

BPI Makes Good Business Sense

Grant Thornton LLP and SAS: Linking Budget with Performance

Federal organizations face multiple challenges and needs as part of their responsibility to deliver services to citizens and provide good stewardship of government resources.

These challenges can be significant. For example, agencies must resolve changes in budgeting processes that call for additional or new data requirements and increased workloads. They must develop strategic plans with clear objectives and long- and short-term performance measures. They must integrate or develop systems and processes to support Budget and Performance Integration (BPI) and incorporate several factors:

- A budget structure that aligns strategic objectives with the appropriate organizational levels and programs
- Budgeting software tools that support analysis, forecasting, and the budget cycle
- A flexible financial accounting system that can produce real-time, accurate data aligned to the strategic plan and performance measures

- Performance reporting tools that can track and produce accurate performance data for use in reporting to stakeholders such as OMB and Congress, and internal interim reporting to inform managerial decision-making

Traditionally, agencies have budgeted with historical cost information by program with minimal concern for linkage to performance, or they have concentrated efforts on inputs such as staffing levels. With changing mandates, however, the paradigm has shifted from inputs to outcomes and performance.

Grant Thornton LLP understands this new paradigm. In partnership with SAS, we developed a flexible BPI solution that focuses on strategic and performance outcomes aligned with the mission and goals of the organization, delivering the information you need.

BPI CHALLENGES YIELD BENEFICIAL RESULTS

BPI is a process by which federal agencies forecast and link resource requests to intended strategic and program-level outcomes. This linkage requires the integration of agency budget projections and processes, strategic and program performance metrics, and full cost accounting information.

BPI was federally mandated by the 2003 President's Management Agenda (PMA), the Government Performance and Results Act (GPRA) of 1993, and Office of Management and Budget (OMB) policies. It is widely known that BPI is complex and can be difficult to accomplish; however, BPI is a reliable infrastructure for good decision-making and responsible stewardship, traceability, and accountability of federal resources and their use.

At Grant Thornton, we understand the importance of integrating performance outcomes with budget decisions. We recognize how critical it is to identify

high-quality outcome measures, accurately monitor program performance, and link resources to performance. That's why our solution facilitates the implementation of BPI, giving you BPI's benefits while alleviating many of its obstacles.

BPI SUPPORTS YOUR PERFORMANCE REPORTING NEEDS

The Grant Thornton/SAS solution supports the linkages and communication that must occur among departments and offices within an organization. We enhance or develop processes that allow effective use of financial, strategic, performance, and budgetary data to help you make better decisions.

The Grant Thornton/SAS solution:

- Allows for the aggregation of performance data for accurate reporting to external stakeholders as mandated or requested. The ability to report on performance—as well as management decisions that impact performance—is crucial to the success of the organization.
- Supports budget formulation and execution based on the strategic plan and performance goals and objectives.
Collects performance and cost information to support budget execution, interim decision-making, and reporting requirements.
- Supports costing methodologies by using accounting data. Supports the processes that allow decision-makers to focus resources on goals of the PMA, the organization, and

departments within the organization.

At Grant Thornton, we understand that federal agencies and program offices are accountable to the President, Congress, OMB, and GAO. We address that accountability by ensuring our SAS solution is always in compliance with changing mandates.

We also comply with the key performance policies outlined in the PMA, GPRA, and various OMB Circulars. For example, we have experts who understand and have implemented the GPRA requirements to develop multi-year strategic plans, annual performance plans, and annual performance reports.

GT/SAS CUSTOMIZES SOLUTIONS FOR EACH ORGANIZATION'S NEEDS

Because organizations have different levels of maturity in terms of budget and performance processes, Grant Thornton defines the problem; facilitates and identifies the processes and tools that must be created, modified, or omitted to discover the solution; and implements the solution to enable department leadership to better manage for results.

Grant Thornton's BPI assessments thoroughly evaluate success factors with three tools: situational assessment, change readiness assessment, and program selection assessment. These tools provide a rational method to specifically evaluate the probability of success within a distinct program area. We then incorporate the key data points

and processes resulting from the assessments into an overall BPI Implementation Strategy.

Our BPI strategy is aligned with real agency business needs, complementary initiatives, and federal mandates. We ensure that BPI is built around strategically and operationally useful and value-added data, rather than serve as just another box-checking exercise. Implementation is phased to showcase success and results from the start.

We know that BPI is both a top-down and bottom-up approach to performance management. Strategic policy is developed from the top down, while the details for implementing strategy are developed from the bottom up. Grant Thornton works within this framework to develop your best solution.

GT/SAS' UNIQUE TOOLS PROVIDE OUTSTANDING SUPPORT

SAS provides three tools to support the organizational development of BPI: **SAS® Strategic Performance Management**, **SAS® Financial Management**, and **SAS® Activity-Based Management**. These tools enhance the processes for developing strategy and performance measures, identifying budgetary resources that implement the strategy, and determining avenues for reporting results to decision-makers and stakeholders.

SAS Strategic Performance Management helps managers achieve strategic goals by focusing the entire organization on the initiatives and indi-

cators that support those goals. With SAS Strategic Performance Management, your organization can improve business performance and positively impact outcomes by:

- Focusing on performance and opportunities to take appropriate action
- Aligning resources and day-to-day activities with corporate strategy
Adapting to meet the changing priorities and government mandates

SAS Financial Management is a comprehensive solution for enterprise planning, budgeting, consolidation, and reporting. SAS Financial Management includes two integrated functional components:

Planning: Allows budget and finance personnel to embed advanced SAS analytics into budgets and plans for more accurate forecasting of future operating results

Financial reporting: Provides the unique capability to consolidate multi-dimensional information on-demand while performing all financial calculations relevant to the reporting and planning processes

SAS Activity-Based Management enables strategic and operational decisions that help reduce costs and streamline processes by determining the cost of those processes. With SAS Activity-Based Management, organizations can:

Gain insights about the true cost of processes and services

Manage process costs by understanding business activities and their cost drivers
Identify and predict capacity or resource requirements

**GRANT THORNTON AND SAS:
COMBINING TECHNOLOGY
WITH EXPERIENCE TO DELIVER
A BETTER SOLUTION**

Grant Thornton's expertise in federal strategic planning, budgeting, and financial management, combined with SAS' unique, flexible tools forms the foundation of our exceptional solution.

We ensure that each implementation:

- Is customized and scalable to each agency's needs
- Is compliant with federal mandates
- Provides a sustainable technical infrastructure
- Provides accurate, consistent, and verifiable financial and performance information

The successful implementation of the Grant Thornton/SAS solution supports service delivery to stakeholders, enhances the decision-making process, and ensures better stewardship of resources.

Let us develop a solution for you that makes good business sense for your organization. Contact Srikant Sastry, Principal, at 703-637-2866 or by e-mail at Srikant.Sastry@gt.com.