

ISSUE BRIEF 9

ACTIVE PERFORMANCE MANAGEMENT

When it comes to delivering social services, even great providers and powerful interventions can struggle to deliver meaningful outcomes, especially while scaling or translating to a new context. Active Performance Management (APM) allows Pay for Success (PFS) projects to be adaptive, maximizing the chances of achieving good outcomes for people in need.

ABOUT THIS ISSUE BRIEF SERIES

This issue brief is one of a 10-part series written **for government officials interested in learning how to use Pay for Success tools and principles.**

The series summarizes best practices and lessons learned at Social Finance from a decade of designing, launching, and managing Pay for Success projects. It includes guidance on each step of the process, from deciding whether Pay for Success is a good fit to actively managing a project post-launch.

[See here](#) to access the complete issue brief series on our website.

PROJECT LAUNCH IS ONLY THE BEGINNING

OVER THE MANY MONTHS it takes to launch a PFS project, partners have selected outcomes, developed a plan to measure and evaluate those outcomes, assigned prices to those outcomes, and developed legal agreements. But that's only the work of getting to launch. How can stakeholders ensure success over the course of the project once services are being delivered?

To strengthen the odds of project success, we consider two important processes: **Active Performance Management (APM)** and **governance** (see *Brief 10 – Pay for Success Governance*). APM is the process through which project partners work together to identify and resolve operational challenges in real time by leveraging a clear set of performance metrics, access to quality data, collaborative problem solving, and innovative adaptations. APM is not so much a discrete set of activities as it is an ongoing process to track progress, identify problems, and rapidly address project challenges.

Governance structures provide a framework for ensuring that the right people are committed to and engaged in the process of managing issues, opportunities, and competing priorities throughout APM; they ensure that the elements of APM are effectively implemented with buy-in from all stakeholders.

AN OVERVIEW OF THE APM PROCESS

1 DEVELOP METRICS

The APM process begins by aligning stakeholders on a core set of metrics to measure performance. In the context of a PFS project, the ultimate outcome metrics may have already been identified through the contract. But it can be helpful to select additional operational metrics, such as enrollment rate, progress through phases of the intervention model, or attrition rate, that can provide real-time actionable insights into project performance.

2 COLLECT AND ANALYZE DATA

Once key metrics have been identified, the next step is obtaining and analyzing data to identify core challenges (for more information, see page 3: *Common barriers to data management*). The analysis is often an iterative process, as an initial finding may lead to further questions about what is causing a particular trend.

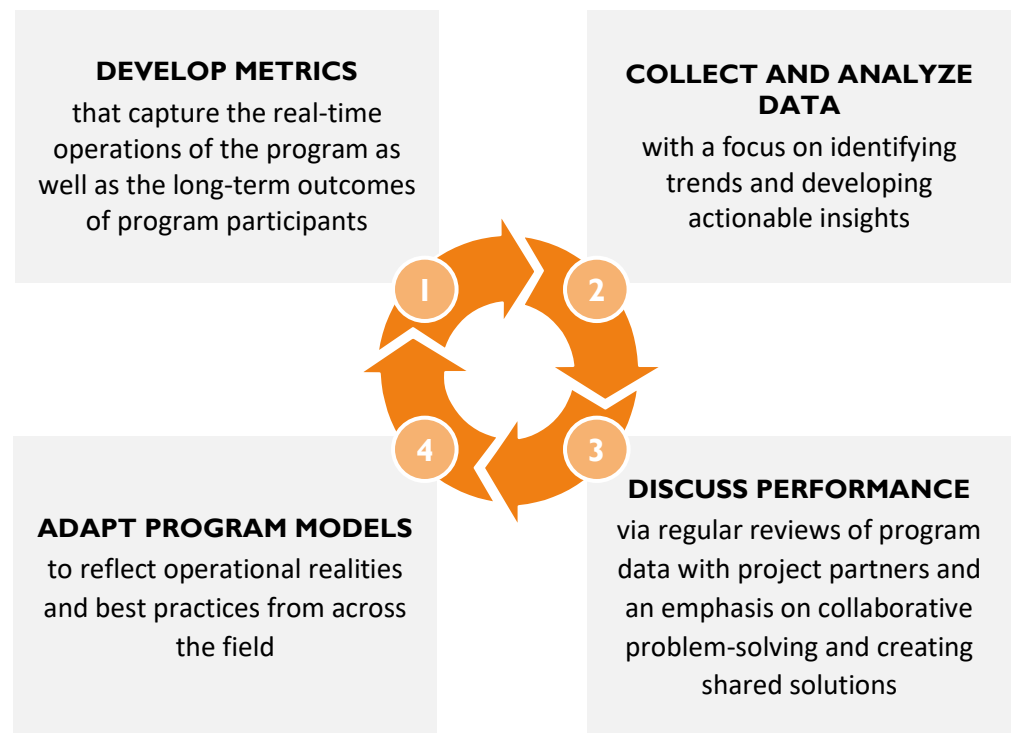
3 DISCUSS PERFORMANCE

The third critical step of this process is discussing the findings with project partners at regular APM meetings. By creating a forum where all project stakeholders can regularly meet to share information about the day-to-day progress of the project, project partners can pin down what operational changes might be necessary and come up with collaborative solutions to ensure the future project success.

4 ADAPT PROGRAM MODELS

Finally, following an APM meeting, the APM team works with project stakeholders to adapt and implement new program models. The process then begins again, potentially with new metrics to account for any changes made in the last cycle.

HOW APM USES DATA TO IMPLEMENT A CYCLICAL PROCESS OF IMPROVEMENT



COMMON BARRIERS TO DATA MANAGEMENT DURING APM

Strong data management practices set the foundation for good APM and are necessary for visibility into program performance. However, there are also many barriers that may impede effective data management, including:

- **ACCURACY:** Data management practices can sometimes lead to inaccurate or incomplete data. Additionally, lagging data collection can impede real-time data tracking. To ensure data quality and timeliness, project partners should implement automated data collection through digital forms where possible, design surveys to streamline data collection, and train frontline staff on effective data collection tools and techniques.
- **CONFIDENTIALITY:** Barriers to effectively sharing data include data security concerns and confidentiality requirements. Anonymizing data can allay confidentiality concerns without reducing data quality, while utilizing data security and compliance best practices such as encryption and secure transfer protocols can support secure data sharing.
- **ANALYSIS:** Program staff may have challenges with data analysis requirements due to technological limitations or capacity constraints. To facilitate the data analysis process, the PFS intermediary can develop tailor-made, largely automated models that reduce staff time spent on analysis and increase its accuracy. Even with well-trained program staff and automated data models, constraints such as limited baseline data can make data comparisons difficult. Historical and peer data along with useful metrics can be used to develop actionable data and performance tracking.

COMMON APM FOCUS AREAS

There are a handful of common challenges in PFS projects. Implementing robust APM and governance processes can help mitigate these challenges early by ***identifying appropriate recruitment and referral pathways, meeting enrollment targets, and ensuring program performance.***

IDENTIFYING APPROPRIATE RECRUITMENT AND REFERRAL PATHWAYS

Meeting enrollment targets requires accurate projections of the recruitment and referral pipeline, which inform the number of potential participants who could be enrolled. To achieve their targets, project teams can benefit both from a *deep understanding of the pipeline* and from *establishing shared responsibility* among all partners responsible for recruitment and referral.

Understanding the pipeline. Prior to launch, partners should map the entire recruitment and referral pipeline to confirm that the project can enroll enough participants to meet targets. The mapping process not only helps in setting appropriate targets, but also highlights points in the pipeline where potential candidates may drop out, allowing project partners to proactively work with the service provider to mitigate attrition. For example, if the service provider indicates that potential participants often do not show up for initial appointments following referral, project partners can work with the provider to send appointment reminders. Remember to consider evaluation design when mapping the pipeline: a randomized controlled trial, for example, will reduce the size of the pipeline by assigning half of the eligible participants to the control group.

Establishing shared responsibility for referrals. Different types of services identify their participants in different ways, including via referrals from public health agencies, by word of mouth, and through direct outreach. Enrollment success hinges on ensuring the buy-in of community referral partners by understanding their needs, providing upfront and ongoing training on the enrollment process, and ensuring appropriate data sharing systems are in place.

MEETING ENROLLMENT TARGETS

Even with a fully mapped pipeline and alignment between partners on referral responsibilities, setting and hitting realistic enrollment targets is often a challenge. There are three primary hiccups to hitting enrollment targets: *accessibility barriers*, *overly stringent eligibility criteria*, and *misaligned outcome measures or incentives*.

Accessibility barriers. For vulnerable populations, accessibility barriers may include transportation limitations, childcare inaccessibility, or language differences that slow enrollment. Project partners can mitigate these challenges by assisting participants in accessing the supportive services they need to enroll in the project. If these barriers prove to be an ongoing challenge, partners should consider building flexibility into the contract to allow for a slower start to enrollment that ramps up over time, allowing the project team to troubleshoot different ways to strengthen access strategies.

Overly stringent eligibility criteria. Stringent eligibility criteria, such as limited geographic service areas or tight age ranges, can be necessary to best match a high-needs population with appropriate services, but these criteria can also make meeting enrollment targets challenging. Building in some flexibility to the contract such that criteria can be relaxed if needed can give projects more options for reaching the right people for the project.

Misaligned outcome measures or incentives. Project partners should seek to ensure that there are not perverse incentives that arise because of the combination of different outcomes in the project. For example, an outcome metric may require

some percentage of total enrollment to be sourced from a targeted sub-population, such as people living in low-income zip codes. With this metric definition, enrolling high-need individuals from outside low-income ZIP codes reduces the percentage of sub-population participants enrolled, creating internal misalignment not to enroll them, even though they are high-need. This misalignment can be avoided by using models to test out different enrollment scenarios prior to launch and ensuring that the project's financial incentives prioritizes the appropriate outcomes.

ENSURING PROGRAM PERFORMANCE

Service providers need enough time to hire, train, and prepare to offer services through a PFS project. A formal ramp-up period—or even a separately funded pilot period—can help programs be ready at project launch.

Ongoing data tracking as part of the APM process can support performance improvement efforts. Data can be a tool to identify challenges, to spur adaptation, and to prompt thoughtful reflection with both service providers and participants.

HOW APM CAN FACILITATE PROGRAM IMPROVEMENT

Below, we share three examples from our work in structuring and managing PFS projects to demonstrate how APM can support *real-time responses to unexpected challenges* and *continuous improvement based on ongoing learning* within PFS projects.

REAL-TIME RESPONSES TO UNEXPECTED CHALLENGES

Even with extensive preparations, launching a new program or scaling up an existing one can lead to growing pains. Unforeseen challenges such as operational barriers, budget shortfalls, or natural disasters can derail a project. APM processes can assist in rapidly identifying solutions, including new ways of doing business or changes to standard operating procedures, to address hurdles and improve programs using real-time data collection and analysis.

CASE STUDY: CONNECTICUT FAMILY STABILITY PROJECT

The Connecticut Family Stability Project, launched in October 2016, expands an intensive, in-home substance use and parent-child attachment therapy program called Family-Based Recovery (FBR) to families involved with the Connecticut Department of Children and Families (DCF). The project's aim is to reduce parental substance use and improve family stability. The funding for this project enabled FBR to expand in three geographic regions throughout the state, adding teams to serve both families with children aged 0-3 and families with children aged 3-6, a new target population for the intervention.

The APM team for the project identified lagging enrollment early in the project and brought together DCF staff, FBR teams, and evaluation researchers to review referral and enrollment data together. This process of elevating detailed data directly to the stakeholders involved in referring and enrolling clients into services helped to unearth several operational recommendations.

The expansion of FBR to a new target population meant that DCF staff had to build a new process to identify eligible families with children aged 3-6. The APM team helped customize region-specific strategies to implement new identification processes, and adjusted eligibility requirements for teams to flexibly serve families with children age 0-6. The team then worked with the project evaluators to conduct regional trainings clarifying project eligibility requirements and responding to new challenges experienced by DCF staff when referring clients. Doing so increased referrals.

Disciplined, transparent discussions of project data provided DCF and FBR staff with new tools to test operational adjustments and focus their efforts on key components of client engagement and service delivery to benefit more families.

CASE STUDY: VENTURA COUNTY PROJECT

The Ventura County Project to Support Reentry aims to reduce recidivism, improve public safety, and promote family stability and economic opportunity for those on formal probation.

Through the project, Interface Children & Family Services intends to serve 400 individuals over four years. A customized program, Interface Reentry Services, provides a suite of services focused on understanding and responding to each client's individual needs for successful reentry. The project's success in reducing recidivism is being evaluated by: 1) measuring the number of months in which each enrolled client is not arrested based on the County's data, and 2) measuring reductions in recidivism over a 12-month period, compared to a randomized control group.

In response to the crisis posed by the COVID-19 pandemic, the partners immediately surfaced key considerations on how service delivery may need to change. As in-person meetings became infeasible, the project swiftly pivoted to virtual enrollment. The team was able to quickly pilot remote service delivery methods, shipping required resources to clients' homes, and increasing the frequency of client check-ins. Through these innovations, the

project has seen early signs of increased client engagement in situations where telehealth has proved more accessible than in-person meetings.

CONTINUOUS IMPROVEMENT BASED ON ONGOING LEARNING

Regularly setting ambitious but realistic targets and tracking performance against those targets helps to strengthen delivery. Using real-time data, project partners can identify and develop opportunities to adjust project elements that improve outcomes. Continuous improvement could include refining target geography, demographics, or characteristics of individuals served; adjusting referral and enrollment procedures; or optimizing dosage of individual programmatic elements. These adjustments are not in response to an identified problem, but instead are a series of incremental improvements designed around maximizing the efficacy of program implementation.

CASE STUDY: MASSACHUSETTS PATHWAYS

The Massachusetts Pathways Pay for Success Project increases access to vocational English classes, skills training, and better jobs for approximately 2,000 immigrants and refugees in Greater Boston, with the goal of making successful transitions to employment, higher-wage jobs, and higher education.

The Pathways project funds Jewish Vocational Services (JVS) to deliver multiple program tracks across multiple geographies. To monitor this service array, Social Finance built an operations dashboard that uses monthly intake data from JVS to monitor frequently changing metrics such as enrollment, program completion, job attainment levels, starting wages, and graduation rates. Observing the trends in each of these metrics helps guide regular conversations with JVS on operational performance.

For example, Social Finance built an enrollment tracker that allowed JVS to monitor outreach efforts, conversion rates to program enrollment, and retention rates. This became especially useful as JVS made real-time decisions on how to adjust programming across sites. Through monthly APM conversations, the team was able to identify a need for increased outreach to potential candidates in order to meet the requisite number of people who might convert to enroll in the program, and authorized resources for JVS to engage an advertising firm to run advertising and outreach campaigns to reach the target population.

As these case studies illustrate, in many ways, APM is the key driver of change in Pay for Success: it's the mechanism supporting projects partners to adapt and improve programs for those we are serving.

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ABOUT SOCIAL FINANCE

This brief was written by Nic Miragliuolo, Associate Director, with support from Ryan Gillette, Emily McKelvey, Rachel Levy, and Jake Segal. Social Finance is a national nonprofit organization dedicated to mobilizing capital to drive social progress. Social Finance has pioneered Pay for Success, a set of innovative financing strategies that directly and measurably improve the lives of those in need. Read more about our work in Pay for Success at socialfinance.org.

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