## CHAPTER 6: Constructing a Performance Improvement Proposal

### DEFINITION:

The performance improvement proposal provides:

- overview of the performance gap.
- analysis of the performance variables.
- intervention options.
- recommendations, and forecasted benefits.

### FOUR ELEMENTS OF A PERFORMANCE IMPROVEMENT PROPOSAL:

- **Performance Gap** - Discrepancy between actual and desired organizational, process or individual performance.
- **Performance Diagnosis** - Performance issue is specified in terms of performance goals or gaps between present and desired performance.
- **Recommended Intervention** - Performance improvement intervention which considers the five performance variables.
- **Forecasted Benefits** - The projected value the proposed performance improvement intervention will bring to the organization over time.

### FIGURES

#### Figure 6.2 Benefit Forecast Model

<table>
<thead>
<tr>
<th>Present State</th>
<th>Future State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A</td>
<td>Option B</td>
</tr>
<tr>
<td>Performance Value</td>
<td>Performance Value</td>
</tr>
<tr>
<td>- Cost</td>
<td>- Cost</td>
</tr>
<tr>
<td>Benefit</td>
<td>Benefit</td>
</tr>
</tbody>
</table>

#### Figure 6.1 Constructing a Performance Improvement Proposal

1. **Draft proposal**, including performance diagnosis
2. **Forecast performance benefits**
3. **Submit proposal for approval**

### EXERCISE/EXAMPLE

- **Give 4 Colors**
  - 1 per group
  - Highlight in colors.
  - Yellow
  - Blue
  - Green
  - Pink

- **Highlight sections from proposal:**