

# Information On Demand 2013

November 3 – 7

Mandalay Bay | Las Vegas, NV

#ibmiod

## Implementing IBM Cognos TM1 for Annual Budgeting at Northwestern University

Lauren Pahnke, Northwestern University

Jim Bullis, eCapital Advisors



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# Presenters

- Lauren Pahnke – Northwestern University

- Sr. Business Systems Analyst

- Project lead for IBM Cognos TM1 implementations since 2011
- Supporting financial information systems in higher education since 2006



- Jim Bullis – eCapital Advisors

- Sr. Management Consultant

- Consultant for Northwestern's IBM Cognos TM1 implementations since 2011
- IBM Cognos TM1 consultant since March 2010



# Agenda

- Introduction
- Implementation Overview
- Previous Annual Budgeting Process
- Annual budgeting with IBM Cognos TM1
- Requirements
- Demo

# Northwestern University



- 4 year private University founded in 1851
- 12 schools and colleges on 3 campuses
- 16,475 Full time students
- 8,800+ Full time faculty and staff
- \$1.6+ billion budget
- \$7 billion endowment
- Fiscal Year - September to August



# eCapital Advisors



- IBM premier business partner founded in 2001 with over 200 performance management customers
- 17th Fastest Growing Company in Minneapolis-St. Paul for 2013
- eCapital Advisors employees:
  - Dedicated to best in class business analytics that help clients make better business decisions
  - Proven record and high customer satisfaction
  - Highly experienced project team
  - Experienced data warehousing experts
  - Over 100 Cognos technical certifications



# eCapital Advisors – Higher Education



- Northwestern University
- Boston College
- Fordham University
- University of Alabama
- Art Institute of Chicago
- Washington University
- Iowa State
- St. Louis University

- Northeastern University
- Massachusetts Institute to Technology
- Northwestern Medical
- University of St. Thomas
- Millersville University
- Yukon Health System

# Session Summary

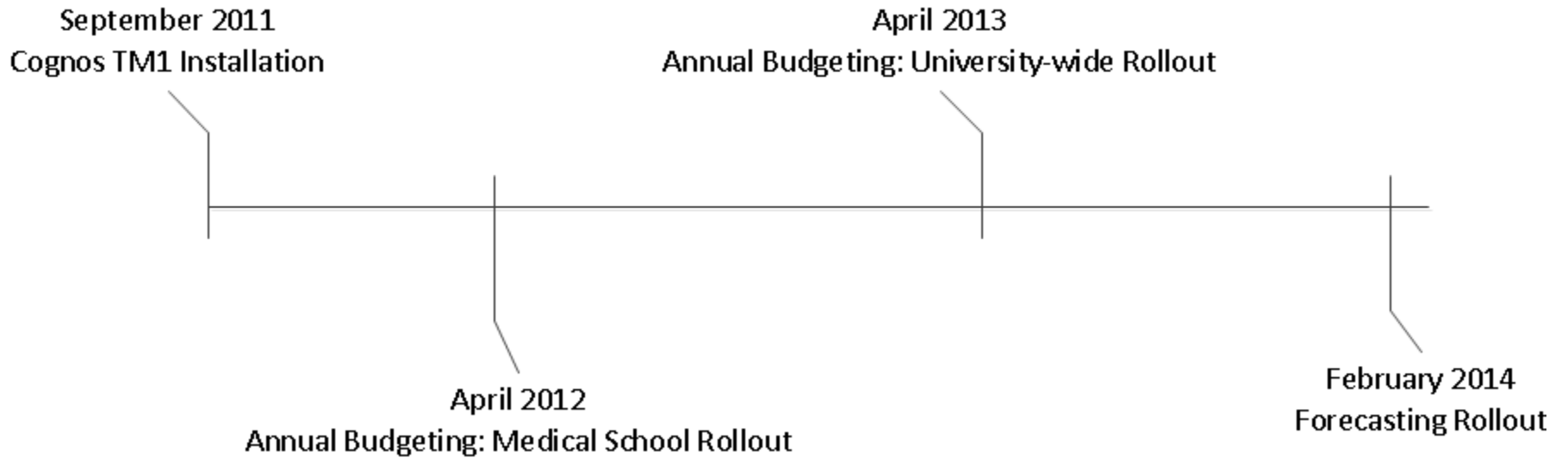
- Northwestern replaced an Excel-based process and created a pilot budgeting application for their medical school. Next they implemented a University-wide budgeting solution, meeting several challenging, but common requirements in higher education.
- The solutions that were implemented resulted in an accessible, secure application, as well as reduced time to prepare and distribute budget preparation files, as well as to consolidate area-submitted budgets.

# Northwestern and IBM Cognos TM1

- Version 9.5.2, installed FP3 in June
- Using Cognos TM1 Contributor and Web
- ~300 users



# Timeline



# Previous Annual Budgeting Process

- Excel-based
- Decentralized process
- Breaking the model
- Labor intensive

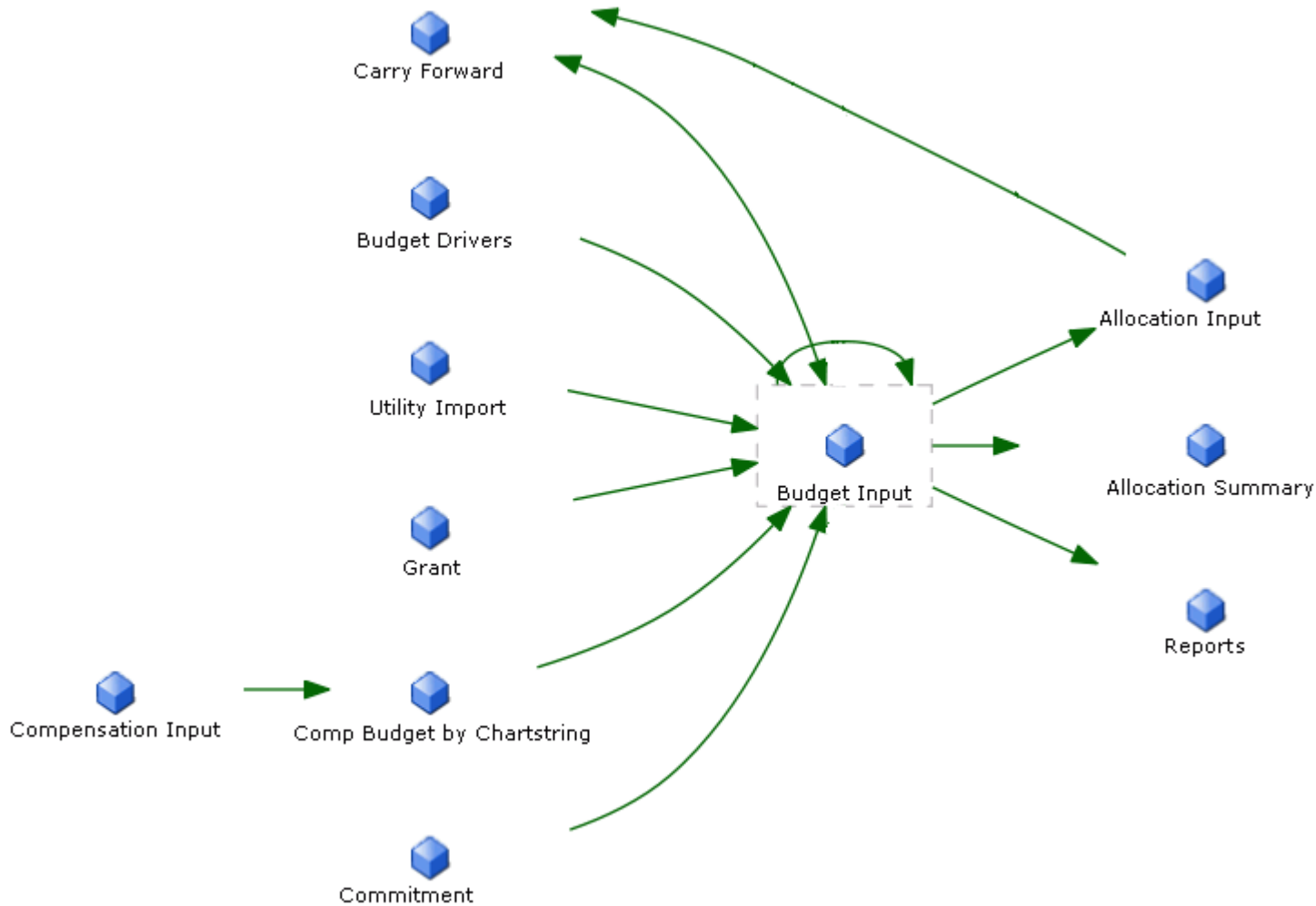
						BUDGET DATA					
Fund	Dept	Proj	Acct	Dept Desc	Acct Desc	FY09 Final	FY10 Final	FY11 Original	YTD FY11 Recur Adj	Current Recurring	Input FY12 Budget
				300-WEINB		92,832,984	92,832,984	97,246,528	60,868	97,307,396	97,307,396
110	4001200		60000	Faculty Recruiting	Salaries And Benefits			0	0	0	0
110	4001200		60101	Faculty Recruiting	Professional Exempt			0	0	0	0
110	4001200		60181	Faculty Recruiting	Fringe Benefits Statutory			0	0	0	0
110	4001200		60186	Faculty Recruiting	Fringe Benefits Full			0	0	0	0
110	4001200		73010	Faculty Recruiting	Paper And Office Supplies			0	0	0	0
110	4001200		73910	Faculty Recruiting	Books			0	0	0	0



# Annual Budgeting with IBM Cognos TM1

- Web-based
- Supports workflow
- Enables security
- Can't break the model
- Automations
- Reporting in Cognos TM1 Web

# Annual Budgeting with IBM Cognos TM1



# Requirements

- Decentralized Units
- Grants
- Automatically Generating Balanced Budgets
- Salary Budgeting
- Commitments
- Central Appropriations

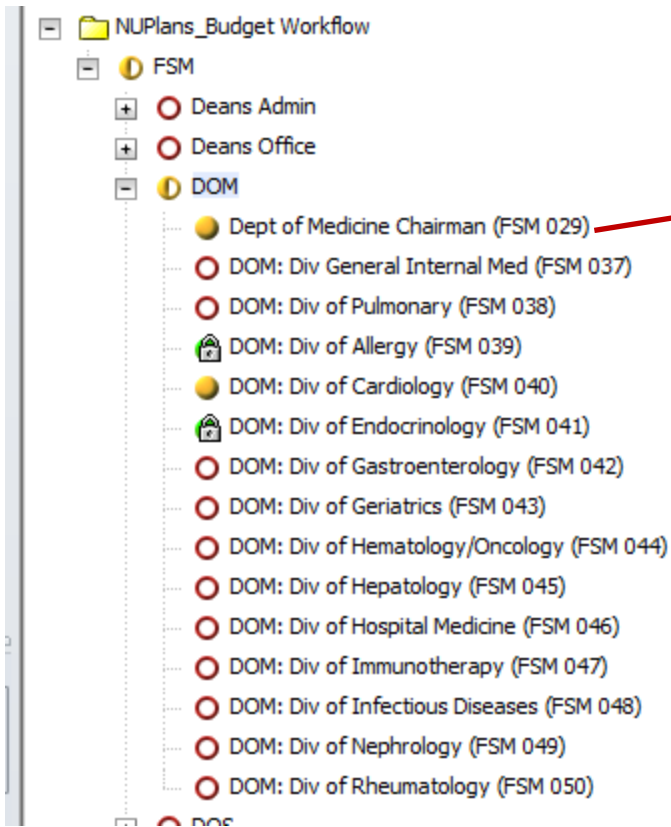
# Requirements

- **Decentralized Units**
- Grants
- Automatically Generating Balanced Budgets
- Salary Budgeting
- Commitments
- Central Appropriations

# Decentralized Units

- Requirements:
  - School differences
  - Administrative units vs. schools
  - Approval hierarchy
- Solution:
  - Prep File Admin cube
  - Budget Grouping hierarchy

# Decentralized Units – Solution



NUFinancials  
Department IDs:  
5300000  
5300100  
5300200

PrepFile_Picklist	Grants	Automatic Balancing
FSM (FSM)	Yes	Yes



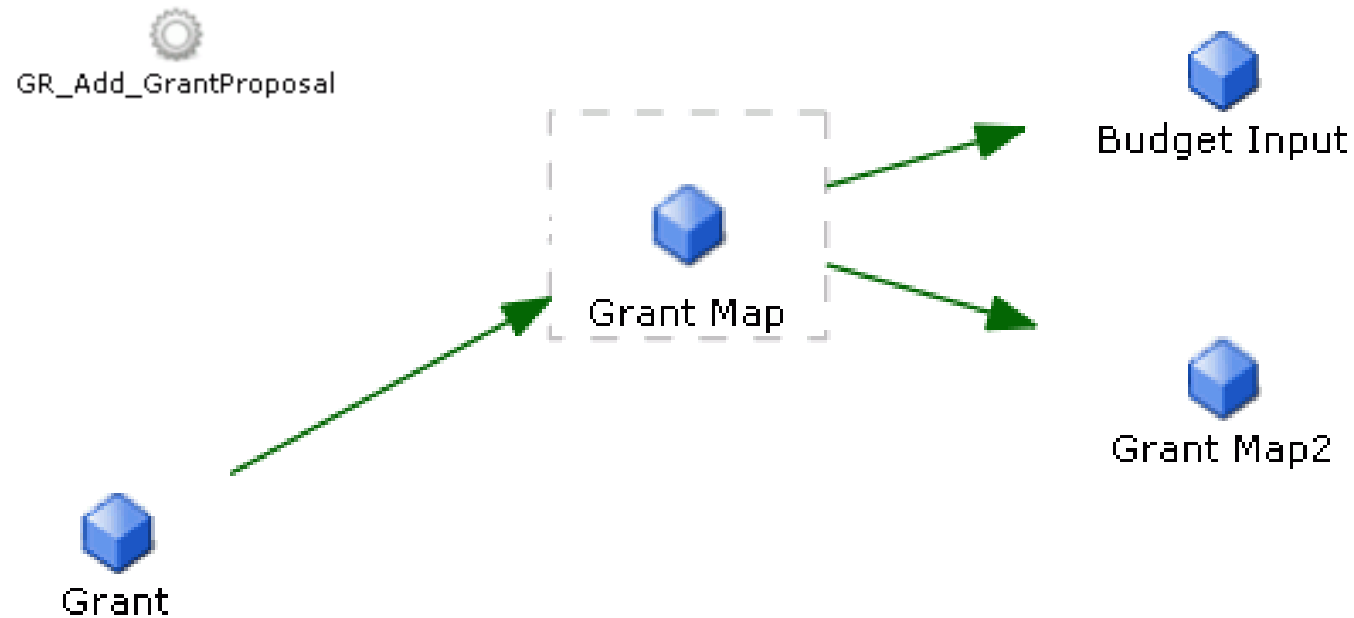
# Requirements

- Decentralized Units
- **Grants**
- Automatically Generating Balanced Budgets
- Salary Budgeting
- Commitments
- Central Appropriations

# Grants

- Requirements:
  - Estimating fiscal year expenses for F&A calculations
  - Estimating for grant proposals
  - Salary budgeting using grant chart strings
- Solution:
  - Grant cube
  - Add Grant Proposal web form
  - Linked Grant data in main Budget Input cube

# Grants – Solution



# Requirements

- Decentralized Units
- Grants
- **Automatically Generating Balanced Budgets**
- Salary Budgeting
- Commitments
- Central Appropriations

# Automatically Generating Balanced Budgets

- Requirements:
  - Account-level budgeting
  - Generally chart strings should have a balanced budget
  - Users need to indicate:
    - Planned spending (or buildup) of fund balances
    - Spending authority from unrestricted funds
- Solution:
  - Allocation Input cube
  - Automatic balancing accounts in hierarchy
  - Unique data flow

# Automatically Balancing – Solution

- Account Hierarchy

[-] Σ Net
[-] Σ 171-1011001-10006057 Faculty Project
[-] Σ 171-1011001-10006057 Revenue
[-] 171-1011001-10006057 REVENUE: USE OF RESERVES 88992
[-] Σ 171-1011001-10006057 Expense
[-] 171-1011001-10006057 EXPENSE: BUILDUP OF RESERVES 88991

# Automatically Balancing – Solution

- Cube Data Flow

**Budget Input:**  
User enters  
unbalanced budget

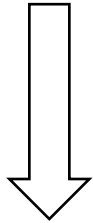
**Allocation Input:**  
Spending authority  
allocation



# Automatically Balancing – Solution

- Cube Data Flow

**Budget Input:**  
User enters  
unbalanced budget



**Carry Forward Map:**  
Calculates net chart  
string budget

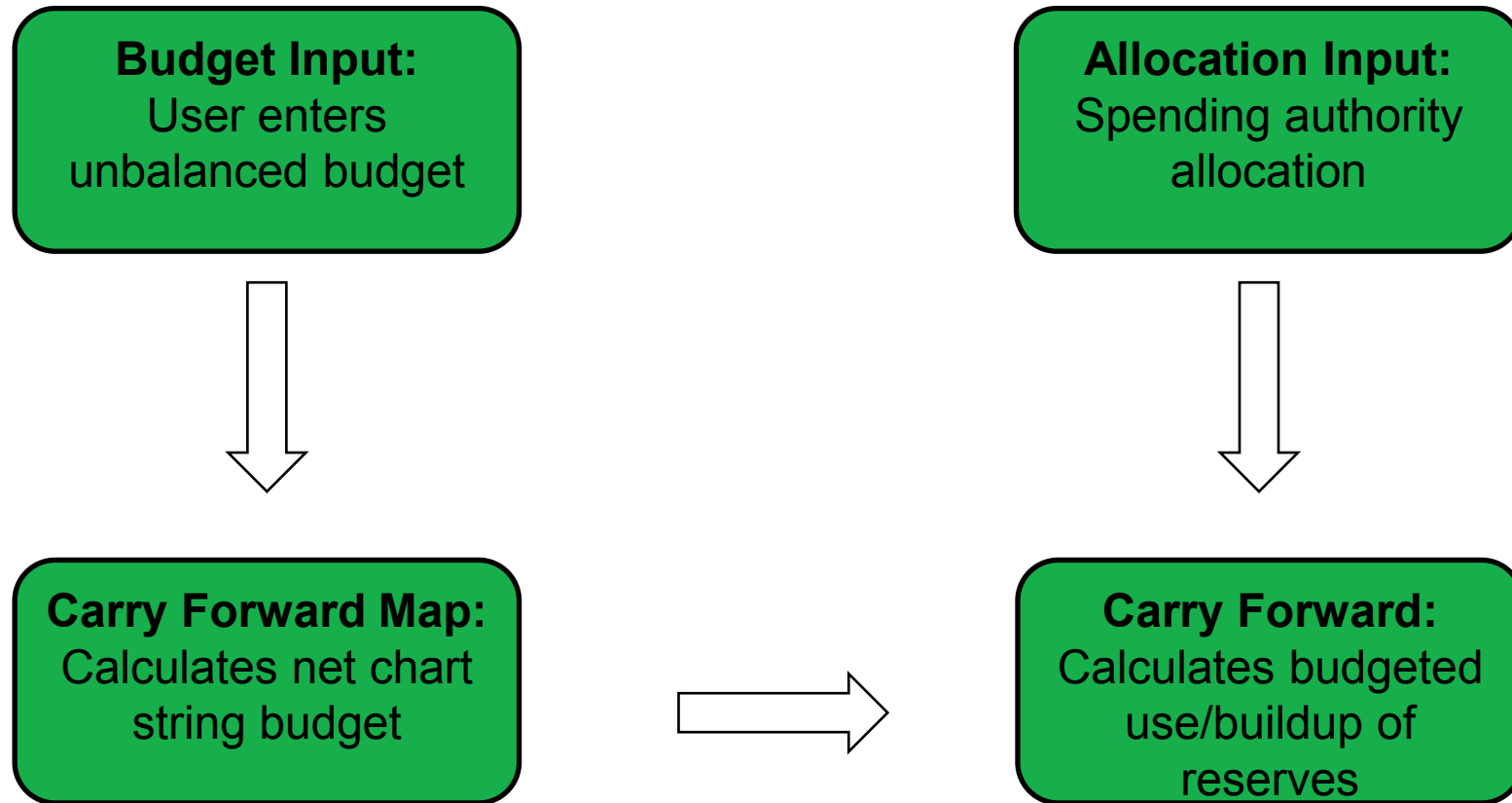
**Allocation Input:**  
Spending authority  
allocation





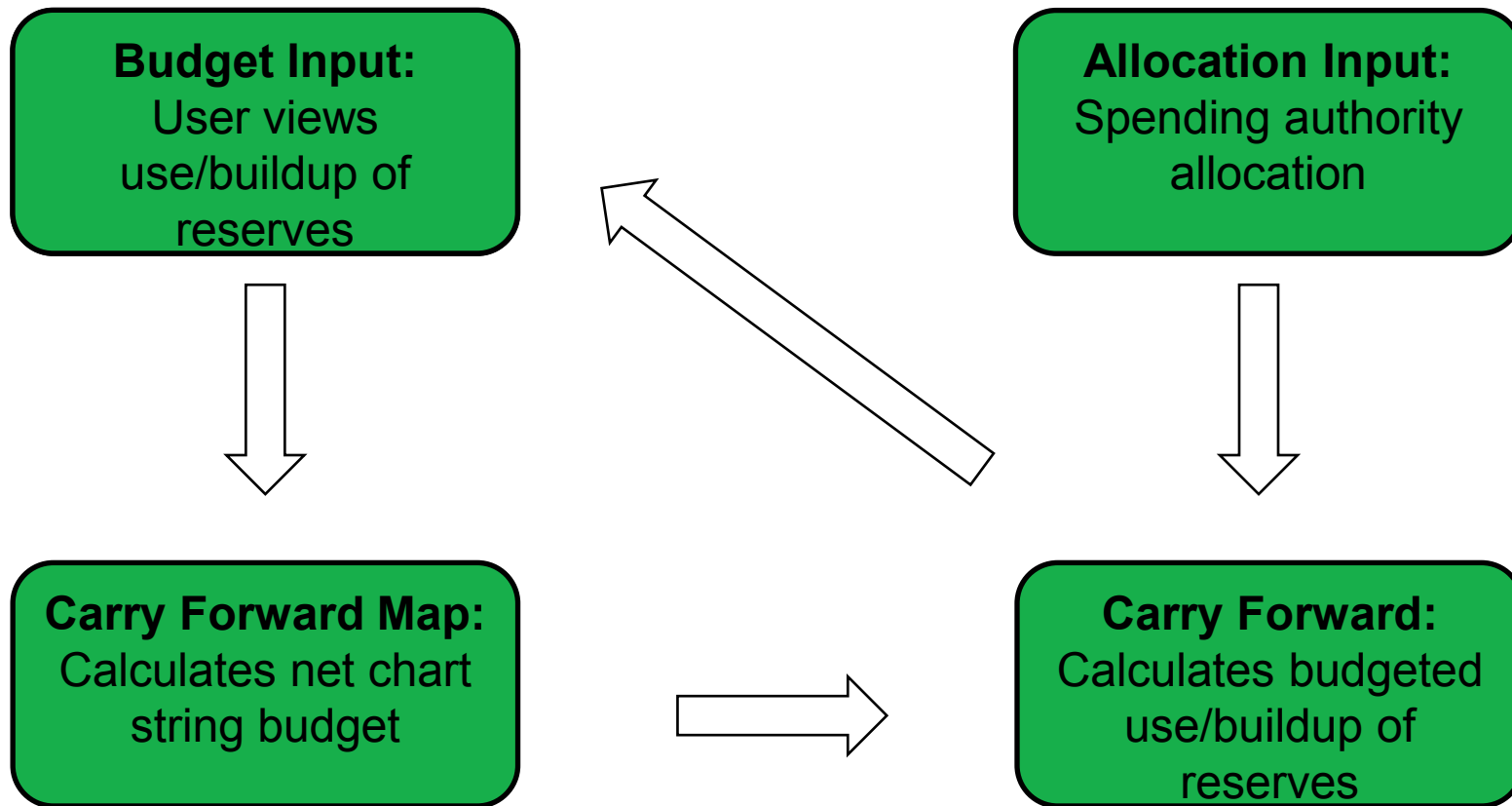
# Automatically Balancing – Solution

- Cube Data Flow



# Automatically Balancing – Solution

- Cube Data Flow



# Requirements

- Decentralized Units
- Grants
- Automatically Generating Balanced Budgets
- **Salary Budgeting**
- Commitments
- Central Appropriations

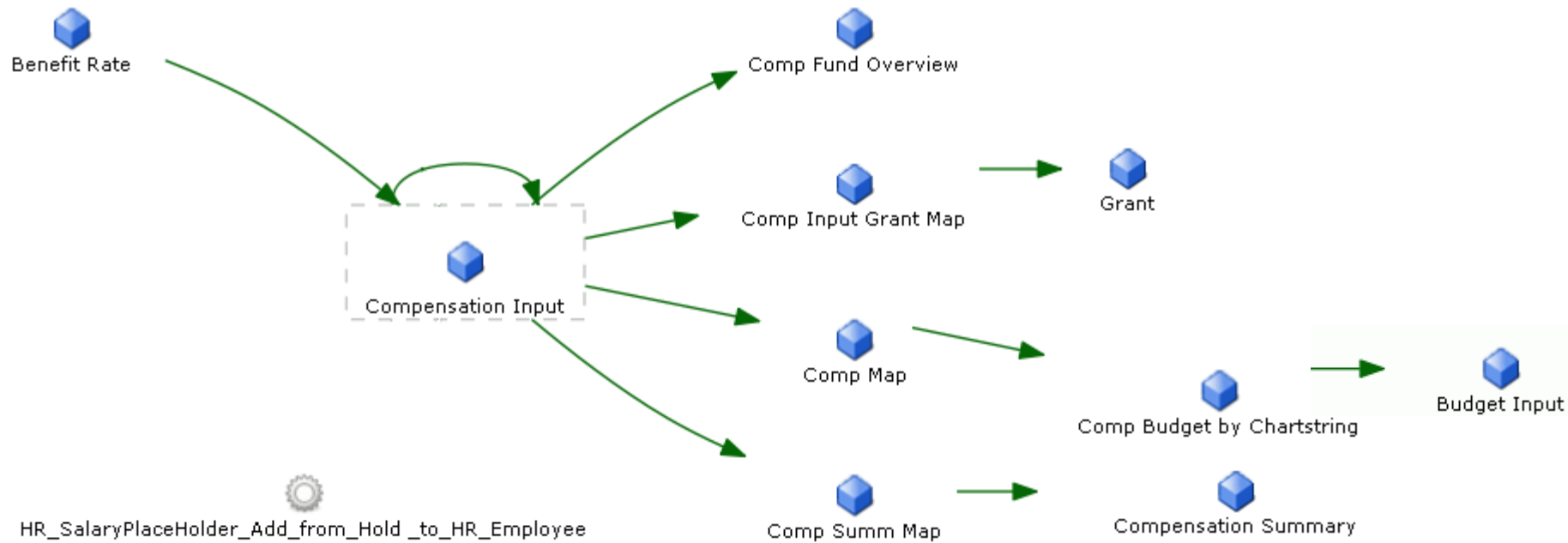
# Salary Budgeting

- Requirements:
  - Import data by employee and funding source
  - Secure data by department, project, and account type, and sometimes by employee
  - Budgeting requires changing chart field components
  - Budgeting for new employees
  - Handling salary breakage
  - Non-employee level budgeting for some accounts

# Salary Budgeting

- Solution:
  - Compensation Input cube
  - Security dimension
  - Comp Budget by Chart String cube
  - Add Salary Placeholder web form
  - Complex mapping cubes
  - Linked Salary data in Budget Input cube

# Salary Budgeting – Solution



# Salary Budgeting – Solution

- Compensation Input cube

Existing Employees	Security	Lines	FY14 Chart String	Chart String Status
Ashe,Benjamin - 0100001	1011001-40004293-F	1	450-1011001-40004293-60011	Active
	1011002-60026851-F	1	610-1011002-60026871-60011	Grant exists
	1011002-60026871-F	1	610-1011002-60026871-60011	Grant exists
	1011002-60028565-F	1	610-1011002-60026871-60011	Grant exists
	1011002-60030814-F	1	610-1011002-60026871-60011	Grant exists
	1011002-60030941-F	1	610-1011002-60026871-60011	Grant exists

Department +  
Project +  
Account Type

# Salary Budgeting – Solution

- User Specific Consolidations

Subset: HR\_DeptProject > User Specific Consolidations \*

- + - Σ atf136 Consolidation
- + - Σ bak166 Consolidation
- + - Σ bal010 Consolidation
- + - Σ brw177 Consolidation
- + - Σ jka247 Consolidation
- + - Σ miu730 Consolidation
- - Σ mme659 Consolidator
  - 5028000-F
  - 5028000-O
  - 5028000-S



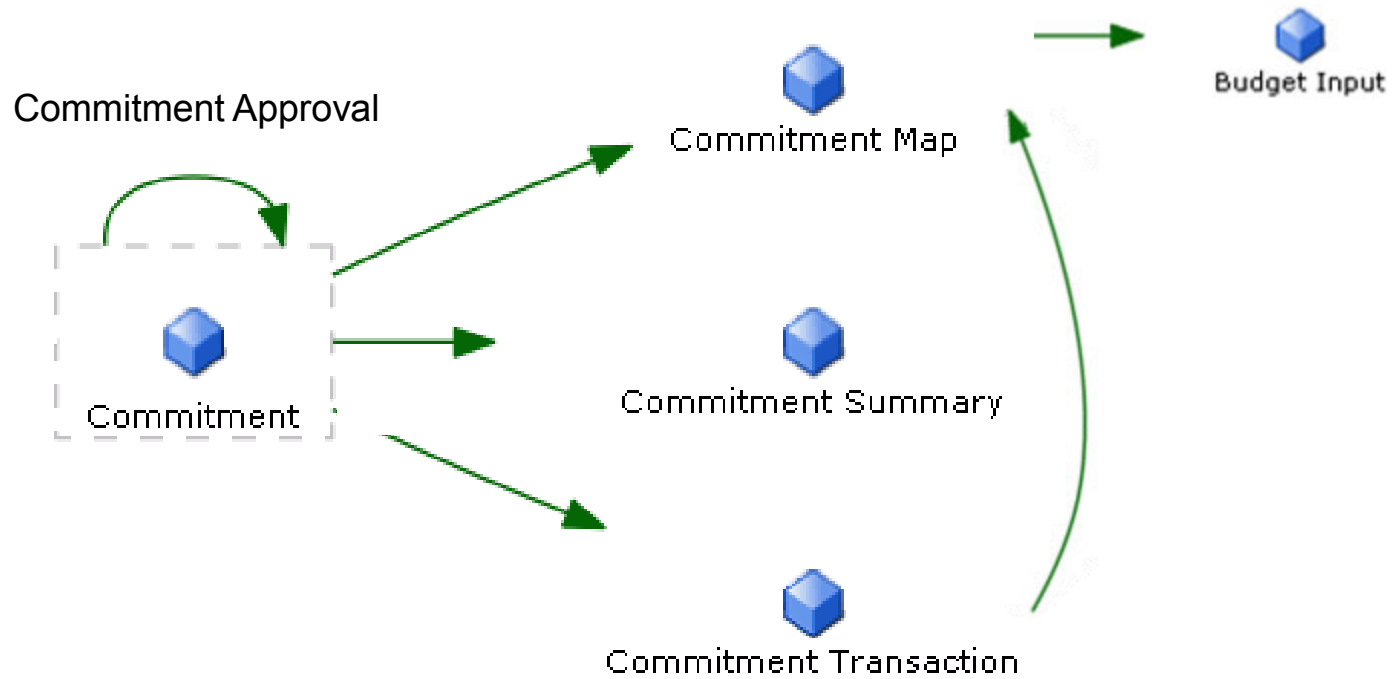
# Requirements

- Decentralized Units
- Grants
- Automatically Generating Balanced Budgets
- Salary Budgeting
- **Commitments**
- Central Appropriations

# Commitments

- Requirements:
  - Area-defined commitments for funding from the Dean's Office
  - Usage approval process
  - Budgeting on approved commitments
- Solution:
  - Commitment cube
  - Approve Commitments web form
  - Commitment Transactions cube for chart string budgeting
  - Linked Commitment data in Budget Input cube

# Commitments – Solution



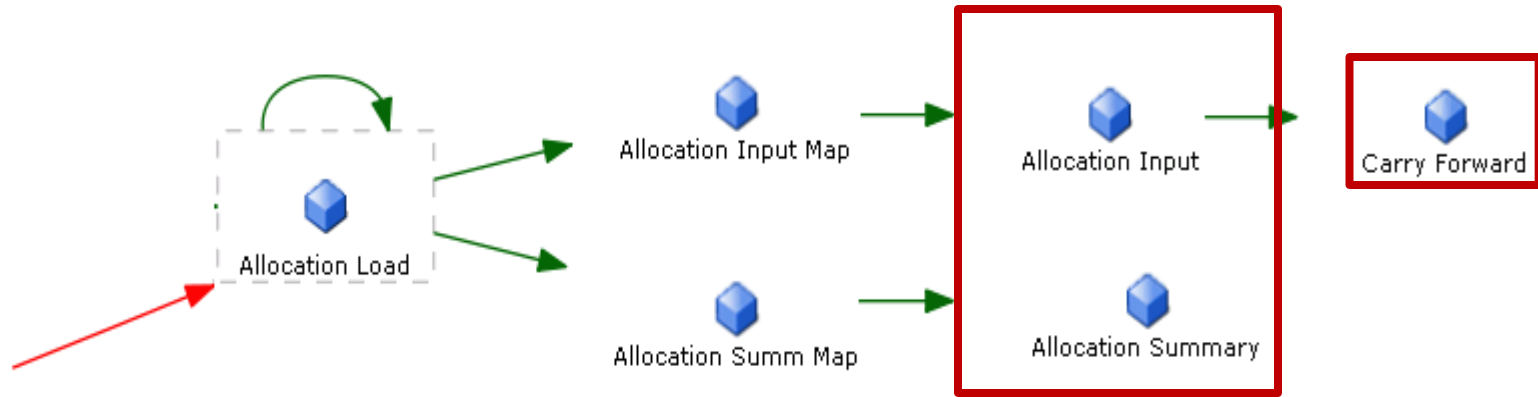
# Requirements

- Decentralized Units
- Grants
- Automatically Generating Balanced Budgets
- Salary Budgeting
- Commitments
- **Central Appropriations**

# Central Appropriations

- Requirements:
  - Central appropriations determine budget targets
  - Appropriations aren't explicit in the financial system
  - Appropriations may change during budgeting
- Solution:
  - Allocation cubes in Cognos TM1 Web
  - Data flows to Carry Forward cube in Cognos TM1 Contributor

# Central Appropriations – Solution



 Allocation\_bychartstring.csv





# Demo

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# Questions?

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# Summary

- We successfully implemented solutions for several common budgeting requirements in higher education, including: Decentralized Units, Grants, Automatically Generating Balanced Budgets, Salary Budgeting, Commitments, and Central Appropriations.
- The solutions that were implemented resulted in an accessible, secure application, as well as reduced time to prepare and distribute budget preparation files, as well as to consolidate area-submitted budgets.
- Our Contact Information
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  - Jim Bullis, [jbullis@ecapitaladvisors.com](mailto:jbullis@ecapitaladvisors.com)

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