

Investment Logic Mapping- An Evaluation Tool

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Anna Georgalis
Manager, Strategy and Evaluation
Department of Business and Innovation



Today's presentation

- About the Victorian Department of Business and Innovation (DBI)
- Evaluation activity at DBI
- The Victorian Department of Treasury and Finance (DTF) Investment Management Standard and Investment Logic Maps (ILMs)
- An evaluation approach using ILMs
- Results of the approach

About DBI

- The **Department of Business and Innovation** helps grow Victoria's diverse and vibrant economy by supporting pro-business policies and programs and the development of innovative industries
- DBI engages with businesses and represents their needs to all levels of government; provides strategic economic planning advice and targeted business development assistance; encourages investment and trade; and markets Victoria in Australia and internationally
- Benefits to the community:
 - increased investment, exports and high-quality jobs
 - contributing to a better standard of living for Victorians

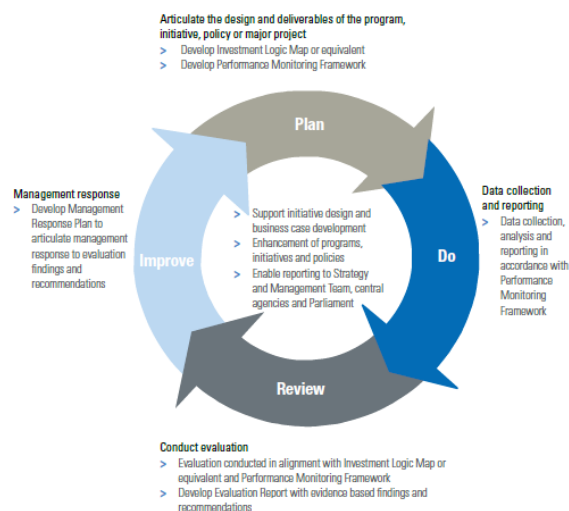
Evaluation at DBI

- Approach defined by the DBI Evaluation Policy, signed off by the Secretary
- Small team of four full time equivalent staff (Evaluation Unit)
- Annual evaluation plan developed

Functions of the Evaluation Unit

- Conduct policy and program evaluations
- Conduct triple bottom line evaluations (economic, social and environmental) of major events funded by the Victorian Government
- Build evaluation capability across DBI
- Provide advice and support on evaluation strategies and projects

Continuous Improvement Cycle



Benefits of evaluation for DBI

- Supports continuous improvement of programs, initiatives and policies
- Provides evidence for business case development for funding proposals
- Strengthens reporting to DBI Executive, Central Agencies and Parliament

Scenario in the early days...

- Evaluation reports were not 'hitting the mark' with stakeholders
- The scope of the program being evaluated was not clear
- The evaluation reports were not evidence based and lacked quantitative data to support findings and recommendations
- Consultants undertaking evaluations were not being given clear guidance
- The necessary data for the evaluation were not available

The evaluation approach promoted at DBI

- Involve stakeholders throughout the process
- Clearly articulate the outputs and desired outcomes of a policy, program or initiative that is/will be evaluated

Use Investment Logic Maps (ILMs)

The evaluation approach promoted at DBI (continued)

- Design the overall high level evaluation methodology
- Define evidence and data required for effective monitoring and evaluation:
 - a. Develop a performance monitoring framework early in the life cycle of a program to collect the relevant data; or
 - b. Develop an evaluation framework that guides the scope of an evaluation and determines what data will need to be collected to ensure a rigorous evaluation (is usually provided to consultants)

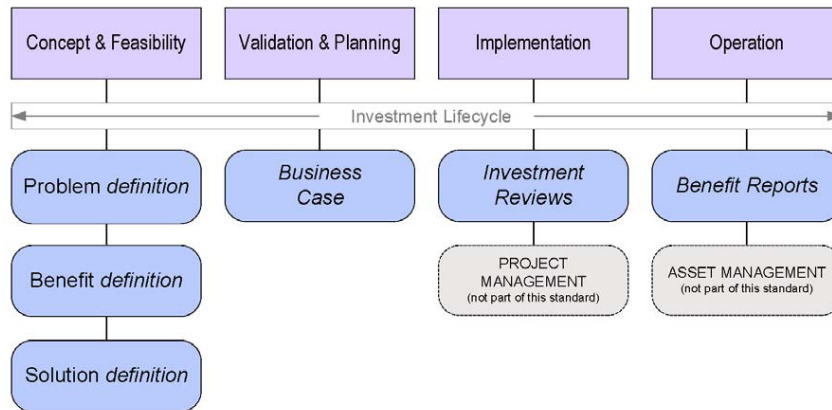
The evaluation approach promoted at DBI (continued)

- Frameworks will contain:
 - Evaluation questions that are aligned with the elements of the ILM
 - Performance measures designed to support evaluation questions
 - Data to support the performance measures
 - Tools that will be used to gather data
 - Surveys and interviews that are aligned with the performance measures
- The evaluation report is structured on the framework

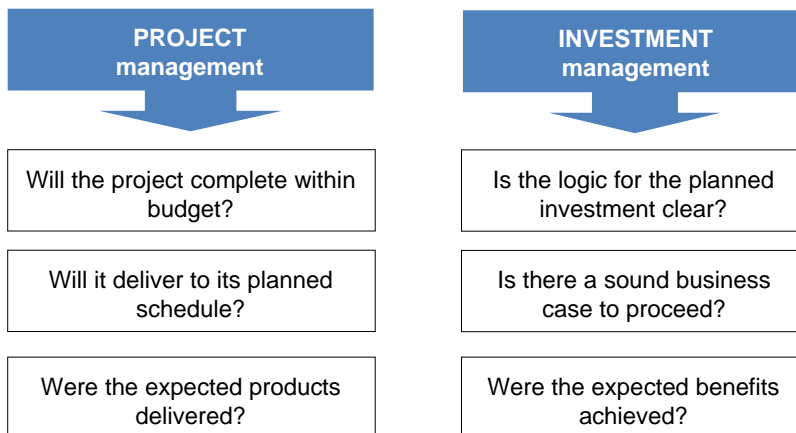
The Investment Management Standard

- Developed by the Victorian Department of Treasury and Finance (DTF), the standard has been evolving since 2004
- Lightweight common-sense practices that have assisted departments improve the way they develop and manage investments
- The centrepiece of the standard is the ILM

The Investment Management Standard



Investment Management compared with Project Management



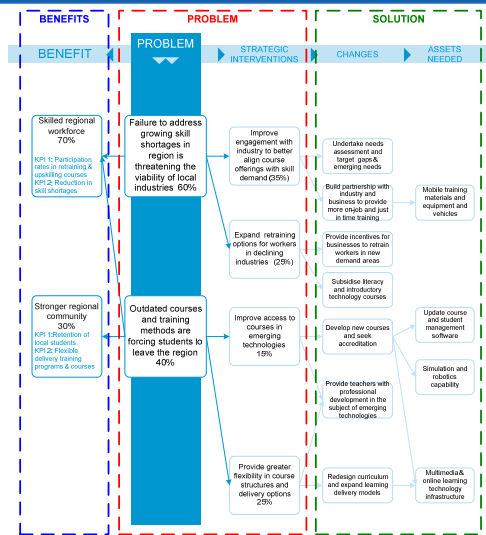
The Investment Logic Map (ILM)

- An approach that engages with the Investor and key stakeholders to shape the investment decisions in a series of 'intelligent discussions'
- Structured two-hour workshops (generally up to three, depends on complexity and maturity of proposal)
- Facilitated by people who are skilled in the approach who test the rigour and evidence behind the investment

ILM (continued)

- One page graphical representation of the logic of an investment proposal that contains:
 - The problem being addressed
 - The intervention (what Government wants to do)
 - The benefits for the community
 - The solution including the necessary changes and assets needed

Example of ILM



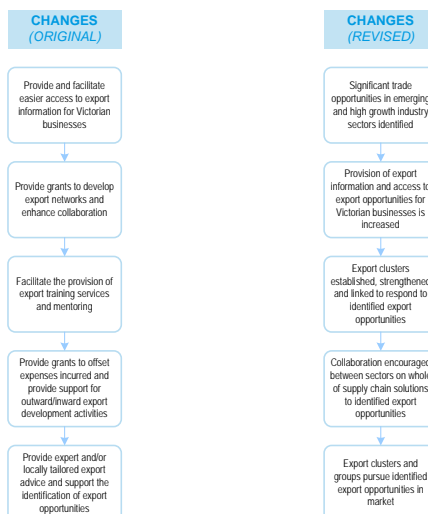
ILMs in practice

- Business cases
- Policy development
- Problem solving
- Strategic planning
- Evaluation and monitoring activities

Differentiation with DTF approach

- DTF uses outputs for their changes
- We promote the use of intermediate outcomes or critical success factors that need to be achieved to deliver on the interventions

An example...



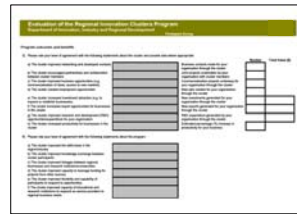
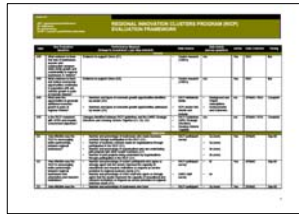
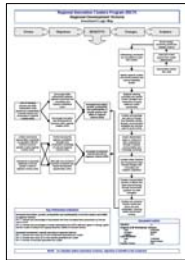
Benefits of using ILMs

- Shared understanding of an issue through informed intelligent discussion
- A concise and rigorous argument to solve a problem
- The most appropriate solution to an issue
- Clear and accountable description of a policy or program

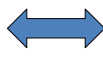
The evaluation approach in detail

- An ILM is developed and signed off by the Program Manager
- Frameworks are developed by applying evaluation questions against each element of the ILM around:
 - Appropriate/relevance
 - Effectiveness
 - Efficiency
 - Lessons learned
 - Future directions
- Performance measures are then developed that will support answering the evaluation question
- Data sources and inputs are also determined

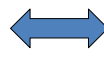
The approach in practice



Investment Logic Map

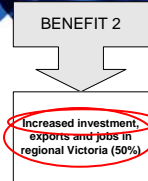


Evaluation Framework



Evidence (survey)

The approach in practice (continued)



Type	Key Evaluation Question	Performance Measure (linkage to Investment Logic Map element)	Data Source	Data Inputs (survey question)	Data Collector	Timing
ES	To what extent has RICP increased investment, exports and jobs in regional Victoria?	Benefits <ul style="list-style-type: none"> Number and percentage of businesses who have increased investment activity through RICP (B2) Number and value (\$) of new investments generated per cluster (B2) Number and percentage of businesses who have increased export activity through RICP (B2) Number and value (\$) of new exports generated per cluster (B2) Number and percentage of businesses who have increased jobs through RICP (B2) Number of new jobs generated per cluster (B2) 	RICP participant Survey	<ul style="list-style-type: none"> 5e (number) 5e (number/value) 5f (number) 5f (number/value) 5d (number) 5d (number) 	SP&MS	Sep-08

Evaluation of the Regional Innovation Clusters Program

Department of Innovation, Industry and Regional Development

Participant Survey

5) Please rate your level of agreement with the following statements about the cluster and provide data where appropriate:

- d) The cluster created employment opportunities
- e) The cluster increased investment attraction (e.g. to expand or establish businesses)
- f) The cluster increased export opportunities for businesses in the cluster

New jobs created for your organisation through the cluster

New investments generated for your organisation through the cluster

New exports generated for your organisation through the cluster

Number	Total Value (\$)

A framework is the key quality assurance step in the approach

- Survey and interview questions are aligned with performance measures and evaluation questions
- Ensure all necessary data is collected for the evaluation
- Frameworks guide the content of the evaluation report

Advantages of the approach

- Stakeholders are engaged and sign-off at key points
- Scope of program and evaluation clearly articulated
- Appropriate evidence and data is collected
- Clear guidance available to consultants

Results from the approach

- Evaluation reports 'hitting the mark' with stakeholders
- Greater engagement of stakeholders
- Better defined scope
- More data available and evidence based reports
- Consultants delivering a higher standard of reports
- Better and more robust recommendations to support continuous improvement

Summary

- Prepare an ILM or equivalent
- Develop a Performance Monitoring Framework or Evaluation Framework
- Follow it through!

Thank you

■ Questions?

