

# Achieving Better Outcomes with Data Driven Decision-Making

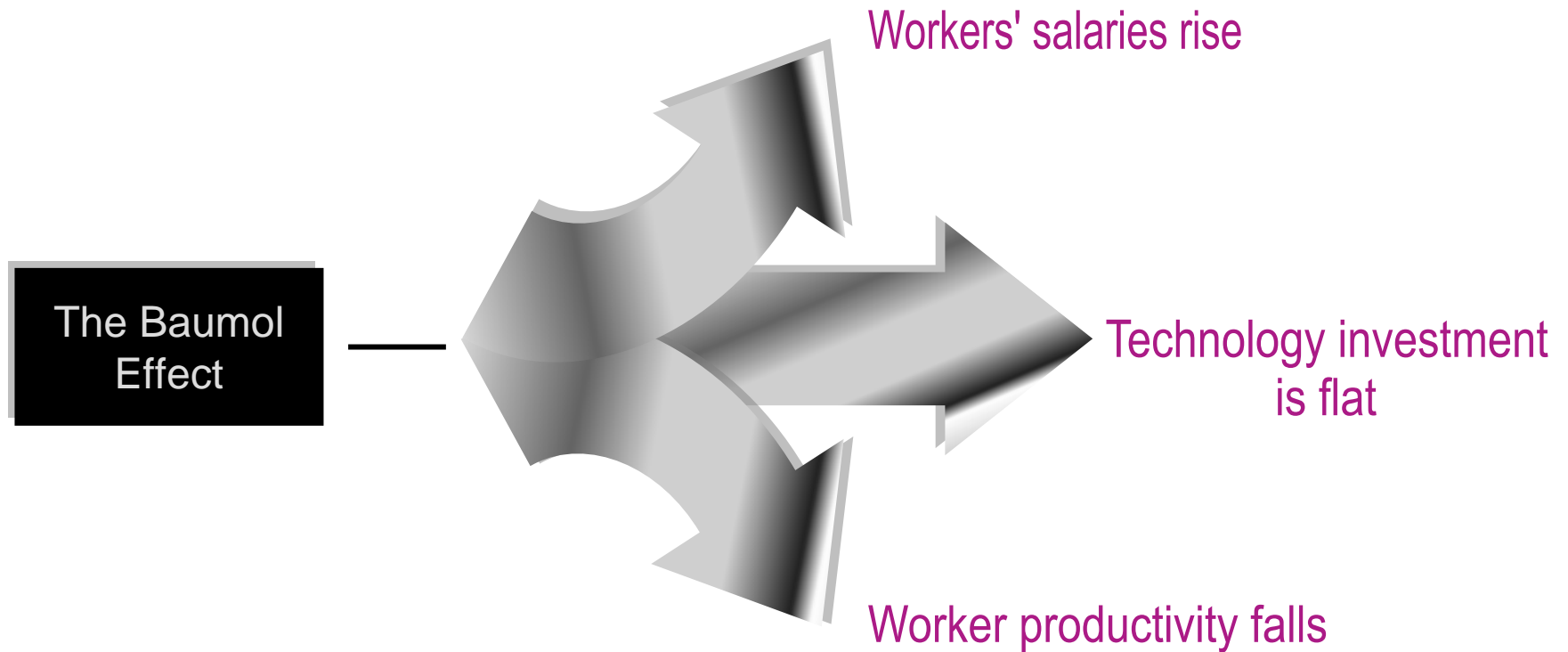
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**IBM Sales & Distribution, Public Sector**



# Baumol's cost disease is used to describe the lack of growth in productivity in public services.



This lack of growth occurs because productivity gains come from a better capital technology which governments are slow to adopt.



## This borne out when we look at the impact of information in driving better decision-making and better outcomes

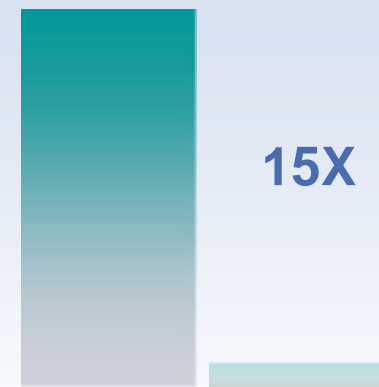
# 1 in 3

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

### Top Performers Demonstrate Expertise



**Predict and prepare for the future** by evaluating trade-offs proactively

-  Industry Top performers
-  Industry Under performers

Source: IBM: Break Away with Business Analytics and Optimization Study



“[Organizations] that **adopted “data-driven decision making”** **achieved productivity that was 5 to 6 percent higher** than could be explained by other factors, including how much the companies invested in technology.”

*Erik Brynjolfsson, economist, Sloan School of Management,  
Massachusetts Institute of Technology,*



That means looking at the factors that drive performance and productivity...



**Mission  
Goals**



**Financial  
Objectives**

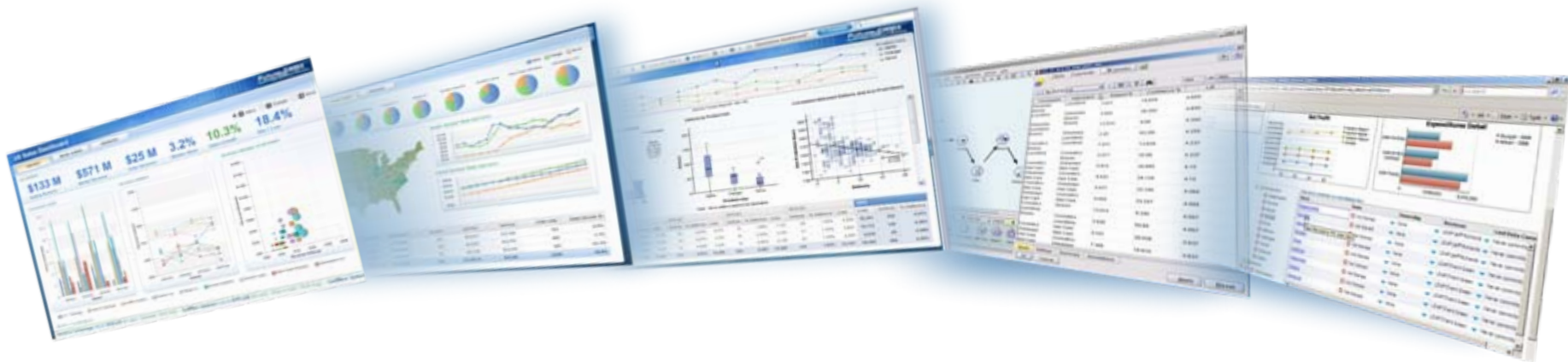


**Operational  
Requirements**

...and bringing them together for a full picture of performance and productivity.



# Data-driven decision-making, improved productivity and better outcomes begins with analytics



Reports, Dashboards,  
Scorecards...

Query, Trend Analysis,  
Statistical Analysis...

What-if Scenarios,  
Plans, Budgets, Forecasts...

Predictive Analytics,  
Predictive Models...

How are we doing?

Why?

What should we  
be doing?

## For Smarter Decision-Making Improved Productivity & Better Outcomes



## Analytics drives smarter decision-making, improved productivity and better outcomes through



**Mission  
Performance**



**Operational  
Performance**



**Financial  
Performance**

- A holistic view of programs, budgets and costs
- Forecasting and predicting trends
- Managing and reducing risk
- Improving operational efficiency and productivity
- Increasing transparency and accountability



# Mission Performance



## Strategy to Goals

- Tying the long-term goals to strategy at the government-level down to the workgroup level
- Translating goals to specific objectives to ensure the best outcomes
- Tying long-term goals to specific programs and program outcomes





## Clark County Department of Family Services

### Increased visibility and productivity of targeted case management activities

- Identified new federal revenue sources
  - \$10 million to date
- Decreased reporting time, freeing up social workers for critical tasks
- Helped to monitor case worker compliance with state policies
- Identified bottlenecks and improved business processes, improving productivity



# Operational Performance



## Strategy and Goals to Execution

- Executing specific programs to attain the long-term strategic goals
- Linking programs to resources such as budgets, headcount and other resources
- Improving the efficiency of program execution for maximum outcomes



## U.S. Coast Guard

Real-time supply chain management for improved operational efficiency

- One cohesive data system for supply chain and logistics management
- \$500,000 saved in the first year due to improved visibility into the status of part orders
- Better maintenance productivity through intelligent parts management



# Financial Performance



## Strategy, Goals and Execution to Accountability

- Linking budgets, expenses revenues together to programs
- Delivering against budget goals and financial objectives
- Tying budgets to specific programs and program outcomes



## U.S. Department of Justice

### Real-time financial management facilitates smarter government spending

- Available funding is quickly identified, analyzed and directed toward time-sensitive initiatives
- Real-time, centralized financial management oversight, for more accurate and timely responses to Congressional and White House requests
- Tailored reports on specific spending items for instantaneous access to information, which improves decision making

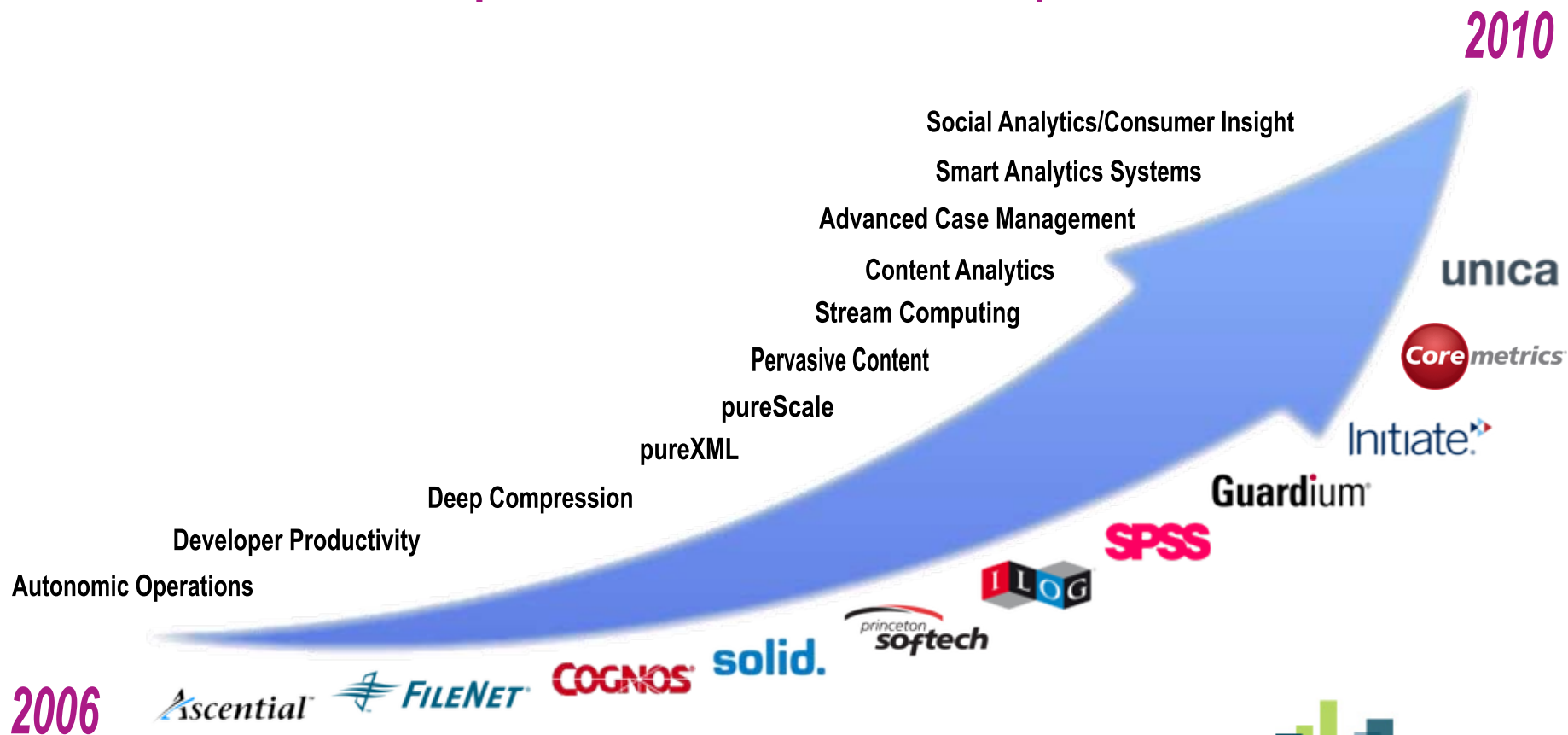


IBM Business Analytics delivers  
actionable insights for  
decision makers at all levels of your organization,  
enabling them to optimize performance



# IBM Investment in Business Analytics & Optimization

Over \$14B USD in Acquisitions & Internal Development



# IBM Business Analytics in government today

Public Safety and Security

Infrastructure Management

Tax & Revenue Management

Economic Development

Workforce Management

Social Services Benefits Management

Waste, Fraud & Abuse Tracking

Federal, State and Local Government Operations

Supply Chain Analytics

Budget Planning & Forecasting

Federal Grants Management

Transportation Management

Student Achievement

Capital Planning





## Governments who invest in technology like analytics, mitigate the Baumol Effect



**MANAGE UNEXPECTED CHALLENGES**



**DELIVER PRODUCTIVE GOVERNMENT**



**MANAGE UNDER TIGHT BUDGET PRESSURES**



**ARE TRANSPARENT & ACCOUNTABLE**



**USE DECISION-QUALITY INFORMATION**



**WORK IN A CULTURE OF PERFORMANCE**



Thank  
YOU

