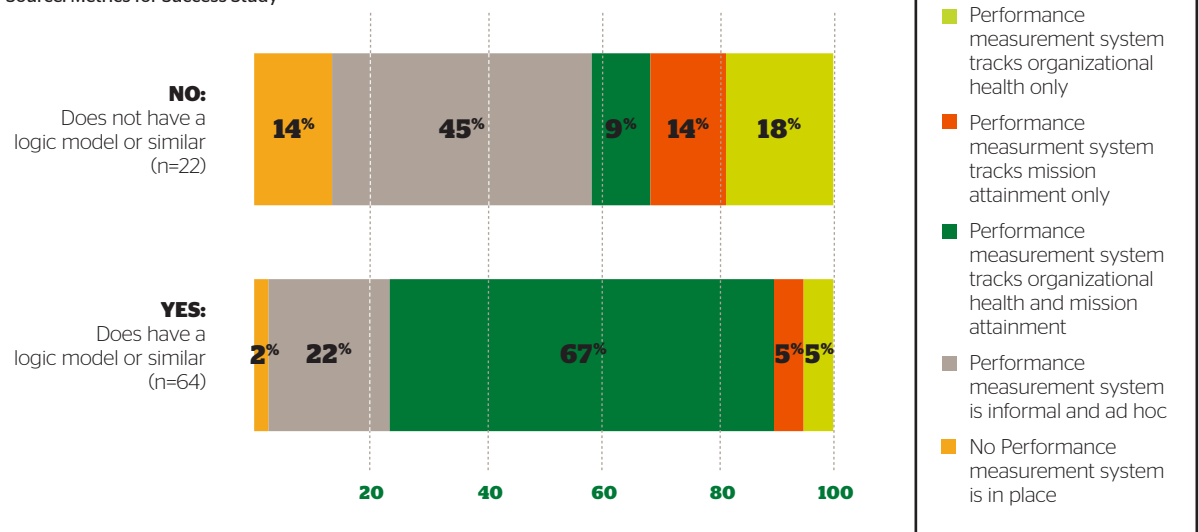
Association G exemplifies the application of a documented touchstone for planning. The association uses board and committee meetings as opportunities to refer back to previously developed documents and ask, “What do we need to do to achieve a specific goal stated in the strategic plan?”

Association C does not engage in formal strategic planning. The association's leaders feel it makes them too dependent on input from board members who have built-in two-year turnover and will likely not be present through a full strategic plan cycle. Instead, the board and CEO create annual priorities to pursue. Similarly, Association E's vice president notes that while the leadership team has a regular process in place for selecting goals, it does not engage in a traditional multi-year strategic planning process.

Associations accomplish planning in varied forms, but research findings indicate that some type of planning contributes to the success of a performance measurement system, by anchoring subsequent steps in clear strategy and mission.

figure 6
TYPES OF DATA BEING TRACKED VS. THE PLANNING DOCUMENT BEING USED

Source: Metrics for Success Study



Once key priorities and desired outcomes are established

in the planning document, associations can begin to build a performance measurement framework, which provides the structure for choosing metrics, analyzing them, and ultimately using them in decision making processes.

Being able to identify the right metrics to gain insights into a particular strategy does not happen overnight. While frameworks provide the structure to determine what types of metrics may be useful to measure a functional area, associations should remember that determining the right framework may require a process of experimentation until leaders identify the right collection of metrics. Whether an association is developing mission impact metrics, organizational health-related metrics, or both, it is recommended to conceptualize metrics in two different ways:

- **Process indicators** (sometimes referred to as outputs) are data points that measure whether activities and interventions are being executed.
- **Outcome indicators** are data points that are collected to measure whether the expected outcomes are being achieved and provide data to support improvements to activities, services, or programs.

For example, let's say part of an association's theory of change is that it will provide educational services to ensure members understand and align with regulations in their field. Process indicators might be the number of workshops it provides each year and the rates of attendance at each event. These all indicate that educational services are actually being provided, and the processes that underlie a theory of change are taking place.

However, these indicators do not reveal whether or not members are in fact better understanding regulations and taking steps to ensure they are aligned with them. Such outcome indicators might be attained through surveys to workshop participants asking what they have learned, comparisons in regulatory adherence rates between participants and other members who did not engage in the services, and comparisons of infraction rates from the relevant regulatory agency over time to see if there is any change.

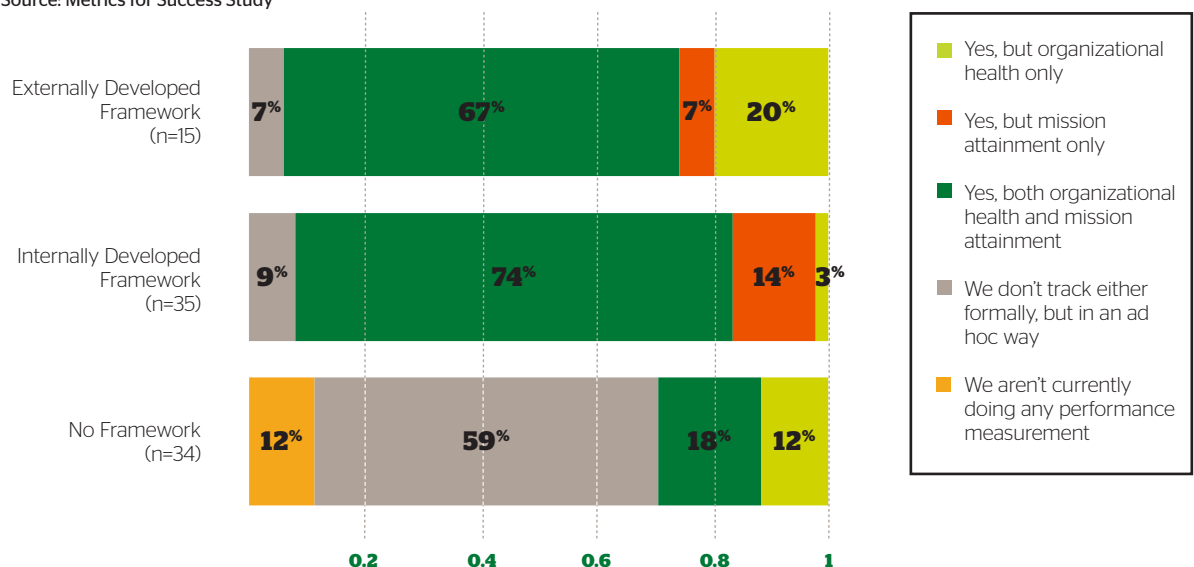
A framework—a method for identifying specific metrics or protocol for selecting metrics that also provides the steps needed to analyze those metrics—gives performance measurement systems their shape. While planning documents identify key priorities and outcomes, frameworks provide guidelines for selecting metrics that reflect those priorities and outcomes. Like other mission-driven organizations, associations should use a multi-dimensional framework that draws on both financial and program-based metrics to track success. Effectiveness is defined not only by the bottom line, but also by how well they achieve their mission. Financial health plays a critical role in ensuring that associations can fulfill that mission, but it needs to be assessed in the context of other indicators related to program execution that also contribute to mission impact. The study placed metrics into two categories:

- **Mission attainment metrics** track the fulfillment of the organization's value proposition, i.e., outcomes and impact.
- **Organizational health metrics** track the components of operational effectiveness, i.e., the synergy of standard components of operational effectiveness—such as financial stability and strong governance.

Frameworks help leaders identify whether or not important milestones are reached in accordance with their planning document, so problems can be addressed as they emerge. As illustrated in Figure 7, respondents who use some sort of framework, whether internally or externally developed, are more than three times as likely to track both organizational health and mission attainment metrics than those who use no framework.

figure 7
TYPES OF DATA BEING TRACKED
BY FRAMEWORK BEING USED

Source: Metrics for Success Study



Some “external” frameworks, such as the Balanced Scorecard, can be adapted and used by multiple organizations, while others are developed and customized for a single organization’s internal use. Survey results found that 16 percent of respondents used an externally developed framework, while 84 percent did not. The most popular external framework cited by survey respondents was the Balanced Scorecard by Kaplan and Norton. The Carver Policy Governance Model Monitoring Report, SMART Goals, ASAE’s *Focus on What Matters*, and the Baldrige Performance Excellence Program were also cited.

Survey respondents were asked to provide examples of the metrics they used to measure organizational health and mission impact. Tables 1 and 2 in the Appendix include specific examples from respondents related to each category of metrics, which are summarized below. It is worth noting that metrics related to membership are frequently listed under both mission attainment and organizational health. This reflects the unique nature of associations in that their missions are broadly to serve the needs of members, and that they also rely on revenue generated from members to function. Types of mission impact and organizational health metrics associations reported tracking were:

- **Mission impact**—Associations tracked mission impact metrics in the following areas: media and communications; conference attendance; government relations and advocacy; success of different member acquisition strategies; rates of member engagement, satisfaction, and retention; professional development participation and achievement; performance and use of products and services, including educational programs and content dissemination; and other measurements unique to particular associations.
- **Organizational health**—Associations tracked these measures of organizational health: financial measures, including budget performance, profitability, investment reserves, liquidity, expenses, and revenue; governance participation, training, and activities; employee engagement, satisfaction, turnover, and professional development participation; member acquisition, renewal, retention, and satisfaction.

Constructing frameworks is an essential step for associations to track activities and determine the best combination of metrics to analyze to meet their ultimate goals. Like every component of a performance measurement system, frameworks can be adjusted as the organization hones in on its goals.

Effective performance measurement systems rely on a strategic feedback loop.

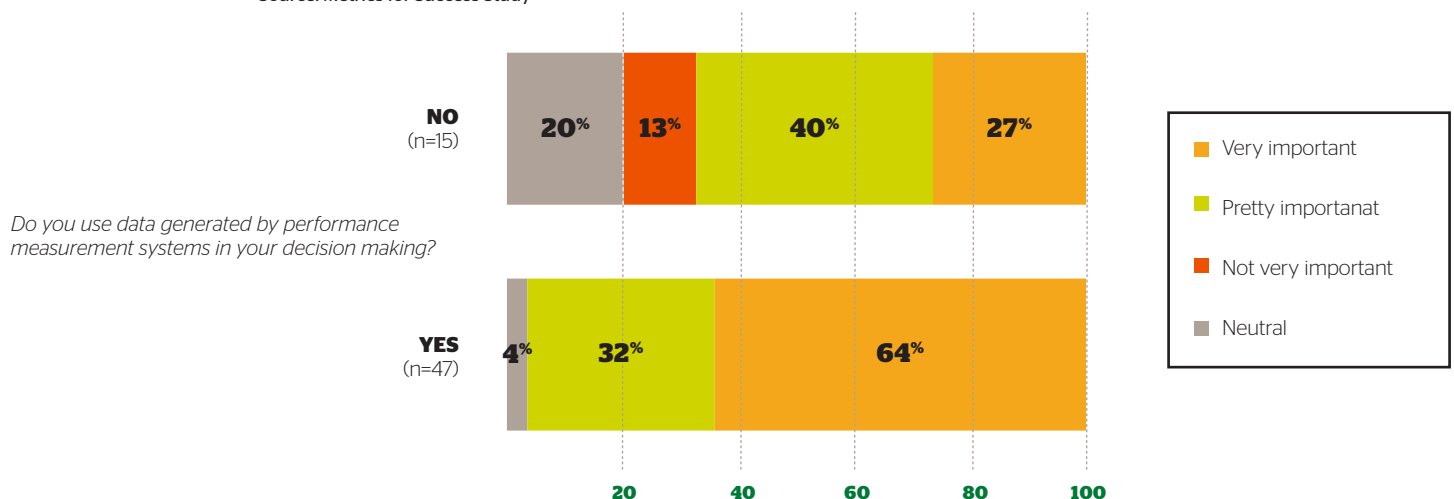
By assessing whether or not the activities determined in the framework are having the desired results, associations can determine the actions they need to take to achieve their articulated goals. The other part of the cycle is testing the underlying assumptions by evaluating the hypotheses upon which goals are based and adjusting the performance measurement framework accordingly. It is important for association leaders to view a performance measurement system as an evolving, not static, model, as these continuous refinements will hone strategy towards mission attainment.

Often, an association's approach to grouping and analyzing metrics, rather than a single "perfect" metric, is critical to successfully gathering insights to refine strategy and help decision making. To do this successfully, associations need to approach performance measurement as a dynamic process.

A performance measurement system's value can be measured by the degree to which it can help leaders make decisions based on data. As illustrated in Figure 8, associations who actually use data generated by performance measurement in their decision making are much more likely to say that it is very important to their organization's success.

figure 8
IMPORTANCE OF PERFORMANCE MEASUREMENT TO SUCCESS

Source: Metrics for Success Study



At a strategic level, data produced through a performance measurement system should be used to continually test the underlying hypothesis that leads an association to pursue a particular set of strategic priorities. At a tactical level, data should inform leaders whether or not specific activities guided by those priorities are being implemented correctly, and whether or not they are producing the desired results.

Examples of the types of decisions or changes respondents said they made in the past based on performance measurement data are provided below.

To track organizational progress on strategic goals—93.6 percent of respondents

- *“Identified growth areas based upon world-wide capital expenditures by [service] code and then identified top technical area for growth. Made it one of five strategic goals and allocated annual budget based upon that emphasis. Now tracking return on investment of that technical area in various product lines.”*

To make budgetary decisions—91.5 percent of respondents

- *“Invested in a one-year test of online Continuing Medical Education (CME) as requested by some members. Participation in online CME was much less than expected. Expenses versus participation rate did not provide adequate return on investment. Board decided to terminate online CME programs. No complaints from members about decision.”*

To identify areas for growth and/or improvement—89.4 percent of respondents

- *“Development of new non-dues revenue programs based on tracking of growth in educational programs.”*
- *“Looking at our aging membership, we made shifts in our offerings and approach to individual members and added a corporate option.”*

To modify programs—78.7 percent of respondents

- *“Eliminated a couple of long standing task force groups that were no longer effective.”*
- *“[After] measuring member satisfaction and areas that they feel are most important, the decision was made to focus on providing scientific education and information related to their profession as our primary objective.”*
- *“Education and professionalism are important to our members; we decided to provide all continuing education courses free to members (saving them up to \$500 for each license cycle) and cutting our program revenue. It resulted in greater retention and member growth.”*

To assess organizational health—76.6 percent of respondents

- *“Governance structure.”*
- *“Affiliate organization structure.”*
- *“Develop Task Forces to address concerns raised.”*

To make staffing decisions—68.1 percent of respondents

- *“Changing our staffing and bonus structure for business development manager.”*
- *“Creation of a member engagement position based on growth of social media channels.”*

To share success with stakeholders—68.1 percent of respondents

- *“Launched an online community.”*
- *“Utilize our media education (statewide outreach) to the public as a key focus of establishment of [a] Foundation.”*

Using Performance Measures in Decision Making

As organizations begin to track metrics and analyze data, they need to find ways to thoughtfully and effectively implement what they learn from the information, as well as test the underlying assumptions that determined the metrics they use. It is important when doing so to remember to look at the big picture (i.e., multiple years of data or iterations of assessment) to make sound decisions. Once enough data have been collected to paint an accurate picture, the necessary actions to take are often clear. The interviewees' applications of their collected data illustrate how performance measurement can be used to improve organizational health and mission attainment.

One of the key metrics tracked by Association G is the number of times the articles it produces are shared, which they collect through a member reader survey. The assumption is that the quality of content should be good enough that members want to share it; if it is not passed along, then the content is getting stale. Respondents indicated that they did not share articles that often because they only got one to two magazines a year. In reality, Association G publishes on a quarterly basis, so the survey revealed that the content in the publications was so similar members did not realize they were getting different magazines. Identifying this problem with their content early on allowed Association G to divert a drop in subscription rates.

An additional example from Association G illustrates the importance of comparing multiple metrics to gain key insights. Association G's staff track three core metrics related to their annual conference: how many people attend, how many of those are first-time attendees, and how many companies are represented. They then compare the data to previous years' numbers to gain a sense of overall trends in member engagement in the conference. If the number of individual attendees has increased by 10 percent, but the overall number of companies who are represented has dropped by 5 percent, this is actually considered a poor outcome. It indicates that they have lost market penetration and are only becoming further entrenched with current members rather than attracting new ones.

Association H's approach to comparing metrics is to benchmark current metrics against historical trends. By reviewing data in weekly staff meetings, leaders are able to spot areas of concern as they arise. For example, in reviewing conference registrations in preparation for their annual conference, association staff discovered that registrations were down compared to the same time the previous year. After looking at other metrics, they were able to determine that the brochure had been mailed later than usual. The discrepancy was likely a result of communication that could be improved in future years rather than a genuine lack of interest in the conference. The interviewee from Association H noted, however, that the vulnerability of this analytical approach is that it leaves the organization open to "we've always done it this way" thinking that, if historical data are not available, leaves them in a blind spot.

When asked about challenges to performance measurement, respondents indicated they were concerned that they did not have the right metrics and analytical processes to form a cohesive snapshot of their association's position across different areas. Comments included:

- *"Better connection between all of the different types of performance data we collect, a broader research agenda in place—we are starting down that road now"*
- *"Need better measures that drive decisions. We have 33 strategic measures, most are nice to have but they don't drive decisions. Thirty-three is too many, we don't always know how to respond to fluctuations."*
- *"More integrated across data platforms. Hard to tie to complexity of entire strategic plan."*
- *"Better process for determining impactful mission-related metrics."*

Association H's experiences illustrate that while organizational health metrics are fairly straightforward, mission impact metrics present a unique set of challenges. For example, Association H could benchmark its organizational-health-related financial measures against those in ASAE's Association Operating Ratio Report. Mission impact-related measures are more complex because "improvement" of a given profession or field can be highly subjective. Rather than comparing the organization's performance to a target set of numbers, Association H takes a big picture approach: If all dashboard indicators related to its programs are trending in the right direction, the leaders conclude the organization is achieving its mission.

Similarly, Association A uses trends among clusters of metrics rather than one specific metric to make strategic decisions. Its mission is to improve overall care in a particular healthcare field, which it does by serving member doctors. However, it considers its key constituents to be both professionals and patients. In addition to the standard categories of metrics that the Balanced Scorecard recommends, Association A also tracks metrics related to each set of its core constituents. Having a set of metrics that reflects the interests of each constituency is critical because occasionally a tactic or strategy will benefit one group at the expense of another, and the association has a policy of always deferring to the needs of the patient. By tracking metrics that indicate if a particular action produces a benefit or disadvantage for patients, the association is able to ensure that its work is always aligned with patients' interests.

Associations must use what they learn from metrics selection both to implement changes and to adjust the combination of metrics they are collecting and analyzing. The performance measurement process requires continuous assessments and thoughtful action.

The foundation for an effective performance measurement system comes from engagement across all levels of an association: governance, leadership, and staff.

Support from the association's leaders and board of directors ensures that the process will be properly resourced and that findings will be used for decision making. Staff buy-in is necessary to ensure that the day-to-day activities of data collection and reporting are completed. Financial incentives and links to personal goals are some of the tangible ways to create a sense of staff engagement. These factors working together foster a data-driven culture.

Board and C-Suite Roles

Board members and association executives who value regular performance measurement can do much to shape an organizational culture that embraces these practices. Practically, they allocate resources and decide if and how results will be used. The association executives interviewed had varied experiences with implementing performance measurement processes among the board and senior staff. Some encountered challenges when it came to creating buy-in. Frequent turnover of volunteer leaders and other issues were mentioned as potential barriers to continuity in the performance measurement process. Leaders facing resistance or a lack of enthusiasm may struggle to support the development of a data-driven culture.

At Association C, an organization identified as “pretty satisfied” with its performance measurement, the executive director regularly shares metrics with the board and isolates the trends that indicate whether the association is achieving the strategic priorities set at the beginning of the year. Leaders intentionally integrate performance measurement into the board oversight of the association.

In contrast, the executive from Association B talked about lacking buy-in at the governance level. The prior executive director was dedicated to performance measurement and strove to make decisions based on data. The board did not have the same level of appreciation for performance measurement activities, and when the executive director left, the system fell apart without stewardship at the management level. Currently, the association is struggling with a set of programs with lower than expected utilization rates, which could be the result of decreased understanding of the needs of members. It is not surprising then that Association B's survey respondent indicated that they were “not very satisfied” with their organizational performance measurement. This experience underscores the value of having a culture that promotes performance measurement, which alleviates an organization from having to rely on a single champion to move the process forward.

Association G's executive director expressed frustration with being more committed to performance measurement than his board. Association G's board leaders tend to have one-year appointments and often view his reliance on long-term metrics as overly protective or cautious. Association E's executive vice president voiced similar concerns, noting that since many association boards have a different volunteer chair each year, strategic priorities can be steered off course to match the chair's personal priorities. This phenomenon contributed to Association C's dismissal of a traditional strategic planning process in favor of ongoing strategic thinking that is insulated from board turnover.

Creating Sustained Staff Engagement

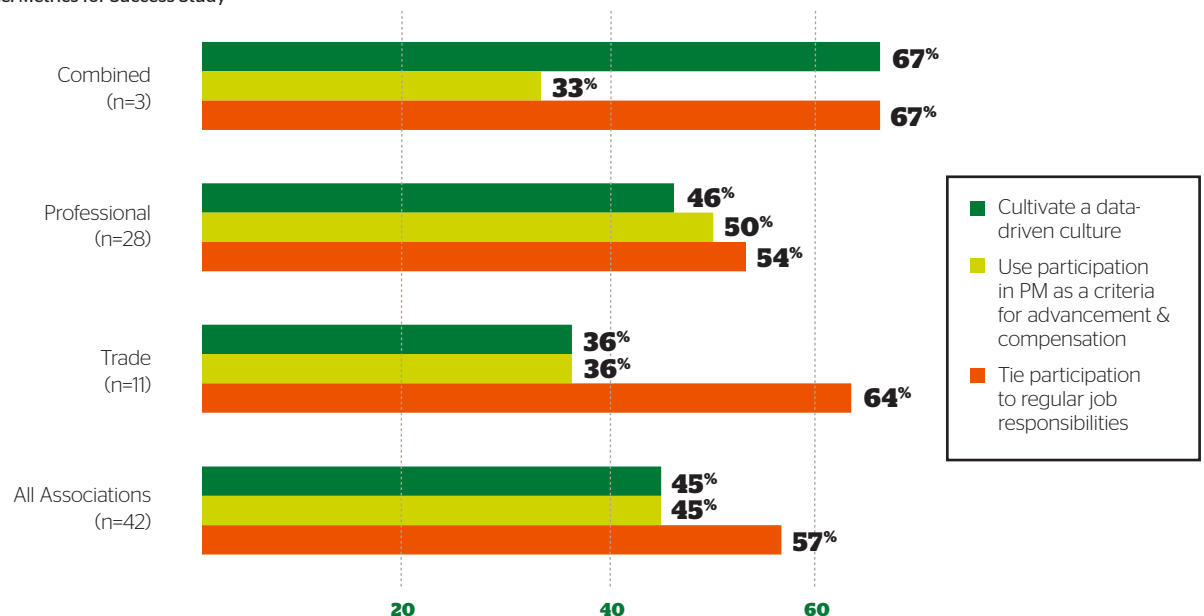
No performance measurement system can be fully operational without staff participation. Middle management and front-line staff are often responsible for data collection and tracking metrics toward goals. Thus, staff should be fully versed in the value of devoting effort to these practices, and provided with incentives as well as proof that the information they gather is used to improve the organization. Associations reported the use of various methods to engage staff members with participation in performance measurement.

Figure 9 illustrates the ways that survey respondents said they used to cultivate sustained staff engagement in performance measurement. More than one approach was often used, and linking participation in performance measurement to regular job responsibilities was the most prevalent way of fostering engagement across associations.

figure 9

APPROACHES TO FOSTERING STAFF ENGAGEMENT

Source: Metrics for Success Study



While job responsibilities and compensation frameworks are tangible ways to foster engagement, culture plays a key—albeit elusive—role in the success of a performance measurement system. When asked how their associations’ performance measurement systems could be enhanced, a number of survey respondents cited the need for a shift to focus on data and evidence rather than “gut” feel and intuition. Comments included:

- *“We are working to enhance the culture to follow the data and not [act] based on gut feel. Some [staff members] are more analytical and more accepting than others.”*
- *“Improving culture to make decisions based on data.”*
- *“It’s an ongoing process to get them [staff members] ingrained in the culture of data, and using data versus anecdotes and gut to make decisions.”*

The interviewed association leaders described several possible approaches to promoting staff engagement in tracking and responding to performance data. At Association G, staff directors meet one-on-one with the chief executive or chief operating officer to align their objectives for the year with the goals of the organization’s strategic plan. During end of the year evaluations, bonuses are determined by how those objectives were met or exceeded.

Association E goes even further. There, target metrics must be met to ensure base compensation for nearly all staff. Association E selects four to six related metrics each year from the organization’s scorecard to use as part of its financial incentives plan. For example, if “increased website traffic” is selected as a metric, the head of information technology, network administrators, and content developers would all be expected to work toward functional targets related to that metric. Total cash compensation—including annual salary and a bonus for performance—is linked to adherence to strategic plan incentive goals. At the senior level, executives must hit 100 percent of their targets each year to be paid at market rate of compensation.

Associations A and D both provide examples of how they foster engagement in performance measurement as a cultural value in their organization. Association A practices what it refers to as “continuous planning,” where the entire team engages in strategic thinking on a regular basis. In order to keep organizational strategy at the forefront of everyone’s mind, the association’s Balanced Scorecard is the first thing that pops up whenever a staff member signs into the intranet.

Association D believes staff will be more engaged if they see how their own personal development goals are linked to the overall progress of the organization. Therefore, staff members develop annual goals with their supervisors that link to the broader organizational goals from the strategic plan.

Association H believes that the greatest challenge to performance measurement is creating a supportive culture—staff have so many competing responsibilities. However, the research indicates it is well worth the effort to cultivate staff buy-in, as it is pivotal for every phase of the performance measurement process, from gathering data to the implementation of new practices based on findings.

To maximize a performance measurement system, staff, management, and volunteer leadership must implement and follow processes consistently and effectively. For an organization to not only implement but sustain a system of data-driven decision making, its board and executive leadership must lead the way by showing staff that data-driven decision making is a core value of the organization.

The Metrics for Success study provided an on-the-ground look at how associations practice performance measurement.

Key insights from the interviews and surveys indicate that despite challenges to implementing a performance measure system, many associations are developing and tracking actionable metrics for organizational success. A number of strategies have proved fundamental to that success:

- Using a planning document enables an association to work from a consistent definition of success and identify applicable metrics to track progress across activities.
- Strong data collection, analysis, and reporting processes make it easier for leadership to regularly gather and incorporate data into decision making. In particular, databases and platforms that provide dashboards or other reports provide an easy way for leadership to assess an association's position at a glance.
- While metric selection is an important part of developing a performance measurement system, it is also important to understand that there is no "silver bullet" metric. Often the value of metrics comes from how data is analyzed and collectively compared. Over time, an association will become increasingly savvy on how to approach that process to gain useful strategic insights.
- Fostering staff engagement through a data-driven culture provides incentives to conduct performance measurement activities consistently. To successfully build a data-driven culture, executive leadership and the board need to model the importance of performance measurement to the association's mission.

table 1

RESULTS FROM THE QUESTION ON THE SURVEY:

“Overall, how satisfied are you with your performance measurement system?”

Source: Metrics for Success Study

LEVEL OF SATISFACTION	NUMBER OF RESPONDENTS	PERCENT OF RESPONDENTS
Not very satisfied	7	8%
A little satisfied	7	8%
Neutral	18	20%
Pretty satisfied	24	27%
Very satisfied	5	6%
Did not respond	26	29%

table 2**MISSION IMPACT METRICS USED BY RESPONDENTS' ASSOCIATIONS**

Source: Metrics for Success Study

MISSION IMPACT SUBCATEGORY	EXAMPLE OF METRIC
Communications and brand awareness	Number of media placements
	Number of message click-throughs
	Web metrics (e.g., number of visitors per day)
Conference attendance	Number of conference registrants and attendees
	Yearly trends in conference attendance
Government relations and advocacy	Number of bills introduced in Congress
	Advocacy touch points for the profession
	Movement/passage of legislation
	Number and value of PAC contributions
Member acquisition	Increase membership (e.g., capture 80 percent of board-certified professionals in current year)
	Percentage of new members acquired through member-to-member referral
	Number of new member inquiries
Member satisfaction and retention	Engagement rates among early career members
	Engagement of members with marketing/PR campaigns
	Member satisfaction survey results
	Survey re: the value of clinical guidelines
	Member self-assessment of impact of association on competency and career
	Number of members
	Member retention rates
Professional attainment by members	Degrees awarded to association's target demographic
	Percentage of members who achieve global industry standards
	Number of certifications issued
	Percentage of chapters that achieve chapter standards
	Percentage of members who are compliant with relevant regulations
Products and services offered	Diversity of educational offerings
	Number of educational workshops
	Content development for the profession
Products and services utilization	Participation rates in association events (non-conference)
	Participation rates in programs
	Average annual spend rate by members
Unique and program-specific	Student GPAs
	Number of collaborations between members
	Freshman retention rates
	Net promoter score
	Parity
	Member survey on the value of clinical guidelines
	Degrees awarded to a target demographic

table 3**ORGANIZATIONAL HEALTH METRICS USED BY RESPONDENTS' ASSOCIATIONS**

Source: Metrics for Success Study

ORGANIZATIONAL HEALTH SUBCATEGORY	EXAMPLE OF METRIC
Financial	Progress toward investment reserve goal
	Reserve account performance
	Achievement of consolidated operational budget
	Days of cash on hand
	Balance sheet
	Budget versus actual expenses/revenue
	Months of financial reserves
	Indirect expense rate
	Budget growth
	Market share
	Unrestricted net assets
	Equity as a percent of next year's expenses
	Liquidity
Governance	Number of individuals running for board seats
	Board participation rate
	Committee/task force member participation rate
	Number of governance trainings
	Bylaws reviewed
Human resources	Employee engagement survey results
	Employee experience/feedback annually
	Staff turnover rates
	Participation rate in professional development opportunities
	Professional development engagement
Member acquisition	Market acquisition rate
	Market penetration
	Number of new members
Member engagement and retention	Greater than 92 percent member retention rate annually
	Membership renewal rate
	Membership attrition rate
	Membership evaluation results
	Membership attendance data
	Membership data in comparison to budget and prior years
	Membership levels by category

table 3**ORGANIZATIONAL HEALTH METRICS USED BY RESPONDENTS' ASSOCIATIONS** *(continued)*

Source: Metrics for Success Study

ORGANIZATIONAL HEALTH SUBCATEGORY	EXAMPLE OF METRIC
Revenue and profitability	Annual conference net income
	Membership revenue
	Revenue attainment versus revenue projected
	Revenue by functional or product area
	Growth in non-dues revenue
	Annual conference net income
	Sponsorships
	Profit and loss rates
	Annual profit
	Diversity of revenue sources
	Operating profitability
	Profit and loss



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