

<b>To:</b> President Gamble Business Process Review Oversight Committee	<b>From:</b> BPR Budget Team Jeff Davis Kathy Attebury Clyde Carroll Joe Sidley Bobby Bear Deby Gunter Chris Wendland Terrie Iverson
<b>Date:</b> 14 May 2007	<b>Document Number:</b> <or revision/other identifier>

## MSU Business Process Review Business Case: Budget Reporting & Analysis

### Executive Summary

The Budget Team is redesigning the Budget Reporting & Analysis Process. Budget reporting entails the creation, extraction, and formatting of data to meet requirements or to inform decision making. Budget reporting also provides an analysis of fiscal impacts and supports plans of action.

Flowcharts of the Budget Reporting & Analysis Processes reflect consistency across all MSU organizations. Each organization develops and runs management and ad hoc reports to project, monitor, and manage their budgets. However, different reporting tools are used by each campus, and therefore require duplication of effort in the maintenance of reports.

The customer survey results stated that reports are of high importance to our customers and they are highly satisfied with the exception of encumbrances. It was determined that the issue with encumbrances was Banner functionality during an upgrade.

In October 2006, the team recommendation was to provide training to departments describing the encumbrance process, encumbrance calculations, and tips for troubleshooting encumbrance problems. The team also recommended that we share internal management reports to reduce duplication of effort.

An NHIDIST report has been written that will assist departments in analyzing and troubleshooting their encumbrances. It is currently in the process of being posted to the SAIS website. Encumbrance training will begin during Spring 2007.

For administrative management purposes, reports are being reviewed for SQL conversion to the SAIS website format for use by all MSU organizations. The FYE monitor is currently being redesigned.

These changes will provide real-time encumbrance balances and analysis, create uniform reporting across the MSU organizations, reduce number of errors, reduce duplication of effort, improve quality of the process, improve customer satisfaction, and provide system efficiencies and effectiveness.

## Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
<b>Table of Contents.....</b>	<b>2</b>
<b>A. Introduction .....</b>	<b>3</b>
1. MSU Business Process Review.....	3
a. Summary of Processes to be Redesigned or Modified.....	3
b. Business Process Review Objectives .....	3
c. Scope of This Case.....	3
2. Business Process Review Business Case Purpose.....	3
3. Background.....	4
a. Problems and/or Opportunities Addressed by Business Process Review .....	4
b. Connections to other Projects/Products or Programs .....	4
c. Other, Alternative Actions .....	4
d. Current Problems or Limitations.....	5
e. Other Important Historical or Situational Information .....	5
<b>B. Methods and Assumptions.....</b>	<b>5</b>
1. Financial Metrics .....	5
2. Business Case Scope and Boundaries .....	5
a. The Analysis Period .....	5
b. Geography or Location .....	5
c. Organizations .....	5
d. Functions and Positions .....	5
e. Technology .....	6
3. Scenario Design .....	6
4. The Cost Model.....	6
5. The Benefits Rationale.....	6
6. Data Structure .....	6
7. Data Sources and Methods .....	6
a. Data Sources.....	6
b. Methods for Estimating Costs and Benefits .....	6
8. Assumptions .....	7
<b>C. Business Impacts .....</b>	<b>7</b>
1. Financial Model and Cash Flow Statements .....	7
a. Benefits and Gains .....	7
c. Assets Purchased.....	7
d. Cash Flow Summary .....	7
2. Analysis of Results .....	7
3. Non-financial and Non-quantified results .....	7
<b>D. Sensitivity, Security and Risk Analysis .....</b>	<b>7</b>
1. Sensitivity Analysis .....	7
2. Security .....	7
3. Risk Analysis .....	7
<b>E. Conclusions and Recommendations.....</b>	<b>8</b>
1. Conclusions .....	8
2. Recommendations .....	8

**A. Introduction**

**1. MSU Business Process Review**

Reports are of high importance to our customers and they are highly satisfied with them, with the exception of encumbrances. The majority of the reports are internal to campuses and non-value added. However, budget reporting is a business necessity. Ad Hoc reports are specific and provide value to the customer. All campuses develop and run similar management and ad hoc reports using different reporting tools. Therefore, a decision was made to modify Banner reporting functionality to streamline the gathering of information and provide uniform reporting across the MSU organizations. In addition, a new encumbrance report was developed by the Budget Office to provide accurate and up-to-date encumbrance liquidation information. Annual surveys will be conducted to monitor customer satisfaction.

**a. Summary of Processes to be Redesigned or Modified.**

<b>Process Title</b>	<b>June 28<sup>th</sup> 2006 Recommendations</b>
Budget Reporting	Redesign

The Budget Team is redesigning the Budget Reporting & Analysis Process. This will accomplish the following: provide real-time encumbrance balances and analysis, create uniform reporting across the MSU organizations, reduce number of errors, reduce duplication of effort, improve quality of the process, improve customer satisfaction, and provide system efficiencies and effectiveness.

**b. Business Process Review Objectives**

Implementing Salary Planner and Finance Self Service will:

- Improved institutional and systems efficiencies and effectiveness;
  - Single process across the MSU organizations,
  - Data consistency,
  - Quality process, and
  - High level of customer service.
- Improved technical functionality.
  - Accurate reporting of encumbrances and encumbrance liquidation,
  - Uniform reporting across the MSU organizations using the SAIS website Web Reports,
  - Eliminates the need of multiple queries of Banner and spreadsheet compilations of data.

**c. Scope of This Case**

The cost savings will be realized across the MSU organizations; and staff responsible for monitoring departmental budgets, as well as the Budget Office staff, will realize the benefits.

**2. Business Process Review Business Case Purpose**

Again, using Banner reports to monitor budgets will provide system efficiencies for the Budget Office and departmental staff.

### **3. Background**

Budget Reporting & Analysis Processes are being implemented to provide greater system functionalities and efficiencies for campus constituents and Budget Office staff.

#### **a. Problems and/or Opportunities Addressed by Business Process Review**

- Opportunities presented by BPR to address problems identified through the Pappas Review process include:
  - Single process across MSU organizations to promote efficiency, succession planning, training, and improved ability to meet peak demands.
  - Data consistency to improve the reliability of management reports both from an individual campus perspective and a comparative cross campus perspective.
  - Process to improve quality, reduce error rates and improve the targeting of training and reference materials,
  - Improved timeliness of product or service thus improving ongoing process efficiency.
- Improved technical functionality by implementing Banner functionality that MSU already owns, but has not implemented, as well as potential to purchase and implement other IT enhancements subject to budgetary constraints.
- Implementation of Front Office/Back Office concept. The Pappas consultants proposed this concept where the client interface still occurs on a face-to-face basis with the client dealing with “their” own campus. Any transactions that do not include a face-to-face client interaction, a “moment of truth”, can be processed at any campus where there are available resources. This will improve overall efficiency and effectiveness and smooth out resource demands across the MSU organizations.

#### **b. Connections to other Projects/Products or Programs**

The BPR project has ongoing links with:

- Business Continuity Planning
- Disaster Recovery Planning
- Pre-Disaster Mitigation Planning
- National Industry Benchmarking
- BPR Student Administration (future)

#### **c. Other, Alternative Actions**

None

**d. Current Problems or Limitations**

Current problems or limitations include:

- Different cultures across the MSU organizations

**e. Other Important Historical or Situational Information**

None

**B. Methods and Assumptions**

The data and results are from the Flow Charts and Customer surveys.

The assumption is to utilize current Web Reports functionality and create additional reports clarifying the encumbrance position. This will provide customers with accurate budget information and encumbrance analysis.

**1. Financial Metrics**

N/A

**2. Business Case Scope and Boundaries**

The Budget Office and departmental staff will realize the cost savings and benefits. The analysis period will take place during the fall of each fiscal year. This will include an annual customer survey. Once the results are tallied, they will be shared with the administration and our constituent group.

**a. The Analysis Period**

The analysis period for Budget Reporting & Analysis Process will be evaluated annually from the date of completed implementation.

**b. Geography or Location**

Implementation of Budget Reporting & Analysis Process will occur across the MSU organizations. This will provide efficiency and effectiveness as well as ensure a high level of client satisfaction.

**c. Organizations**

The organizations covered by this business case include the administrative and finance processes across the following:

Montana State University

- Billings campus
- Bozeman campus
- Agricultural Experiment Station
- Extension Service (FSTS)
- Great Falls campus
- Northern campus

**d. Functions and Positions**

The recommendation made in this business case will affect all departments across all MSU organizations.

**e. Technology**

Budget Reporting & Analysis Process are current functionalities of Web Reports on the SAIS website.

**3. Scenario Design**

Budget Reporting & Analysis Process is targeted for implementation at all MSU organizations with the completion of the SQL script and ITC insertion into the code. Encumbrance training will occur during Spring 2007.

The implementation of Budget Reporting & Analysis Process provide real-time data for analysis, reduce number of errors, reduce duplication of effort, improve quality of the process, improve customer satisfaction, and provide system efficiencies and effectiveness.

**4. The Cost Model**

N/A

**5. The Benefits Rationale**

The benefits of Budget Reporting and Analysis:

Service functionalities:

- Improved institutional and systems efficiencies and effectiveness;
  - Single process across MSU organizations,
  - Data consistency,
  - Quality process,
  - High level of customer service, and
  - Timeliness of product or service.
- Improved technical functionality.
  - Accurate reporting of encumbrances and encumbrance liquidations,
  - Uniform reporting across the MSU organizations using the SAIS website Web Reports,
  - Eliminates the need of multiple queries of Banner and spreadsheet compilations of data.

**6. Data Structure**

N/A

**7. Data Sources and Methods**

N/A

**a. Data Sources**

- Flow Chart
- Customer Survey

**b. Methods for Estimating Costs and Benefits**

N/A

## **8. Assumptions**

N/A

## **C. Business Impacts**

The cost of creating reports is minor: The one-time costs include several hours of the Budget Analyst's time to write the SQL and up to four hours of ITC time to implement it in Web Reports. However, the benefits are gained efficiencies across the MSU organizations from the use of existing Banner technologies and increased customer satisfaction.

### **1. Financial Model and Cash Flow Statements**

N/A

#### **a. Benefits and Gains**

The benefits gained are efficiencies across MSU organizations from the use of existing Banner technologies and increased customer satisfaction.

#### **b. Expenses (or "Operating Expenses")**

Expenses include initial SQL development by Budget Office personnel and ITC implementation.

#### **c. Assets Purchased**

No purchase necessary as product functionality exists in Banner.

#### **d. Cash Flow Summary**

N/A

### **2. Analysis of Results**

N/A

### **3. Non-financial and Non-quantified results**

The benefits gained are efficiencies across MSU organizations from the use of existing Banner technologies and increased customer satisfaction.

## **D. Sensitivity, Security and Risk Analysis**

### **1. Sensitivity Analysis**

N/A

### **2. Security**

There are no new security issues with the budget reporting and analysis reports created under this process. All information contained in the report currently exists in other web-based reports and the same security rights apply.

### **3. Risk Analysis**

We believe the implementation of Budget Reporting & Analysis Process will improve efficiencies and customer satisfaction. There is high probability that this functionality will also reduce the number of errors that have occurred with the existing budgeting processes.

## **E. Conclusions and Recommendations**

To gain efficiencies across all MSU organizations, we recommend standardizing some common management reports and posting them to the SAIS website. Also, provide an encumbrance report on the SAIS website and encumbrance training for departments.

### **1. Conclusions**

Reports are of high importance to our customers and they are highly satisfied with them, except for encumbrances.

All MSU organizations develop and run similar management reports but use different reporting tools.

### **2. Recommendations**

The Budget Team recommendation is to provide all MSU organizations with standard management reports on the SAIS website. Also, to provide encumbrance reports, documentation, and training for departments so that they can understand the calculation processes and how to troubleshoot encumbrance problems. Doing so will marginally reduce costs, but will create system efficiencies and increase customer satisfaction.