

# Index

Page references followed by f and t indicate an illustrated figures and tables.

- ABM, ABC (time-phasing), 228–229, 228f
- Absorption costing, 130
- Acceleration, sustaining, 248
- Acceptance (risk treatment option), 82
- Accountable Government Initiative (US), 4–5
- Accounting
  - changes, 202–203
  - IFAC.org taxonomy (Cokins), 192f
  - management accounting, purpose, 191–193
  - predictive accounting, 190–191
    - descriptive accounting, contrast, 193–195
  - system (replacement, ABC/M (impact), 144f
- Accuracy
  - improvement, direct costing (usage), 102f
  - increase, ABC/M (impact), 147–149
  - levels, balancing, 153f
- Action
  - enabling, 248
  - progress, 35
- Action verb-adjective-noun grammar convention, 140
- Activities
  - activity-driver information, 151
  - drivers, 149f, 150
  - cost drivers, presence, 151f
  - intermediate stages, 156
  - strategic plan, alignment, 118
  - total costs, 163
- Activity-based budgeting (ABB), 183–184
  - adoption, conditions, 184–185
- Activity-based concepts/principles, impact, 106
- Activity-based costing (ABC), 203
  - principles model, 65
  - problems, 39
  - project/program accounting, contrast, 165
  - three-dimensional ABC
    - cross (occurrence), leveling/disaggregation (impact), 164–165
  - time-phasing, 228–229
- Activity-based cost management (ABC/M), 104–105
  - agencies/functions, merging/diverging, 118
  - analysis
    - power, 168–169
    - requirement, absence, 154
  - applications, focus, 155–156
  - assignment network
    - error-dampening property, 223
    - properties, 221
  - commercial ABC/M software products, design, 180
  - competitive bidding, 118
  - cost accounting, intersection, 143–145

- cost assignment network, 157f
- cost data (energizing), attributes
  - (impact), 168
- cross
  - horizontal view, 149
  - vertical cost-assignment view, 150
- defining, 126–130, 155
  - opposite, 130–131
- effort, 131–133
- focus, 145
- foundation, 197–198
- framework, 148f
- future, 229–230
- impact, 147–149
- implementation, rapid prototyping
  - (usage), 213
- information
  - provision, 154
  - treatment, 132–133
- interest, increase (reason), 145–147
- iterative ABC/M modeling, 215–216
- lessons, 154
- Model 0, 214
  - constructing, 218–220, 222–225
  - populating, 223–225
- model structure, excess, 154
- obviousness, 215
- outsourcing/privatization
  - studies, 117–118
- performance measurement, 118
- problems, 137–140
- purpose, 126
- questions, 137
- requirement, 128f
- rise, external factors (impact), 146
- service/cost-to-serve, fees, 117
- system, size minimization
  - (importance), 152–154
- two-stage ABC/M cross model,
  - expansion, 155–159
- understanding/truths, 125
- uses/pitfalls, 117–118
- utility/benefits, 105–106
- vertical cost assignment, 228
- Activity-based cost management
  - (ABC/M) attributes
    - action, suggestion, 171f
    - advice, 171–172
    - popularity, 169–172
    - usage, 167
- Activity-based planning, 200–201
- Activity-based resource planning
  - (ABRP), 191
- Activity costs, 143, 161
  - drivers, 139f
- Activity-to-activity cost
  - assignments, 158
- Actual costs of services,
  - determination, 107
- Adoption rate, acceleration process, 241
- Agencies/functions, merging/
  - diverging, 118
- Agency, mission, 34
- Agenda, The* (Hammer), 52
- American Institute of
  - Accountants (AIA), 85
- American Institute of Certified Public
  - Accountants (AICPA), 85
- Analysis, lessons, 154
- Analytics, 235–236
  - continuum, stages, 235
  - examples, 66
  - software, 236
- Annual budgets
  - evolution, 108–111
  - tradition, 186
- Appraisal cost, 175
  - reduction, 178
- “As-Is” state, 62, 64, 196, 197
- AS/NZS 4360, 76, 86
- Asset utilization, increase, 197
- Attributes
  - benefits, 168
  - impact, 172
  - tagging/scoring, 176
- AUS/NZS 4360, 77
- Automation capability, 235
- Available capacity costs, 161
- Avoidance (risk treatment option), 81
- Balanced scorecard, 39
  - dashboard, differences, 51
  - implementation, control, 42–45
  - KPIs, 131
  - value-based management,
    - difference, 48–49

- Balanced Scorecard Institute, strategic planning definition, 35
- Banners-and-bugles procession, 217
- Barriers
  - identification, 242–243
  - removal, 248
  - problem, 243
- Baseline unit-level cost consumption rates, development, 200–201
- Bean-counter budgeting, 187
- Beer, Michael, 244
- Behavioral barriers, removal (problem), 243
- Behavioral influences, 24–25
- Benchmarking, 197
- Beyond Budgeting Round Table (BBRT), 190
- Big Data, leveraging, 21
- Bills-of-material, usage, 200
- Blow-it-all budgeting, 188
- Bow Tie Analysis, 80
- Brainstorming, 80
- Budget
  - annual budgets, evolution, 108–111
  - executive strategy, linkage, 56
  - preparation process, 186
  - reduction rate, 73
  - spending, types, 209–211
  - strategy/risk, connection, 211f
  - “use it or lose it,” 187
- Budgeting, 118, 195–196
  - cessation, 190
  - company confusion, 186
  - EPM component, 66
  - exercise, example, 185f
  - issues, 187–188
  - marginal expense analysis, usage, 190–191
  - observations, 186–187
  - problems, 187–189, 204
  - purpose, 186
  - spending, river streams, 203
  - spreadsheet budgeting, 189f
  - types, 187–188
  - user discontent/rebellion, 184–187
- Bush, George W., 4, 252
- Business intelligence (BI), 235–236
  - platform, 189
- Business process management (BPM), 99
- Business process reengineering (BPR), 52, 66, 131, 228–229
- Call center, staffing, 194
- Capabilities/competencies, 5
- Capacity
  - adjustment, 198
  - analysis, 201
  - future-period levels, calculation, 207
  - resource, 198–199, 199f
- Capacity-sensitive driver-based budgeting, 66
- leverage, 111
- Capital budgeting, 196, 206
- Capital budget spending, 209–211
- Capital expense justification, 196
- Carroll, Lewis, 18
- Causality principle, 127
  - compliance, 102–103, 105
  - violation, 137–138
- Cause-and-effect flow, display, 44
- Cause-and-effect KPIs, behavioral measurement mechanism, 50–51
- Cause-and-effect relationships, 56, 65, 127
- Centroids, 221
- CFO Act, 6
- Change
  - absence, example, 29
  - cultural resistance, 239
  - impact, 31f
  - implementation, 253
  - instituting, 248
  - management, 29–32
    - eight-step model (Kotter), 247–248
  - navigation, strategic planning (impact), 34
  - reason, 121–122
  - types, 31f
- Chart-of-accounts
  - expenses
    - application, 176
    - translation, 139
  - usage, 174
- Chasing Change* (Thames/Webster), 30, 246, 247
- Checklists, 80

- Chief executive officer (CEO),
  - turnover rate, 45
- Chief financial officer (CFO), role
  - (change), 202–203
- “Circle of Risk” (Hamilton), 87f
- Citizens, dissatisfaction (challenges/
  - solutions), 3
- Clinton, Bill, 252
- Closed loop change process, 247f
- Closed-loop information flow, 200f
- Clusters, 221
- Code of Hammurabi, 75
- Cokins, Gary, 101, 192
- Command-and-control tool, 143
- Commercial ABC/M software products,
  - design, 180–181
- Commercial businesses, government
  - entities (contrast), 133–134
- Commission on Organization of
  - the Executive Branch of
  - the Government (Hoover
  - Commission), 4
- Committee of Sponsoring
  - Organizations of the Treadway
  - Commission (COSO)
    - ERM-Integrated Framework, 77
    - “Internal Control–Integrated
    - Framework” publication, 85
- Communication plan, 226–227
- Community value, maximization, 44
- Company, measurement systems, 52
- Competitive bidding, 118
- Conformance-related COQ,
  - efficiency, 180f
- Consensus, absence, 40–41
- Consortium for Advanced Manufacturing
  - International (CAM-I), 191
- Continuous risk identification, 84
- Control activities, 86
- Control environment, 85
- Cordova, Rancho, 252
- Core activities, 167
- Corporate performance
  - management (CPM), 61
- Cost
  - categories, example, 175
  - cost-driver information, 151
  - data (energizing), attributes
  - (impact), 168
  - definition, 142–143
  - dimension, separation, 168
  - error-free costs, 175
  - expenses, contrast, 112f
  - horizontal process cost scheme,
    - governance, 161
  - information, power, 119
  - maintenance, political
    - pressures, 106–107
  - multiple-stage cost flowing, 156f
  - predictive view, 194
  - sequencing, horizontal process
    - viewpoint, 163f
  - vertical cost reassignment
    - scheme, 161
    - viewpoint, 161–163
    - visibility (EPM component), 65
- Cost accounting
  - ABC/M, intersection, 143–145
  - failure, 129
- Cost allocations, 103
  - butter spreading, 141
  - structuring, 141–142
- Cost assignment
  - activity-to-activity cost
  - assignments, 158
  - network, 141, 157f. *See also* Activity-
  - based cost management.
  - structures, 161
  - vertical cost object view, 162f
- Cost-benefit analysis, 33
- Cost drivers
  - example, 139f
  - function, 141–142
  - presence, 151f
- Costing
  - absorption costing, 130
  - causality principle,
    - compliance, 102–103
  - direct costing, usage, 102f
  - Kaizen costing, 197
  - target costing, 197
- Cost management, 20, 101
  - objectives, revenue growth objectives
  - (combination), 43
- Cost management systems (CMS)
  - group, 190
- Cost objects, 161–163
  - drivers, 150

- equipment activity costs,
  - assignment, 158
- final cost object customer
  - segmentation profiling, 222f
- output, 200–201
- profiling, 220–221
- viewpoints, 161–163
- Cost of conformance, 175
- Cost of nonconformance, 175
- Cost of quality (COQ), 143, 197
  - ABC/M, impact, 172
  - attributes, 176
  - categories
    - decomposition, 176
    - examples, 177f
  - classification scheme, 173–174
  - conformance-related COQ,
    - efficiency, 180f
  - costs (scoring/tagging), attribute (usage), 173f
  - descent, driving, 179f
  - implementation, 178
  - information, goals/uses, 178–179
  - magnitude, quantification, 173
  - measurement system, 180–181
  - quality level, 177–178
  - subcategorization, 175
  - usage, 178–179
  - visibility, increase, 177
- Costs of services, determination, 107
- Cost-versus-benefits evaluation, 215
- “Cracking the Code of Change” (Nohria/Beer), 244
- Cross-departmental work activities/
  - priorities, alignment, 7
- Culture, 5
- Current results, 94, 97
- Customer-related objectives,
  - accomplishment, 43
- Cycle times, acceleration/reduction, 66
- Darwinian-style managers, 46–47
- Dashboards
  - dumb reporting, 54
  - purposes, 52–55
  - usage, 55
- Data
  - access, 229
  - analysis tools, 21
  - analytics, 21
  - automated data extraction, 235
  - drill down, 235
  - management, 234–235
  - mining, 21, 66
  - requirements definition, 225
  - shaping, 229
  - summary, 235
- Decision algorithms, 21
- Decision making, 5
  - data, provision, 20–21
  - process, supporting, 20
  - types, managerial accounting
    - information (usage), 195–197
- Deloach, James, 88
- Demand-driven operational expense
  - projections, 203
- Department, outputs (absence), 115–116
- Dependency linkages, 43
- Dependent variables, 66
- Descriptive accounting, predictive
  - accounting (contrast), 193–195, 193f
- Descriptive stage (analytics), 235
- Design deficiency barriers, modeling, 242
- Diagnostic stage (analytics), 235
- Dials, usage, 52
- Direct costing, 104, 195
  - method ranks, applicability, 103
  - usage, 102f
- Direction (VBM component), 23
- Direct observations, 80
- Discounted cash flow (DCF)
  - equations, 196
- Discretionary expenses, 203
- Drill-downs, provision, 52
- Drivers
  - behavior (EPM component), 65
  - definition, 150–152
  - driver-based budgeting, 183
  - driver-based resource
    - capacity, 206–208
- Drucker, Peter, 240
- Edelman Trust Barometer Global
  - Report, 252–253
- Efficiencies, realization, 120
- Effort level, representation, 152–153
- Eight-step change model (Kotter), 247–248

- Employee
  - activities, alignment, 107
  - innovation objectives, accomplishment, 43
- Enablers. *See* Information technology; Technology
- End-to-end business processes, 186
- Enterprise performance management (EPM), 24, 61
  - components, 65–66
  - management ownership, delusion, 62–64
  - methods
    - government usage, 67–68
    - IT systems, integration, 68–69
    - orchestra, analogy, 65–66
  - project/process management, 64f, 94f
  - results management, 95
- Enterprise risk management (ERM)
  - culture, 90
  - evolution, 86–88
  - governance, 89–90
  - organizational change management, 90
  - principles/practices, 88–91
  - progress, monitoring, 90–91
  - risk, portfolio management, 89
  - role, 20
  - strategy/performance, 89
- Enterprise value, improvement, 63f
- Enterprise-Wide Risk Management* (Deloach), 88
- Equipment activity costs, assignation, 158
- Error-dampening means, 154
- Error-free costs, 175
- Error sensitivity, 224
- Execution. *See* Strategy
  - shift, 19f, 36f, 98f
- Executive information system (EIS)
  - tools, 172
- Executives
  - team, strategy (budget reflection/support), 186–187
- Executive strategy (operations/budget linkage), scorecards (usage), 56
- Expenses
  - costs, contrast, 112f
  - step-fixed category, 199
  - types, 203
- External failure cost, 175
- Extraction, transform, and load (ETL), 234
- Fact-based financial information, requirement, 125–126
- Failures
  - arrogance/ignorance/inexperience, impact, 50–51
  - causes, prevention, 178
  - costs, attack, 178
- Fault Tree Analysis (FTA), 80
- Federal Funding Accountability and Transparency Act, 6
- Final cost object customer segmentation profiling, 222f
- Finances, changes, 202–203
- Financial funding relationships, adoption, 115
- Financial objectives, achievement, 43
- Financial planning and analysis (FP&A), 68
- Financial reporting, reliability, 85
- Financial visibility/transparency, display, 7
- Finished reports, 134–135
- First-stage drivers, 152
- Fixed expenses, change, 198
- Flowcharting, requirements, 149
- Forecasting (EPM component), 66
- Foundation (VBM component), 23
- Frontier curve, 153
- Full absorption costing system, 163
- Full costing, inclusion, 65
- Full-time equivalents (FTEs), 201
- Functional representatives, 216–218, 220, 223, 226
- Functions, focus, 107–108
- Fundamentals, 155
- Future demand workload, influence, 135
- Gaebler, Ted, 252
- General ledger
  - cost-center reporting, 203
  - system, 138, 174
  - viewpoint, 138f

- German cost accounting (Grenzplankostenrechnung), 197
- Goals
  - capabilities, setting/linking, 29
  - congruency/misalignment, 41f
  - setting, shift, 19f, 36f, 98f
  - VBM component, 22
- Gore, Al, 252
- Governance, 89–90
- Government
  - ABC/M utility/benefits, 105–106
  - entities, commercial businesses (contrast), 133–134
  - environment, complexity, 240
  - EPM methods, usage, 67–68
  - services, users, 113–114
- Government Accountability Office (GAO), 125
- Government Performance and Results Act, 6, 121
- Grenzplankostenrechnung (GPK), 197
- Groundhog Day*, 29
- Growth objectives, accomplishment, 43
- Guiding coalition, building, 247
  
- Hamilton, Gustav (“Circle of Risk”), 87f
- Hammer, Michael, 52
- Hedges, Robert A., 75
- Hiatt, Jeff, 247–248
- Hidden costs, 174–175
- Hidden financial costs, 174
- Higher-level objectives, achievement, 19
- High value-adding activities, 170
- Holton, Glyn A., 88
- Horizontal process cost scheme, governance, 161
  
- Ideas
  - adoption barriers, 242–243
  - buy-in, 242
- IFAC.org taxonomy (Cokins), 192f
- Imaging system, 142
- Incentives. *See* Understanding, Motivation, Tools, and Incentives
- Incident analysis, 80
- Independent variables, 66
- Indirect support, derivation, 129
- Individuals, change, 30
  
- Industry-specific measures, 57
- Information
  - delivery portal, 189
  - records, examination, 235
  - usage, decision, 229
  - visualization, 21
- Information technology (IT)
  - development methodologies, usage, 225
  - enabler, 233
  - EPM methods, integration, 68–69
  - evolution, 230
  - expenses, increase, 195
  - impact, 24
  - involvement, 233
  - usage, 233–234
- Initial Risk Identification, 81
- Initiatives
  - formation, 247
  - usage, 205–206
- Innovation’s impact, 243–244
- Inputs, equivalence, 158
- Intangibles, 115
- Internal control, definition, 85
- Internal Control–Integrated Framework,” COSO publication, 85
- Internal controls, role, 85–86
- Internal failure cost, 175
- Internal process objectives, accomplishment, 43
- International Federation of Accountants (IFAC), 192
- Interviews, 80
- ISO 31000, 77, 85
- Iterative ABC/M modeling, 215–216
- Iterative modeling, usages, 216f
  
- Job bank, setup, 121
- Just-in-case fixed costs, 120
- Just-in-time (JIT) scheduling, 197
  
- Kaizen costing, 197
- Kaplan, Robert S., 39, 206
- Key performance indicators (KPIs)
  - cascading, 46
  - derivation, 40, 42–43, 46
  - differentiation, 51

- identification, 47–48
- performance indicators,
  - differences, 53f
- selection, 41, 45, 48, 57
- targets, 210
- Kotter, John, 247–248
- Laggards, 243–244
- Leader, role, 240–241
- Leadership, 5
  - management, contrast, 240–241
- Lean management, 50, 99
  - environment, accounting, 197
  - principles, 197
- Learning objectives, accomplishment, 43
- Learning, securing/
  - propagating, 226–227
- Loss exposures, identification/
  - measurement, 75
- Lower-level objectives, identification, 19
- Low value-adding activities, 170
- Make, buy (contrast), 196
- Make-to-order manufacturing, 102
- Management
  - accounting
    - component, 192–193
    - purpose, 191–193
  - EPM methods, usage/delusion, 62–64
  - leadership, contrast, 240–241
  - tradeoff decisions, 15
- Managerial accounting information,
  - usage, 195–197
- Managerial methods, integration, 62
- Managerial thinking, domination, 149
- Managers
  - activities, alignment, 107
  - viewpoint, 110f
- “Managing Business Risk” (Economist Intelligence Unit), 88
- Marginal expense analysis,
  - usage, 190–191
- Marginal expense calculations,
  - usage, 199–201
- Measurements
  - importance, 45–47
  - tailoring, 57
- Mechanism (VBM component), 23
- Mehr, Robert I., 75
- Metrics, drill-down provision, 52
- Miller, K.D., 88
- Mission
  - defining, 206
  - stakeholder interests/products/
    - services, balancing, 17
- Mitigation (risk treatment option),
  - 81–82
- Model 0. *See* Activity-based cost
  - management
    - analysis, 225–226
- Modeling, predictive costing
  - (comparison), 202
- Monetary information, 169
- Motivation. *See* Understanding,
  - Motivation, Tools, and Incentives
- Multiple-stage cost flowing, 156f
- Murray, Bill, 29–30
- National Partnership for the Reinvention
  - of Government, 4, 252
- Near-term baseline operations, 195
- Net present value (NPV), 196
- Network, value (increase), 158
- Newtonian-style managers, 46
- Nodes, number (increase), 158
- Nohria, Nitin, 244
- Nonrecurring expenses, 203
- Nonrecurring expenses/strategic
  - initiatives, 206f
- Nonrecurring spending streams,
  - projection methods, 203
- Non-value added (NVA), 169–170
  - costs, 198
  - value-added, contrast, 197
- Norton, David, 39, 206
- Obama, Barack, 4
- Obsolete budgeting, 187
- Obvious costs, 174–175
- Office of Management and Budget
  - (OMB), 125
  - website creation, 6
- On-line analytical processing (OLAP)
  - software, 172
- Operational budget spending, 209–211
- Operational efficiency, 118



- Operational planning, strategic planning (linking), 35–37
- Operations
  - effectiveness/efficiency, 85
  - executive strategy, linkage, 56
- Orange Book, The (UK), 76
- Organizational behavioral change, challenges, 242
- Organizational change management, 21–22, 90, 239
- Organizational leadership, collaboration, 22
- Organizational levels
  - iterative process, 19
  - two-way dialog, 129
- Organizational problems, 41
- Organizational risk, establishment/communication, 79
- Organizational shock, 229
- Organizational stakeholder value, increase/maximization, 11
- Organizational strategy, building, 16–18
- Organizational sustaining
  - costs, identification/treatment, 159–161
- Organizational sustaining final cost object, 159f
- Organizational value
  - guiding, 16f
  - management, 23f
- Organizations
  - belief system, 148
  - changes, 30
  - concepts, understanding, 57
  - direction, setting, 19
  - GPS navigator, usage, 49–50
  - hierarchy, 109
  - mission, consideration, 16
  - mission/strategic plan, manager/employee activities (alignment), 107
  - objectives, defining, 79
  - operation, full capacity, 135
  - product/service delivery, 16
  - service-based organizations, product-based organizations (contrast), 134–136
  - strategy, 43
  - success, 32
  - techniques/technologies, usage, 20–21
  - tradeoffs, consideration, 12
- Organization-wide risks, monitoring, 84
- Osborne, David, 252
- Outputs
  - absence, 115–116
  - cost, 227
  - defining, case study, 116
  - equivalence, 158
  - output-related costs, 127
  - usage, 111–114
- Outsourcing
  - consideration, 225
  - decisions, 196
  - options, evaluation, 107
  - studies, 117–118
- Overhead cost allocations, determination, 147
- Overhead expenses, derivation, 129
- Overcrutinized budgeting, 188
- Past-period costing, driver quantities, 207
- Payroll-related costs, 144–145
- Performance
  - level, 225
  - measurement, 118
  - monitoring/review, 67, 82
  - performance-based management, change, 5–6
- Performance indicators (PIs), 40, 46, 51
  - key performance indicators, differences, 53f
- Planning, 195–196
- Political budgeting, 187
- Porter, Michael E., 204
- Portfolio management, 14–16
  - approach, requirement, 13
- Predefining, technique, 221
- Predictive accounting, 190–191
  - ABC/M foundation, 197–198
  - closed-loop information flow, 200f
  - descriptive accounting, contrast, 193–195, 193f

- marginal expense calculations, usage, 199–201
  - method, 200
- Predictive analytics (EPM component), 66
- Predictive costing, modeling (comparison), 202
- Predictive stage (analytics), 235
- Prescriptive stage (analytics), 235
- President's Committee on Administrative Management, 4
- President's Management Agenda (PMA), 4–5, 252
- President's Management Council, accountability demand, 3
- Prevention
  - activities, 178
  - costs, 175
  - efforts, evaluation/redirection, 178
  - inexpensiveness, 178
- Private sector companies, stakeholder interests (usage), 10
- Private sector organizations, 32
- Private Sector Survey on Cost Control (Grace Commission), 4
- Privatization
  - options, evaluation, 107
  - studies, 117–118
- Proactive change, 31
- Process
  - analysis, 228
  - drivers, 210
  - horizontal process cost scheme, governance, 161
  - improvement/operational efficiency, 118
  - management, 131
  - monitoring/measurement, dashboards (usage), 55
  - process-based KPIs, 55
  - process-modeling techniques/software, 149
  - viewpoints, 161–163
- Process excellence
  - impact, 44
  - stimulation, learning environment (impact), 44
- Process improvement, 196–197
  - EPM component, 66
  - implementation, 107
  - result, 98–99
- Product
  - diversity, 149
  - maker/distributor, service provider (differences), 135
  - offerings, 146
  - product-based organizations, service-based organizations (contrast), 134–136
  - routings, 200
- Productivity
  - creation, 66
  - improvement, 196–197
- Profiling, usage, 221
- Profit-and-wealth
  - maximization, 133–134
- Progress
  - charting, scorecards (usage), 54–55
  - monitoring, 90–91
- Project accounting, 103–104
- Project-driven expenses, 203
- Project plan, work-step, 165
- Project/process management, 64f
- Project/program accounting, ABC (contrast), 165f
- Projects, usage, 205–206
- Proposed results, delivery, 98
- Public sector
  - organizations, fee/price structures (absence), 134
- Public sector employees, downsizing, 119–121
- Public sector strategy map, 44f
- Public sector VBM, future, 251
- Quality assessment, ABC/M attributes (usage), 167
- Quality costs, categorization process, 174–176
- Quality management, 99
- Quality-related costs, 174
- Quantitative financial information, requirement, 125–126
- Rapid prototyping, 217–218
  - iterative modeling, usage, 216f
- Rapid prototyping, usage, 213

- Rationalization, 195
  - managerial accounting, 197
- Reactive internal change, 31
- Real-time information, 55
- Recurring expenses, 203
- Recurring expenses/future
  - volume/mix, 207f
- Recurring spending streams, projection
  - methods, 203
- Regulatory burdens, accumulation, 5
- Reinventing Government* (Cordova), 252
- Report card, senior management attitude
  - (impact), 47–48
- Reporting tools, 21
- Requisitions, requirement, 112
- Research and development (R&D), 161
- Resource
  - allocation, 19
  - balancing, 14
  - driver-based resource
    - capacity, 206–208
  - drivers, 150–152
  - expenses
    - reassignment, 141
    - usage, 111–114
  - flexibility/interchangeability, 135
  - incremental changes, 198–199
  - management, 20, 101
  - postponement, 135
  - requirements, derivation, 205f
  - usage, optimization, 7
- Resource consumption accounting
  - (RCA), 197
- Results
  - accomplishment, 96–97
  - achievement, information technology
    - (usage), 233–234
  - balancing, 14, 19, 44
  - management, 93, 95f
  - monitoring, 75
  - optimization, 97–98
  - proposal, 96–97
  - tracking, 52
  - tradeoff decisions, 33
- Return on investment (ROI), 196
- Revenue growth objectives, cost
  - management objectives
    - (combination), 43
- Right-sized ABC/M system, 117
- Risk
  - alternatives, development, 81–82
  - analysis, 81
  - assessment, 85
    - grid, usage, 208–209, 209f
  - assumption, 19, 75
  - balancing, 14
  - budget spending, 209–211
  - comparison, 83
  - consideration, 11
  - continuous risk identification, 84
  - documentation, 83
  - evaluation, 81
  - event, severity, 208
  - handling, methods (evaluation), 75
  - identification, 80
  - impact, 83
  - incorporation, 7
  - level, understanding, 83
  - likelihood, 83
  - mitigation, 66, 208–209
    - spending, absence, 208
  - objective, 83
  - occurrence, likelihood, 83
  - portfolio management, 89
  - prioritization, 83
  - reduction, 75, 82
  - register/profile, importance, 83–84
  - response, 82
  - risk-adjusted ROI, 13f
  - target, setting, 83
  - term, usage, 74
  - tolerance, 80
  - transfer, 75
  - treatment
    - accountability, establishment, 84
    - documentation, 84
- Risk management, 20, 66, 73, 77
  - circle, 87
  - development, 75
  - elements, 82–83
  - EPM component, 66
  - evolution, 75–76
  - process, 77–84
    - context, establishment, 77–80
    - example, 78f
  - requirements, 83
  - risk register/profile, importance, 83
  - role, reduction, 74

- Risk Management in the Business Enterprise* (Mehr/Hedges), 75
- Risk, Results, Resources (three Rs), 20, 24, 69, 71
- Risk treatment
  - accountability, establishment, 84
  - completion, target date, 83
  - completion, targeted date (establishment), 84
  - documentation, 83
  - options, 81–82
- Rolling financial forecasts, 66, 183
  - change, 211
- Root cause, 178
  - analysis, problem solving, 229
  - challenges, 5
  - identification, 150
- Salary, ignoring, 220
- Sandbagging budgeting, 188
- Scenario analysis, 80
- Scorecards
  - dials (movement), dashboards (usage), 56
  - intelligent reporting, 54
  - purposes, 52–55
  - senior management attitude, impact, 47–48
  - strategic purpose, 53
  - usage, 56
- Search applications, 21
- Second-stage driver, 152
- Seed money, 210
- Senge, Peter, 51
- Senior management attitude, impact, 47–48
- Service-based organizations,
  - product-based organizations (contrast), 134–136
- Service/cost-to-serve, fees, 117
- Service-line offerings, 146
- Service provider, product maker/distributor (differences), 135
- Service-recipient diversity, 149
- Sharing (risk treatment option), 82
- Short-term wins, generation, 248
- Silos, 109
- Six Sigma, 66
  - quality initiatives, 197
- Sliders, usage, 52
- Smokestacks, 109
- Social measurements, 45–47
- Speed bumps, 57–58
- Spending
  - future-period levels, calculation, 207
  - planning, 206–208
  - river streams, 203
- Spreadsheet budgeting, 189f
- Stakeholder interests
  - mission/product/services, alignment, 16
  - usage, 10
- Stakeholder interests/value, balancing, 14
- Stakeholder value
  - balancing, 14f
  - creation, 62, 96
  - delivery, 62
  - maximization, 7, 13f, 17, 19
  - optimization, 37–38
- Static annual budget, change, 211
- Stovepipes, 109
- Strategic budget spending, 209–211
- Strategic goals, measures (tailoring), 57
- Strategic objectives, 205–206
  - progress (charting), scorecards (usage), 54–55
  - responsibility, identification, 44, 45f
- Strategic plan, activities (alignment), 118
- Strategic planning, 34
  - Balanced Scorecard Institute definition, 35
  - operational planning, linking, 35–37
- Strategic vision, formation, 247
- Strategy
  - diagram, 55
  - execution (EPM component), 65
  - exploitation, 18–19
  - importance, 57, 202
  - learnability, 212
  - management/governance, 24
  - setting/execution, 29
  - strategy/risk, connection, 211
- Strategy map, 39, 55
  - architecture, 42f

- construction workshop, 47f
- linkages, connection, 43
- perspective, cause-and-effect flow (display), 44
- public sector strategy map, 44f
- Strengths, weaknesses, opportunities, and threats (SWOT), 46–47
- Structural issues, 5
- Structured “What-if” Technique (SWIFT), 80
- Success, building, 32–33
- Supervisory command-and-control, 48
- Support-related activity costs, 156
- Surveys, 80
- Sustaining costs, inclusion/exclusion, 160
  
- Target costing, 197
- Taxpayers, dissatisfaction (challenges/solutions), 3
- Taylor, Frederick Winslow, 251–252
- Technical barriers, 242
- Technical measurements, 45–47
- Technology
  - application, 229
  - barriers, 21
  - enablers (VBM component), 23
- Thames, Robert, 30
- “Then what?” question, 195–196
- Theory E, 244–245
- Theory O, 244–245
- Theory of constraint’s throughput accounting, 197
- Three-dimensional ABC cross, 164f
  - occurrence, leveling/disaggregation (usage), 164–165
- Three Rs. *See* Risk, Results, Resources
- Throughput accounting, 197
- Time-based sequence, 156
- Time-phasing, 228–229, 228f
- Time-usage duration, 104
- “To-Be” state, 62, 64, 184, 197
- Tools. *See* Understanding, Motivation, Tools, and Incentives
- Top-level long-term organizational objectives, 35–36
- Top-level organizational goals/objectives, cascading, 18–19
- Top-level strategic objectives, decomposition, 36
- Total quality management (TQM), 131
  - problem-solving tools, 150
- Traceability, provision, 158
- Traffic lights, usage, 52
- Transfer (risk treatment option), 82
- Trends, causes (revealing), 235
- True costs of services, determination, 107
- Truth, phases, 133
- Two-stage ABC/M cross model, expansion, 155–159
  
- Understanding, Motivation, Tools, and Incentives (UMTI), 245–248
- Unit costs of outputs, 157
- United States, Accountable Government Initiative, 4–5
- Units of time, 158
- Urgency, sense (creation), 247
- “Use it or lose it” strategy, 187
- User discontent/rebellion, 184–187
  
- Value
  - change, impact, 31f
  - creation, projects/initiatives (usage), 205–206
  - defining, 11–12
  - delivery, organizational strategy (building), 16–18
  - generation, 9
  - management, 29–32
  - maximization, 12–16
  - strategic goals, translation/decomposition, 49
  - value-adding activities, 170
- Value-add (assessment), ABC/M attributes (usage), 167
- Value-added (VA), 169–170
  - attributes, 197
  - non-value added, contrast, 197
- Value-based management (VBM), 6
  - adoption rate
    - acceleration process, 241
    - barriers, 242–243
  - balanced scorecard, difference, 48–49
  - building blocks, 22–25
  - change, 5–6

- framework
  - full vision, achievement, 67
  - governance, 22
- future, 251–253
- goal, 14–15
- government gain, 7
- House of VBM, 22–23, 233
- implementation, 254
- information technology, impact, 24
- management conversation, 13
- public sector VBM, future, 251
- results, optimization, 97–98
- three Rs, 69
- Variable expenses, 198
- Verb-adjective-noun grammar
  - convention, 219–220
- Vertical cost
  - object, viewpoint, 162f
  - reassignment scheme, 161
- Vision, defining, 206
- Visual aids, usage, 52
- Volunteer army, enlisting, 248
- Wage differentials, ignoring, 220
- Waste, elimination, 66, 131
- Wasteful budgeting, 188
- Webster, Doug, 30, 245–248
- What-if scenarios, 197
- What-if trade-off analysis, 125
- Why-to, 243
- Work
  - activities, 224
    - distinctions, 167
  - activity input form, 219f
  - orders, 103–104
  - repeatability, impact, 165–166
  - work-activity costs, reassembly/alignment, 140
  - work-consuming outputs, 197
- Workload demands, 200
- Zero-based budgeting (ZBB), 184
- Zero-sum error game, 147