



IBM GBS/FM Financial Performance Management Services



Promoting More Effective Decision Making:

An inside look at how the U.S. Department of Justice is using technology to shift financial managers from transaction managers to strategic thinkers

Agenda:

- Rising to the challenges of performance management, transparency, and accountability
- Align planning, budgeting, reporting and forecasting to manage risk and drive performance
- CFO Dashboard: Insight into Performance
- Case Study: The UFMS Dashboard at DOJ
 - Why we needed a dashboard solution
 - How it fits with UFMS
 - The UFMS Dashboard in Action
 - Lessons Learned
 - Plan Forward
- Open Discussion



CFO's: Rising to the challenges of performance management, transparency, and accountability

■ Challenges

- Operate on a performance-driven basis and demonstrate value
- Justify funding requirements without having the ability to demonstrate transparency
- Manage risk without even knowing what they are and how they impact your performance
- Managing resources without knowing what they are doing, why they are doing those activities, and how much the cost
- Supporting a mission or vision aligned to a strategic plan without knowing how well your programs and operations are performing

■ Challenges are magnified by:

- Relentless budgetary and economic pressures,
- Increased oversight focused on improving efficiency and effectiveness,
- Ever changing regulatory requirements,
- Disparate systems that deliver disjointed or untimely reports, and
- A need to reduce the cost of services yet sustain or even increase results



Effective CFO's align planning, budgeting, reporting and forecasting to manage risk and drive performance

- Key performance indicators (KPIs) can be presented alongside key risk indicators (KRIs)
- Enterprises looking to incorporate risk into planning should consider the following actions:
 - ✓ Prioritize risks based on greatest impact on strategic goals and likelihood of occurrence.
 - ✓ Create a line of sight working backward from the identified risks and their root causes.
 - ✓ Correlate risks within and across silos
 - ✓ Adjust for the compounding effects of seemingly independent risk events
 - ✓ Plan for different scenarios

Factoring both *risk* and *strategic alignment* into the four main areas of performance management presents an opportunity to succeed... provided you have the right visibility and insight



CFO Dashboard Solutions: Using technology to create Insight into Performance and Strategic Value

- Aligns with, and leverages, existing data and financial performance management capabilities
- Centralizes information from disparate systems in a single, web-based portal
- Creates transparency through access to granular details and root-cause analysis
- Provides specific financial performance management and dashboard solutions that reach across the financial management lifecycle including:
 - ✓ Organization-based Financial Health
 - ✓ Budgeting & Planning
 - ✓ Cost and Schedule Performance
 - ✓ Cash Flow Analysis
 - ✓ Revenue vs. Expense Analysis
 - ✓ Regulatory Compliance Monitoring
 - ✓ Capital Planning and Investment Control Assessments
 - ✓ HR Resource Tracking

Result: Shifts financial management focus from transaction management to performance optimization and strategic planning

CFO Dashboard Solutions: Accelerated “Go-Live” Schedules

- Provides central access to reports and databases through the dashboard portal
- Leverages pre-existing report accelerators, KPI's and benchmarks
 - Financial and performance management report templates and accelerators
 - Metrics and KPIs from years of experience supporting the CFO environment throughout the public sector
 - A database of performance benchmarks provided from IBM's Benchmark Centers around the world.





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Case Study: The UFMS Dashboard at the Department of Justice

Why a UFMS Dashboard Is Needed at DOJ

Managers require a means to:

- ▶ Integrate information and monitor performance
- ▶ Move from historical reporting to near real-time data and analytics
- ▶ View 'at-a-glance' information about selected business performance
- ▶ Experience UFMS benefits before their Component's UFMS implementation is complete
- ▶ Improve decision-making through enhanced transparency, accountability, efficiency, and compliance



UFMS Dashboard in Action – Navigation Pane

The screenshot shows the UFMS Dashboard interface. The navigation pane on the left contains several sections: Budget, Finance, Budget Graphs and Charts, Key Health Performance Indicators, Finance Graphs and Charts, Budget Reports, Finance Reports, Budget Report Links, Finance Report Links, Budget Reference Links, and Controller Reference Links. The main content area displays a line graph titled 'Unobligated Balance (Direct) (in 000's)' comparing 'Available for Obligation' and 'Total Obligated' from 2008 Q1 to 2008 Q4. A table to the right of the graph shows the data for each quarter.

KPIs – displays metrics comparing actual performance to targeted levels.

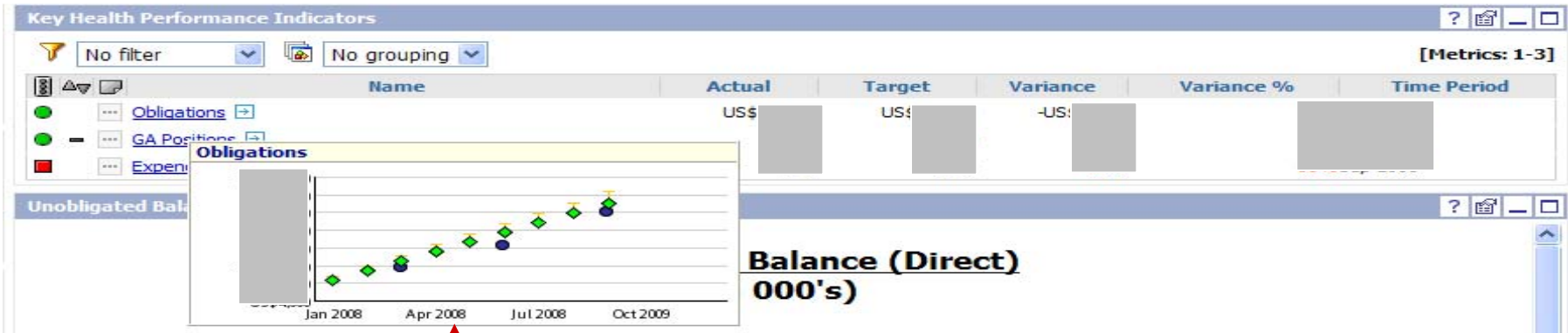
Graphs – presents links to graphical representations of data relevant to the user role.

Reports – interactive; supplies information as soon as data is refreshed.

Report Links – offers additional external reports relevant to users.

Reference Links – helpful tools and web pages.

UFMS Dashboard in Action – Key Health Performance Indicators



Small window appears when hovering over a KPI category providing a high-level graph of health and performance of various organizational measures.

UFMS Dashboard in Action – Dashboard Generated Charts

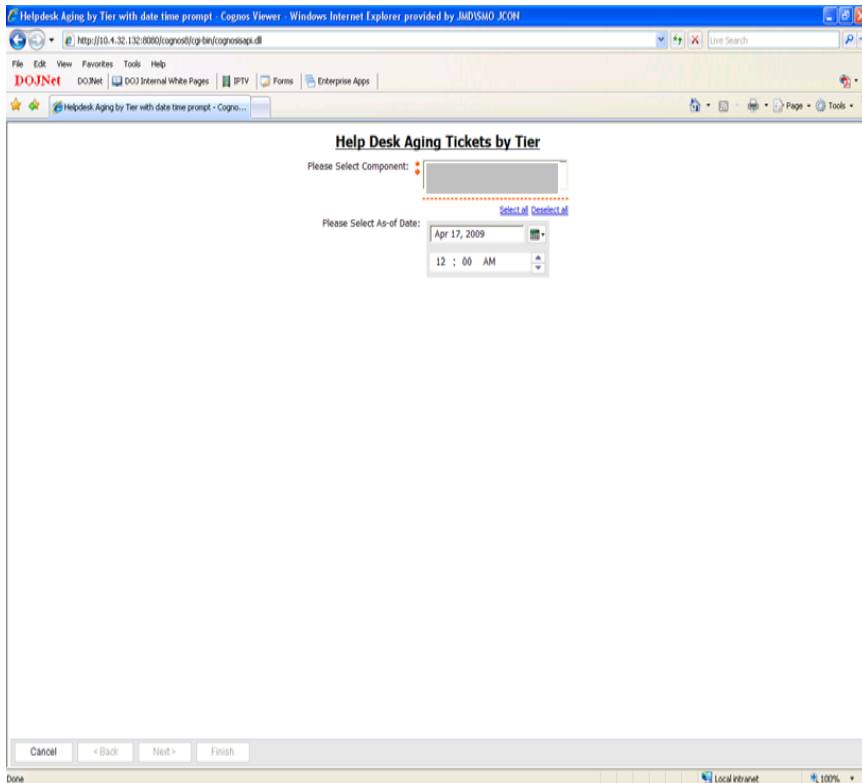
Click on any link in the 'Graphs' section of the navigation pane. The graph chosen will appear in the main viewing area on the dashboard.

Unobligated Balance (Direct)
(in 000's)

Available for Obligation vs. Actual Obligations

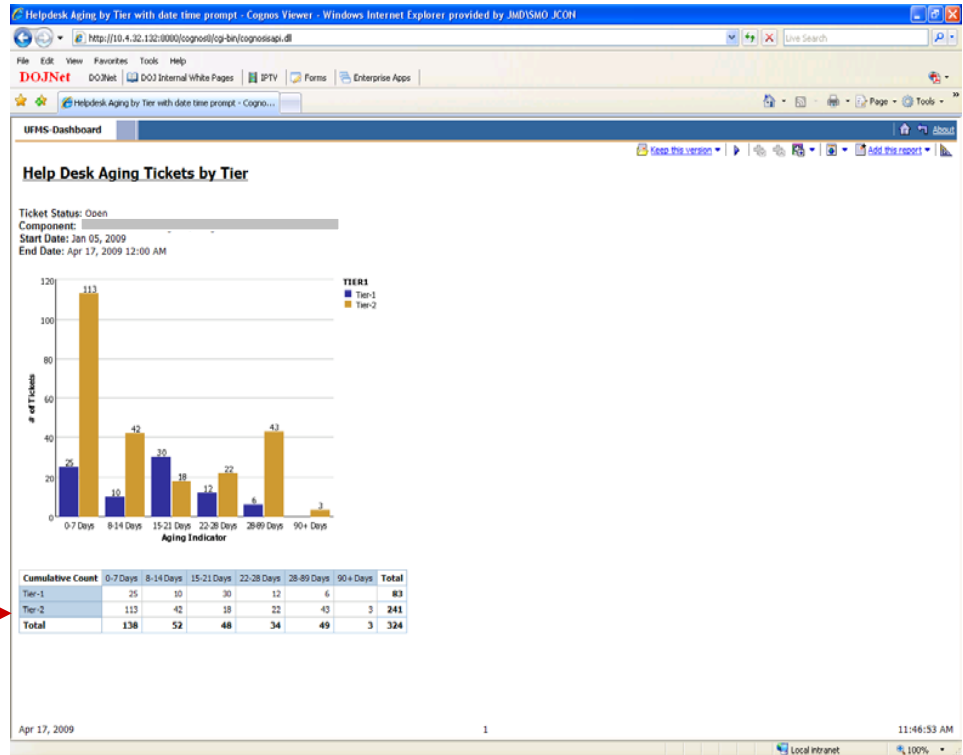
Year	Quarter	Available for Obligation	Total Obligated
2008	Q1		
2008	Q2		
2008	Q3		
2008	Q4		

UFMS Dashboard in Action – Dashboard Generated Reports



Click on any link in the 'Reports' section of the navigation pane. Prompt page appears in a new window.

The selected report, with data based on prompts chosen, appears in a new window and can then be exported to .pdf, Microsoft Excel, etc.



What have we learned so far?

▶ Stakeholder Management

- **Issue.** Transparency may expose issues.
- **Resolution.** Effectively communicating with key stakeholders and involving end users from deployment onset helps to manage expectations of everyone involved.

▶ Business Processes and Reporting

- **Issue.** Managers do not want to give up control of information.
- **Resolution.** It is critical to document and standardize business processes as well as have consistent report formats where data source access is not granted to avoid data migration issues.

▶ Business Definitions

- **Issue.** Data comes from many different sources and from many different processes.
- **Resolution.** Because different offices often times do not speak the same language, standardizing and documenting common business definitions becomes crucial to delivering meaningful intelligence.

▶ Source Data

- **Issue.** Data owners may prefer to provide “scrubbed” data that is sanitized and manipulated.
- **Resolution.** Direct access to source data is essential; source data is what provides the ability to drill down and analyze information.

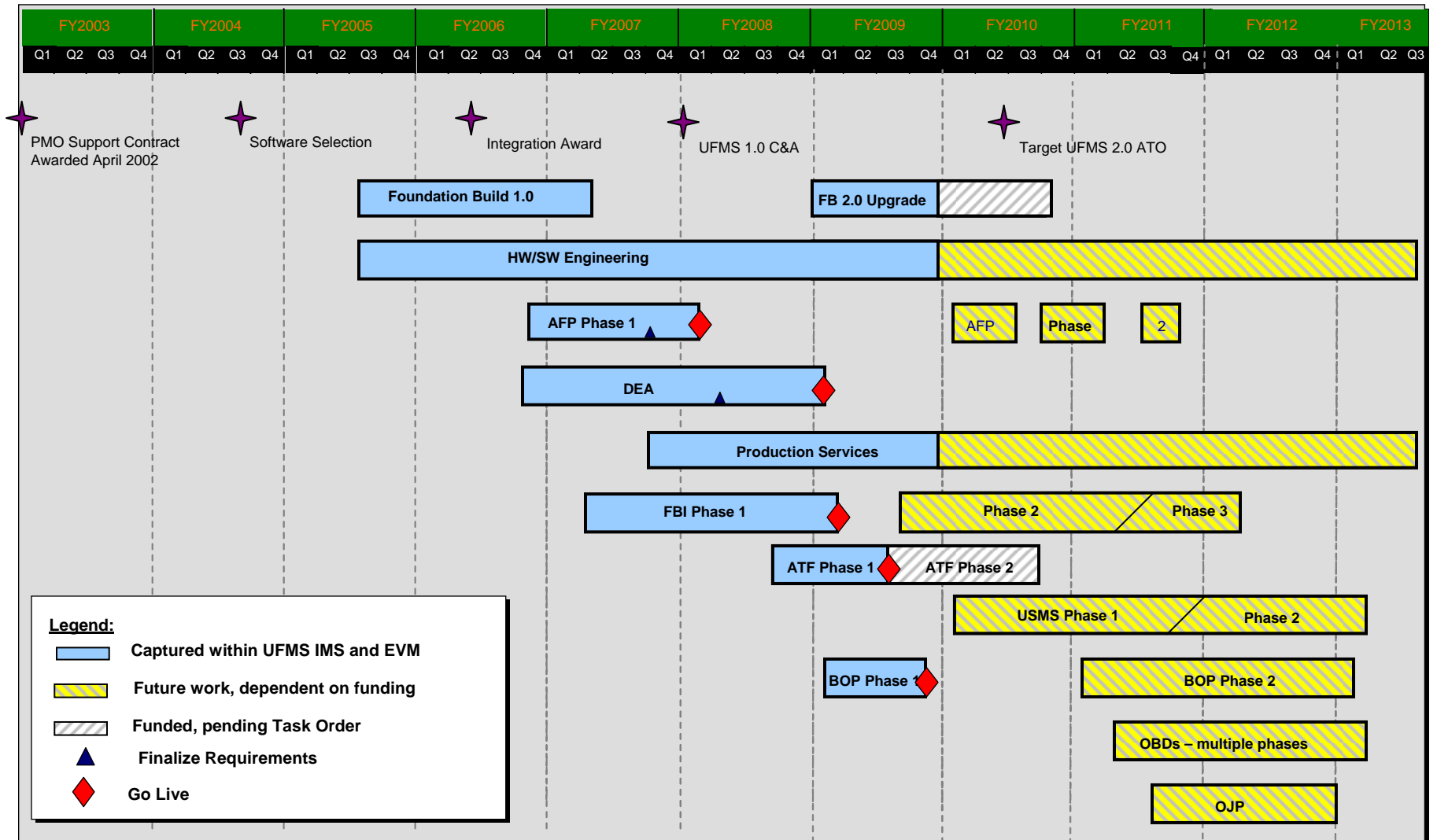
▶ Client Security Requirements

- **Issue.** Some data is proprietary to specific parts of the organization.
- **Resolution.** Anticipation and documentation of unique client technical security requirements is important. Unanticipated client technical security requirements may affect a team’s ability to use full dashboard capabilities.

How will DOJ prepare for the full dashboard implementation?

- ▶ Include UFMS Dashboard activities in Component implementation planning and requirements through the post implementation support time period
- ▶ Include staff with dashboard expertise as part of the UFMS team, maintaining one team with one mission
- ▶ Apply data migration methodology to transfer data from legacy source systems to the UFMS Dashboard database
- ▶ Establish standard business processes for data and report formats, frequency of updates, and naming conventions; add new reports and Key Health Performance Indicators
- ▶ Expand business transformation activities to accommodate an expanded user group – identify organizational change management issues, train Business Intelligence (BI) administrators, standardize communications and messages
- ▶ Incorporate the UFMS Dashboard as part of the UFMS certification and accreditation (C&A) process

Path Forward – UFMS Component Implementations



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One System, One Vision

UNIFIED FINANCIAL MANAGEMENT

U.S. Department of Justice
Unified Financial Management System

One System, One Vision
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