



Smarter Solutions for a Smarter Government.

Welcome to the Smarter Government Briefing Series

2nd Session - Thursday, August 7

Business Intelligence and Performance Management

Speaker:

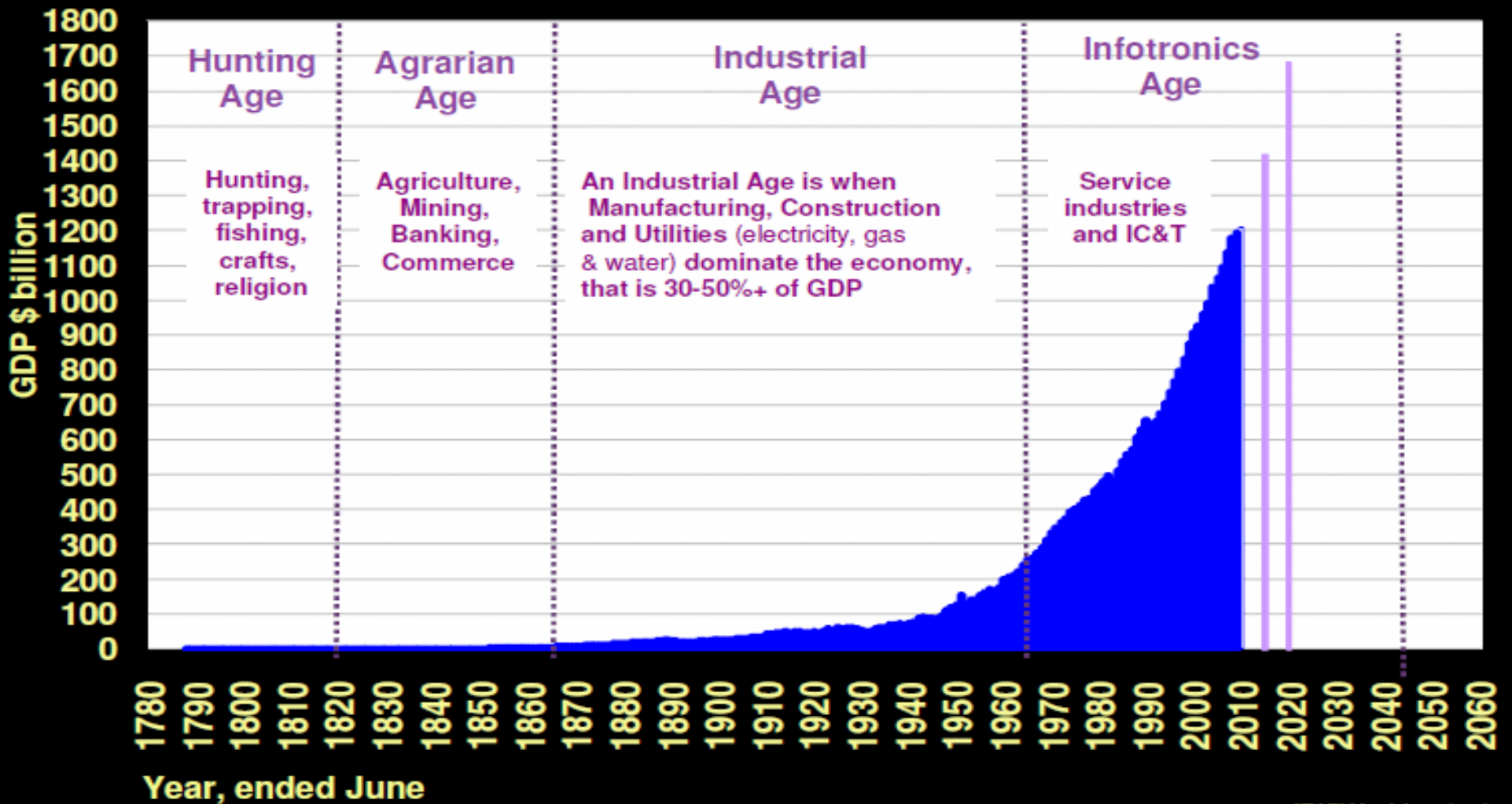
*Michael Rochanakij, IBM Software Group,
Information Management Consultant,
Government Solutions*

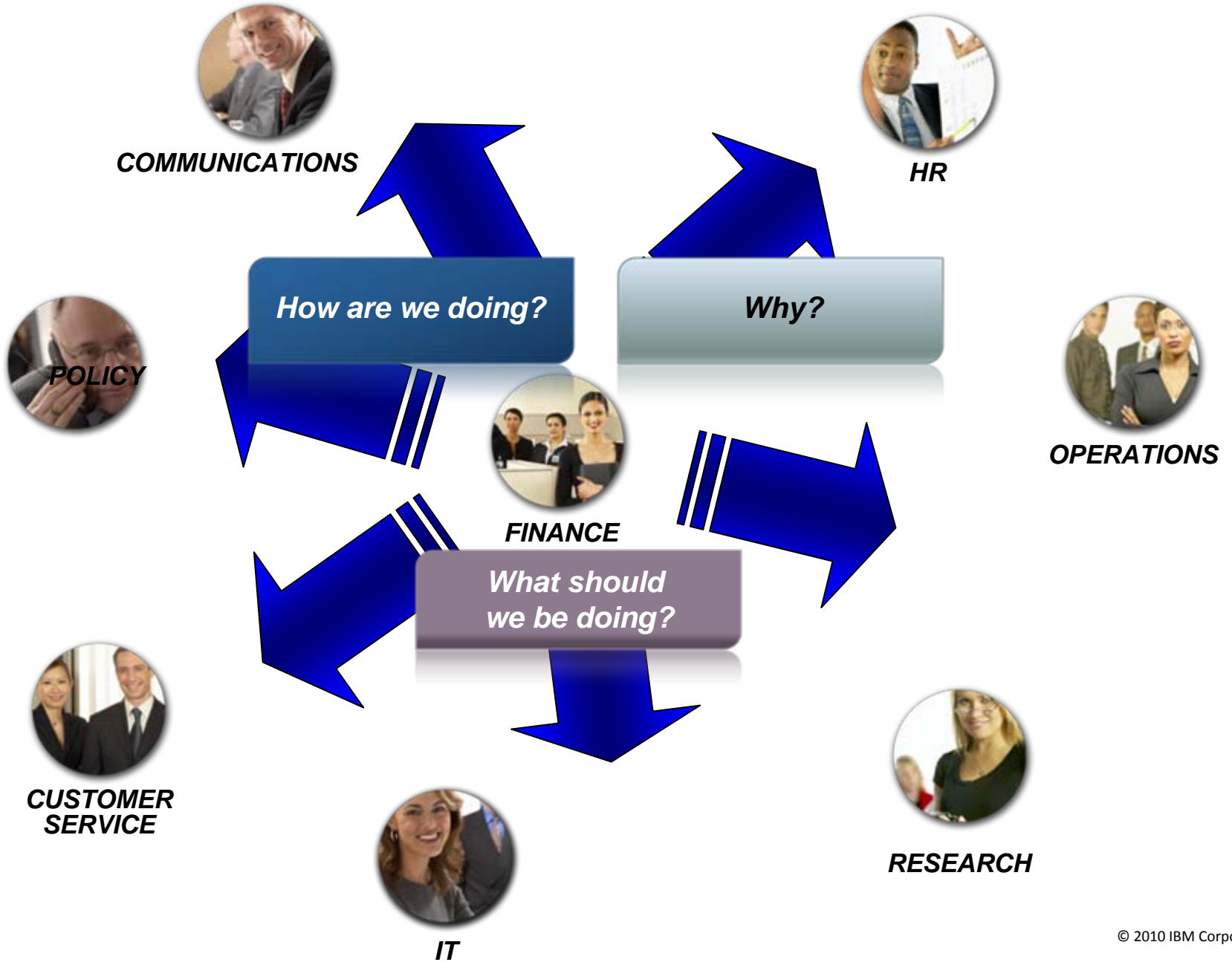
IBM Software Industry Solutions



Ages Of Progress Into Our New Age

Australia GDP @ Constant F2008 Prices 1788-2009 (F)

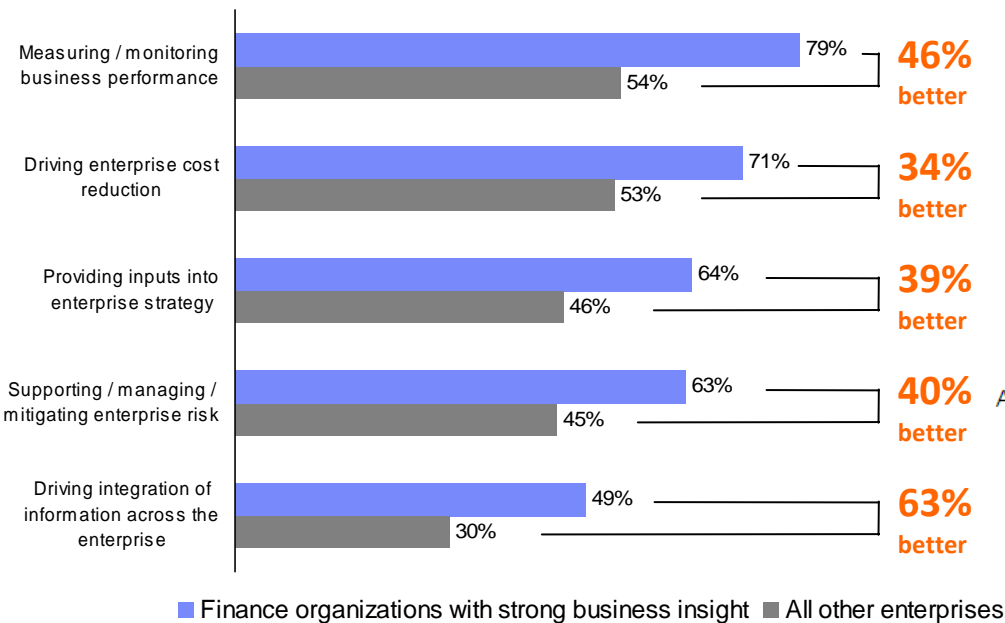




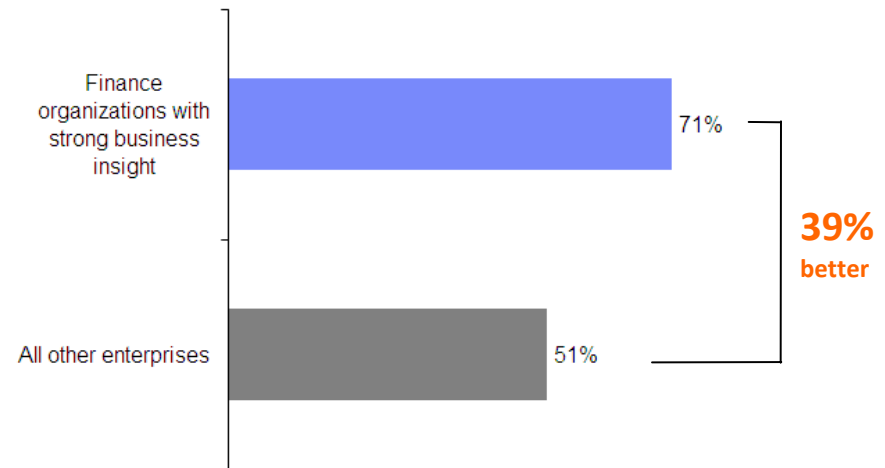
Finance organizations with strong business insight are performing better

Effectiveness Benefits of Business Insight

Effectiveness Against Enterprise Focused Activities



Business Insight Helps the Enterprise Anticipate External Forces



N = 1,458 to 1,469

Note: Defined as those enterprises selecting [5] Very Effective or [4] on a 5-point scale where [5] Very Effective and [1] Ineffective

Source: IBM Institute for Business Value, The Global CFO Study 2010

N = 1,471

Note: Defined as those enterprises selecting [5] Very Well or [4] on a 5-point scale where [5] Very Well and [1] Very Poorly

A collaborative research project between CPA Australia and the University of Technology, Sydney (UTS) Best practice in performance management

A survey of 400 medium-to-large organisations in 2008

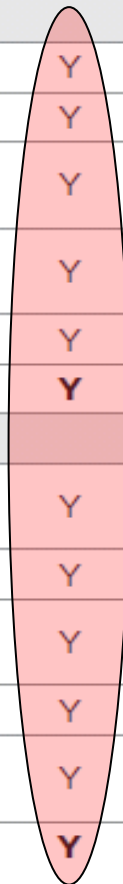
Aim – analyse what systems and practices were helping to drive organisational performance.

Compared two groups: the high performance management systems (HPMS) group and the remainder of our sample.

Evaluated four broad categories;

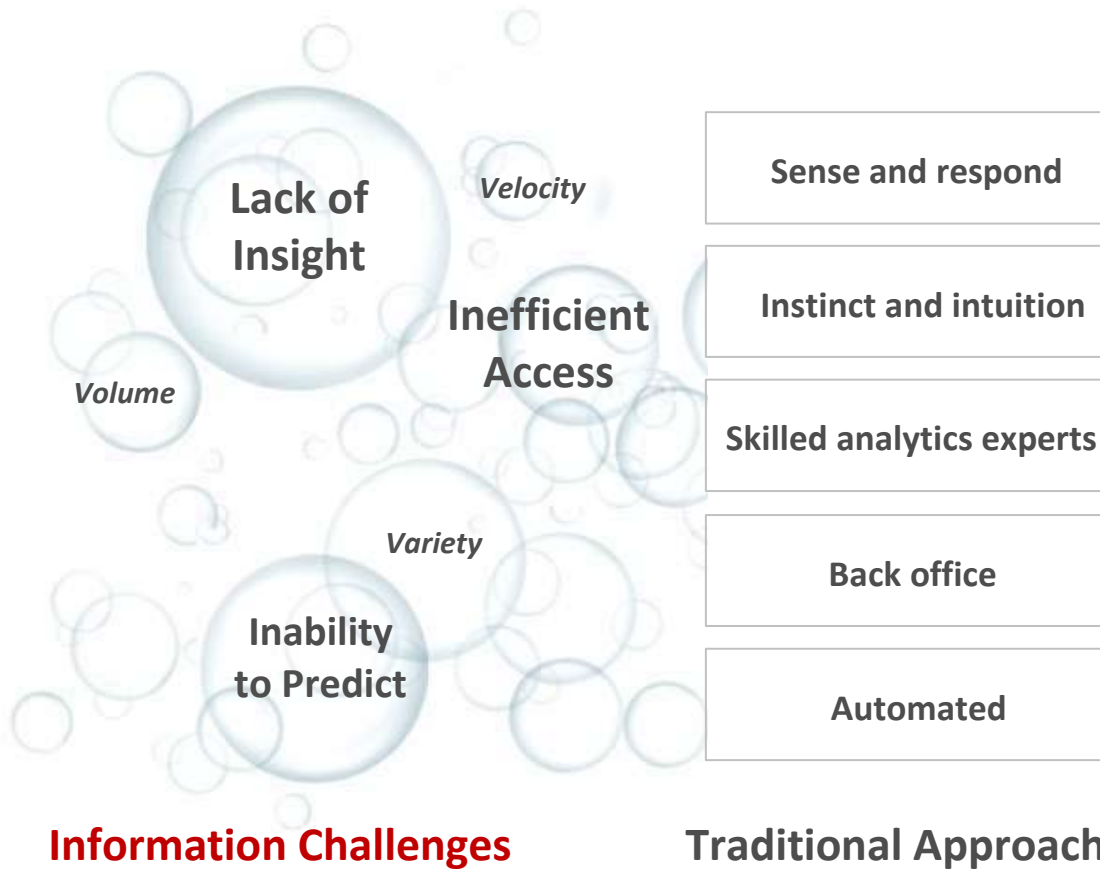
- strategic planning,
- measurement & Compensation
- organisational structure and policies, and
- human resources and organisation values.

	Performance measurement systems		
	Sample	HPMS	Statistical significance
Diagnostic use			
Identify critical performance variables	5.53	6.15	Y
Set targets for performance variables	5.55	6.22	Y
Monitor progress towards performance targets	5.59	6.37	Y
Provide information to correct deviations from targets	5.24	5.93	Y
Review key areas of performance	5.65	6.41	Y
Overall diagnostic use	5.48	6.21	Y
Interactive use			
Provides an agenda for top management activities	5.03	6.07	Y
Provides an agenda for subordinate activities	4.67	5.78	Y
Enables continual debate of underlying data, assumptions and plans	4.72	5.59	Y
Focuses attention on strategic uncertainties	4.26	5.56	Y
Encourages information sharing with subordinates	4.38	5.67	Y
Overall interactive use	4.61	5.73	Y



Performance dimensions			
KPIs used for performance evaluation	Sample	HPMS	Statistical significance
Short-term financials (e.g. profit, ROI, cash flows, sales growth, cost reductions)	5.34	5.72	N
Customer (e.g. market share, satisfaction, retention)	4.66	5.13	N
Employee (e.g. employee satisfaction, turnover, workforce capabilities and development)	4.06	4.81	Y
Operational processes (e.g. productivity, safety, cycle time)	4.95	5.63	Y
Innovation (e.g. R&D, new product/service success, development cycle time)	3.66	4.50	Y
Quality (e.g. product/service quality, defects, awards)	4.71	5.28	Y
Social responsibility (e.g. environmental compliance, community impact, public image)	3.67	4.41	Y
Overall diversity of KPIs	4.29	4.96	Y

The Key is Leveraging Information and Analytics



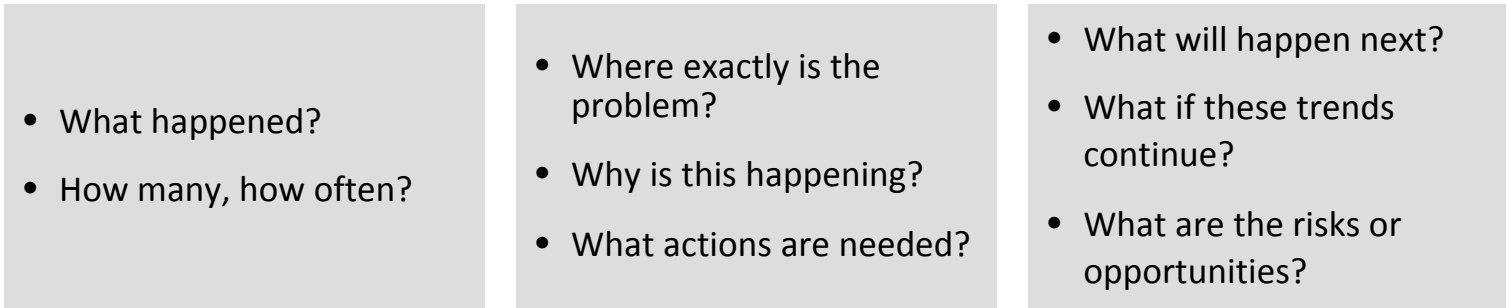
Transformation using Information & Analytics



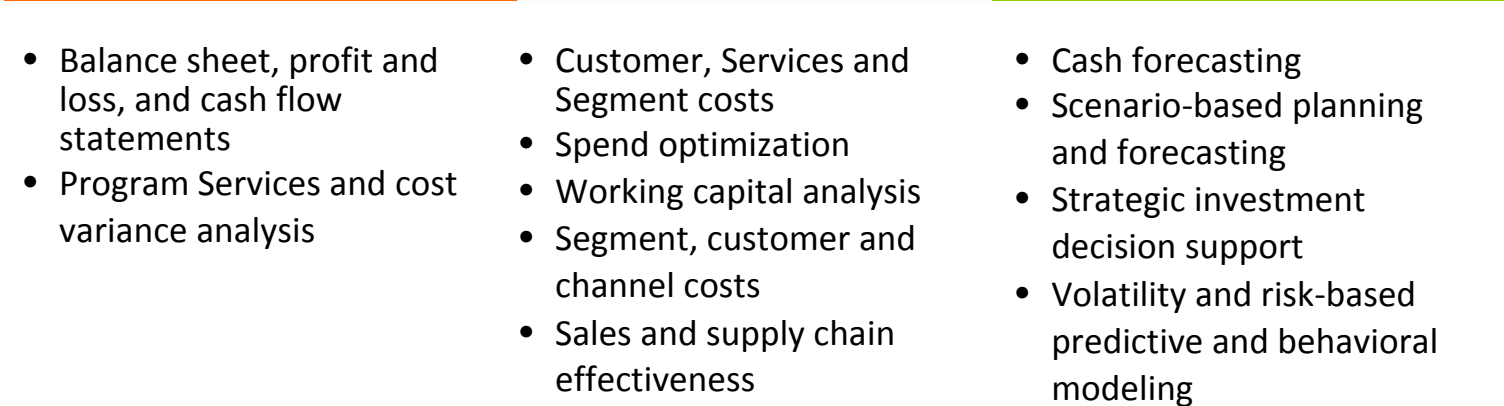
We want to minimise the blind spots

Business Insight

Key Business Questions



Examples of Business Insight



Wouldn't it be nice, if the organisation from the Executive to the coal-face could easily access a single source of the truth

Metric Studio

Mayor Log On

CMM - Municipal Scorecard

Scorecards

- Scorecards
 - Mayoral
 - K-12
 - Police**
 - Parks
 - HHS - Children & Family
- My Folders
- Scorecards
- Metric Types
- Strategies

Scorecards

Police

Metrics Projects Reports Diagrams Details

No filter Police

Stakeholders

S1.Create a Secure City

Name	Actual	Target	Variance	Variance %	Time Period
Citizen Safety Survey - Police	78.40%	85.00%	-6.60%	7.76%	Dec 2007
Conviction Rate - Police	75.80%	75.00%	0.80%	1.07%	Dec 2007
Non-violent crime - Police	1,064.00	1,300.00	-236.00	18.15%	Dec 2007
Violent Crime - Police	770.95	500.00	270.95	54.19%	Dec 2007

S2.Increase Public Awareness

Name	Actual	Target	Variance	Variance %	Time Period
Citizens reached by public awareness campaigns - Police	88,785.00	100,000.00	-11,215.00	11.22%	Dec 2007
No. of public relations contacts with media - Police	22.00	20.00	2.00	10.00%	Dec 2007
Non-policing hours in building community relations - Police	117.36	100.00	17.36	17.36%	Dec 2007
Paid non-policing hours in building comm. relations - Police	119.66	100.00	19.66	19.66%	Dec 2007

S3.Protect Citizens

Name	Actual	Target	Variance	Variance %	Time Period
Non-violent crime - Police	1,064.00	1,300.00	-236.00	18.15%	Dec 2007
Violent Crime - Police	770.95	500.00	270.95	54.19%	Dec 2007
Youth Crimes - Police	289.00	300.00	-11.00	3.67%	Dec 2007
Homicide Rate per 1000 - Police	1.2 People	1.0 People	0.2 People	20.0%	2007

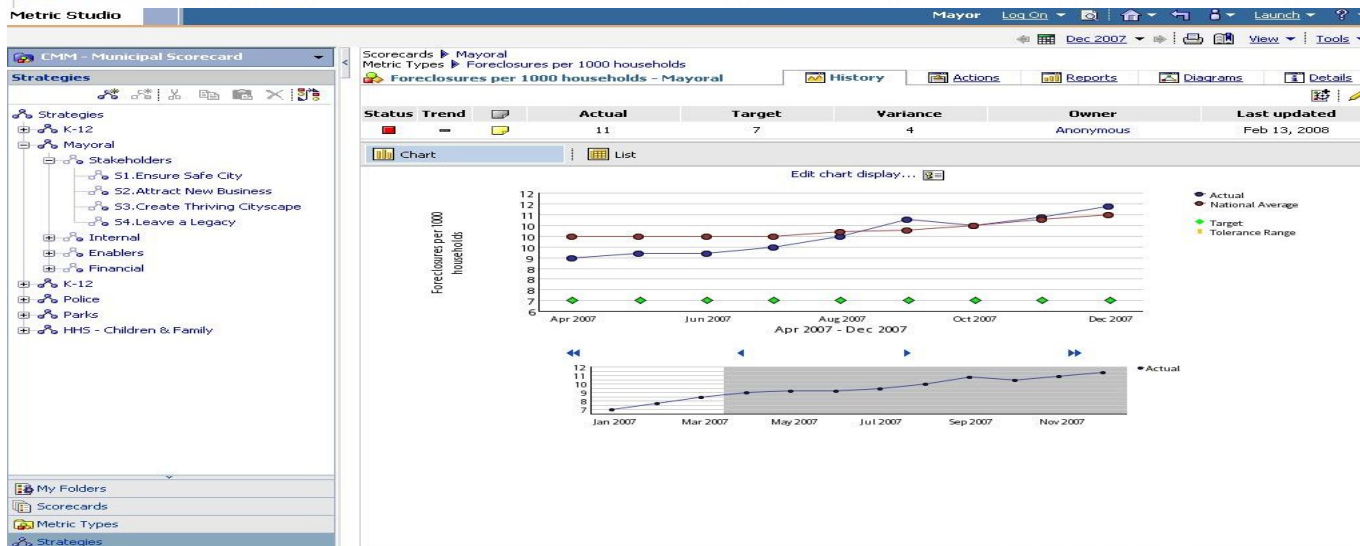
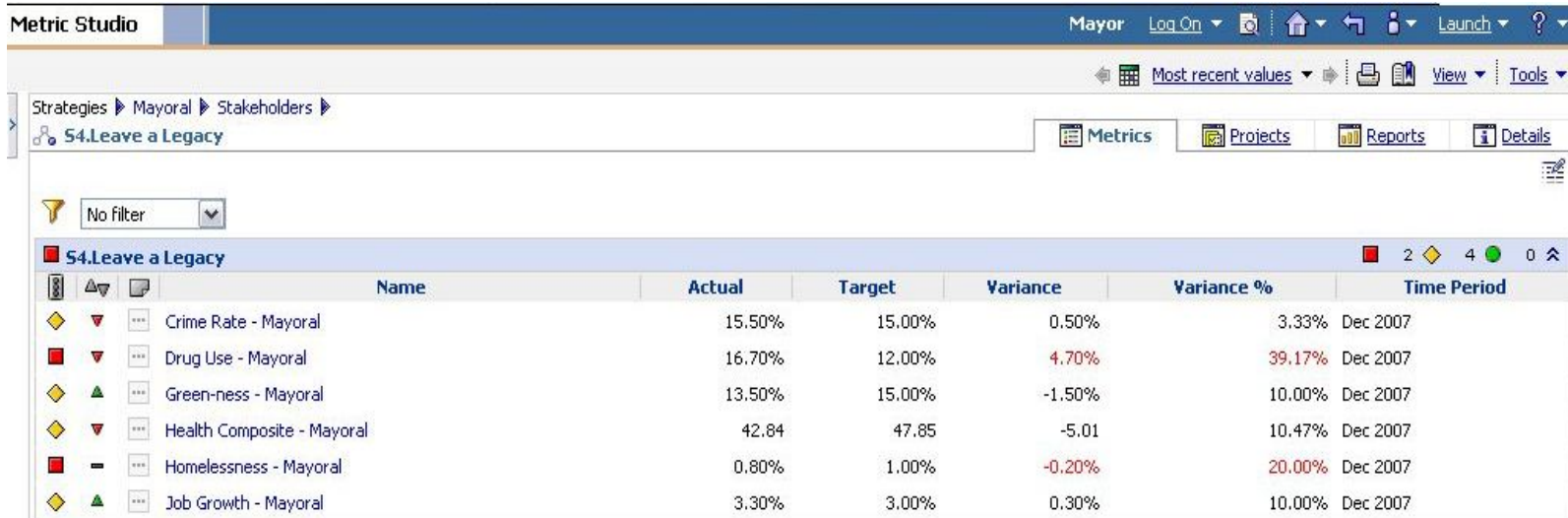
S4.Protect Property

Name	Actual	Target	Variance	Variance %	Time Period
Auto Thefts - Police	175.00	150.00	25.00	16.67%	Dec 2007
Burglaries at Targeted Hotspots - Police	10.00	10.00	0.00	0.00%	Dec 2007
Property Crimes - Police	490.00	475.00	15.00	3.16%	Dec 2007

Internal

Scorecard gives all level of city decision-makers access to critical information and trends.

Wouldn't it be nice, if managers could self service their reporting needs and quickly identify areas of exception



Drill down capabilities let officials get a see specific views of a mayor's key performance indicators.

Wouldn't it be nice, if the impact of indicators could be shown, what's lag or leading

Metric Studio Mayor Log On Dec 2007 View Tools

CMM - Municipal Scorecard

Strategies

- Strategies
 - K-12
 - Mayoral
 - Stakeholders
 - S1.Ensure Safe City
 - S2.Attract New Business
 - S3.Create Thriving Cityscape
 - S4.Leave a Legacy
 - Internal
 - Enablers
 - Financial
 - K-12
 - Police
 - Parks
 - HHS - Children & Family

Scorecards ▶ Mayoral
Metric Types ▶ Foreclosures per 1000 households

Foreclosures per 1000 households - Mayoral

Status	Trend	Actual	Target	Variance	Owner	Last updated
■	-	11	7	4	Anonymous	Feb 13, 2008

Impact Diagram

Available Diagrams

Drilling into scorecards shows how one KPI impacts numerous other KPIs, allowing a clearer view of overall impact.

....the data is there, but !



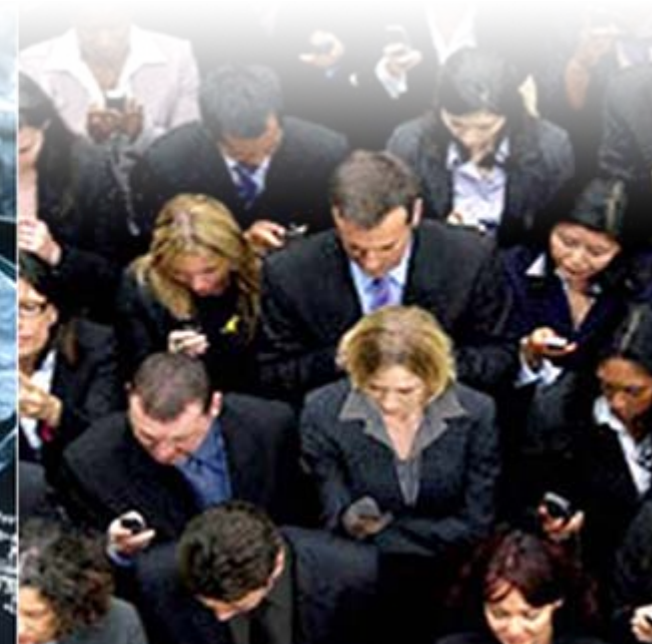
Volume

988 exabytes: The amount of digital information that will exist in 2010, equal to a stack of books from the sun to Pluto and back...



Variety

80% of new data growth is generated largely by email, with increasing contribution by documents, images, and video and audio.



Velocity

real-time information to make key business decisions.

...many organisations are struggling!!!

1 in 3

Business leaders **frequently make decisions** based on information they don't trust, or don't have

?????

1 in 2

Business leaders say **they don't have access to the information they need** to do their jobs



\$5.7M

Lost time **reformatting information** between applications

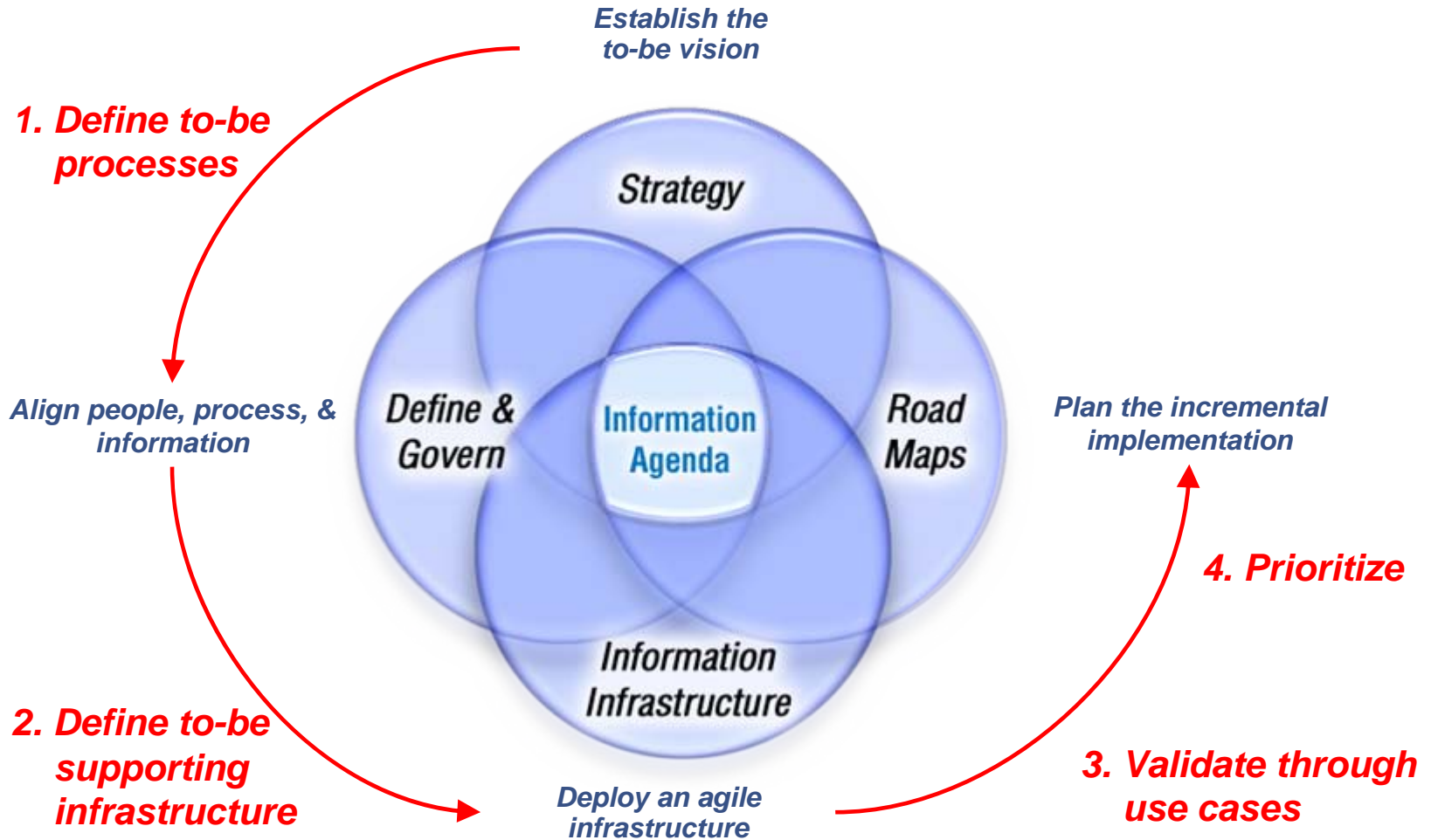
\$5.3M

Lost time **searching for the right information**

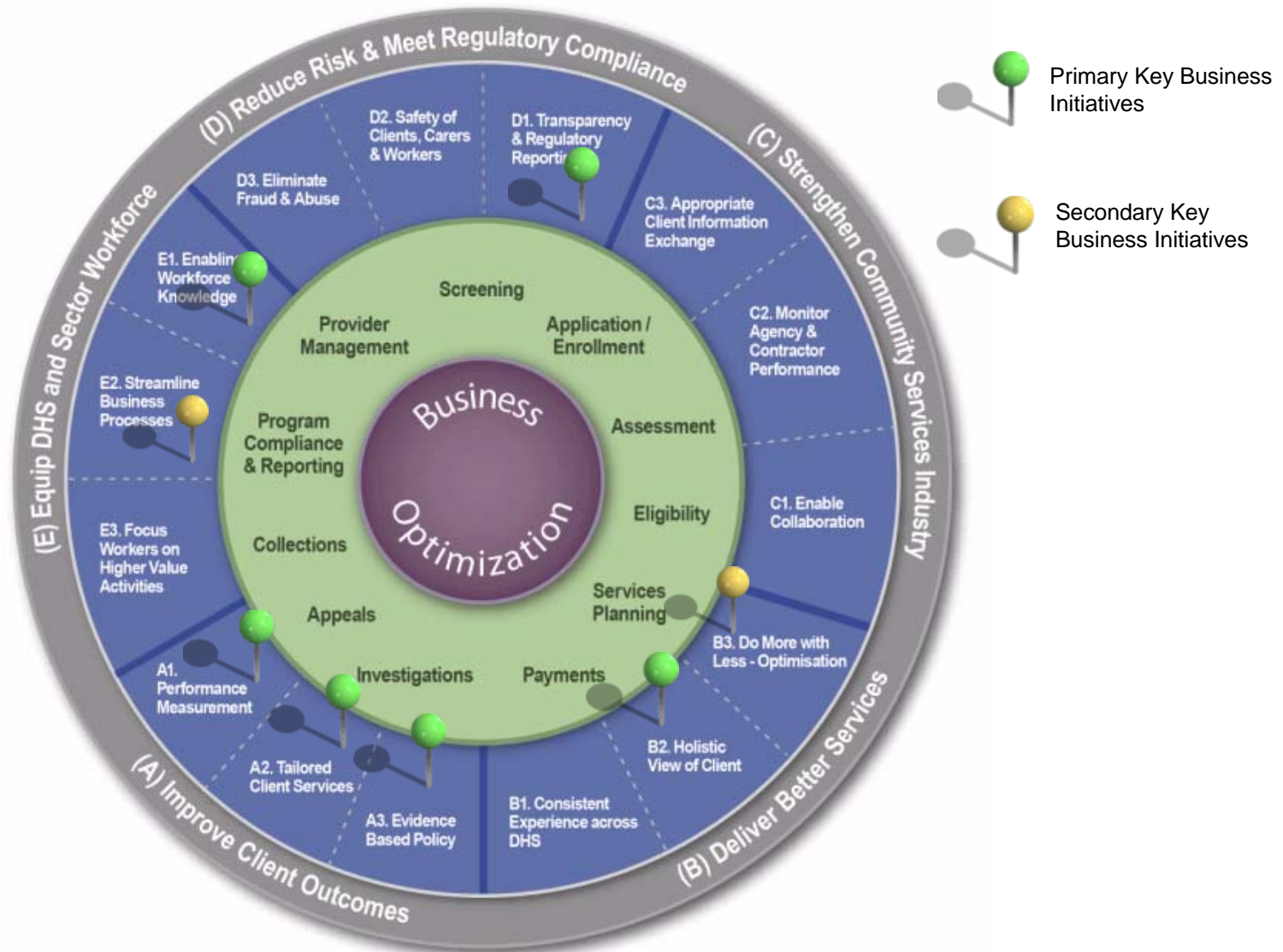
Annual cost per 1,000 knowledge workers

“we’re data rich but information poor”

There's a need to look at Information as a strategic asset of the organisation and develop an Information Agenda



Develop an Information Strategy – who needs what, when and why Must be closely integrated with the business objectives

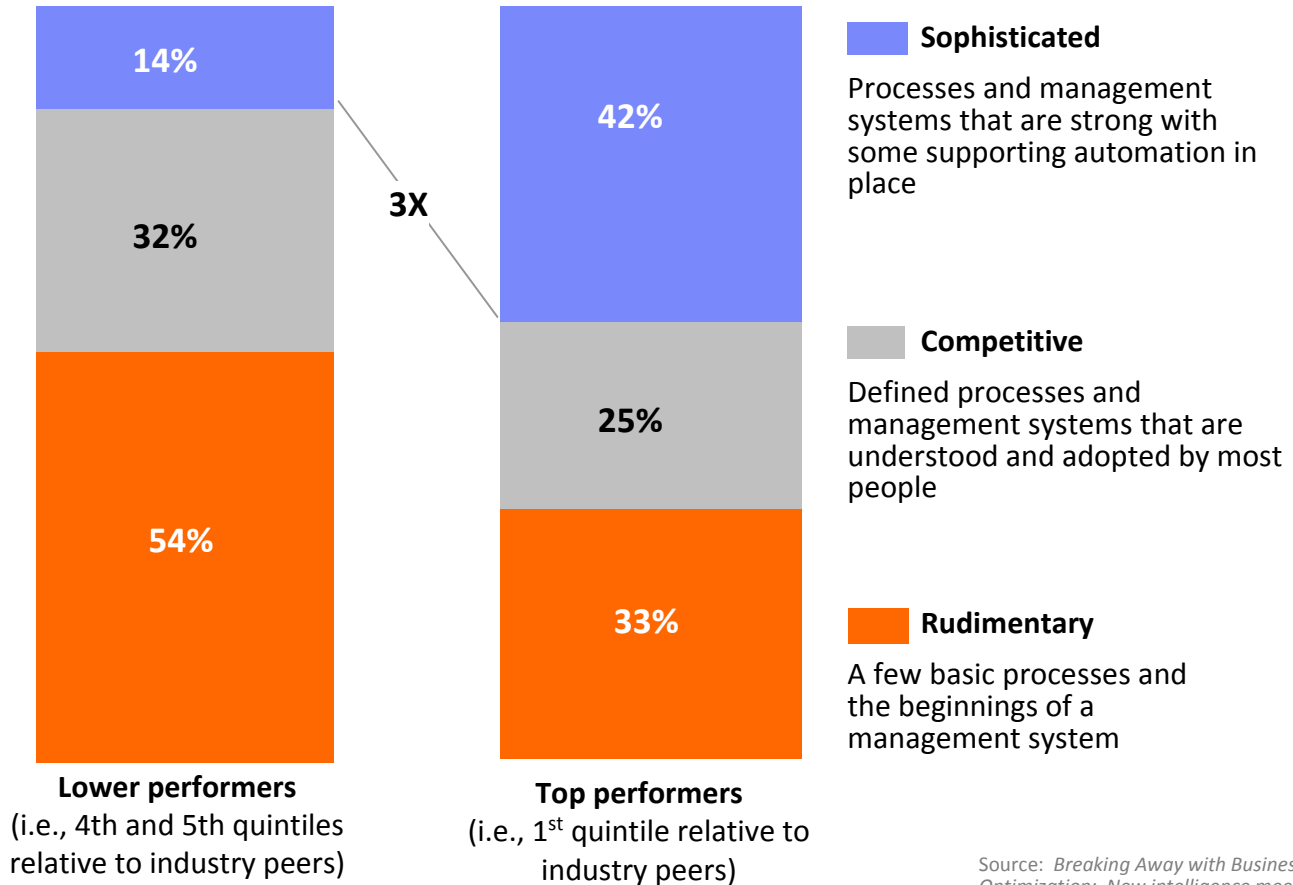




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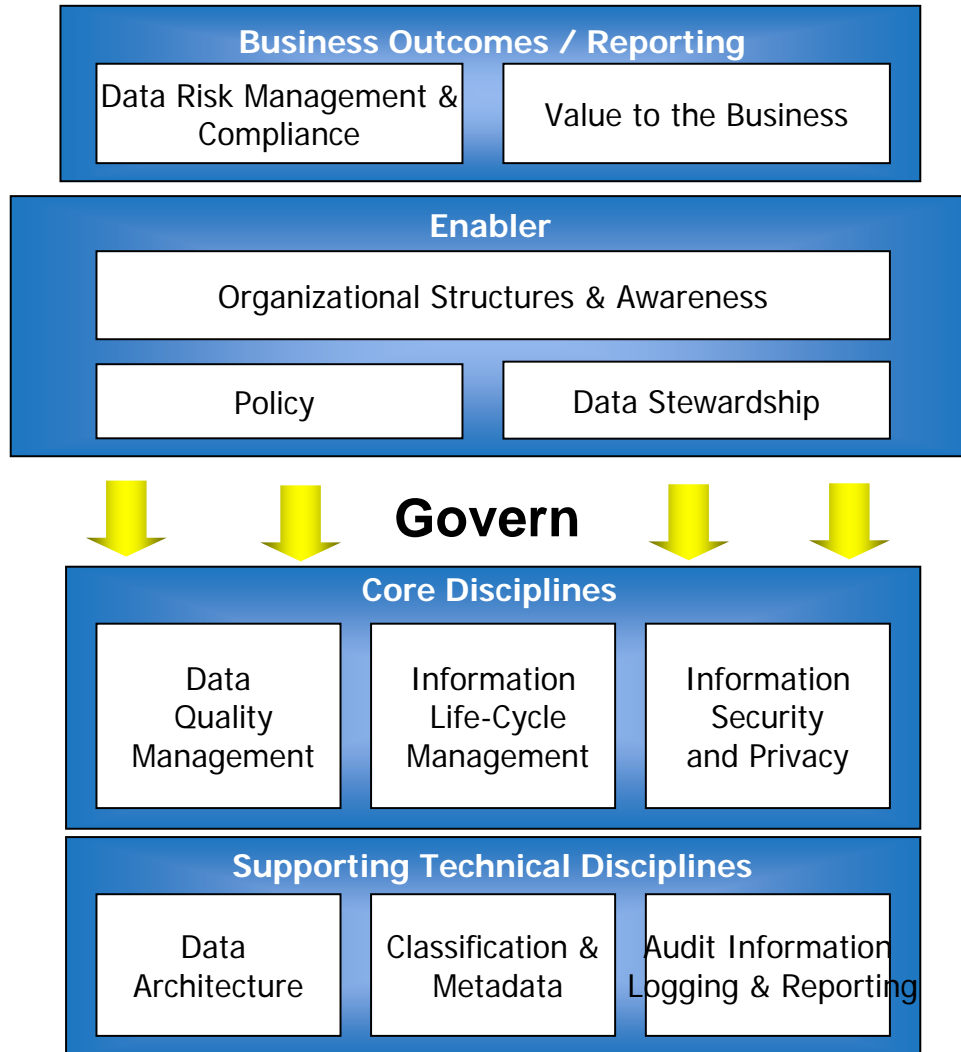
Strong data governance helps top performers move faster and collaborate more easily

Data Governance Levels



Source: *Breaking Away with Business Analytics and Optimization: New intelligence meets enterprise operations* at www.ibm.com/gbs/intelligent-enterprise.

IBM and about 50 other leading organisations formed the WW Information Governance Council - it defined 11 Information Governance disciplines



Manage Information Quality relentlessly – take a TQM approach

1. Lead the effort using a broad, senior group – executive sponsorship
2. Formalize management accountabilities for information – stewards / custodians
3. Focus on the most important needs of the most important customers.
4. Understand the information process, document it
5. Manage all critical sources of data – aim to fix it at the source
6. Measure Information quality – do it in business terms.
7. Employ automated controls at many points to detect and fix errors
8. Set and achieve aggressive targets for improvement.
9. Actively manage the needed cultural changes.
10. Establish foundation for continuous improvement.

Manage the full Lifecycle of Information

The explosive growth of data, compliance requirements and increasingly complex business environments have made information storage management more critical than ever. Governments need to ensure that they are able to maintain control over their ability to store and manage this key business asset, having due regard to privacy concerns. – Australia Federal Government Gershon Report 2008



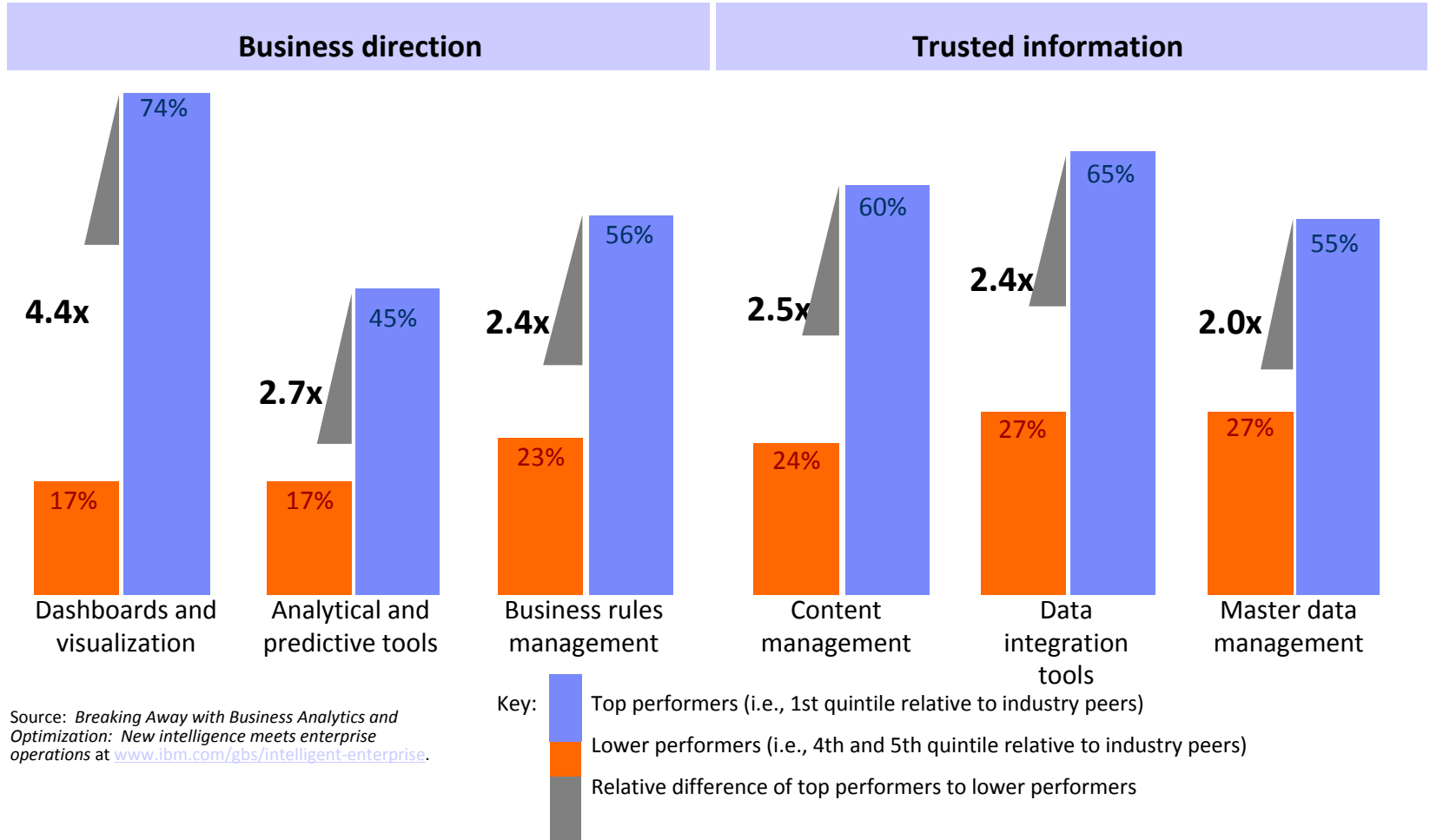
1. Manage Information over its its entire lifecycle –
 - Include content
 - TCO - measure it
2. Set the Privacy and Compliance Policies, communicate them , monitor them

How much more can you do ?



Top performers are armed with state-of-the-art solutions to support decisions

Above average platforms and toolsets



Source: *Breaking Away with Business Analytics and Optimization: New intelligence meets enterprise operations* at www.ibm.com/gbs/intelligent-enterprise.

IBM Government Information Infrastructure Foundation Components



The IBM Information Agenda Tiger Team



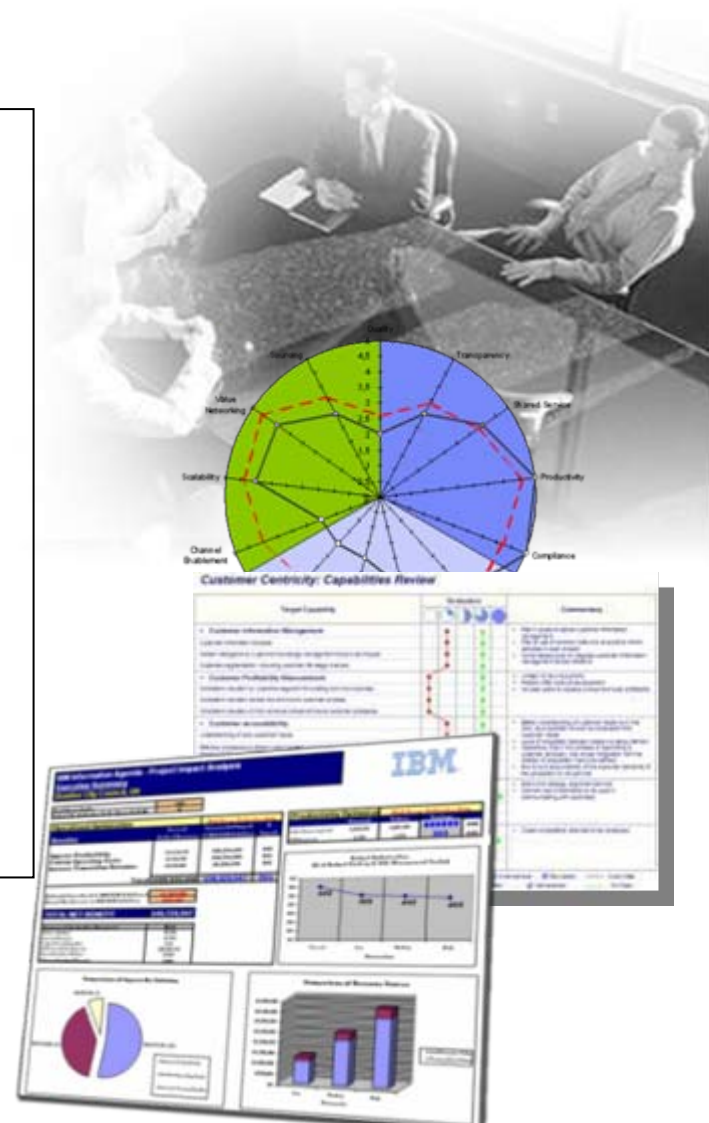
Here's an offer from us to facilitate a fast start with an IBM Information Agenda Workshop

Roadmap Workshop

1 Day workshop to help frame an Information Agenda Roadmap using a proven five-step approach:

5-Step Approach

1. Identify and Document the Opportunities to increase Business Value
2. Conduct an Information Capability Maturity Assessment
3. Align Business Vision with Technology Requirements
4. Identify Opportunities for Improvement – People, Processes and Technology
5. Deliver a Roadmap of activities based on priority





Smarter Solutions for a Smarter Government.

Q and A

IBM Software Industry Solutions

