Budget Reforms and Mandates Are Pervasive

• The Government Performance and Results Act (GPRA) makes this a requirement by mandating that performance plans display, generally by program activity, the funding level being applied to achieve performance goals. Performance budgeting shifts the focus of attention from detailed items of expense - such as salaries and travel - to the allocation of resources based on program goals and measured results.
Budget Formulation Business Processes

- Adopt & Load to Control
- Historical Data
- Modeling & Forecasting
- Personnel Expense Projections
- Centralized Target Setting
- Supplementals & Decision Packages
- Decentralized Budget Requests
- Review & Revise
- Publishing & Reporting
- Master Data Integration with ERP
- Budget Formulation

SAP
Government Budgeting Is Getting Tougher

Flat World dynamics create both challenges and opportunities

- Diminishing Revenues
- Increased Demands
- Increased Accountability
- Increased Transparency
More Stakeholders with Increasing Demands vs. Diminishing Resources
EX-NFLD. CABINET MINISTER JAILED IN SPENDING SCANDAL

A former high-ranking Newfoundland and Labrador cabinet minister has been sentenced to two years less a day in jail for defrauding taxpayers of nearly $118,000.
Declining Revenues Amid Increasing Demands

Ottawa refuses to rescue AbitibiBowater
Thousands of jobs at risk as one of country’s oldest companies and world’s biggest newsprint producer files for bankruptcy protection

Dial 311 for Halton Government Services
Learn more about 311

Dial 211 for information on community, health and social services or visit
PBF is Strategic in this Economy

Budgeting is at the Center of Everything

**Efficiency:** Drives productivity and reduces costs internally and externally

**Insight:** Fortifies decision-making and improves allocation of scarce public resources

**Flexibility:** Gives customers flexibility to quickly adapt solution to meet evolving requirements
Evolution of Public Sector Budgeting and budget formulation technology

1. Spreadsheets
   - Enter and Calculate rows and columns of numbers

2. Commercial Planning Tools
   - Display the numbers
   - Create simple charts and graphs
   - Build simple mathematical algorithms

3. Public Budget Formulation
   - Get behind the numbers with fully integrated text
   - Link Budgets to Strategic and Performance Based Plans
   - Flexible and powerful Personnel Expenditure Projections
   - Integration to existing financial, hr, capital project, grant, and performance systems
   - All centralized and decentralized budget formulation processes accommodated in a single web-based system

Business Network

Older technologies and “build-it-yourself” toolkits have failed to meet the unique challenges of the modern public sector budgeting reality
PBF is Designed to Be Comprehensive Enterprise Budgeting Solution

**Budget Approaches**
- Incremental Budgeting
- Zero-Based Budgeting
- Initiative / Activity / Program Budgeting
- Performance Based Budgeting

**Budget Processes**
- Agency / Department Budgeting (Requests)
- Central Executive Budgeting (Reviews/Recommendations)
- Legislative Budgeting (Adoption)
- Budget Execution: Spending Plans Allotment/ Allocation, Budget/Position Control

**Budget Types**
- Operating Expenditure Budgets
- Capital Budgets
- Revenue Forecasting
- Grant Budgets
- Long Term Planning (6+ Years)

**Budget Outputs**
- Financial Plan / Spending Plan
- Adopted Budget (Control)
- Reporting & Analytics
- Published Budget Document

Highly Flexible Functional Configuration To Support Different Budget Approaches, Processes, Types and Outputs
## Key Foundations of SAP Public Budget Formulation Solution

### Ease of Use & Configuration

<table>
<thead>
<tr>
<th>Salary and Benefits Projection</th>
<th>Text Handling and Publishing</th>
<th>Decision Packages</th>
<th>Flexible Forms &amp; Process Controls</th>
<th>Analytics and Modeling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlimited Scenarios</td>
<td>Single point of entry for budget data and related text</td>
<td>Link budget/actual dollars to text, performance measures, etc.</td>
<td>Single point of entry - Expenditures, Revenues, Justification, Performance, Positions</td>
<td>Expenditure &amp; Revenue Forecasting</td>
</tr>
<tr>
<td>Date-effectiveness on all compensation and benefits</td>
<td>Real-time reporting of budgets including text</td>
<td>Budget stages and controls</td>
<td>Map to your different budget processes - Base, Packages, Capital, Spending Plans, Other</td>
<td>Trend Analysis</td>
</tr>
<tr>
<td>Table-Driven projections</td>
<td>Customer configurable Text Fields</td>
<td>Security</td>
<td>Configured by budget people</td>
<td>Top-down budgeting, metric-driven budget allocation</td>
</tr>
<tr>
<td>Integrated to position control / org management</td>
<td>Text intensive Reporting</td>
<td>Audit trails</td>
<td></td>
<td>Allocation and redistribution</td>
</tr>
<tr>
<td>Position/employee, job class, bargaining group forecasting</td>
<td>Link performance to Budget Requests</td>
<td>Reorganizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution to budget Line items, programs, performance metrics, etc.</td>
<td>Automated budget book publishing</td>
<td>Decision cockpit for package ranking and decision support</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Integration: SAP and Non-SAP

HCM, G/L, Budget Control, Position Control, Performance Management
Public Budget Formulation Foundations

Optimize Allocation of Public Resources

- Provide policy-makers with the real-time fiscal impact analysis to support decision-making
- Rank and prioritize funding requests

More Efficient Budget Process

- Reduce time-consuming data manipulation and duplicate entry
- Automate budget requests, reviews, adoption and publishing in one comprehensive budget formulation solution

Improve Organization Performance

- Integrate funding requests with strategic planning and performance management

Greater Control

- Control access, data collection and process flow with provide audit trails to all changes throughout the budget process

Text and Publishing

- Single point-of-entry for Budgets, Text Justification and Performance with automated budget book publishing

Personnel Expenditure Projection

- Highly configurable date-effective personnel cost projection supporting unlimited compensation plans

Decision Packages

- Flexible Forms with decision cockpit for package ranking and approval of requests

Analysis & Reporting

- Expenditure and revenue forecasting and Modeling with trend analysis

Distributed Budgeting

- Budget stages, audit trails and budget state controls with user-configurable budget form templates
Solution Integration

Planning & Performance Management

Capital Projects / Grants

Payroll / Benefits

Position Control

Budget Control

Accounting (G/L)

SAP Public Budget Formulation
SAP Solutions: Manage the Complete Performance Lifecycle

- **Strategy Management**: Are we doing the right things?

- **Cost Management**: Do our expenditures align with our strategic vision?

- **Public Budget Formulation**: Have we allocated adequate resources?

- **Analytics**
  - Cost, Activities, Cost Object

- **Program Execution (ERP)**
PBF Customers

- City of San Diego
- State of Louisiana
- South Florida WMD
- City of San Antonio
- City of Toronto
- University of Cincinnati
- Texas State University
- Los Angeles Community College District
- Marin Water District
- Fairfax County, VA
- Fairfax County Schools, VA
- State of South Carolina
- Texas State University
- Chicago Metropolitan Water Reclamation
- Amtrak
- United States Department of Agriculture
What’s New

MIDAS Demo Recordings

The Demo is an early milestone in the MIDAS project and was developed by the MIDAS Project team to validate how SAP can work with FSA data and processes to meet our farm service business needs. The full end-to-end MIDAS solution will not be shown by the Demo. The Demo will provide a limited preview of the transformative business change that MIDAS will bring to FSA.

To access the MIDAS Demo Recording please select the desired segment that you wish to view by clicking the segment title. After
Complement Planning - HR/Payroll, Financial System, and PBF

**HR/Payroll**
- Employee Master Data
- Position Master Data
- Job, Pay Level Special Pays
- Benefit Plans
- Benefit Rates

**Financial System**
- Budgets
- Commitment Item/CE

**Public Budget Formulation**
- Employee Master Data
- Position Master Data
- Benefit Plans
- Benefit Rates

**Future Orientation**
- Salary and Benefit Projections
- Salary and Benefit Budget

Integration
PBF calculates such that if the most granular level of data exists (Employee), that data is used; otherwise PBF looks to the next level (Position) followed by Job.
PBF Standard Data Cubes

**Projection Cube**
- Salary projection scenario results

**Budget Cube**
- Historical actuals and budgets
- Budget form requests
  - Amounts
  - Positions
- Posted salary projection

**Performance Measure Cube**
- Performance measure actuals/planned/budget
Business User Provides a Fully Integrated Strategy-to-Execution Offering

**Strategy**
- Enterprise Performance Management
  - Strategy Management
  - Profitability and Cost Management
  - Spend Analytics
- Business Intelligence
  - Reporting
  - Dashboards and Visualization
  - Advanced Analytics
- Unified Information
- Collaborative Decisions
- Business Network Optimization

**Insight**
- Governance, Risk, and Compliance
  - Risk Management
  - Process Control
  - Environment, Health and Safety
- Access Control
- Global Trade Services

**Decisions**
- Information Management
  - Data Integration
  - Master Data Management
  - Metadata Management
- Data Quality Management

**Execution**
- Across multiple transaction systems
- Manage compliance, risk and optimize performance across the business network
Business Intelligence Platform

Information Discovery & Delivery

Query, Reporting, & Analysis
- Reporting
- Analysis
- Dashboards
- Search
- Information Delivery

Advanced Analytics
- Predictive

Enterprise Information Management

Data Integration
Data Quality
Metadata Management
Master Data Management
Data Mart Solutions

Business Applications & Structured Data
Unstructured Data
Cloud Data
Business Intelligence Platform

Best in Class Enterprise-Reporting and Direct Access to Data within SAP and non-SAP Applications
- Ad-hoc Reporting
- Search
- BI Widgets
- OLAP Analytics
- Guided Querying
- Mobile BI

Highly Interactive Visualization and Dashboarding and Embedded within Microsoft Office Environment
- Formatted Reporting
- Dashboard and Data Visualization
- Live Office
- Metadata Management
- Entity Extraction
SAP BusinessObjects BI Platform

Reporting
- Crystal Reports

Query & Analysis
- SAP BusinessObjects Web Intelligence
- SAP BusinessObjects Desktop Intelligence
- SAP BusinessObjects Voyager

Dashboards & Visualization
- SAP BusinessObjects Dashboard Builder
- Xcelsius

Business Intelligence Platform
- SAP BusinessObjects Enterprise
- SAP BusinessObjects Builder
- SAP BusinessObjects Live Office
- SAP BusinessObjects Mobile
POLESTAR

• Familiar key-word search to find business information
  – Answers your specific questions

• Search across all data sources
  – Any universe accessible source

➤ Directly on data
➤ No previous reports or metrics need exist

➤ Pre-indexed data provides fast search and exploration
### Visible Minorities by Region

#### Measures:
- Visible Minorities (SUM)
- Women (SUM)
- Disabled (SUM)
- Aboriginals (SUM)
- # Employees (SUM)

#### Region

| Region | ALB | BRC | MAN | NCR | NUN | NWT | ONT | QUE | SAS | YUK | More...
|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------
|        | 36  | 127 | 14  | 228 | 0   | 19  | 73  | 0   | 14  | 7   |        |

#### Category

- Admin. and Fe.
- Exec.
- Sci and Prof.
- Admin. Support
- Technical

| Year | ALB | BRC | MAN | NCR | NUN | NWT | ONT | QUE | SAS | YUK | More...
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------
| 2000 | 289 | 14  | 71  | 106 | 43  | 0   | 0   | 0   | 0   | 0   |        |
| 2001 | 82  | 13  | 71  | 127 | 14  | 0   | 7   | 0   | 14  | 0   |        |
| 2002 | 75  | 14  | 73  | 73  | 73  | 0   | 7   | 0   | 0   | 0   |        |
| 2003 | 73  | 14  | 73  | 73  | 73  | 0   | 7   | 0   | 0   | 0   |        |
| 2004 | 73  | 14  | 73  | 73  | 73  | 0   | 7   | 0   | 0   | 0   |        |
| 2005 | 71  | 14  | 71  | 71  | 71  | 0   | 7   | 0   | 0   | 0   |        |
| 2006 | 71  | 14  | 71  | 71  | 71  | 0   | 7   | 0   | 0   | 0   |        |
| 2007 | 71  | 14  | 71  | 71  | 71  | 0   | 7   | 0   | 0   | 0   |        |

### Visible Minorities

#### Display:
- Region
- Category
- Year

#### Show:
- 10
- Show All

<table>
<thead>
<tr>
<th>Region</th>
<th>Visible Minorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCR</td>
<td>228</td>
</tr>
<tr>
<td>ONT</td>
<td>73</td>
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<tr>
<td>NWT</td>
<td>19</td>
</tr>
<tr>
<td>SAS</td>
<td>14</td>
</tr>
<tr>
<td>ATL</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>
Thank you!

Simon Langford - Financial Consultant
SAP Canada Public Services
simon.langford@sap.com