SAP BusinessObjects™

SAP Solution Brief
SAP BusinessObjects Analytic Applications

SAP BusinessObjects Planning and Consolidation for Public Sector

PLANNING AND CONSOLIDATION FOR THE PUBLIC SECTOR

AGILITY AND TRANSPARENCY FOR PUBLIC GOVERNANCE

The SAP® BusinessObjects™ Planning and Consolidation for Public Sector application helps organizations align long-term plans with annual budgets to optimize program and service delivery. You can align resources behind the right programs, avoid overspending, control finances, and connect execution and policy.

Leaders in the public sector face unprecedented challenges, the scale of which has not been seen in decades. The global economic crisis has resulted in record budget deficits, which will require deep spending cuts across many government programs. Meanwhile, government finance organizations are under pressure to boost efficiencies as a way to deliver more programs and services despite lower budgets. This may require reworking strategic budget priorities at every level of government. All of these changes are occurring at a time when government executives are faced with public demand for greater accountability and transparency.

To do more with less, public sector entities like yours must be more vigilant about spending and keeping priorities in line with evolving strategies. To reduce cost and increase productivity, you must heighten transparency into financial data and introduce more efficient, agile planning and budgeting processes across the organization.

Unfortunately, in many cases, public sector organizations rely on disconnected point solutions to support these processes, each creating silos of data and misalignment between strategy and execution. Data from transactional systems gets duplicated across the silos, requiring you to keep them in sync by transferring data between multiple tools – a costly maintenance nightmare. Not only is your data not available in real time, but you end up having multiple versions of the same information that make accurate planning, budgeting, consolidation, and forecasting nearly impossible.

What's needed is integrated software that brings these data silos together; provides a clear line of sight across all budgets, allocations, and spending; and helps you align operations and budgets with strategy. The SAP® BusinessObjects™ Planning and Consolidation for Public Sector application can help you do all this with predefined content, enabling a fast implementation while minimizing the risks of overspending and underdelivering.

A Clear Line of Sight for Best-Run Governments

With extensive support for public sector processes, templates, reports, and logic available in SAP BusinessObjects Planning and Consolidation for Public Sector, you can turn your organization into a "best-run" entity quickly and cost-effectively. Now you can leverage integrated long-range planning, budgeting, forecasting, financial consolidation, and management reporting functionality for your organization. Because all of this functionality is supported by a single, integrated application and centralized data source, you no longer need to use multiple, fragmented tools. Most important, everyone in your organization can work from the same "source of truth" – the key to more coordinated operations, execution, and agility. Users can access this secure, centralized data source with familiar, intuitive tools designed for rapid, low-cost adoption.

Armed with this single source of truth and built-in analytics, managers across your organization can answer questions such as:

- How can we align and optimize outcomes with limited resources?
- How do I contain the growing costs of service delivery?
- How do we maximize the mission impact of budgets and realign resources to adjust to shifting priorities?
- How can I integrate budgets, costs, and performance objectives and results for better visibility and control?
- How can I increase operational efficiency and productivity?
- How do I provide more transparency and accountability to the public?

Each area of functionality supported by the software includes business process flows, which visually assist users as they work through predefined and configurable steps (for example, when they create a budget or a monthly financial consolidation or report). As a result, you can be confident that work is completed consistently and properly. Because business process flows also track and audit where users are in each process, you also gain better visibility and control over work completed by staff.

Long-Range Planning

With this application, you can also perform top-down and bottom-up financial and operational planning – all through a single application and user interface. Now you can collaborate on plans, manage stakeholder interactions, track versions and changes, engage managers in the planning process, and enable clear ownership and accountability.

Planning processes are supported by business process flows and automation that help ensure the right people participate at the right time. You can also incorporate unstructured data, such as e-mails and Adobe PDF documents, to tell the story behind the plans. Using what-if modeling functionality, you can manipulate variables and plans to see their potential impact on funding – by program – over the next 10 years.

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Throughout the process, each manager can see the committed funding that will be expended on preexisting programs – the baseline expenditures that assume a "business as usual" position. The software analyzes the baseline position and overlays funding limits so that you have a composite view year to year. This composite view enables you to determine funding gaps and see how they can impact current and future programs. To make informed planning decisions, you can dynamically model the affordability of different programs and proposed program changes, see which combination of programs is feasible given your current budget and outlook, and defer certain programs until funds are available. As a result, you can plan more effectively, manage expectations, and avoid budget shortfalls.

Budgeting and Performance Reporting

Support for predefined public sector processes, templates, reports, and logic enables a streamlined process for creating agency- or department-relevant budgets that everyone agrees on and that align with long-range plans. Even widely distributed stakeholders can work together on spreadsheets, both online and offline. And because you start with a single, consistent version of operational and financial data – both real-time and historical – you can be confident of the integrity and accuracy of your budgets.

The application also supports top-down funding allocations, enabling you to allocate funds to each organizational or functional entity manager by program so they can, in turn, allocate funds to different cost centers. At the cost center level, this top-down approach can be aligned with important bottom-up functions so everyone stays within budgetary expenditure limits. For example, cost center managers can perform automated headcount planning so they can plan for appropriate resources accurately while staying within budget.

Funds can also be viewed by program and project activity – even when multiple cost center resources support the same program. To help ensure complete allocation of funds, the software includes a cross-check mechanism that makes it easier to identify and correct variances and potential shortfalls.

The predefined performance reporting functionality in SAP BusinessObjects Planning and Consolidation for Public Sector tracks not only financial metrics but also nonfinancial performance indicators. You can collect, track, and view them by program, which gives you a complete picture of organizational performance.

Management Reporting and Consolidation

Because a central data repository contains up-to-date actuals from your operational systems, you have instant access to a harmonized chart of accounts. This can shave weeks off your consolidation process. As part of an efficient financial consolidation process, interentity eliminations are managed and processed in the same application. You also gain a single, centralized view of performance data and can instantly generate clear, transparent financial statements and reports relating to cash flows, balance sheets, and more. For example, you can compare budget-versus-actuals data and gain transparency into transactions. At the same time, the software helps you improve compliance with various regulatory and financial standards (including the International Financial Reporting Standards) and access a fully compliant audit trail.

Forecasting

Once the books are closed and published, your organization will have a clear and up-to-date picture of its financial position. Armed with this improved visibility, you can use the software to make adjustments to the plan using reforecasting templates designed for ease of use. To simplify forecasting, business process flows are tightly linked to the data and processes supporting planning and budgeting. What-if modeling and scenario planning functions enable a proper assessment of budgeting reasonability in real time.

Executive and Managerial Reporting

SAP BusinessObjects Planning and Consolidation for Public Sector supports both monthly and executive reporting. The software provides your organization's management team with instant access to monthly variance analysis on a month-by-month, year-to-date, and year-to-completion basis. Using these reports – all based on trusted, complete data – managers can readily spot trends in financial expenditures and understand how budgets are being consumed and at what rate. Year-to-completion analysis enables each manager to see the year-to-date forecast and to reforecast expenditures to achieve optimal results.

You can also access monthly, real-time consolidation and reconciliation of actuals from all subentities, including any other public or semipublic bodies reporting through your organization. Regardless of what financial software system these entities use – SAP or non-SAP – you can import trial balance data into a central database. All entities across your organization can then report consolidated financial statements on a monthly basis – all from a single application. Even more important, these reports are fully reconciled, auditable, and transparent – thus providing a "clear line of sight" across the organization.

Now you can leverage integrated long-range planning, budgeting, forecasting, financial consolidation, and management reporting functionality for your organization.

For public sector executives, the software enables all users to see their total financial position at a glance. For example, from within any planning or monthly reporting page, you can drill down on aggregate numbers to understand where numbers come from and how they roll up. Armed with the insights gained from the analysis of trusted data, you can make informed decisions with greater confidence in your organization's ability to provide certain services and meet specific goals while staying within budget.

Learn More

For more information, contact your SAP representative or visit www.sap.com/businessanalytics.

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Summary

With the SAP® BusinessObjects™ Planning and Consolidation for Public Sector application, you can effectively plan, budget for, and deliver quality services and programs using shrinking resources.

Business Challenges

- No transparency of financial information or single, trusted source of truth
- Manual, time-consuming planning, budgeting, and financial consolidation processes
- Difficulty proving effective use of public funds

Key Features

- **Long-range planning –** Perform top-down and bottom-up financial and operational planning; model the execution of different programs to see which combination of programs is financially feasible
- **Budgeting and performance reporting –** Create agency- or department-relevant budgets that everyone agrees on and align with long-range plans
- **Financial consolidation and reporting –** Instantly access a harmonized chart of accounts; generate transparent financial statements, reports, and audit trails; improve compliance
- **Forecasting –** Use what-if modeling and scenario planning functions to properly assess budgeting reasonability in real time
- **Management reporting –** Generate monthly variance analyses and real-time consolidation and reconciliation of actuals; enable public sector executives to see their total financial position at a glance

Business Benefits

- **Understand overall performance** using accurate, real-time reporting
- **Maximize return on public funds** by effectively planning and budgeting for programs
- **Achieve faster, more reliable data consolidation** using business process flows and automation
- **Gain clear visibility and insight** into where you are, where you want to go, how to get there, and what it will cost
- **Make fact-based decisions with confidence** using trusted data from across the organization
- **Generate consistent, accurate, and clear reporting** using predefined reports
- **Drive better organizational alignment** because strategy is aligned to operations and everyone works from a single source of truth

For More Information

For more information, contact your SAP representative or visit www.sap.com/businessanalytics.

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