GOVERNMENT PERFORMANCE MANAGEMENT

SET GOALS, DRIVE ACCOUNTABILITY, AND IMPROVE OUTCOMES

COGNOS®

THE NEXT LEVEL OF PERFORMANCE™

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INTRODUCTION

Public sector organizations face increasing scrutiny from legislators and the public; they are compelled to do more with less funding, offer proven program value, and be accountable.

In light of current policy and political priorities, a bi-partisan group of government executives, public management scholars, and business leaders—under the aegis of the Kennedy School of Government at Harvard University—met recently to discuss the importance of performance management. They concluded that "performance management is essential for government agencies seeking to improve outcomes and rebuild confidence in government."[1]

Performance management consists of a series of integrated steps where an organization defines key priorities, measures progress towards these goals, and analyzes and communicates results to stakeholders such as legislators and oversight bodies. By linking strategy with execution in this way, they can more effectively monitor and improve performance.

Yet "few government leaders understand clearly enough, and early enough, the leveraging power of performance management."[2] Moreover, measuring and managing performance—metrics, plans and budgets, and detailed actual results—has been a challenge because disparate tools, paper-based processes, and legacy IT systems provide limited visibility into operations and activities.

Current realities have increased the requirement for timely and effective management oversight. Government organizations need to see the big picture—the relationships, connections, and direction—as well as the details to make informed decisions and improve outcomes. This is the promise of government performance management.

[1] Harvard University, Kennedy School of Government. *Executive Session on Public Sector Performance Management.*

[2] Ibid.

Effective decision-making is key to creating an accountable, cost-effective, and productive organization that delivers on today's government performance requirements.

With government performance management software, you gain access to the reliable, timely information that drives better decisions. While you may have any number of decisions to make, they depend on answers to these fundamental, interrelated questions:

- **How are we doing**—A gauge of the most critical indicators for your organization.

- **Why**—The ability to dig deeper into current issues, successes, or problems in order to understand what led to the results.

- **What should we be doing**—The facility to set plans, allocate resources, monitor them, and adapt.

Cognos provides an integrated, best-practices platform for government performance management. It integrates and leverages your critical data, and delivers the scorecarding, reporting and analysis, and planning tools you need to manage and optimize performance.

With integrated plans, business intelligence, and performance metrics, you can dramatically improve your understanding of the business, and improve your ability to make timely, informed decisions.

	HOW ARE WE DOING?	WHY?	WHAT SHOULD WE BE DOING?
Student Performance	Students in grade 3 in School District 2 are trailing Federal goals	Analysis reveals teacher qualifications lag in key areas compared with other similar districts	Implement program to upgrade skills of teachers; recruit more seasoned teachers into district
Program Performance	Percentage of eligible families served is below target	Analysis reveals low application volumes in Region 2	Re-allocate funds toward targeted outreach program to advise of eligibility

Examples of how government performance management might be used in government agencies.

Scorecarding

Scorecarding, with Cognos 8 Business Intelligence, communicates strategy and objectives through a metrics-based method of management. It answers "How are we doing" by providing people with the information they need to take ownership of their performance—visibility into strategy, understanding the part they play in making the strategy succeed, and the metrics to measure their success.

Scorecarding also allows stakeholders and the public to be educated on what your organization has been charted to do and stay informed of activities.

By enabling the strategic alignment of program objectives against performance metrics, you can answer at any time the central questions: Are we on track? Are we making progress on the things that must be done?

Use Cognos scorecarding to:

- Engage the entire organization—agency staff as well as contractors and suppliers—with real-time feedback on progress toward goals.

- Track dollars spent to ensure projects or programs are performing as expected.

- Monitor and make quantified decisions about what to cut and where to continue funding.

- Capture, measure, and track long-term program outcomes.

- Identify issues and justify changes in budgets, headcount, and other areas.

- Measure and track the costs and benefits associated with particular programs or legislation.

Reporting and analysis

Public sector organizations amass large amounts of data that reside in many systems—ERP, CRM, HR, data warehouse—often across multiple sites and locations. Consolidating this information is a huge challenge. It is especially difficult given that there can be as many tools used to analyze and report on the data, creating further islands of information.

Cognos 8 BI reporting and analysis consolidates and leverages your critical data and turns it into consistent, meaningful information relevant to your organization's mission. You can spot broader trends and drill down to discover underlying causes and issues. The Web-based reporting and analysis environment means people access consistent information delivered in the right way—across all departments, roles, and locations.

With standardized BI reporting and analysis, you can accurately assess the "Why" behind performance. This provides the necessary context against which decisions can be made.

CUSTOMER SUCCESS: U.S. COAST GUARD

The U.S. Coast Guard was recently recognized for the successful implementation of its Aviation Logistics Management Information System (ALMIS) initiative, which makes use of Cognos business intelligence. The U.S. Coast Guard's win marks the third consecutive year that a Cognos customer has received a Technology ROI award.

The ALMIS project was designed to consolidate disparate flight operations data – including flight itineraries, aircraft status, maintenance, logistics and supplier information – into a single system, thereby eliminating duplicate data entry, reducing system downtime, and facilitating information access.

By leveraging Cognos business intelligence, the Coast Guard is able to improve visibility into its supply chain; enable transparent data access and facilitate report generation for its air station personnel; and significantly reduce the costs of its aircraft parts requisition process.

According to Nucleus Research, this has translated into:

- $5.2 million in annual savings from reduced system downtime.

- A one-time savings of $3.5 million through streamlined warehouse inventory controls.

- $500,000 in annual savings from the prevention of requisition reorders.

- $2.4 million in annual savings from improved parts forecasting and availability.

Source: Cognos press release, Aug. 2, 2005: Nucleus Research and CIO Decisions Magazine Recognize U.S. Coast Guard With Technology Award for Outstanding ROI Results:
http://www.cognos.com/news/releases/2005/ 0802.html

Use Cognos reporting and analysis to:

- Consolidate information across functions—programs, operations, HR, finance—to gain a better view of agency performance.

- Understand the reasons behind interdepartmental successes and roadblocks to enable appropriate responses and decisions.

- Manage personnel skills requirements and inventories to more effectively deploy resources, identify critical skills gaps, and anticipate when to acquire out-sourced services.

- Gain visibility into core business processes, and uncover process or program inefficiency, misuse, or fraud.

- Share timely information with legislators, other levels of government, the business community, regulatory authorities, and private citizens.

- Deliver accurate and consistent reports, even in complex compliance and quarterly reporting environments.

Planning and budgeting

Many departments still use spreadsheets as their primary vehicle for planning, budgeting, and reporting. Spreadsheet-based systems create islands of financial and planning data, where everyone works independently. This disconnected approach does little to support management goals, cross-functional collaboration, or the dynamic planning cycles needed to address changing conditions or requirements.

What's required is a solution that replaces a fragmented process with continuous, collaborative planning that delivers up-to-date insight into government performance. Cognos Planning helps you build a foundation for higher performance by connecting strategy to plans,

targets, and operational objectives.

Cognos Planning addresses "What should we be doing" by allowing you to define goals, and turn them into discrete plans and budgets for the entire organization. Plans can be built to maximize operational effectiveness, and they can be realigned as conditions change.

Use Cognos Planning to:

- Align planning cycles with changing external conditions.

- Increase accountability and buy-in by allowing all levels of the organization to contribute to the planning process.

- Eliminate "best-guess" project milestones through predictable planning and better communications with citizens, administrators, and staff.

- See how actions contribute to strategy and strategy to overall performance.

- Accelerate program planning cycles for delivery before they become obsolete.

> *"The American people should be able to see how government programs are performing and compare performance and cost across programs. The lack of a consistent information and reporting framework for performance, budgeting, and accounting obscures this necessary transparency." The President's Management Agenda*
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> **The President's Management Agenda**

YOUR PATH TO PERFORMANCE MANAGEMENT WITH COGNOS

Where organizations begin on the path to performance management will differ, and how quickly they implement the platform will vary. The bottom line is that you can take an incremental approach, starting with one performance management component and building from there. Every time you address one element in the system, you strengthen your decision-making and performance.

Starting point 1—the one thing

If you were to do one thing to improve your organization's performance, what would it be? For some, it is tracking how and where program dollars are being spent. For others, it is finding better ways to share processes and delivery capacities across agencies. Cognos technology lets you understand the information to do the one important thing, and then grow from there.

Starting point 2—the data

Leverage your existing data resources. You may have data locked away in a variety of databases and systems, with no effective way to report against them. Access and integrate this data, and then let everyone generate their own timely, meaningful reports. With a firm grasp on the "Why" behind performance, you are ready to move forward.

Starting point 3—the scorecard

Take advantage of a scorecard or other method to drive your performance agenda. Monitor the key metrics that map to your organizational strategy. Leverage your existing data resources to deliver this information into a scorecard that shows you status, trends, relationships, and interdependencies and gives you the ability to drill through to the business intelligence layer for more information.

Starting point 4—the plan

Change your budget into a rolling, responsive forecast. Go beyond the unwieldy spreadsheet-based system. Use technology to engage all cost and revenue centers in preparing realistic forecasts that take into account your organization's overall strategy. Save time and resources usually committed to this process, and turn them into better analysis and forward-looking

> *"Cognos has given us the ability to see our business in ways we never thought possible. Robust reporting, coupled with the ability to perform detailed, drill-through analysis has enabled us to understand in aggregate or in detail where we are successful at collecting statistical data, what some of the parameters for success are, and to use this knowledge to increase our organization's effectiveness."*
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> **Randy McLin, U.S. Bureau of Labor Statistics, Office of Compensation and Working Conditions**

PUBLIC SECTOR CUSTOMERS IMPROVE THEIR PERFORMANCE WITH COGNOS

Cognos business intelligence and planning solutions have been tried, proven, and established in thousands of implementations in public and private sectors worldwide, including the U.S. government at the local, state, and federal levels. These customers recognize Cognos for its innovation, vision, ability to execute, and technology leadership in performance management.

Completeness of vision

Cognos has built a holistic, integrated technology framework. In addition to planning, analysis, and scorecarding, we provide common user portals, common data definitions, and standards-based technologies to simplify your business and IT environment.

Zero-footprint

Cognos' zero-footprint, Web-based platform lets users access information with just a browser. It simplifies your environment, while improving user adoption. No plug-ins to install and no end-user complexity translates into a lower cost of ownership and higher customer satisfaction.

The centrally administered security model seamlessly supports users inside your organization as well as other agencies, business users, and citizens. The centralized platform fully supports the delivery of e-government services over the Web.

Leverage existing investments

Cognos software works with your data and your IT environment, allowing you to leverage your existing infrastructure and applications to increase the value of your investments.

Enterprise scale

Cognos built its technology to handle the data volumes, level of activity, and complex business and IT environments of government and defense agencies worldwide, the Fortune 1000, and other large enterprises. Our technical capabilities streamline administration, support, security, and validation requirements, which reduces costs and risk.

Award-winning support

Cognos supports its integrated performance management capabilities with award-winning Global Customer Services. We consistently top the list for best software support and services innovation with customers and support professionals. Our consultants can design and implement a solution that grows as your organization grows to deliver value for years to come.

DELIVERING ON PERFORMANCE AND VALUE

The public sector must deliver the best value for tax-payers and achieve higher levels of service. All this is being demanded in a climate of shrinking budgets and resources. Legislation such as the *Government Performance and Results Act* and the guiding principles of the *President's Management Agenda* also compel government agencies and departments to improve management and accountability.

More than ever, your organization needs to make better decisions and respond quickly, to have an impact when and where it matters most. Effective management oversight depends on having access to accurate, current information you can act on—you need to know how you are doing, why, and what you should be doing.

Whether you have to manage budgets, allocate resources, or track program results, Cognos government performance management delivers the deep insight you need. Our decision-making platform helps your organization leverage your information and resources—to engage the workforce, boost productivity, gain efficiencies, and, ultimately, deliver better services to the public that make the best use of every dollar spent.

ABOUT COGNOS

Cognos is the world leader in business intelligence and enterprise planning software. Our solutions for corporate performance management let organizations drive performance with planning, budgeting and consolidation, monitor it with scorecarding, and understand it

with business intelligence reporting and analysis. Cognos is the only vendor to support all of these key management activities in a complete, integrated solution. Founded in 1969, Cognos now serves more than 23,000 customers in over 135 countries.

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