



■ Business impact

“After decades of fractured reporting requirements and a heavy focus on controls, executive and legislative bodies are exerting pressure on government agencies to increase the speed, accuracy and quality of performance reporting.”*

■ Challenges

- **Outdated legacy systems.** Mainframe based accounting systems and spreadsheet consolidations are cumbersome, time-consuming and highly error-prone.
- **Manual processes.** There’s an increased risk of inaccuracy due to manual errors, and timely, efficient report production is nearly impossible.
- **Multiple data silos.** Numerous, disparate data sources along with multiple points of entry make it difficult to track changes and audit performance.
- **Taxpayer demands for accountability.** Citizens want to know that their tax dollars are being spent wisely.
- **Cultural status quo.** Entrenched processes and long-term employees make change difficult.

* Source: David McClure, *Government Performance Management: BI and CPM Approaches Are Maturing*, Gartner Research, October 13, 2006



**THE
POWER
TO KNOW®**

How can we streamline the budgeting process and tie funding to performance?

YOUR GOAL: Connect the budgeting process to strategic planning

Recent public and private financial scandals have pushed the concept of accountability to the forefront. Citizens want to know that their tax dollars are being spent wisely, and governments are stretched to provide even more services to meet increasing public needs in the wake of budget shortfalls, economic uncertainty and natural disasters. As a result, many government organizations are turning to performance-based budgeting (PBB) as a way to defend tough budget decisions and increase accountability.

While the PBB concept—linking resources directly to program results—seems rather straightforward, the reality of implementing PBB can be quite complicated and fraught with challenges, including outdated legacy systems, disparate data sources and cultural status quo. In addition, the public sector hasn’t uniformly adopted concepts like KPIs and activity-based costing (ABC)—elements the private sector considers key in a PBB solution. Bottom line, the lack of reliable information on public program performance and outcomes is a gap that must be addressed in order to comply with federal mandates, justify funding and to show taxpayers the level of accountability they demand.

OUR APPROACH

As budget crises and funding shortfalls continue, government leaders need an objective, credible way to evaluate, proactively improve and report on performance. SAS can help you achieve this.

We take the pain out of true performance-based budgeting by delivering software and services that help you:

- **Integrate data management processes** that include embedded data extraction and data cleansing to consolidate disparate data sources and ensure data integrity.
- **Automate budget development and variance reporting** to improve operational efficiencies and enable the proactive monitoring of program effectiveness.
- **Tie performance measures to your budget** to predict performance, required costs and resources, and to gain a better understanding of the benefits achieved.
- **Employ activity-based costing** to accurately map direct and indirect costs to activities and trace them back to specific resources and programs.
- **Generate user-friendly reports** using a Web-based interface with customized dashboards and scorecards that lets users access reports in their preferred format as well as drill down for more in-depth information.

Traditional budgeting doesn’t give insight into the true cost of agencywide programs or the resources necessary to support them. But with SAS, you can see every activity and expense that goes into achieving your performance goals by program, including the percentage of administrative and overhead costs required to support each goal.

THE SAS® DIFFERENCE: Maximize taxpayer dollars through effective resource allocation, program management and accountability

SAS delivers a single, integrated platform for collaboration and information sharing that is unmatched in its ability to:

- **Access and integrate data automatically** from disparate operational, budget, performance planning and cost accounting systems.
- **Link program and service costs** at the individual agency level.
- **Consolidate information from all departments and agencies** for a 360-degree view of performance.
- **Transform that information into insights** that can drive confident decision making.

SAS' component-based architecture lets you start where needs are greatest and build on that over time. Only SAS provides a solution flexible enough to integrate with any performance management and budgeting framework, letting you modernize your business processes without replacing legacy systems. You can mix and match concepts and strategies, and incrementally work toward a complete performance-based budgeting solution.

SAS has more than 30 years of experience working with the public sector on financial and performance management. No other offering on the market contains all the elements necessary for true performance and budget integration in one environment.

CASE STUDY: State office of budget and management

■ Situation

The office's 30-year-old budget development methodology and the lack of standardized data and processes at individual state agencies made budget consolidation extremely time-consuming and error-prone. Efficiency improvements were urgently needed, but the state also wanted to find a way to measure program success by linking the budgeting process to performance metrics.

■ Solution

SAS is helping the office implement a PBB system that:

- Automates the budgeting process and facilitates information sharing statewide.
- Incorporates activity-based costing to tie the budget to performance metrics.
- Enables what-if analyses to gauge potential outcomes based on different scenarios.

■ Expected results

- Increased budgeting process efficiency, data accuracy and consistency.
- Reduced time required to consolidate the budget from months to minutes.
- Ability to gauge program performance accurately.

■ The vision

Integrated data management

What if you could access all relevant data about your budget and performance, regardless of format or location, and have confidence in the integrity of that data?

Automated budget development

What if your staff had easy access to entering and viewing budget information so that all those involved in the budgeting process were on the same page?

Performance linked to budget

What if you had predictive information that let you point out expected budget cut consequences as well as defend your budget formulation and requests?

Activity-based costing

What if you could get an accurate picture of the real cost of your programs by assigning both direct and indirect costs to the appropriate programs?

SAS FACTS

- SAS was ranked highest in overall customer satisfaction in performance management by respondents to the 2007 BPM Pulse Survey.
- SAS reinvests 24 percent of revenues into research and development every year.
- For the fourth consecutive year, SAS has been recognized as one of the Intelligent Enterprise "Dozen," a list of the top 12 most influential IT solution providers.

Learn more about SAS® software and services for government at: www.sas.com/government



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