



Creating a Balanced Budget – Measuring Performance at the Delaware Office of Management and Budget

OVERVIEW

Country: United States
Industry: Government

Customer Profile

The Office of Management and Budget centralizes management of major state assets including people, financial resources, land use planning and state facilities.

Business Situation

Although the existing data systems in place at the State of Delaware OMB provide them with accurate data through reports, they were also interested in having a more readily accessible top-level connection to that data to facilitate more efficient review of data through Key Performance Indicators and to assist in making decisions in a proactive manner.

Solution

Microsoft Business Scorecard and Cizer.Net Reporting, implemented with a data mart designed to handle top-level and deep-dive access to the data, provides a single point of access for a well-rounded decision support system.

Benefits

- ◆ Organized measurement of performance
- ◆ Single point of access to data
- ◆ Improved decision-making

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“We have such a wealth of accurate and useful data at our fingertips now. With Scorecarding, we can see how we’re doing for department or project budgeting, which in the end fulfills the State Government objectives of prudent spending.”

Bob Hunter, Manager Budget Development and Information Systems, DE OMB

CHALLENGES:

Accountability. Results. Managing performance. The financial stress governments have faced over the past several years have raised these concerns to the top of the agenda for government, just as the emergence of the internet combined with the relative prosperity of the 90's triggered a dramatic shift towards improving services to citizens and other government stakeholders. Today government executives are challenged to balance these as well as other demands on their organizations.

The State of Delaware Office of Management and the Budget (OMB) plays a leadership role in addressing these demands. In 2005, they initiated a project to improve the state's ability to manage budget performance, with a view to creating a reusable solution that can be extended to a wide range of government functions in the future.

The Delaware OMB currently uses an advanced Budget Development & Information System (BDIS) supporting the input of budget information. A set of pre-designed, standard reports from the BDIS data provides basic budget facts to both the OMB and other state agencies. These reports were designed to facilitate communication during the budgeting process.

Because budget analysts did not have access to the underlying data that made up the pre-built reports, the process of analyzing the information was sometimes handled in a manual Excel environment. Time-consuming spreadsheet exchanges via email were often a part of locating the source of a budgeting problem, and bringing in historical budget data for trending and analysis often proved challenging.

SITUATION

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In the world of state government finances, shared access to accurate and real-time data are the keys to coordinated budgeting for realistic numbers. The clear need for real-time access to data in both pivot-table and ad-hoc reporting formats to support dynamic participation in the budget process among Delaware agencies led the OMB to select a Cizer-Microsoft Business Scorecard Solution. The result is real-time access to shared data for reporting and analysis, in concert with key performance indicators for the State budget process.

SOLUTION

MICROSOFT BUSINESS SCORECARD MANAGER & CIZER.NET REPORTING

This need is being met today by the Microsoft Business Scorecard Manager (BSM) which provides a unique browser-based framework for the sharing of budget data through pivot-tables and charts tied to Key Performance Indicators (KPIs). The ad hoc "Cizer Quick Query" runs within the Scorecard frame to round out the toolset by allowing end-users to easily create Cizer.Net Reports delivered by Microsoft Reporting Services through the browser, using the same data being displayed in the KPIs and pivot-tables.

The screenshot shows the Cizer software interface. On the left, there's a navigation pane with 'State Budget' selected. The main area displays a pivot table with columns for 'Actual' and 'Default Target' for '204-FY 04 Act' and '205-FY 05 Act'. Below the pivot table, there's a 'Report Options' dialog box with fields for 'Report Title', 'Destination', 'Run Date/Time', and 'Page Number'.

Measurement – Key Performance Indicators

A KPI can be simply defined as a metric used by decision makers to determine if organization goals are being met.

Analysis - Excel Pivot Tables connected to OLAP Cubes. After you have identified the business areas that need closer attention, use the fast and flexible PivotTable interface to locate the detailed data facts that impact your day to day operations.

Reporting – Cizer.Net Reporting (CNR) Complete the process by documenting and sharing the measurement & analysis you have done with others in easy to build, ad hoc & production style reports built with the Cizer.NET Reporting interface.

The screenshot shows a report titled "Departmental Budget Vs. Actual Comparing FY 2002 Thru 2005". The report is a table with columns for years and budget types. The data is as follows:

	YR 2002 Budget	YR 2002 Actual	YR 2003 Budget	YR 2003 Actual	YR 2004 Budget	YR 2004 Actual	YR 2005 Budget	YR 2005 Actual
GENERAL FUND								
Legislative		2.2		3.2		4.8		4.1
Judicial	11,025.0	10,826.6	12,941.3	17,744.9	12,406.2	12,878.3	12,210.70	13,879.6
Executive	4,795.1	10,721.2	4,795.1	9,449.5	4,795.1	4,413.4	4,795.10	3,007.5
Other Elective Offices	74,359.5	107,962.8	97,201.3	108,799.8	106,662.1	96,752.4	106,662.10	103,636.3
Legal	7,739.1	8,229.6	8,388.1	7,452.7	8,102.5	8,326.2	8,102.50	12,376.9
State	703,738.7	694,078.1	799,343.2	671,093.4	648,614.0	772,920.0	790,673.00	785,308.0
Finance	1,290,200.0	1,506,036.7	1,290,200.0	1,520,814.0	1,290,200.0	1,751,591.9	1,390,200.00	1,899,387.7
Administrative Services	90.6	548.8	60.0	13,701.9	60.0	43.4	60.00	40.8
Health & Social Services	105,241.0	83,856.7	104,230.5	82,974.0	95,987.3	85,268.2	96,827.30	55,486.1
Children, Youth & Families	156.0	21.4	155.0	35.8	155.0	16.4	155.00	16.6
Correction	1,834.9	611.9	1,834.9	658.5	1,834.9	799.5	1,834.90	969.7
Natural Resources	366.0	77.2	366.0	72.3	469.0	166.3	469.00	190.4

Key Performance Indicators (KPIs) found in the Microsoft Business Scorecard Manager allow users to quickly find problems in the Budgeting Process.

Cizer .NET Reporting Quick Query is the detail tool that enables end users to create their own ad hoc reports on the fly against the shared, real-time data.

Given the ability to “ask questions” of the data, performance is enhanced by removing the lag time that usually exists between users and their data.

ETL processing of data into the new system means previously inaccessible numbers from disparate data sources can be added for historical insight.

*- Michael Melzer, Sr. Scientist
Cizer Software*

SOLUTION ARCHITECTURE

The Cizer-Microsoft Scorecard Solution applies the unique power of the platform software from Microsoft and the web-based data access and display tools from Cizer to leverage OMB's deep knowledge of the data and processes incorporated in the Delaware BDIS. The overall approach can be summarized in the following 3 steps:

1. Current year and historical budget data is gathered into a Data Mart using Microsoft SQL Server 2005 Integration Services. This step supports the economical transformation of large volumes of data into a logical data structure that employs “conformed dimensions”.
2. An Analysis Services OLAP “cube” - based on required management processes and associated performance measures - is implemented “on top of” the data mart.
3. The KPIs are connected to the cube - providing web-based windows into the data for each of the key performance measures - allowing for quick movement up and down, and thru the data to display the composition of the KPIs and their relationships to other factors.

“The end-user is able to uniquely see the measurement, analysis, and reporting aspects of the budget process all together in the Scorecard Manager screen. Furthermore, the ability to drill-down to Delaware's department, sub-department (known as APU-level) and even lower (IPU-level) is based on the fast aggregations provided by the KPI cube.” says Doug Harts, CTO for Cizer Software.

For Bob Hunter's group, that meant being able to tie their data to on-going department and project budget discussions. “We also wanted to be able to drill down into data, to view it from different angles,” says Hunter. “If we had a KPI for the Budget Under-Over numbers, we also wanted to be able to drill down to the actual data where the problem existed.

GETTING STARTED – 3 KPIs

Three simple KPIs were designed for this first phase of the Delaware Scorecarding Solution. This initial set of three will eventually grow to incorporate KPIs from the state accounting system as well as the budget system.

1. How does the money spent by state and department agencies compare to the money budgeted for those organizations. This KPI tracks money spent compared to money allocated across multiple state and department agencies for the purpose of measuring the budgeting performance.
2. How well do state departments stay within their allocated budgets, as the budget grows over time? This KPI tracks budget growth by department for a multi-year interval.
3. How well do projects stay within their allocated budgets, as the budget changes over time? This KPI tracks budget growth by “Project” statewide and by department for a multi-year interval.

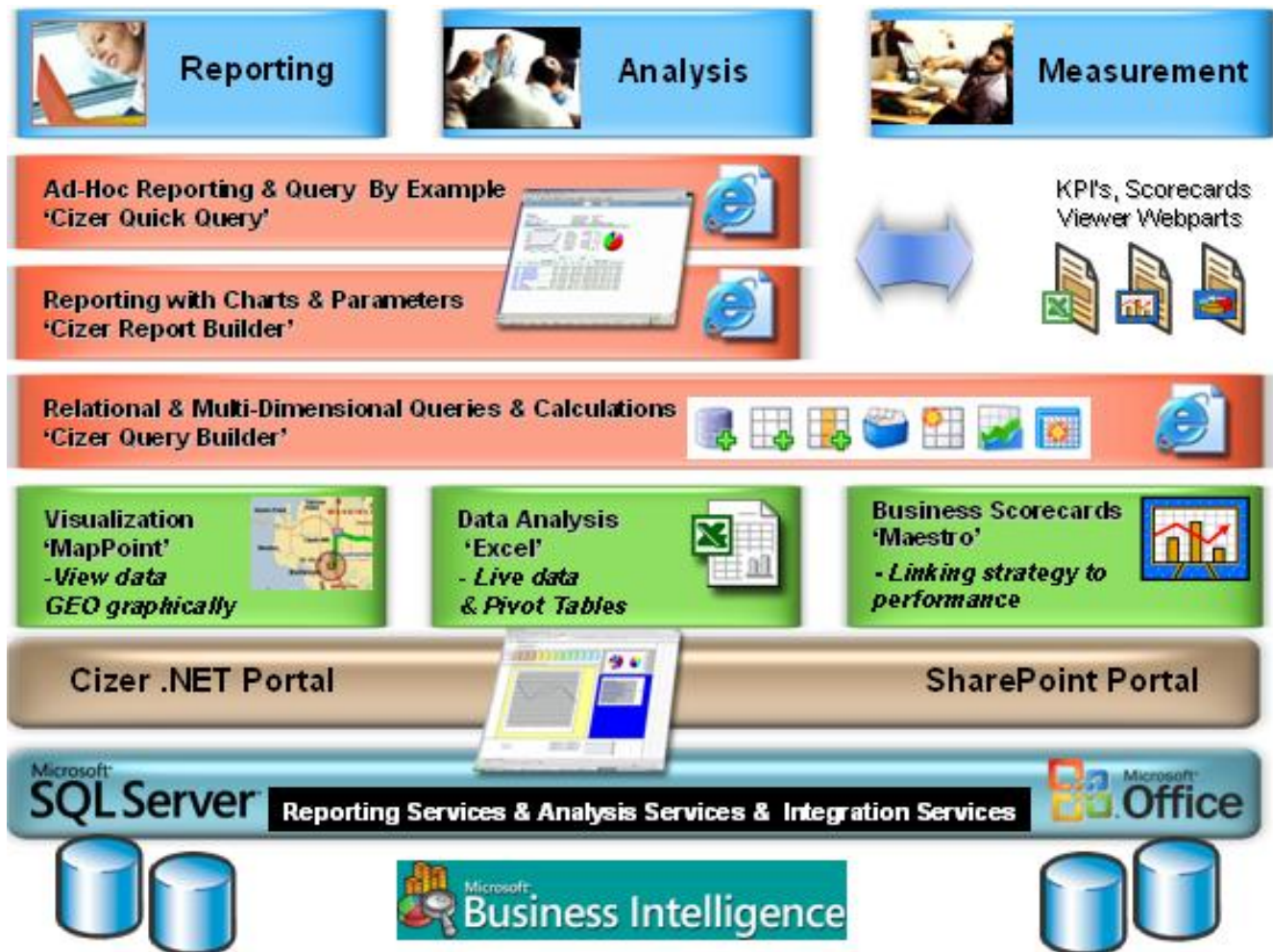
CONCLUDING NOTES

The combination of Microsoft Scorecard Manager and Cizer.Net Reporting, with its powerful yet easy-to-use Quick Query capability, has provided a new venue for the State of Delaware OMB to accomplish budget discussions with the state agencies. Everyone can now participate in the process, with transparent access to the underlying data in a meaningful format (which also means that participants more quickly utilize the data because they can get to it themselves) – presented in the Microsoft Scorecard Manager framework with KPIs guiding the discussion. Now the KPIs provide the guideposts for budget discussions, and they will become more extensive and granular over the coming year as the Budget Scorecard is expanded in scope across the State.

A ROADMAP FOR BUSINESS INTELLIGENCE

The “3 Pillars of BI”; Reporting, Analysis, and Measurement – are built on the platform technology that Microsoft publishes to complement SQL Server 2005, and that is integrated with Office 2003 and 2007. Looking at these 3 pillars from the top-down, we see Cizer Quick Query, Cizer Report Builder, and Cizer Query Builder with functionality in the Reporting and Analysis columns. These Cizer.Net tools work interactively with Key Performance Indicators and Scorecards that are part of the Measurement column.

The Microsoft technologies of MapPoint, Excel, and Business Scorecard Manager (also known as Maestro), provide functionality to the 3 Pillars of BI through “web services” – which support a Services Oriented Architecture (SOA) in the organization. All 3 columns use the pure-browser portal mechanisms of Cizer.Net and SharePoint to deliver end-user experiences through Internet Explorer. And finally, SQL Server 2005 with Reporting Services, Analysis Services, and Integration Services – and Microsoft Office – provide the server platform technology upon which Business Intelligence is constructed.



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