Measuring Institutional Sustainability

The Competitiveness and Trade Expansion project (COMPETE) is designed to enhance economic growth and food security in East and Central Africa by reducing barriers to trade; increasing competitiveness and market access in selected value chains, including staple foods; and increasing trade and investment between the United States and Eastern and Central Africa.

To meet its objectives, the project works with NGOs, business associations, and training institutions through a $24 million Partnership Fund. The fund is designed to build capacity of local and regional organizations to enable these groups to advocate for policy change, increase market share for their products, and provide services to their membership that will increase the region's competitiveness in targeted value chains. Given the scope of its work with local and regional partners, the COMPETE project developed a tool to measure partners' progress toward sustainability. Called the COMPETE Institutional Sustainability Maturity Model, the tool also helps to measure the effectiveness of the project's capacity building efforts.

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Institutional growth toward sustainability cannot be managed or improved unless it is measured. The COMPETE Institutional Sustainability Maturity Model (CISMM) seeks to measure an organization's progress toward sustainability in more than 100 capability areas, including planning, internal control, training, process definition, and risk management. Based on the outcome of the institutional assessment, COMPETE makes recommendations, where necessary, for the partners to adopt in building their capacity to function sustainably.

To create the CISMM, COMPETE began by adapting a sustainability framework, then identified approaches to assess the constituent processes of that framework. As a result, the CISMM builds upon several models, which together provide the framework, approach, and tools for performing institutional assessments:

- The *framework* for the CISMM is based on the Sustainability Integrated Guidelines for Management (SIGMA) Project's Management Framework, which details a four-phase cycle to manage and embed sustainability issues within an organization's core processes.

- The *approach* to measurement is provided by the Capability Maturity Model, developed at Carnegie Mellon University's Software Engineering Institute. The CMM provides an approach to evaluating the sustainability (or the maturity) of the processes an organization uses to achieve its goals. It also presents a roadmap for continual improvement, defined as improved repeatability and predictability of business processes, which leads to increasingly successful execution of tasks and delivery of results.

- The *tools* for the CISMM are provided by a set of complementary maturity models that have been developed over time to evaluate an organization's capabilities in areas, such as human resources management, that are key to sustainability.

The inter-relationships among the CISMM's framework, approach, and tools are shown on the next page.

The COMPETE Institutional Sustainability Maturity Model Framework, Approach, and Tools

The Framework

The systainability cycle identifies the capabilities required for institutional sustainability.

Accountability

Accountability

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Accountability

Leadership and Vision

Monitor, Review, Report

Enhancement and maintenance of the five capitals

Planning

Delivery

The Five Capitals

- **Financial Capital** (revenue, donor funding, etc)
- **Human Capital** (human resource assets)
- **Natural Capital** (raw materials)
- **Social Capital** (social influence)
- **Manufactured Capital** (technology and knowledge)

The Approach

The SEI's groundbreaking maturity model provides an overarching methodology for determining institutional capability.

The maturity model approach is an improvement methodology that provides organizations with the essential elements that will improve their performance. The improvement process includes identification of organizational strengths and weaknesses and making process changes to turn weaknesses into strengths.

Maturity models are collections of best practices that help organizations to dramatically improve effectiveness, efficiency, and quality.

An SEI technical report, called "Appraisal Requirements for Capability Maturity Model Integration," defines a unified approach for appraisal of institutional capabilities using different reference models.

Source: SEI

The Tools

Distinct maturity models are used to benchmark capabilities against industry best practices.

Business Process Maturity Model

A model for planning, prioritizing, managing, and optimizing a company's overall business process program.

Financial Management Capability Model

A model that describes the key elements of effective financial management.

People Capability Maturity Model

A model that describes the key elements of managing and developing the workforce of an organization.

Stakeholder Relationship Maturity Model

A model that evaluates the status of an institution's relationships with its stakeholders.

Knowledge Management Maturity Model

A model for assessing and developing maturity in knowledge management.