

Getting Cost to Performance – Mapping ABC to CSFs

Process Used to “Map” ABC Costs to the Operational Plan Goals and Measures

The Planning and Evaluation Office asked each of the Washington Office Programs to re-validate the mapping of Activity Based Costing (ABC) activities to Critical Success Factors (CSFs) in the Fall of 2005 (to be implemented for the FY 2006 cost and performance data).

The ground rules for the Washington Office’s Mapping ABC Activities to Operational Plan CSFs for FY 2006:

- 1) ABC Work Activities should be mapped to the appropriate CSF, even if a given program does not directly contribute to the performance accounting for that CSF.
 - Programs should not be forcing work activities to what may be perceived as “their” CSFs. Work activities should be mapped to the appropriate CSF that best represents the output/outcome of that work activity. (This captures the concept of supporting activities that support the performance outputs/outcomes.)
 - Even if a given CSF appears to be primarily reported on by a single program or a small group of programs, another program may be conducting a work activity that supports that effort.
- 2) Every program must map every ABC work activity to a CSF by each program (with the exception of certain “formula” activities described below).
 - Therefore, even if a given program cannot imagine anyone in their program using a given ABC work activity, it is still necessary to map to a CSF. (This provides for the possibility that a person could charge any given activity – perhaps because they are on a detail to another office, or some other reason.)
- 3) ABC Work Activities can be mapped either “1 to 1” (1 ABC code to 1 CSF) or “1 to many” (1 ABC code to many CSFs).
 - for a “1 to 1” – the appropriate single CSF code-number must be provided for each ABC work activity
 - for a “1 to many” relationship – the percentage split among multiple work activities is required. Programs should use the best possible internal data to provide an appropriate percentage split – historical data on workload, etc. If unavailable, the program should provide an “educated-guess” on the split
 - Example: ABC code U2: Acquire and Manage Real Estate could be mapped .25 to CSF 2.1 Protect Wetlands, .25 to CSF 2.2 Protect Uplands, .25 to CSF 2.3: Protect Riparian .25 to CSF 2.4: Protect Marine& Coastal. (i.e., 25 percent each to four different Critical Success Factors)

- For “1 to many” relationships, there is no set upper limit of how many CSFs can be mapped to. However, programs should map the ABC activities to a reasonable number of CSFs.
- 4) Certain ABC Work activities are mapped via a formula. It is not necessary to provide a mapping for these. They are marked on the worksheets by the word “formula”
 - Process 6 Admin-related work activities (those that begin with a “9”) and a few Process 5 activities (they begin with a “5”) are support activities, therefore they are mapped to the mission-related CSFs via a formula based on how the rest of the funds are spent in a given program.
 - 5) Construction & Maintenance related work activities (those beginning with “8”) are mapped via data provided to PES by the construction/maintenance experts that splits the costs among the appropriate facility-related CSFs. The programs are not expected to re-map these activities.
 - 6) Since the Deputies ABC and Performance Team asked to have some management review of the ABC to CSF mapping, each program is asked to ensure that at least their respective Deputy Administrator reviews and approves the mapping. The Washington Office programs are encouraged, but not required, to establish a wide audience of experts, including Regional participation, to review the ABC to CSF mapping information.
 - 7) After submission of the draft ABC to CSF mapping data, the Planning and Evaluation Staff worked with the programs to ensure that there was a consistent accurate methodology across the Service.

Background:

The key to getting “cost to performance” is having a methodology to assign costs to the performance goals and measures used by the Service. The goal of this process is to ensure that all costs are appropriately mapped to the Service’s goals. Since the Service’s goals are mapped to the Department’s goals, the costs can also be rolled up and shown at the Department level.

The Service’s Operational Plan consists of program-specific measures that collect performance data that is then rolled together into Service-wide Critical Success Factors (CSFs) (currently there are 101 of these), then into the smaller subset (37 currently) of Service-wide Operational Goals, then up to the Departmental Goals and End Outcomes. By mapping the ABC activity costs appropriately to these goals and measures, the Service can gain an understanding of the costs to deliver its mission.

The Service’s Activity-Based Costing (ABC) system, which is the method by which the Service collects its costs, uses a concept known as Subactivity Program to collect these costs into manageable “clumps”. For example, the Refuges Subactivity Program captures ABC-coded expenditures not only from the main Resource Management budget subactivities of

1261, 1262, 1263, 1264 and 1265, but all the other various funding sources that are expended by Refuges, i.e., reimbursable accounts, contributed funds, etc.

Since the costs are collected into these Subactivity Programs, the mapping from the ABC activities to the CSFs in the Operational Plan also uses these Subactivity Program definitions. This helps provide consistency across the Service. The assumption is that dollars being spent by a given program contribute, for the most part, to the same goals and measures, no matter which Region of the country is conducting the work. The ABC to CSF mapping is done by program, since it is entirely possible that different programs may be conducting similar work (i.e., using the same ABC work activity) and yet the outcome of that work, i.e., the performance, is tabulated in a different CSF in the Operational Plan.

(Note: The Critical Success Factors are the lowest Service-wide measures, and therefore, these are the lowest level for which the Service directly drives its ABC expenditures.)

The original mapping of the ABC activities to CSFs was done during FY 2005 by the Washington Office programs. They provided to the Planning and Evaluation Staff (PES) the information about how the costs from each ABC activity should be mapped to the CSFs. The PES office worked with each program to ensure some kind of consistency across the Service.

One tendency in the original mapping was to narrowly map the costs to CSFs that were perceived to “belong” to a particular program. Since the Deputies team that created the Operational Plan created a cross-functional, cross-program, they wanted to ensure that the costs were also mapped in a cross-functional, cross-program manner to accurately display the Service’s costs for its many goals and measures. The programs and PES worked together to reduce this natural bias.

Additional Work to be done:

ABC Work Activities that are mapped “1 to many” (1 ABC code to many CSFs) need to be better defined.

- Currently, most programs are using the “educated estimate” method to map ABC work activities to multiple CSFs. The preferred method is to use actual hard data on workload indicators, performance measures, or other empirical data that can more accurately “drive” the costs from each ABC work activity to the appropriate Critical Success Factors. The Service’s programs will need to continue working toward creating better cost drivers.

The FY 2006 revalidation was necessary for a number of reasons:

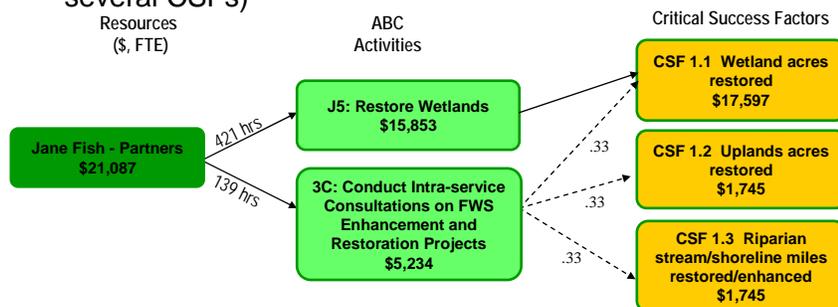
- All the ABC activity codes changed in FY 2006 from FY 2005, so all the ABC to CSF mapping had to be revised to accommodate the new work activity code numbers.

- The Deputies team approved 17 new work activities and deleted another 27 work activities. These new and deleted activities had to be accommodated in the revised ABC to CSF mapping.
- The Operational Plan also continued to evolve in FY 2005. Six (6) new Critical Success Factors were added, and five (5) were deleted. These new and deleted CSFs had to be accommodated in the revised ABC to CSF mapping.
- Some errors were found in the mapping of cost to performance data for FY 2005.
 - For example, the Operational Plan effective for FY 2005 had only one explicit goal for Law Enforcement activities. Thus, when the ABC to CSF mapping was conducted, most of the Office of Law Enforcement's costs were mapped to this one CSF, which happened to be part of the International Goal for the Service. This greatly inflated the costs for this goal and upon seeing the data displayed this way, it was clear to everyone that a mistake had been made, since the Law Enforcement efforts clearly contributes to a number of CSFs and Operational Plan goals. (There were additional errors found in the original mapping for other programs that have been addressed in the revised FY 2006 ABC to CSF mapping.)

Example Illustration of how the ABC to CSF mapping works for an individual Service employee's costs:

ABC costs are mapped to CSFs in the Operational Plan
Examples of FWS business rules:

- ABC activities must be assigned 1:1 to Critical Success Factors (CSFs) (unless we identify a method to logically and reasonably allocate the cost of the ABC activity among several CSFs)



- Only assign activities to Program goals that are identified as "Critical Success Factors"

Example Illustration of how the costs roll up from the Critical Success Factors through the Service Operational Plan and into the DOI Strategic Plan:

CSF costs flow up to DOI Mission Components

