

OFFICE OF BUDGETING AND PLANNING

OFFICE OF THE CHIEF FINANCIAL OFFICER



“PRIOR TO COGNOS OUR EXECUTIVES EITHER LACKED INFORMATION OR RECEIVED TOO LITTLE INFORMATION TOO LATE. IT WAS LIKE FLYING A PLANE WITH NO INSTRUMENTS. WITH COGNOS WE NOW HAVE A SYSTEM THAT PROVIDES TRANSPARENCY IN NUMBERS, COMPLETE ACCOUNTABILITY, TIMELY INFORMATION, AND ONE VERSION OF THE TRUTH FOR DECISION-MAKING. IN FACT, WHEN WE PRESENTED THE EXECUTIVE DASHBOARD, USING COGNOS POWERPLAY, TO THE MAYOR AND CABINET WE GOT A ROUND OF APPLAUSE.”

—JOHN NITZ, DIRECTOR OF INFORMATION SYSTEMS AND OPERATIONS, OFFICE OF BUDGETING AND PLANNING.

THE OFFICE OF BUDGETING AND PLANNING RECEIVES AN “A” WITH COGNOS

The mission of the Office of the Chief Financial Officer (OCFO) is to enhance the fiscal and financial stability, accountability, and integrity of the Government of the District of Columbia. The Office oversees and supervises all of the financial and budgetary functions of the District government and operates and maintains a coordinated financial management system to budget, collect, control, and properly account for more than \$8 billion in annual operating and capital funds. As part of the OCFO the Office of Budgeting and Planning (OBP) assists the Mayor and City Council in developing the District’s annual budget, represents the District in the federal appropriations process, and monitors the District’s financial performance over the fiscal year.

Increasing the timeliness and transparency of information while reducing costs to IT is a key mandate of any government agency. Without readily available information, a user-friendly system, and clear, concise reports, OBP had few capabilities to meet this goal. With the application of a new IT strategy, innovative financial planning, and Cognos software, OBP has transformed a government controlled by a Federal Control Board to one that boasts an “A” rating from all three bond rating agencies.

PROBLEMS FACED

Like many local government organizations, the OCFO suffered from information overload. With a \$7.3 billion annual operating funds budget and the responsibility to oversee more than 100 District agencies, they were challenged to unite, analyze, and disseminate a vast amount of data from different platforms and in varying formats. For the OCFO and OBP even simple reporting required intense manual intervention from IT.

Until the arrival of the Executive Dashboard, the OCFO relied solely on a platform called R*STARS or SOAR, an accounting and reporting system developed by KPMG. It is a DB2/Mainframe system and general ledger platform. Included with the initial purchase of SOAR were licenses for Cognos Impromptu and PowerPlay. While SOAR was effective for bringing control to business and financial processes and met GASB 34 requirements, it had some limitations in terms of reporting. With little perspective on how to utilize PowerPlay, OCFO staff used Impromptu to create ad hoc reports from the financial system. However, putting the data into a presentation format was difficult at best.

As a consequence, executives at the OCFO lacked trust in the numbers. Data simply was not readily available, current, or in a user-friendly format for decision-making. Meetings were spent questioning the numbers, calculations, sources of data, and the timeliness of the information being brought to the table, rather than planning effectively for the future.

In order to address the timeliness factor, the OCFO made the decision to refresh the data in the District's financial data warehouse on a nightly basis. Now, users were able to get current information with Cognos Impromptu and extract it to spreadsheets for further research and analysis. However, users did not yet have access to pre-built reports and cubes. OCFO users did not have the expertise to create cubes or to drill down to the transaction level detail. As a result, users were faced with massive spreadsheets containing information that could not be managed or analyzed properly. This left the door open for misinterpretation of fiscal performance.

STRATEGY FOLLOWED

Recognizing that users were being overwhelmed with access to data, Bert Molina, Deputy Chief Financial Officer for the Office and Budgeting and Planning, delivered the mandate that the office would deliver standardized reporting through a Web application called CFO\$ource. CFO\$ource is an Executive Information System (EIS) built on a Cognos platform.

“We looked at some other reporting solutions including Crystal Reports and Oracle Discover, but soon realized they were not as user-friendly or intuitive as Cognos,” says John Nitz, Director of Information Systems and Operations for the Office of Budget and Planning. “We realized that we had a great set of tools with Cognos but needed to optimize them and train ourselves on their best use. We also realized that with PowerPlay, instead of someone looking at all the raw data from the OCFO data warehouse, we could create an “intelligent” cube to look like formatted Impromptu reports yet have the ability for dynamic analysis. For instance, with the new system we could start out with a budget to actual report, which is familiar to everyone, and then allow the users to drill down and view the details behind the aggregates.”

Industry:

- Public Sector: Local Government

Geography:

- US

Information Needs:

- Faster reporting with less manual intervention
- Current, readily available information from all data sources
- User-friendly platform for decision-making

Platforms:

- IBM DB2 (SOAR)
- Other proprietary and transactional systems

Solution:

- Cognos PowerPlay, Impromptu, and ReportNet

Benefits:

- CFO\$ource data accepted as system of record across the organization, radically improving decision-making process and quality of decisions
- High usability of system ensured that users “buy-in”, enabling the entire organization to see their business from the same perspective
- Executive dashboard provided senior management with instant access to critical information, enabling timely action to detrimental situations
- Government went from a period of federal control to an “A” rating from all three bond rating agencies.

By September of 2002, OBP had created an inventory of standardized templates using Cognos Impromptu. These templates were subsequently migrated to Impromptu Web Reports. In June of 2003 OCFO developed an “operating funds” cube that allowed users to drill down to conduct analysis and reporting while staying within a consistent dataset. With the integration of Impromptu Web Report, PowerPlay, and the financial data warehouse users were assured that the totals were accurate because calculations were consistent across the board. “Expenditures”, for instance, was calculated in the same way using Impromptu Web Reports as with PowerPlay.



OBP then took this capability one step further and created an Executive Dashboard within CFO\$ource, powered by Cognos PowerPlay. The Executive Dashboard was developed by OBP because, although Impromptu Web Reports was meeting the needs of the finance staff, it was not being used effectively by senior level executives in the government. The dashboard pulls data from cubes and other data sources (including PDFs, cubes, Access, spreadsheets, external databases, and more), unifying information across the organization. It provides executives, the management team, and stakeholders with views to multiple sets of information, such as operational financial status, vendor history, payroll, trending, and more. The dashboard alerts managers to detrimental situations and affords them the ability to take action immediately, instead of waiting days or weeks to get the necessary information needed to react effectively.

BENEFITS REALIZED

Cognos PowerPlay has allowed executives to see and analyze information dynamically and effectively – not just financial data, but all relevant data across the organization. With CFO\$ource, reporting takes only seconds as opposed to days. CFO\$ource provides a Web-based tool for easy access. The nightly updates to

the financial warehouse and cubes provide reliable and accurate reports. Reports now include standardized formats and calculations thereby supporting bottom up/top down analysis using a variety of financial attributes. In addition, the incorporation of charts and graphs, and a knowledge-sharing environment have enhanced decision-making across the enterprise.

The response from the user community has been phenomenal. OBP's business intelligence platform, built using Cognos products, now processes over 5,000 unique ad-hoc requests per month and the user community has expanded to over 600 registered users. The external community has also responded positively to the changes. Achieving an "A" bond rating status from the three bond rating agencies is a testament to the application's success.

With these impressive results, the OBP Information Systems team has embarked on a new initiative to integrate HR, procurement, and payroll data into the Executive Dashboard. The OCFO has also undertaken an initiative to manage performance measures using Cognos ReportNet. "With Cognos we have only touched the tip of the iceberg on what we can report," says Nitz. "With Cognos ReportNet, the OCFO will be able to automate more of what we do and realize even more savings for our constituents."

ABOUT COGNOS

Cognos, the world leader in business intelligence and corporate performance management, delivers software and services that help companies drive, monitor and understand corporate performance. Cognos serves more than 23,000 customers in over 135 countries. Cognos enterprise business intelligence and performance management solutions and services are also available from more than 3,000 worldwide partners and resellers.



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