

Good Data Makes for Good Decisions

Management Information Systems
for Governmental Entities

House Government Efficiency

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Attachment: 3

The Problems with GASB Accounting and MIS

- The intent has always been to measure sources and uses
 - Important but relatively useless for managing
- Extraction of management information from the accounting data is difficult
 - Differences between governmental units and the many varieties of software used by each
 - Costs associated with packaged MIS
 - Differences in management philosophies

The Low Cost and Flexible Approach

- Excel Platform
 - Data dumps and Dashboards
- Understand your management group
 - Build in some flexibility
- Identify your key revenues and expenditures
 - Think about the process and the product

Stage 1

- Cost per unit of output by program
- Isolate individual programs
 - Key outputs and performance measures
 - Outputs first then manage to performance
- Have program managers identify the key variables
 - Salaries, benefits, travel, premise costs etc.
- Match outputs to accounting periods
 - Keep the data accumulation time under control!
 - The 90% rule
- Cost per unit of output by program becomes your benchmark

Stage 2

- Cost per unit of output per employee
 - Benchmark from Stage 1 is your starting point
 - This is NOT an absolute comparison
 - Management should use this to track improvements in operational as well as per employee
 - Start incorporating outcomes ASAP to map over outputs

Stage 3

- Cost per unit of output per intra department overhead
 - This is where the organizational structure gets measured
 - Government tends to have a very broad pyramid structure compared to private business
 - For example the number of employees reporting to a given supervisor
 - This is where you can often cut costs without impacting outputs or outcomes

Stage 4

- Cost per unit of output per inter department overhead
 - Brings in hidden costs
 - Examples would be KPERS/KDOR/DOA
 - At this point you can start to effectively compare outsourcing costs to in house for those functions that qualify
 - Competition drives efficiencies
 - Opportunity cost of lost revenues could be included
 - Taxes paid by contractors at all levels i.e. property/income/sales that would flow to your coffers

Stage 5

- Cost per Client Contact
 - Most difficult to spot but potentially biggest impact
 - How many different times do you ‘touch’ the same person or business?
 - Can you restructure your operations to do it less
 - » Check lists and cross training
 - » Follow up using statistical analysis
 - Has potential to improve citizen/government relationships while dropping costs

The Continuing Evolution

- Tie performance outcomes to the outputs
 - Consider bonus or other compensation reward
- Fine tune all stages as you learn what works for you
- This process should never end!