

# NETHERLANDS

## *Ministry of Education, Culture and Science chooses SAP as the enabler of its performance-based budgeting process*

The Ministry implemented an innovative enterprise resource planning (ERP) solution from SAP to manage its constantly changing budget allocation needs and accommodate a government-wide financial model for administering finances called Kernel Financial Information (KFI).

This SAP software not only streamlined and increased efficiency of the Ministry's financial management and budgeting processes, it is also used to allocate funds to its education institutions based on a performance-based budgeting process.



### HIGHLIGHTS

#### Challenges

- Difficulty in managing funds efficiently as funding guidelines change often
- The Ministry has to adhere to the KFI guidelines
- No integrated IT platform to manage performance-based budgeting process

#### Solutions

Implemented mySAP ERP solution to:

- Address budget allocation concerns and accommodate KFI guidelines
- Evaluate and measure schools and students' performance based on KPIs
- Track budgets and financial transactions



### RESULTS ACHIEVED

- Eliminated inefficient paper-based business processes
- Streamlined financial and budgeting processes
- Reduced time taken to plan budget allocations by 50%
- Responded more effectively and accurately to needs of institutions and citizens
- Improved communication with political community



### LESSONS LEARNED

- Start the project small with only strategic global KPIs
- Fine-tune budgeting process continuously when new data is available
- Use only KPIs that the institutions will readily accept
- Have a strong political sponsorship for the project
- Involve external experts to have a balanced view
- Constant communication with internal stakeholders

