Budget Administrators: Track, Manage, Migrate Budgets
Adding the Web as an Accessibility Tool in the Budgeting Process
### A Corporate Case Study by S. James Spicer and Jaime S. Spicer

Introduction

Technical advances in networking from the desktop PC are evolving the methods and effectiveness of Department budgeting to include real-time budget tracking with purchasing functions and other expenditure work activities. The budget administrator can now be a more active player in the Department's direct control of expenditures and provide real-time reporting of budget variance performance to all team players 24X7. Project Managers can take advantage of improved financial visibility, shortened purchase order cycles and reductions in communications chaos managing their projects financially.

Budget Admin's Reliance on Spreadsheets

Spreadsheets have always played a major role in managing budgets and project expenditures and will continue to do so. The reliance on spreadsheets for data management, however, is steadily being overtaken by relational and object database engine systems. Both computational types, databases and spreadsheets can be utilized together to form a cohesive approach to budgeting, purchasing and project management. This approach addresses the limitations of excel and improves on the functionality of a database.

A New Approach to Budgeting
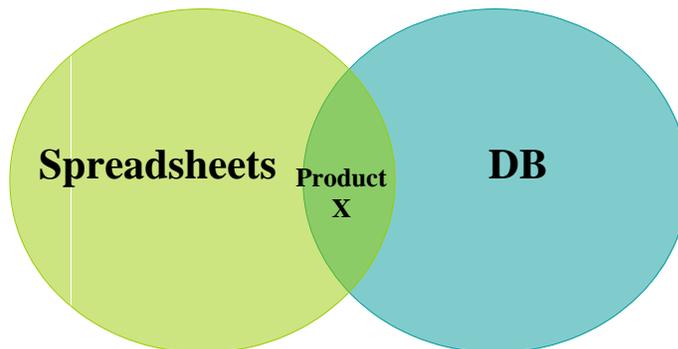
It is common practice for the Department personnel to use Excel to track budgets and expenditures; and this method can be used effectively depending on the volume, complexity of the data and the need to share the data. As the role of the budget administrator increases over time, tracking the budget data using spreadsheets becomes more difficult to support. A better balance is to use desktop database driven applications to create the budget and track performance. This method allows easy changes to the financial and organizational structures as well as supporting increased reporting requirements. Spreadsheets can then be used in this environment for quick "data dumps" for off-line analysis and calculations. Now the Department is benefiting from better data control but the issue of Team Collaboration is still present.

Improving the Budget Admin's Budget Tracking Capability

The budget administrator "lives" on the desktop and requires data control (ownership) and local tools that enable them to craft budget structures that reflect the Department's specific business mission; this is typically not possible with Enterprise software tools provided by the Corporation. Enterprise software doesn't allow the flexibility needed to respond to a local environment's changing conditions and budget fluctuations and doesn't address the need to obtain real-time data without delays and inaccuracies. The Corporate desktop is characterized by Windows PCs that run on operating systems ranging from older types Win2K, WinXP to newer ones like Win7 and the budgeting software needs to run on these machines with wide-band IP connections to available Internet/Intranet networks.

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Problem

Enterprise software doesn't address a Departments specific Business

Solution

Configurable Software that will easily track project budgets and manipulate data

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Adding Risk Control to the Budget Admin's Arsenal

One of the biggest challenges to budgeting is that you are always trying to keep up with a moving target. Increases and decreases to several different budgets, the movement of money from one budget to another, from one project to another as well as tracking the current and new purchase orders is a very difficult endeavor. It is important to have a system in place that allows for these necessary changes but that also gives you the ability to track the changes, safeguard against overspending, and does the variance reporting for you. Adjustments to budgets will always be a necessary evil. However, it doesn't have to cripple a budget administrator's control over the data. The boss can sleep at night knowing that the project team cannot overrun the budget.

Expanding the Budget Admin's Role: Expenditures

In an age of outsourcing and flattening of the corporate and line management structures, no one is more suited to directly control expenditures for the Department's projects than the budget administrator. Directing the flow of requisitions and vendor proposals through the budget administrator is a logical progression of the improved digital communications network capability we have today. The budget administrator in some organizations even performs the purchasing function; desktop software that tracks the purchases and interfaces with the company's Enterprise software system provides the greatest flexibility in meeting the Department's financial management needs. This increase in workload requires the tracking software to be easy to set up and use as well as meet the reporting requirements of the Department. Data entry for this user becomes of upmost importance as much of the users time is spent at the keyboard. Well organized screens and attention to the sequence of data flow makes the job more doable and reduces the amount of human error involved in data entry. The software

needs methods of communication with the Enterprise software so accuracy and synchronization with the Enterprise system is maintained. This can be achieved by direct interface with the Enterprise software or through the use of spreadsheets created by the Enterprise software.

Real-Time Budget Tracking

Almost as important as having a reliable and intuitive database to be able to track and manage budgets is the ability to track them in real time where there is never a delay between when new data is entered and when it is actually updated and available to be utilized. As soon as the keystroke is made, there is an instant ability to run a report, synch the information to the Web or use the information to update project managers, vendors, or executive level management. Budget administrators must be able to trust their data and have a high level of control in managing it. This also means all team members must be able to get to the data and modify any data they are in charge of so as to keep the data refreshed as much as possible. The Web is the best method to allow full access to the data. Intranets are important to the operation of any company's data system but don't allow access to the entire team; Internet Web access however, offers the maximum flexibility and least cost to operate financial systems like budgeting and allows all team members access to the system.

Web Access, Self-Service Reporting

In an ever evolving workplace, where virtual employees are becoming more and more the norm and telecommuting a common occurrence, it is vitally important to be able to use and share relevant project management data and expenditures with everyone involved regardless of their location or computer type preference. By allowing the budget administrators to migrate vital budgeting data to the Web, it enables a broader audience to view, in real-time, project expenditures, budget status and project performance. It keeps all players on the same page at all times.

Migrating the budget administrator desktop data to the Web on a regular interval (or real-time) allows the budget (project) managers to access their data independent of the administrator, making the Web a self-service report tool. The budget managers are kept up-to-date on project budget numbers and are able to focus their time on other areas of project management. The budget administrator is able to provide the necessary information to their managers in one place instead of having to send reports and correspond separately with each individual. This saves everyone time and accelerates the budget managers training and reliance on the Web as a useful planning tool.

Migrate the Desktop Budget to the Web

A desktop database structure supported by SQL Server or Access performs the desktop mission. In the near future, migrating these structures to a compatible database server such as SQL Server provides the compatibility needed for data center synchronization. Bi-directional synchronization between the data centers is effective in keeping the data centers synchronized with each other. Dynamic SQL stored procedures on the Web server acquire data from specific Department instances using a common code base. The table and field structures on the desktop installations are identical differing only in

the configuration and data of each participating Department desktop installation. The desktop applications also are supported by a single, common code base.

Consolidation of data on the Web server is supported by adaptive dynamic stored procedures based on the depth of the organization tree and the access and permissions of each Web user.

Desktop App	Bi-Directional Synchronization	Website

However, maintaining the separate desk ←→ Web data centers provides the loose system coupling needed to allow change control under the direction of management.

Team Collaboration on the Web: Admins, Managers, Vendors, Executives

If the budget administrator controls the issuing of purchase orders or directly manages the flow of requisitions (and approvals) and can provide data access to the rest of the project team, it's a natural extension of the system to allow vendors to enter and submit proposals (estimates) directly into the Web service. As these processes expand to fulfill the procurement and budgeting functions, higher level management joins the activity because of the availability and accuracy of the business data. With virtually all members of a project team able to view the data 24X7, it puts a new spin on collaboration as the Web becomes a centralized hub for collaborative efforts to reach optimal levels.

The Web as an Accessibility Tool

Project Managers, Vendors, Executives

Website

Desktop App

Budget Administrator
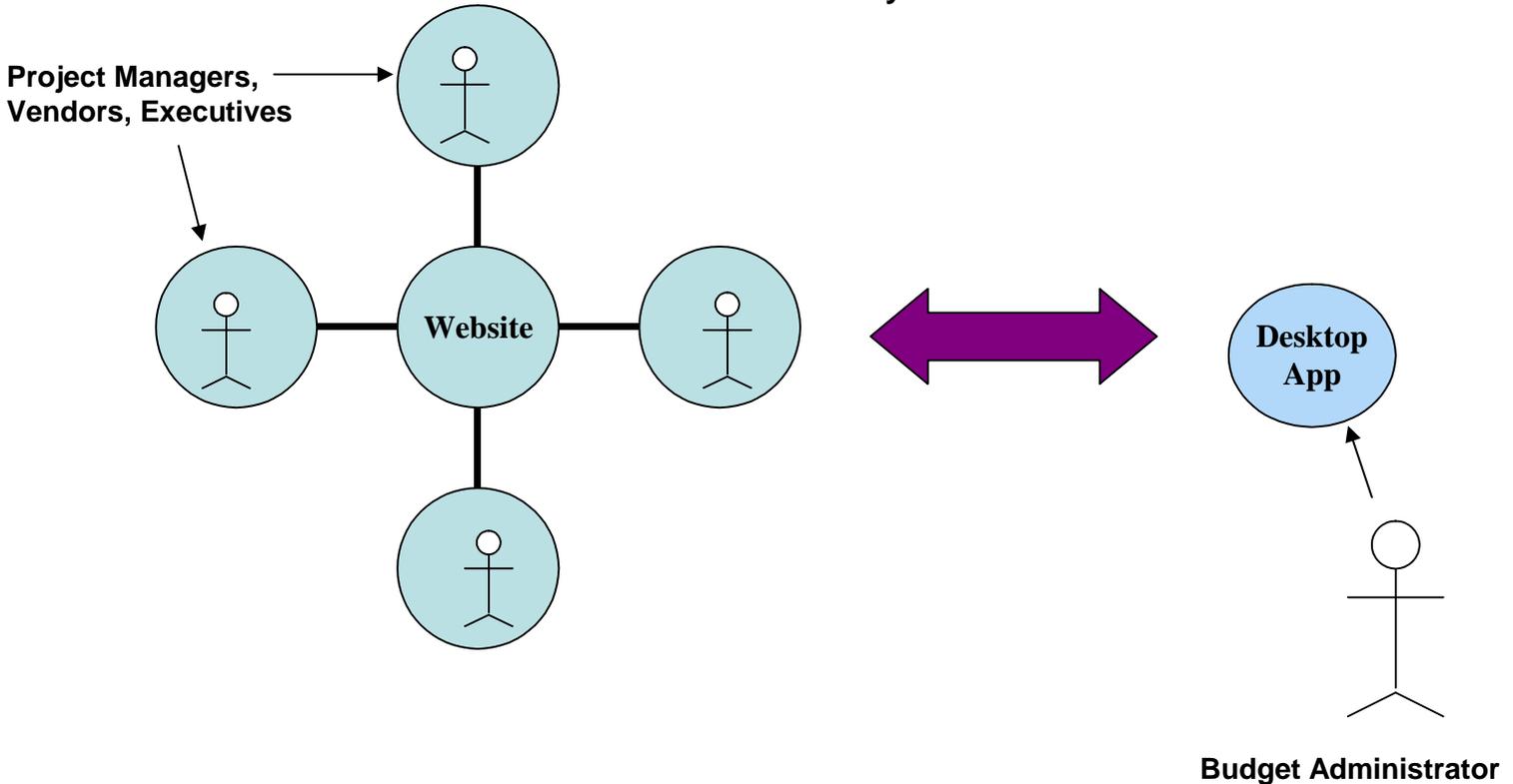
Benefits and Conclusions

The direct benefits of this system are reductions in the cost of procurement, financial tracking and reporting improvements and marked advancements in budget variance performance. The indirect benefits of this type of Team Collaboration are the subject of more study. (See "PB System Cost Benefits") By placing the data and the team at an integrated data center, general improvements in project management occur, positively affecting the bottom line. By sustaining the desktop budget application, the system performs well as the team collaboration tool but always under the direct control of the Department Profit or Cost Center Manager.

About the Authors
S. James Spicer is the Founder and President of Spicer-Baer Associates, Inc. and the Author of PerpetualBudget System.   PerpetualBudget is a distributed budgeting system consisting of desktop versions running in Windows and PerpetualBudget.com a synchronized adjunct to the system. Working out of the California Delta, he can be reached at jim@perpetualbudget.com.

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