International Consortium on Governmental Financial Management Training Workshop

Using Cost Analytics to Improve Public Sector Performance

May 2016
The Grant Thornton Vision:

To achieve leadership in consulting through distinctive client service, outstanding people, partner-level involvement, and a willingness to speak out on issues that matter to government and the wider public.

- Grant Thornton International is ranked one of the top six firms in 88 markets around the world and well established in all major business centers and emerging markets.
- With more than 40,000 people in offices across 133 countries, we provide personalized attention and the highest quality to clients around the globe.
- We serve a broad range of clients, including publicly and privately held companies, governmental agencies, financial institutions, and civic and religious organizations.

Public Sector Centers of Excellence:

- We have 10 public sector centers that are gateways to our worldwide resources.
- They have concentrated, specialized capabilities and serve as hubs for global communications and strategy focused on specific regions of the world.
Grant Thornton US and Public Sector

With 60 U.S. offices, we are located in every major metropolitan area and military installation. Our U.S. Public Sector office is headquartered in Alexandria, VA with satellite offices in California, Florida, and Texas.

<table>
<thead>
<tr>
<th>At – A – Glance</th>
<th>U.S. member firm</th>
<th>U.S. Public Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (USD)</td>
<td>$1.56 billion</td>
<td>$175 million</td>
</tr>
<tr>
<td>Personnel</td>
<td>7,283</td>
<td>800+</td>
</tr>
<tr>
<td>Offices</td>
<td>60</td>
<td>4</td>
</tr>
</tbody>
</table>

800+ Professionals with experience in executive service, senior level positions, and consulting to the federal government

150+ Hold advanced degrees (Masters in Accounting, Business Administration, Public Policy)

100+ Professionals with Financial Management Certifications (CGFMs, CDFMs, CPAs, CISAs, etc)

150+ Certified IT, SCRUM, and Agile practitioners

150+ Project Management Professionals (PMPs) and Lean Six Sigma (LSS) Black and Green Belts
Public Sector Practice
Enabling government achieve its mission, vision, goals & outcomes

Financial Management & Assurance
• Enterprise Risk Management
• Financial Management Operations
• Governance, Risk and Compliance
• Assurance Services

Performance Transformation
• Performance Measurement and Management
• Budget and Cost Management
• Strategy and Process Transformation
• Acquisition Management
• Human Capital Management

Decision Analytics
• Applied Analytics
• Cost and Performance Analytics
• Financial Business Analytics

Information Technology
• IT Program Management
• IT Strategy, Architecture and Road Mapping
• Data Management and Analytics
• Cyber-Security and Information Assurance
• Systems Development and Sustainment
Performance Transformation & Decision Analytics Service Line Leadership

Shiva Verma, PMP CSSBB
Principal, Grant Thornton

• Leads Decision Analytics Service Line
• Recognized thought leader in implementing enterprise cost & profitability solutions
• Delivers workshops on cost mgmt., target costing, customer profitability and data quality

Shiva.Verma@us.gt.com
703-373-8740

Bob Misch, PMP
Managing Director, Grant Thornton

• Leads Performance Transformation Service Line
• More than 20 years’ experience in cost & performance and business process improvement
• CAM-I’s Robert A. Bonsack award recipient for contribution in advancement of cost & performance management

Bob.Misch@us.gt.com
703-373-3042
Workshop Agenda

- Current state of affairs
- Using cost analytics to drive change
- Cost analytics to support Performance Budgeting
- Public Sector applications for cost analytics
  - Strategic Sourcing
  - Staffing Optimization
  - Lean Transformation
  - Shared Services
- Exercises
Current State of Affairs
Current Fiscal Environment Unprecedented Challenges Or Same Story, Different Day

• Increasing budget deficits and a tepid recovery has put significant pressure on all levels of government due to lower tax revenue, higher borrowing and operating expenses

• Many government organizations are being asked to do more with less

• Effective government fiscal management has been hampered by:
  • Speed of these changes,
  • Inability to predict how long the downturn will last,
  • Dynamics of the political situation, and
  • Continuing uncertainty of budget cut amounts
Limits to the Current Approach to Fiscal and Operational Planning and Management

• Too much of our fiscal planning is budget focused instead of outcome based (i.e., how much do we get instead of what do we need to accomplish)

• Much of our planning is based on historical vs. prospective data (did any of us plan for the recession 5 years ago?)

• Traditional approaches such as fair-sharing “haircuts” or 5-10-20 percent drills proved to be inadequate in meeting savings targets while retaining viable programs and services

Lack of robust Analytics limits government's ability to cut budget while minimizing performance impact
What are/will be the effect of budget cuts in your entity:
A. Less production
B. More errors
C. Less support to programs
D. Personnel turnover
E. Chance to show value
Funding Prioritization

• To optimize use of limited funding, government managers must prioritize (i.e., priority-based budgeting)

• Managers must also assess the degree to which performance degrades with reduction in resources (i.e. cost-performance tradeoff)

• Key activities and services should get high priority in funding to maintain or meet performance targets (to the extent possible)

• Non-essential activities and services should 1) get less priority in resource allocation, 2) be considered for reduction or elimination, and 3) have loosening of performance targets

We need tools and techniques that quantify the cost-performance tradeoff associated with mandated budget reductions
Current Budgeting Process is Broken

• Too long budgeting cycle
• Too many iterations
• Too fragmented
• Too detailed
• Does not reflect uncertainty
• Based on vague assumptions
• Numbers are obsolete by approval time
• Distorts decisions
• Turns honest managers into “schemers”
Performance Based Budgeting Provides the Analytics Framework to Address Today's Fiscal Challenge

1. Mission
2. Goals
3. Demand capacity
4. Performance measures and targets
5. Cost drivers
6. Costing method

1. Why are we in business?
2. What outcomes do we want this financial period?
3. What amount of product or service will customers require? How much demand can be fulfilled in current state?
4. What are measurable behaviors to obtain goals? What are desired measurement levels?
5. What variables drive revenue and expenses?
6. How do we capture cost to compare to performance?
Cost Analytics provides the Foundation to Drive Change
Cost Analytics Driven Transformation

Cost Analytics + Energy = Transformation

- ∑ Change
- Analytics + Decision
- Cost Data + Analysis
- Bits and Bytes

= = =

- Transformation
- Change
- Cost Analytics
- Cost Data

Transparency
## Business Issues

<table>
<thead>
<tr>
<th>Question</th>
<th>Cost-Based Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which outputs are costing us the most?</td>
<td>Cost per unit of output information</td>
</tr>
<tr>
<td>Which strategic and performance goals are worth achieving?</td>
<td>Full cost information of each strategic and performance goal</td>
</tr>
<tr>
<td>Why do the costs of similar processes or activities vary across offices or locations?</td>
<td>Output and process/activity costs by office and location</td>
</tr>
<tr>
<td>Would competitive sourcing be economical?</td>
<td>Unit costs of products and services for benchmarking and sourcing</td>
</tr>
<tr>
<td>How can we integrate performance and cost information?</td>
<td>Full cost information</td>
</tr>
</tbody>
</table>

Cost information can help answer key business questions.
## Typical Uses of Cost Analytics

<table>
<thead>
<tr>
<th>Budget justification</th>
<th>Resource allocation</th>
<th>Trend analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business process engineering</td>
<td>Price/Fee setting</td>
<td>Performance budgeting</td>
</tr>
<tr>
<td>External reporting</td>
<td>Total cost of ownership (TCO)</td>
<td>Strategic sourcing</td>
</tr>
<tr>
<td>Program performance measurement/evaluation</td>
<td>Determine best practices</td>
<td>What-if analysis</td>
</tr>
</tbody>
</table>
## Costing Analytics Techniques

<table>
<thead>
<tr>
<th>Technique</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process Costing:</strong></td>
<td>A method that accumulates costs by individual processing divisions (or organization divisions that perform production processes). The output of a processing division either becomes the input of the next processing division or becomes a part of the end product.</td>
</tr>
<tr>
<td><strong>Standard Costing:</strong></td>
<td>Carefully predetermined or expected costs that can be applied to activities, services, or products on a per unit basis. As work is being done, actual costs incurred are compared with standard costs for various tasks or activities to reveal variances.</td>
</tr>
<tr>
<td><strong>Capacity Costing:</strong></td>
<td>A method to determine the costs of unused capacity. Most Government organizations appreciate the value of understanding unused capacity costs, but lack the accounting capability to provide reliable capacity measures. It is often difficult to separate operational capacity and readiness capacity.</td>
</tr>
<tr>
<td><strong>Project Costing:</strong></td>
<td>A method that accumulates and assigns costs to discrete projects. Each project has a number or code to accumulate costs. Resources spent are identified with the project code. Costs are traced to individual projects to the extent economically feasible. Costs that cannot be directly traced are assigned to projects either on a cause-and-effect basis or allocation basis.</td>
</tr>
<tr>
<td><strong>Activity Based Costing:</strong></td>
<td>A method that operates on a simple concept of two-stage assignment of costs: Resources are consumed by activities, which are further consumed by products/services (cost objects) to satisfy customer demands. The methodology establishes the link between inputs (resources) and outputs (cost objects), often utilizing cause-and-effect relationships (activities) to assign costs.</td>
</tr>
</tbody>
</table>
Why ABC?

• Enables better informed decision making
• Has a flexible methodology and costing principles
• Allows an in-depth analysis of overhead costs
• Allows an in-depth analysis of shared services to support charge backs or user fees
• Provides foundation for continuous process improvements
• Aligns activities to mission and strategic initiatives
Activity-Based Costing Methodology

- Measures the **full cost** and performance of work activities and outputs
- Provides insight into the relationship between inputs (resources) and outputs by quantifying the work performed (activities)
- Recognizes the cause-and-effect relationship between the costs of outputs and the activities performed by an organization
- Costs can also be aggregated by cost objects
## Implementation Myths

<table>
<thead>
<tr>
<th>Myth</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing is too hard</td>
<td>Requires dedicated effort and a significant range of data, it’s difficulty can be reduced by adopting an iterative implementation approach and by identifying focused modeling objectives</td>
</tr>
<tr>
<td>Takes too long and is too expensive</td>
<td>Projects can take days, weeks, months, or years depending on the scale of the effort, the precision demanded, and the complexity of the organization. However, valuable results can be achieved in a relatively short time with little cost</td>
</tr>
<tr>
<td>Is a solution to all problems</td>
<td>Raises questions and helps identify opportunities. Managers need to take corrective actions to improve efficiency of operations</td>
</tr>
<tr>
<td>Is an accounting tool</td>
<td>Is a management tool for understanding how resources are consumed and assisting in making decisions</td>
</tr>
<tr>
<td>It is necessary to use the most precise driver to assign costs</td>
<td>Driver selection should be based on availability and weighed against the cost of collecting new driver data vs. the increase in the accuracy of allocation</td>
</tr>
<tr>
<td>Should capture activities at the lowest possible level</td>
<td>Generally, activities that account for less than 5% of an organization’s cost should be grouped. Activities that account for more than 40% of the costs should be decomposed</td>
</tr>
<tr>
<td>Is used to set the business line budgets</td>
<td>Informs the budgeting process, improves performance measurement, and drives program and work activity prioritization</td>
</tr>
</tbody>
</table>
So how does this solve my Budgeting Problem?
You can hack away in the dark or make cuts with the lights on. Need a balanced budget with internal support matching program support. I am concerned that we cut budgets but they end up later out of balance and, because of that, implementation is still difficult. That's why we need good information put into the right context, not just numbers.

W. Todd Grams
CFO and Principal Dep. Assist. Sec. for Management
Department of Veterans Affairs
Traditional Budgeting Process

• Start with prior year's budget
• Increase labor ~ 4% (roll rate) or slash all programs ~ 4%
• Increase headcount for new business or freeze hiring
• Focus on incremental changes from prior year
PBB Provides the Analytics Framework to Address Today's Fiscal Challenge

1. Mission
2. Goals
3. Demand capacity
4. Performance measures and targets
5. Cost drivers
6. Costing method

1. Why are we in business?
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PBB in Action
Integration through the Financial Management cycle

**Strategic Planning and Management**
- Business Objectives

**Mission and Vision Strategy**

**External Influences**
- Realign Program & Initiatives

**Prior to Fiscal Year**
- Forecasting, Planning, Budgeting
  - Develop Business Initiatives
  - Set Targets and Performance Budgets

**During Fiscal Year**
- Cost and Performance Management
  - Adjust Operational Performance Targets
  - Implement Program Initiatives
  - Measure and Improve Performance
  - Operational Review
  - Cost Management Program Information

**End of Fiscal Year**
- Governance and Accountability
  - Incent Employees
  - Evaluate Performance
  - Performance and Accountability Report

**Annual Performance Plan & Budgets**
ABC Provides the Crucial Link to PBB

Cost Management
- Actual Resource Costs
- Actual Activities Costs
- Actual Agency Output Costs
- Actual Cost by Performance Goals

Cost, Budget & Performance Integration
- Forecasted Resource Reqmts.
- Forecasted Activities Cost
- Forecasted Agency Workload
- Targeted Performance Levels
Driving Budget Decisions
Affect on Activities

**Risk Management**
- Rank risks by the effect an event would have on operations
  1. Terrorist Attack on sea port
  2. Major oil spill
  3. Catastrophic flood
  4. Other risks

**Cost Management**
- Determine the % impact on activities
<table>
<thead>
<tr>
<th>Activities</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apply dispersants</td>
<td>$10,000</td>
</tr>
<tr>
<td>Bulldoze shoreline</td>
<td>$5,000</td>
</tr>
<tr>
<td>Pressure-wash shore</td>
<td>$10,000</td>
</tr>
<tr>
<td>Skim waterway</td>
<td>$5,000</td>
</tr>
<tr>
<td>Start air response</td>
<td>$45,000</td>
</tr>
<tr>
<td>Perform search and rescue</td>
<td>$125,000</td>
</tr>
<tr>
<td>Initiate drug interdiction</td>
<td>$65,000</td>
</tr>
<tr>
<td>Deploy ice-breaker boat</td>
<td>$80,000</td>
</tr>
<tr>
<td>Other Activities</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Pay facilities rent</td>
<td>$400,000</td>
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**Performance Management**
- Prepare the organization for performance impacts
<table>
<thead>
<tr>
<th>Objectives</th>
<th>PM</th>
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<tbody>
<tr>
<td>Recovery</td>
<td>Oil spills recovered</td>
</tr>
<tr>
<td>Response</td>
<td>% mariners in danger survived</td>
</tr>
<tr>
<td>Prevention</td>
<td>Cocaine removal rate</td>
</tr>
<tr>
<td>Service</td>
<td>Closures of waterways</td>
</tr>
</tbody>
</table>

**Pre-Event Performance**
- Recovery - 40 minor spills recovered
- Protection - 97% compliance
- Response - 85% success rate
- Prevention - 15% removal rate
- Service - 3 closure days
Driving Budget Decisions
Affect on Results

Risk Management
- Rank risks by the effect an event would have on operations
  1. Terrorist Attack on sea port
  2. Major oil spill
  3. Catastrophic flood
  4. Other risks

Cost Management
- Transfer costs from unaffected activities to those in need

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Performance Management
- Assess performance impacts on the organization

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<td>Service</td>
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Post-Event Performance
- Recovery – ↑ recovery of 1 major oil spill and 40 minor oil spills
- Protection - maintain 97% compliance
- Response - success rate ↓ 5% to 80%
- Prevention - removal rate ↓ 7% to 8%
- Service - closure days ↑ 3 to 6
Putting your Cost Analytics Framework to Work
Practical Public Sector Applications
Analytics based Performance Transformation Solutions

Strategic Sourcing
## Business Issues
### What problem has to be solved?

<table>
<thead>
<tr>
<th>Category</th>
<th>Challenges</th>
</tr>
</thead>
</table>
| Costly and ineffective purchasing             | • Too many existing contracts for similar services and products provided by multiple vendors at a wide range of prices  
• Lack of purchasing understanding across the organization  
• Inability to analyze purchasing data for simple and complex management decisions  
• Lack of accountability across users for purchasing prices and usage |
| Operational inefficiencies                    | • Process for defining and developing requirements uncoordinated  
• Unspecific requirements do not reflect true customer needs  
• Specifications, internal policies and procedures, internal processes, operational practices increase total acquisition costs |
| Lack of collaboration with vendor community   | • Vendors not incentivized to improve pricing and quality of product or services  
• Inability to promote innovation and gather market intelligence  
• Requirements do not reflect industry standards or market direction |
Approach
How do we address these challenges?

Step 1: Conduct Spend Analysis
- Identify Sources of Spend data
- Aggregate Spend Data
- Cleanse Spend Data
- Identify Sourceable Spend Data
- Determine Addressable Spend
- Present the Savings Opportunity

Step 2: Develop Sourcing Strategy
- Develop Strategic Sourcing Strategy and Build Wave Prioritization Charts
- Develop Category Plans
- Conduct Market Research
- Develop Economic Strategy and Savings Measures

Step 3: Develop Implementation Plan
- Review and re-negotiate existing contracts
- Assess Specifications and Requirements
- Determine Category profiles
- Evaluate and execute sourcing levers (consolidation, requirements, risks, total cost-of-ownership)

Step 4: Execute Category Solicitation Strategy
- Identify Potential Suppliers
- Demand Profiles
- Requirements and Specifications Tolerances
- Develop and Distribute RFP

Step 5: Negotiate New Contract
- Evaluate Proposals
- Select Finalists
- Develop Negotiating Strategy
- Negotiate and Select Supplier
- Award Contract

Step 6: Develop Spend Plans
- Review Demand Profiles
- Establish Buying Authorities
- Review with Procurement
- Establish Compliance Policies and Process

Examples of Tools
Excel | Tableau | R | STATA | Custom Analysis
Outcomes

- Leveraged buying power
- Strategic data-driven planning
- Less effort in obtaining information

- Clear evaluation criteria
- Continuous price and performance improvement
- Faster vendor responsiveness

- Cost savings
- Improved supplier relationship management
- Products/services aligned to needs
Analytics based Performance Transformation Solutions

Staffing Optimization
## Business Issues

What problem has to be solved?

<table>
<thead>
<tr>
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</tr>
</thead>
</table>
| **Capacity Analysis**  | • Determining whether the capacity exists to accommodate changes in the customer base, policy requirements or an expansion in services  
                         • Having a quantitative basis for identifying areas of under or over utilization  
                         • Indirect and non-value added activities consuming high percentage of available time                                                                 |
| **Work Measurement**   | • Developing and implementing defensible work rate standards and productivity targets  
                         • Differences in workload complexity and the impact on staffing requirements are not measured nor understood                                                                                       |
| **Workforce planning** | • Determining the workforce needed to support the strategic plan  
                         • Aligning workforce and skills with the geographical and seasonal distribution of workload  
                         • Making tradeoffs between outputs within budget constraints and understanding the impact  
                         • Understanding the impact of varying workforce levels on outputs and service level  
                         • Making effective resource allocation decisions                                                                                     |
# Approach

**How do we address these challenges?**

## Inputs

**Workload Drivers**
Variables that determine the amount of workload required, can include:
- Organizational structure
- Service Level Agreements
- Anticipated volume

**Level of Effort**
Time to perform activities contributing to output

**Process Mappings**
Lifecycle of processes performed

## Analysis

**Work Measurement**
Collect empirical data on level of effort required

**Frequency Analysis**
Calculate frequency of activities through a predictive equation designed to utilize workload driver data

**Time Analysis**
Estimate times based on historical time entry data for each work activity

**Workload Driver Analysis**
Determine relevant and optimal workload drivers (e.g. regression analysis)

### TOOLS
- Excel
- Surveys
- Custom data collection and analysis tools
- Optimization software
- Simulation software

## Outputs

**Planning and Scenario Analysis**
We support planning decisions by performing prescriptive analyses that recommend more efficient courses of action given your budget and operating constraints.

**Work Measurement Studies**
We develop comprehensive activity inventories and use industrial engineering techniques to measure the level of effort expended.

**Capacity Analysis**
We determine the capacity of the workforce to support current or anticipated workload requirements in response to budget, policy or operational changes.

**Workforce Planning**
We analyze the staffing needs to deliver outcomes generated by strategic plans, identify gaps between required and current staffing, and develop recommendations to close gaps.

## Validation, Benchmarks and Performance Metrics

**Validation and Benchmarks**
- Validate by comparing to a separate source such as a subject matter expert
- Peer organizations similar in size, mission and workforce can be used as benchmarks

**Performance Metrics**
Monitored performance throughout the process to ensure system and organizational mission continues to be met. Examples include:
- Indicators of overstaffing or understaffing
- Levels of leave training and overtime
- Backlog of planned work (number and queue length)
Outcomes

Operations
- Impact of staffing changes on output
- Visibility into productivity and available capacity
- Efficient use of streamlined processes

Cost Management
- Effective allocation of indirect work
- Identification of all work performed
- Cost impacts of alternative scenarios

Strategic Planning
- Workforce plan
- Workload forecast
- Performance goals

Workforce Analysis
- Quantifies the relationship between staffing and workload
- Forecasts staffing based on workload projections
- Develops productivity standards

Support Government Objectives
- Determines the correct skills and number of resources needed can lead to improved quality and reduced costs
- Develops objective work standards supports productivity analysis and identifies areas for performance improvement
- Identifies areas of available capacity leads to waste reduction

Budgeting Process and Fee Calculations
- Support for budget requests
- Input for resource allocation
- Identifies overhead costs
Analytics based Performance Transformation Solutions

Lean Transformation
## Business Issues
What problem has to be solved?

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<thead>
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</table>
| **Delivering effective and efficient services in a fiscally constrained environment** | • Processes lack focus, efficiency, and productivity  
• Low employee satisfaction ratings  
• Programs are not cost effective  
• Processes do not meet operational needs |
| **Lack of organizational alignment** | • Workers are disconnected between the work they do and the quantity or quality of the product or service provided to their customer  
• Processes are not standardized across the organization  
• Organizational communication is insufficient  
• Performance cannot be compared across the organization  
• People and processes are not optimally aligned |
| **Audit findings or non-compliant processes** | • Programs and services are not accountable or effective  
• Organization has numerous OIG, GAO, or other audit findings  
• Delays in processing FOIA requests |
Approach
How do we address these challenges?

The Lean Transformation Toolkit accommodates several improvement types:

- **Operational Process Improvement**: Operational and performance issues affecting efficiency and effectiveness

- **Measurement System Alignment**: Aligning measurement systems between organizations

- **Policy Compliance/Administrative Process Improvement**: Updating or eliminating outdated policies and procedures or improving quality assurance related processes using audit and assessment findings
Outcomes

Process efficiency and effectiveness
Reengineer end to end enterprise wide processes – minimizing waste, meeting operational needs, and promoting organizational effectiveness

Process Standardization
Standardize processes to enhance communication, enable smooth transitions, and create opportunities for comparative performance analysis

Customer Focused
Design and deliver services that meet operational needs and fit within tight budgets

Structure and capabilities
Enhance future performance by better aligning people and processes to give personnel the support that they need

Integration
Look for opportunities to integrate like processes and create a motto that is customer centric
Analytics based Performance Transformation Solutions

Shared Services
# Business Issues

What problem has to be solved?

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<thead>
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| Stakeholder Management          | • Current stakeholders perceive loss of power/control and are resistant to change  
                                    | • Unions can openly block migration to shared services                                                                                     |
| Building Business Case          | • Lack of understanding of shared services alternatives and how solutions align with business needs  
                                    | • Lack of funding needed to make initial investment (one-time) in order to migrate to shared services                                         |
| Requirement and Solution Alignment | • Need to shift focus to "outcome based" requirements (e.g., what needs to be accomplished) and away from current process-based requirements (e.g., how they currently perform work)  
                                    | • Willingness to adopt standards-based solution set rather than replicate current customer-specific solution                                     |
| Migration to SSP                | • Conducting effective, iterative testing prior to go-live  
                                    | • Migrating necessary production data  
                                    | • Replicating critical interfaces and integration points                                                                                   |
Approach
How do we address these challenges?

Activities
- Identify customer needs
- Discuss shared services solution set
- Identify stakeholders
- Targeted training by user group
- Stakeholder communications
- Workforce Plans
- Conduction pilots & testing
- Manage stakeholders
- Develop training
- Support data clean up
- Deliver training
  - Provide ongoing communications
  - Deliver go-live surge support
- Organizational readiness assessment
- Fit-gap analysis
- Implementation and PM plans
- Workforce Plans
- Stakeholder communications
- Conference Room Pilots (CRP)
- Training materials
- Targeted training by user group
- Stakeholder communications and briefings
- Lessons-learned analysis
- Update training materials
- Release plans

Phases
1. Pre-Discovery / Discovery
2. Initiation and Planning
3. Design, Development, and Testing
4. Deployment and Cutover
5. Post-Production Support

Work Products
- Business case
- Requirements
- Stakeholder analysis
- Strategic roadmap
- Organizational readiness assessment
- Fit-gap analysis
- Implementation and PM plans
- Workforce Plans
- Stakeholder communications
- Conference Room Pilots (CRP)
- Training materials
- Targeted training by user group
- Stakeholder communications and briefings
- Lessons-learned analysis
- Update training materials
- Release plans
Outcomes

Clearly defined business case and strategic plans supported by outcome-focused requirements

- Led business case analysis and SSP planning efforts for Department of Commerce (DOC) and Department of Housing and Urban Development (HUD)

Ability to independently assess a broad-based spectrum of SSP solution sets against requirements

- Supported comprehensive fit-gap requirements analysis for DOC against multiple SSP solution sets

Large-scale data conversion design and migration approach to support transition to SSP

- Supporting enterprise-level data warehouse design effort for DOC
- Successful conversion of financial management activities and data for HUD
Exercise
Exercise
Using Cost Analytics Applications to Solve Real-World Problems

Scenario

• 18 months from now, your organization is facing a budget reduction / shortfall of 10%. Rules of employment do not allow you to lay off, fire, or otherwise dismiss current staff members. The expectation is that you will continue to provide the same levels of service / performance, despite reduced funding.

• Reflecting on the cost analytics applications / techniques discussed in this course, what would you do to plan for the 10% reduction?

Exercise

• Form break-out groups of 4-5 people and discuss some cost analytics techniques that can be applied to this scenario to enable your organization to succeed in spite of the funding shortfall.

• Volunteer to describe your solution.
Scenario

• Your organization is undergoing its bi-annual fee review and needs a way to identify a long term strategy to set fees. The labor costs of your organization's essential contract staff are changing in a non-linear fashion and the functions these staff perform have changed significantly over the last several years.

• Congress requires a defensible, data driven approach to projecting costs and fee requirements based on several different possible demand and capital investment scenarios. How would you go about building a solution to address this requirement?

Exercise

• Form break-out groups of 4-5 people and discuss some cost analytics techniques that can be applied to this scenario to enable your organization to develop a data driven approach to measuring cost and fee requirements.

• Volunteer to describe your solution.