information/edge

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WORLD-CLASS
FINANCIAL PERFORMANCE
MANAGEMENT
FOR GOVERNMENT
& NON PROFIT
ORGANISATIONS

CONTENTS

SUMMARY

There is a growing realisation in national and local government that the combined pressures of legislative change, the drive towards greater fiscal accountability, transparency and the need to demonstrate value and efficiency in the delivery of public services, will impact all aspects of the organisation: encompassing people, process and technology.

A recent research report, Performance Management in UK Local & Regional Government, concludes: 'The use of a standard approach to performance management tools can be adapted for local and regional government and can provide the basis for managing a complex organisation providing a wide range of local services.

It brings together in a single clear structure:

- **Long Term Community Plan – 10 year vision, aims and objectives**
- **Corporate or Medium Term Plan – 3 years rolling**
- **Performance management**
- **Service, action planning and task management**
- **Strategic risk management and planning**
- **Service improvement on the ground**

'The use of software makes [government performance management] achievable in a way that spreadsheets and paper reports cannot. It can also save considerable resource in ongoing maintenance and allows the organisation to focus on improvement.'

WHAT IS INFORMATION EDGE?

Information Edge Financial Management and Reporting software from Information Edge is a fully integrated performance management solution developed specifically for government and non profit organisations.

Information Edge incorporates all the elements of the financial management cycle and enables government organisations to perform the following functions:

- Budget planning and control
- Funding variation management
- Budget forecasting, tracking and management, including variance analysis
- Actual reporting
- Output/outcome evaluation
- Monitoring of non-financial performance information
- Consolidation of financial information for Budget reporting and financial statements

Information Edge provides solutions in all these areas and delivers an intuitive user experience that:

- Integrates management planning with control processes
- Links long-term strategic objectives to operational plans and front line service delivery
- Enables sophisticated 'what if?' modelling of budgeting and spending scenarios
- Supports continuous monitoring and adjustment, including variance analysis
- Allows real time decision-making based on accurate, up to date information
- Facilitates collaborative working practices across different job roles and locations

Information Edge is functionally rich, uses innovative, powerful analytic technology, and yet is easy to use and administer.

The application can be used equally effectively by a single organisation (eg. a government agency or a local authority), or deployed over the internet as an interactive tool for a group of organisations (e.g a regional or national treasury), where its ability to rapidly consolidate and report on the activities of individual constituents makes it a valuable resource for centralised management and process control.

WHY WAS INFORMATION EDGE DEVELOPED?

Every manager in today's government department or public service organisation has mountains of information to handle, and increasingly, this information must do more than just represent history.

Changes in legislation as well as growing demands for 'accountable government' mean that all forms of planning, budgeting and financial reporting must now be handled in a far more rigorous, transparent way.

In addition, the drive to achieve 'best value' from spending initiatives has led to a growing need for systems that aid and improve government decision-making and planning in order to deliver higher standards of service as well as more timely and accurate information to the communities they serve.

Information Edge was thus developed as an integrated system for managing government financial performance (whether local, regional or national). Moreover, Information Edge was purpose-designed as a single application that would connect all aspects of this critical fiscal function in one seamless user experience: ie. incorporating both financial and non-financial performance data from local authorities and agencies within a government department, as well as linking the budgeting and forecasting requirements of government agencies with a central Treasury financial consolidation process.

A proven track record

Information Edge has 10 years' experience in delivering world-class fiscal management solutions for government, and in 1995, built one of the first government accrual budgeting systems in the world for the New Zealand Treasury.

Information Edge is used by numerous local government authorities in New Zealand as part of an ongoing programme to improve policy-making and to make better and more efficient use of community resources, and in 1998, was the basis of the AIMS System built for the Department of Finance and Administration (DOFA) in Canberra that produces the budget and published financial statements for the Commonwealth of Australia.

More recently, software solutions based on the Information Edge application have been adopted by the Queensland, Western Australia and Northern Territory Treasuries, and in 2003, by Her Majesty's Treasury in the UK, to provide a single information system from which the 'whole of government' accounts for Great Britain are produced.

As a consequence, Information Edge is now recognised as the leading financial management system for government that provides planning, budgeting, consolidation, forecasting, reporting and performance measurement and management in a single application.

"Our experience with Information Edge has been excellent. Their understanding of our requirements and issues, and the patience shown over the years has been great.The forecasting system has given greater accuracy to forecasts as a whole and allowed the Council to consolidate Department forecasts to enable a more accurate treasury forecast of the funding requirements."

**KERRY SAYWELL, Treasurer,
Greater Wellington Regional Council**

WHAT MAKES INFORMATION EDGE DIFFERENT?

The goal of business intelligence software has always been to deliver 'a single version of the truth' to all users of a system, and thus to connect high level strategic planning with frontline operational data, and crucially, to be able to use the insight from the latter to make better-informed, and ultimately more successful decisions. However, until now, BI applications have usually been deployed in discrete, small-scale environments, due mainly to the constraints inherent in the available technology, but also to the perception that such systems are useful only for reactive report generation and for presenting historical information to a few expert users. By contrast, Information Edge is a functionally rich application that exploits advances in analytic technology to deliver real-time, dynamic insight, as well as finally achieving the aim of a single, integrated solution that brings together information from disparate source systems in an intuitive, easy-to-use format that can be accessed by anyone in the organisation via a Web browser.

In particular, Information Edge provides sophisticated functionally in the following areas:

For the treasury

- Enables seamless and efficient interaction between the main business areas of Treasury: ie. Budget Management, Ex-Post Reporting, Cash Management and Output Acquittal

- Supports powerful budget variation management to enable better tracking of such variations, together with rapid, efficient reporting of the latest budget position

- Accommodates a single coding framework to meet disparate reporting requirements

- Facilitates better cash management by tracking the cash impact of all budget variations and providing structured information on the forecast cash positions

- Enhances performance monitoring of government departments by providing an efficient system to manage department output delivery data against the budget. Information Edge also provides up-to-date information to enable a Treasury to take any corrective action to deal with under-performance, ie. under-delivery of outputs

In order to achieve the above key outcomes, Information Edge is:

- Accessible by departments and central officers via a secure direct or internet/intranet connection

- Able to unambiguously identify budget versions

- Capable of rapid response times under high load

- Easy to configure/reconfigure to meet simple changes to operational processes, machinery of government (ie. changes to the structure of reporting entities) and chart of accounts, etc

- Highly flexible in terms of user-defined and generated reports by the availability of system tools to enable users to define and generate most reports

- Capable of storing targets and outcome information for both financial data and non-financial indicators, including associated textual information

- Effective in reducing data duplication and streamlining business processes

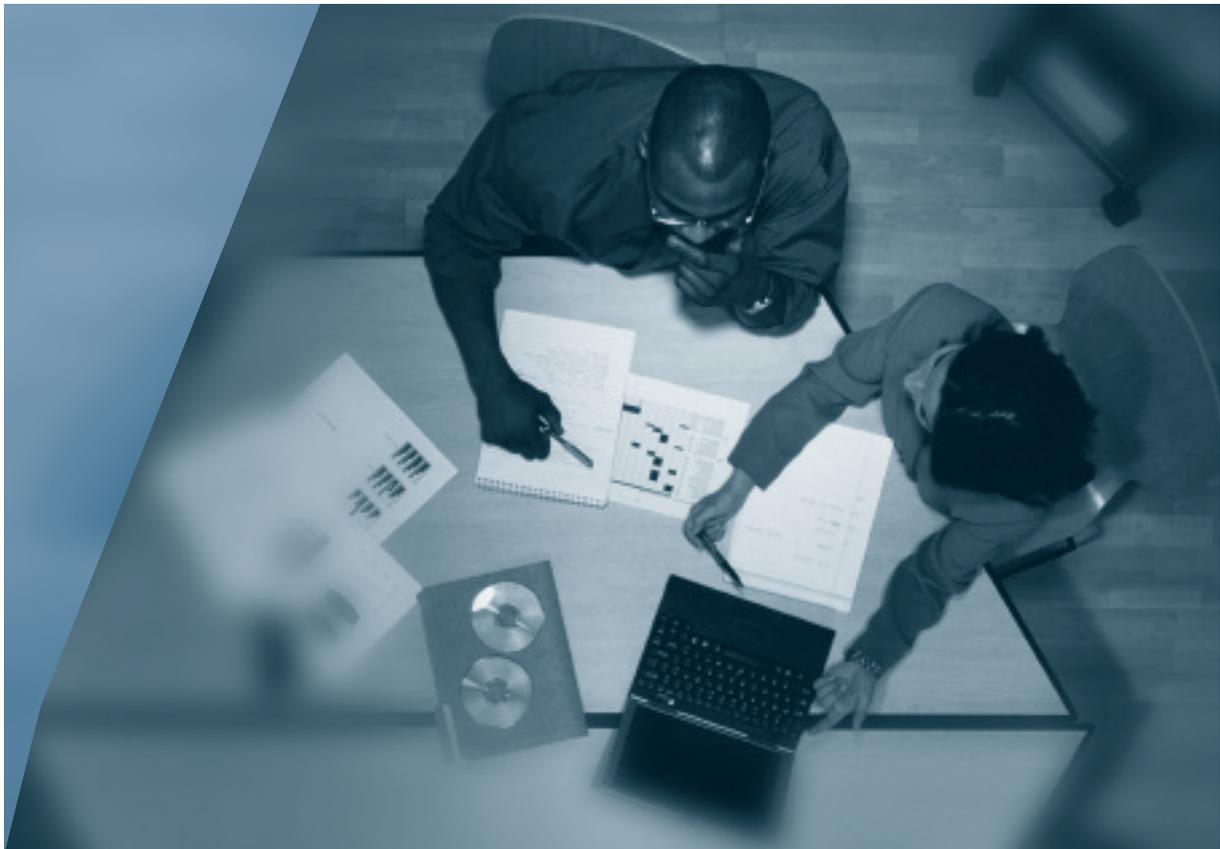## For the local authority & non profit organisations

Using Information Edge, local authority users are able to efficiently and accurately prepare annual and long-term strategic plans which are then consolidated to provide divisional and 'whole of council' financial statement views.

In addition, the system's ability to model sophisticated 'what if?' scenarios in real time so that the impact of different projects and initiatives on resources can be seen (particularly as they affect rates and other funding sources) makes Information Edge a valuable tool to support local authority requests for funding to central government.
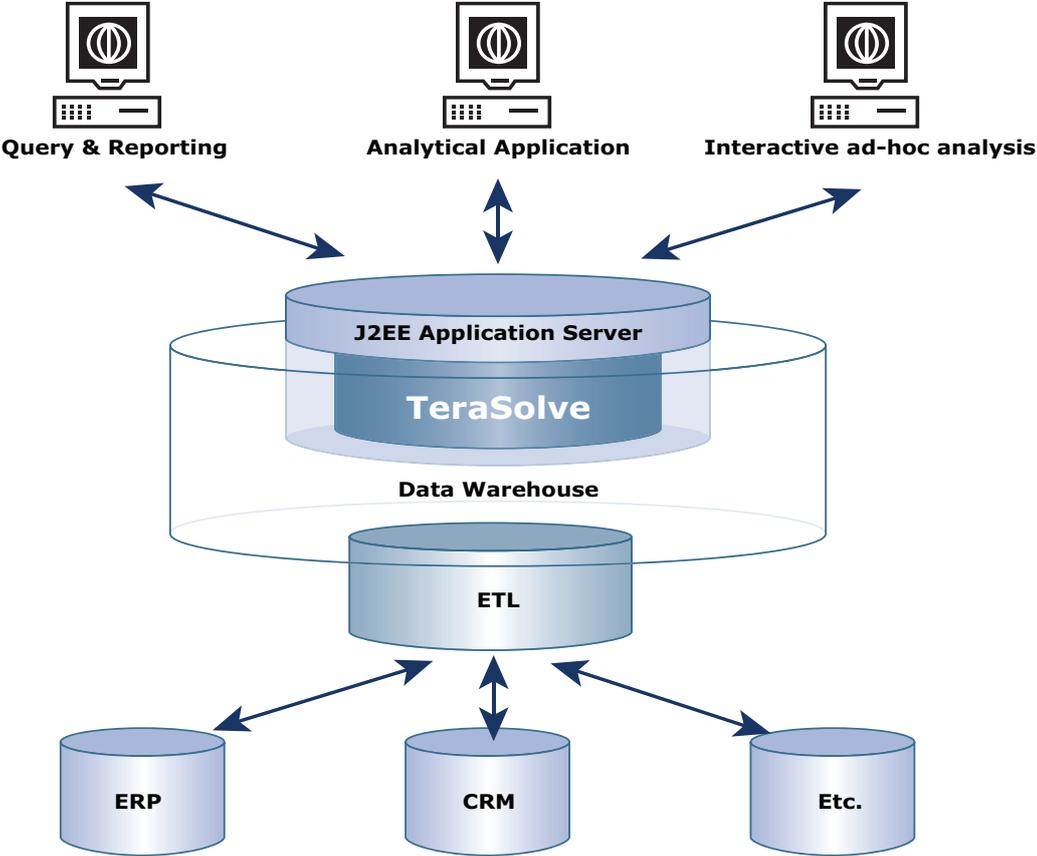
For the government agency

In addition to submitting budgets and forecasts to Treasury, government agencies ultimately want to get away from using spreadsheets to prepare their plans.

Information Edge has the inbuilt power and functionality that allows government department planning models to be developed at levels of complexity and detail never before possible – and can thus illustrate the parameters and drivers behind the numbers at the individual government agency level. This means that the agency can eliminate the use of offline spreadsheets, as well as benefiting from an integrated enterprise-wide application that facilitates collaboration and therefore improved accuracy and ownership of the plan.

INFORMATION EDGE TECHNICAL ARCHITECTURE

The following diagram shows the schematic technical architecture of the Information Edge application:

Some notable features of this architecture are:

- Web Browser Architecture: Information Edge is a web browser application, which means no software needs to be installed or maintained on the desktop

- Host Centric Architecture: Information Edge is a centralised database application – ie. only one version of the software needs to be loaded and maintained – users are automatically given the latest configuration of the centrally administered system

- Web Centric Architecture: This is a major advantage especially for remote users as there is no need to install expensive network links (ie. a Wide Area Network) to provide users with online access to the Information Edge application. Also if a LAN/WAN is used, the network traffic is tiny relative to client/server applications

- Industry Standard Database Technology: Information Edge has a flexible, open standards architecture which removes the need to purchase proprietary hardware or OLAP database technology, and instead ensures clients benefit from the reliability and robustness of IBM, Oracle or Microsoft relational database technology

- Functionally Rich Application Modules: As Information Edge works with more clients, innovation and experience combine to ensure ongoing development and functional enhancement for the Information Edge application, based on best practice methodologies for the benefit of all users

HOW EFFECTIVE IS INFORMATION EDGE?

The most powerful testimony to Information Edge's effectiveness is the increasing number of public sector organisations that are choosing to use Information Edge for their financial management and reporting requirements.

CASE STUDY EXAMPLE 1: MANUKAU CITY COUNCIL

- New Zealand's 3rd largest territorial local authority: 307,100 inhabitants, $351million budget in 2003

- MCC needed to streamline all aspects of its financial planning process which had historically been run offline between disparate information sources and a large team of management accountants

- The Information Edge web-based solution enables all 300 departments and budget holders to submit 'budget bids' online, leading to greater ownership of the plan and improved overall data integrity

- A structured change management programme and end-user training also led to 90% user acceptance / approval rating following the technology change

- MCC's planning process is now more efficient, with better quality assurance standards and controls, enabling greater accuracy and visibility of information to drive decision-making in alignment with the Council's strategic vision for 'Tomorrow's Manukau'

'Information Edge has allowed a wider audience for budget information and has led to increased awareness and acceptance of scrutiny of budgets ...this has led to better ownership of the plan.'

CFO, Manukau City Council

'The system in place enables us to provide better governance for the communities that we serve by enhancing accountabilities and internal management processes.'

**SENIOR ACCOUNTANT,
Compliance & Projects, Manukau City Council**

CASE STUDY EXAMPLE 2: MARLBOROUGH DISTRICT COUNCIL

- Marlborough District Council (MDC) is responsible for an area covering 17,517 sq km on New Zealand's south island, with a resident population of 42,000 and thriving local economy. The Council employs 175 staff and administered a budget of NZ$38 million in 2003

- In accordance with government legislation, MDC publishes a Long Term Council Community Plan (LTCCP) to outline strategic and operational objectives as well as annual budgeting and forecasting reports

- MDC needed to improve its detailed planning and forecasting capabilities, and selected Information Edge to deliver a bid-based budgeting application which would enable the Council to consolidate spending requests across 20+ departments, and provide a comprehensive management reporting tool for both financial and non-financial information

- The Information Edge application enables MDC to perform:
  – Budget bid collection and consolidation
  – Strategic planning
  – LTCCP planning with a 10 year outlook
  – Detailed 3 year outlook
  – Financial management reporting using Hyperion Intelligence and Excel

'Staff are better utilised – there is a lot less duplication of work by reduced double handling of data and better systems of control and data security ... Using the system for both actual and budget information will allow greater control and understanding of the impact of investment decisions ... and the ability to make changes easily helps keep budget information up to date.'

'This is a very flexible tool which allows organizations like ours to develop the product over time. It has many opportunities for us that we have yet to progress into – such as using it for non-financial

systems – but we are looking forward to doing so.'

'One of the greatest assets that your product has is the people within your organisation who are real professionals and set an example that encourages us all. A good product and good customer service makes for satisfied clients.'

CORPORATE PLANNING & FINANCE MANAGER, Marlborough District Council

ABOUT INFORMATION EDGE

Information Edge is a software company that is fundamentally reshaping the way organisations achieve value from enterprise business intelligence and data warehousing solutions. We have over 12 years' experience in delivering mission critical business performance management, data warehousing and analytic application software solutions to commercial and governmental organizations worldwide.

Information Edge delivers leadership through innovation. We challenge technology barriers to deliver bold new answers to our customers' business needs. We pride ourselves on the quality of our people and are focused on developing long-term relationships with our customers and partners.

Information Edge software is used by over 50 global customers including HM Treasury, Abbey Group, Telstra Reach, Ernst & Young, Air New Zealand and Carter Holt Harvey. We offer a proven track record for implementation excellence and 100% referenceability. An IBM Global Strategic Alliance Partner, Information Edge employs over 70 people and has offices in the UK, New Zealand and Australia.

For further information, visit **www.informationedge.com**

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