

Integrated management of resources and expenditures in the organization

Based on the IPABS methodology

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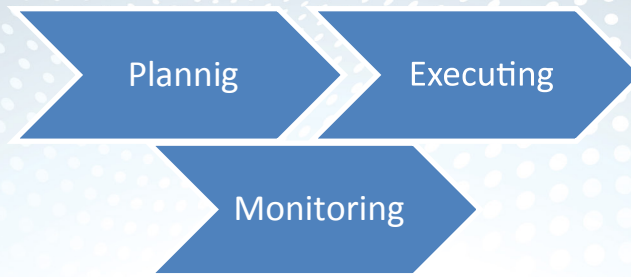
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Introduction

Million years has passed from the life time on the earth and during this time the creatures such as human beings according to environmental conditions, which dominated on itself, have seen dimensional changes. That means by passing the time their bodies have become bigger or smaller. However this change has never included insects. Do you know why? The scientists have known the main reason of this matter is in the spinal column and skeleton. They believe that the creatures which have spinal column according to environmental conditions are able to become bigger or smaller. However the creatures which don't have spinal column are not able to become bigger or smaller, therefore during of the history we haven't observed a lot of dimensional changes in them. Organizations as the creatures need spinal column in order to become bigger or smaller or on the other hand according to their environmental conditions change their dimensions; a spinal column which the other members from brain up to heart and vessels are connected to it, a spinal column which is their supporter and porter. It would definitely be said that spinal column of an organization is planning and budget system of organization. A system which is connected to the brain of organization or the same senior manager of that organization and on the other hand the other members of that organization such as head quarters and quarters. The existence of this system helps the organization the dimensions and organized them, on the basis of environmental conditions which the brain origination side. Pay attention that we are talking about planning and budget system not only the budget. Budget is one of its items while we mention about planning and budgets. It means that it a set of processes and actions which the budget of the organization. Distributes on the base of plans and senior manager's aim in various sections; hence it causes especial conditions which each of this sections will be able to use this fund to carry out their duty and internal plants and finally while monitoring and controlling of the whole components of this process, they evaluated their operation and give the result to senior manager as a feedback of this distribut.



The biggest concerns of the senior manager of an origination is (the sources and utilizations) revenues and cost of that organization.

The art of a manager is that by preserving of the favorite quality of services and the goods which are produced by organization able to monitor and refine both of them in an optimization cycle.

Intergrated of planning and budget is a senior manager way for affair. This system which is made of various processes always monitors his complicated organization for him.

At the end we are able to say that planning and budget system is a connected point which connects strategic domain to the departments (operational areas).

IPABS is new method for implementing of this system in the other enormous organizations.

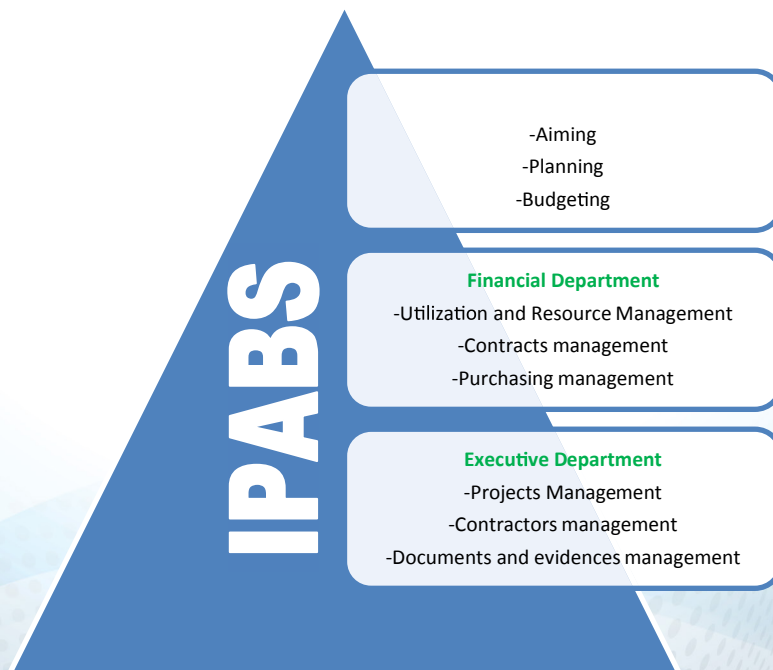


What is IPABS?

As you know an organization has some sources that use them in the way of furthering its plans and aims. IPABS is one of the newest methods in the world which is use for implementing of this process.

This method which, in fact, is an executive philosophy in the domain of resource and utilizations management in enormous organizations that are mentioned footnote: organizations which have been formed themselves with several sub organizations that emphasis on execution of tasks and influences of plans, the product of implementing is made in domains of planning, financial and operations.

By developing of the organization the requirement of flexibility will be added to this implementing product, and issue which has been called under «lack of concentration at the same of concentration» in the monumental approaches. IPABS is the abbreviation of integrated planning, accounting, budgeting system; and it tries to integrate the planning, financial and operational domains of organization and in this way will be referred to middle solution under lack of concentration at the same concentration.



One of the difficulties of the organizations is reacting in controlling the planning of domains; which means these kinds of domain are for analyzing of the organization and waiting for information that has sent from financial and executive departments, and sending these information takes long time which most of the time the required validity for making decision has been lost by performing IPABS this act will be changed from reactive to proactive. So that, the mentioned department will be always be the most up to date intelligence in the organization.

By performing planning and budget method of organization, the organization will be controlled with current processes of organization.

Let us use an easy example for explaining this matter. Suppose a person in X organization who intends to issue a purchase request for a computer. We will have two types of implementing as follow which one of them is Before Implementation and the other is After Implementation.

Before Implementation

The mentioned person has filled out the purchase request from and after necessary conformation he will send it to the supply department of the organization and this department will buy the mentioned purchase, too. After a long time that this matter passed, when it comes to budget subtraction, the planning department realizes that this purchase has not been in planning and budget of the organization.

After Implementation

the mentioned person starts to fill out the request on IPABS, and this system checks the request with planning and budget of the organization due to lack of prediction, it prevents it from issuing.

By comparing these two methods, we can see that in the first method the organization lets a problem to be created and then identifies it, but in the second method the structure which has been created from the root prevents creating a problem.

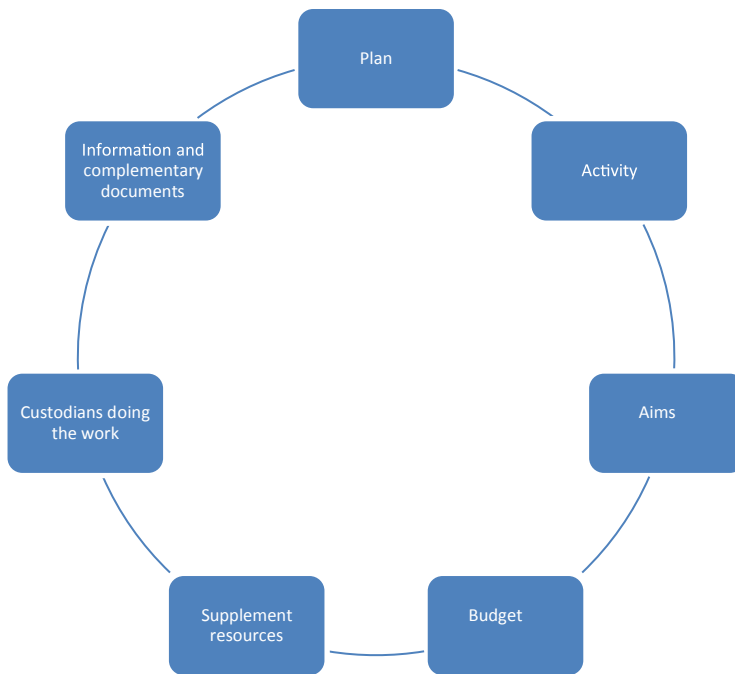
Reactive

Proactive

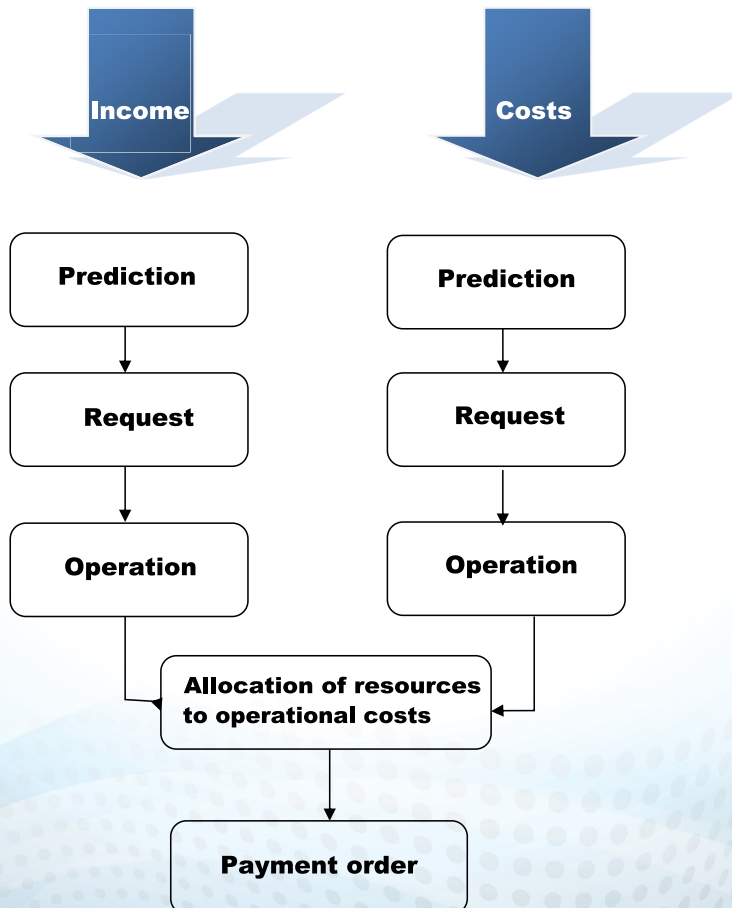
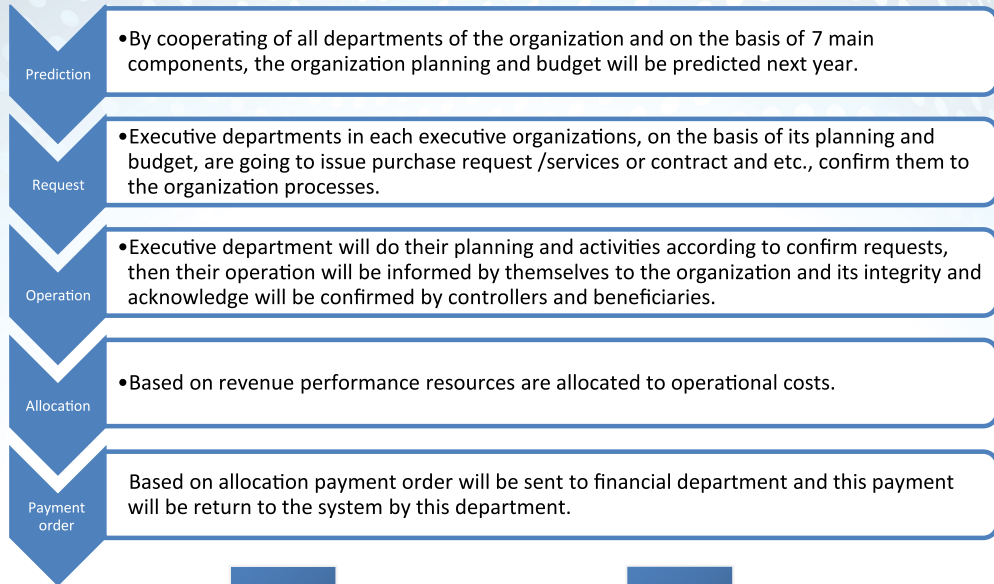
What does IPABS do?

This approach emphasizes that it is necessary the seven main components of the organization in 5 executive steps must always be mentioned by senior management monitoring of organization.

The seven main components of the organization:



Five executive steps



In facts, IPABS will give all the current resources and costs of the organization to the senior managers.

By implementation of this system senior manager of the organization are able to monitor online the recent state of cost and incomes in each available process in the above figure and this means that realizing the motto «glass organization».

(IPABS) target community

Basically, each organization which its annual budget (total costs and incomes) will be more than 10 million dollars (equivalent to 35 billion Toman) by implementation, this system is able to achieve 2 to 10 percent improvement in its expenses.

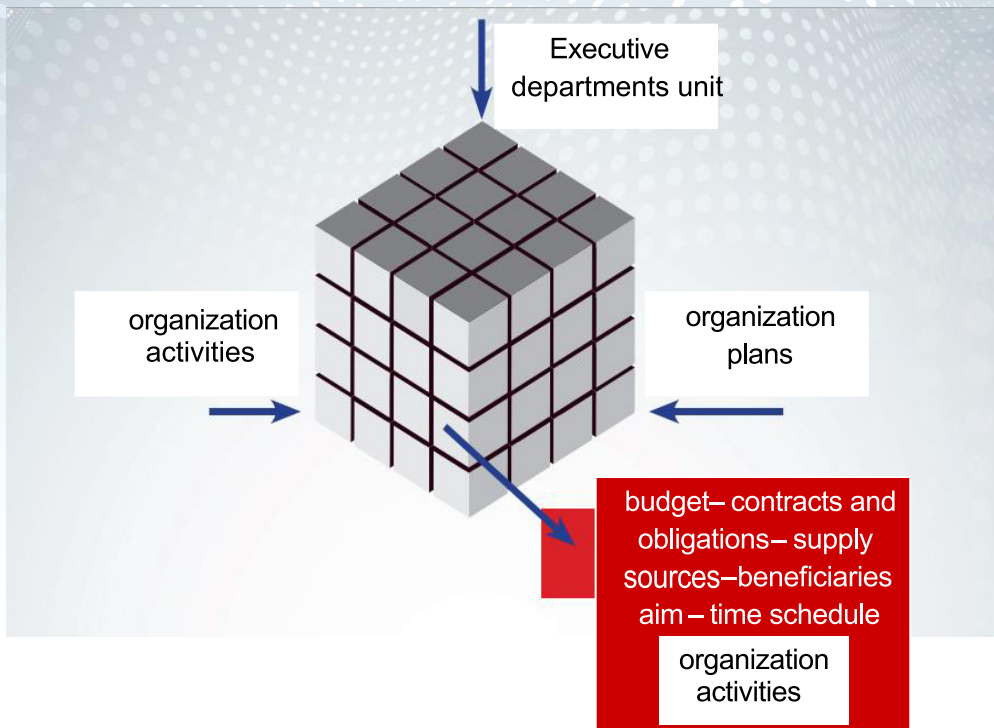
What is Sibna?

Sibna is the first experience of IPABS of implementation in Iran.

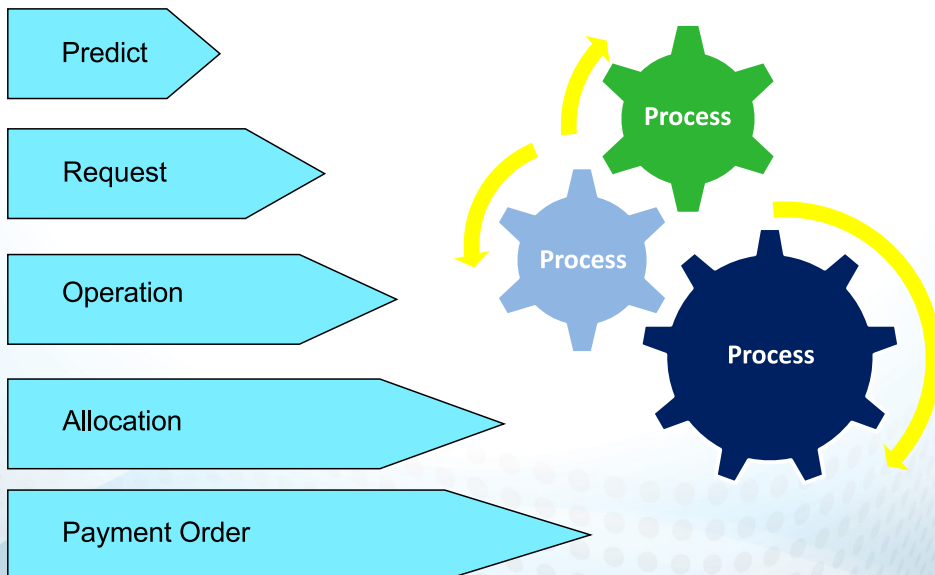
This system is the product of Danesh Bayan companies after 12 years working on the bases of this method, the resource and the costs of the organization will be managed seamlessly in order to realize plans and aims.

Sibna's information structure

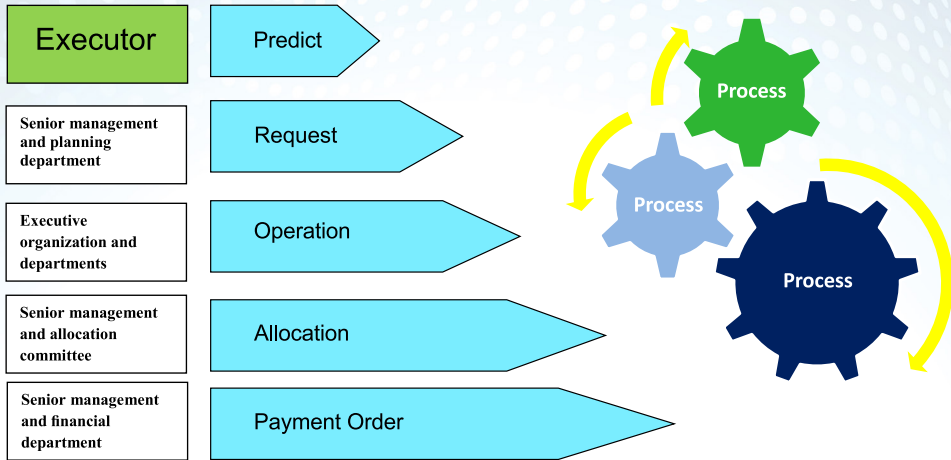
Sibna in the target organization forms an information structure which will have three dimensions: one for plans, one for activities and the other one for executive departments. At the junction of these three dimensions there will be a pack of information which will be included: budget, aim, predictions, requests, operation, contract and obligations. This dimension will support all the information requirements of planning and budget system of the organization.



This information structure through current processes of the organization is managed in 5 executive steps which are mentioned.



In each of these executive steps we can observe the roles of various dimensions of the organization as follow



Sibna`s strategy structure

Sibna divides the organization into two parts.

A: The central headquarters which is called in the term headquarters.

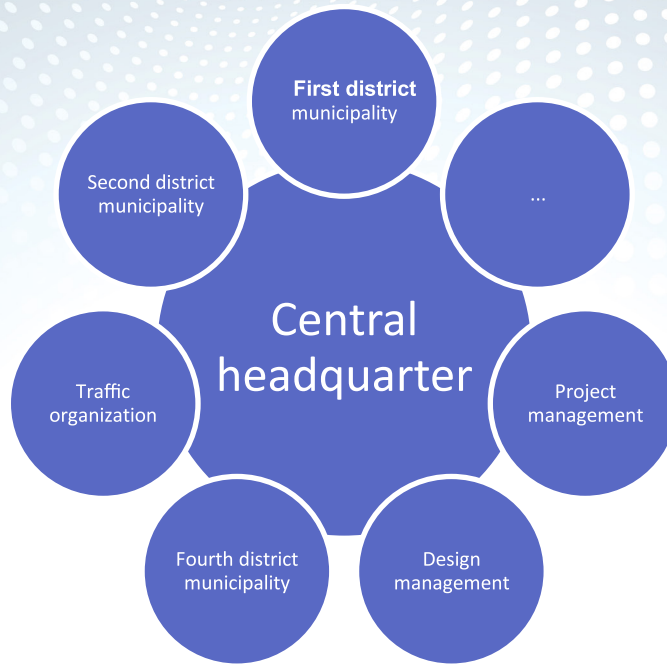
B: Local subsystems which are affiliated organizations or executive departments.

Strategic managements of planning and budget system lies with headquarters or central headquarter.

Compilation of budget album, compilation executive policies, defining executors a beneficiaries and anything else which is related to strategic leadership of this system is defined in this system.

Next to this issue, each of the departments of subsidiary organizations uses Sibna as an independent and special system which is called local subsystem. This means that each of these departments is able to have their own budget tree, working processes, controlling and monitoring systems, authority limit and responsibilities.

By means of this structure the central headquarter can evaluate operation and terms which are governing of each organizations and it can consider specific policies for them, it's easy to say that in this structure each of these subsidiary organizations uses an independent Sibna that is at the same time enter grated with central headquarters. This issue is reminiscent of the principle of implementation of «Lack of concentration at the same of concentration» in IPABS.



System users` structure

Due to users` level access control various information and the classification of the relevant information in above system three main roles can be defined.

1. Senior planner`s role: he is the senior leader of system and all of the budget information system is available for them. He is the system politician. Deputy planning and budget (planning and budget management)
2. Beneficiary`s role: due to determinate access by planning department, this beneficiary has permission to access the budget information of his own domains and its corresponding departments under local sub systems. For example: culture affairs department
3. Executor`s role considering to determinate accesses by planner and beneficiary department, he can access to its department budget information and manage his domain budget activities, for instance third district municipality. Each executive department (local subsystem) also is able to the same role in its own local subsystem which is mentioned above; for instance, third district budget department plays the role of planner in the third district local subsystem. Third district cultural deputy plays the role of beneficiary in the third district subsystem and third district urban services department also the plays executor`s role in the third district subsystem.

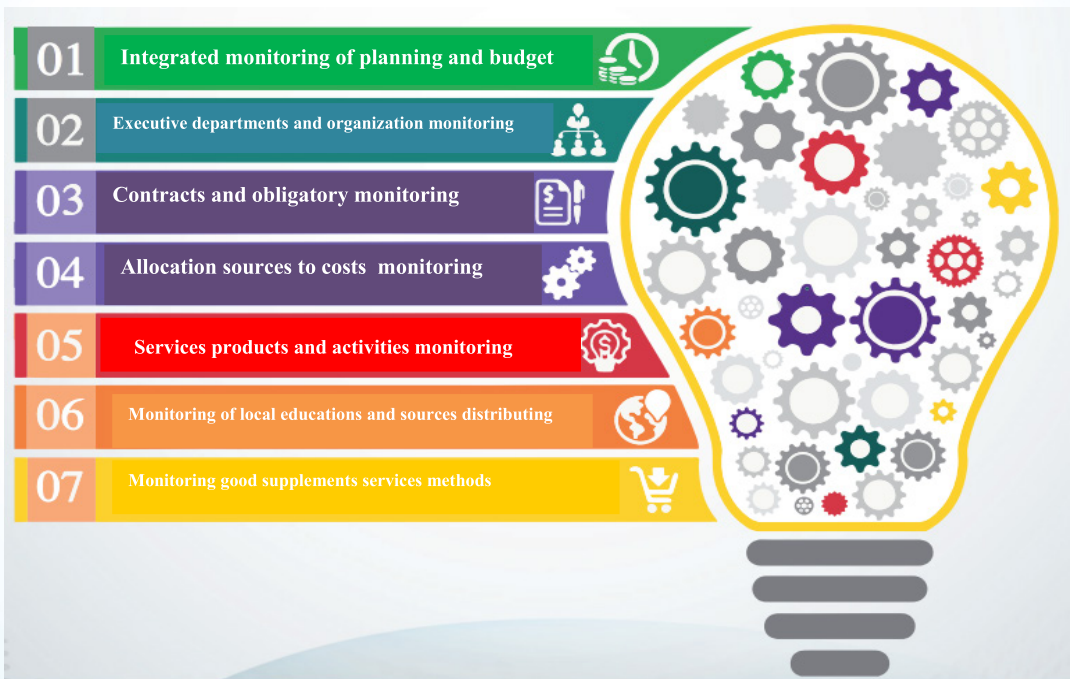
Sibna's conceptual model

If we liken the system to a lamp, by settlement of Sibna, several events will happen.

1- The first it has to consider that this lamp is made of how many gearwheels, these gearwheels are those systems and current system of that organization. As a result of this review it will be specified that gearwheel sometimes are lack of complementary gears and sometimes in some cases they don't have necessary coordination.

2- According to first phase result, new gearwheels will be designed and they're going to add to current structure of organization.

3- Based on the optimized set of performance the lamp is started to work and seven pictures of organization will be turned on which you can observe them in following figure.



Process of settlement of Sibna in the organization

As we know EPR or the same enormous system of management resources of organization around an axis manages all the events. For example, SPA SYSTEM which is used more by industrial companies this axis is producing plan. It means that this producing plan is controlled by it. It means this system realized its great aim on producing; it controls all of transactions

organization, or in ATS system which is mainly used in international distribution companies. This is an axis for realization of logistic Sibna, in fact is an EPR focused on plan and budget. The above, plan and budget of the organization which all of beneficiaries' demands are successive are in this axis and controls all of the organization events. This event is included from buying a pencil to multi billion dollars contracts.

The process of Sibna settlement will be done like all of EPR in the processes.

1. Preparing a booklet and studying process: One of the problems of the organization in using of software is lack of requirement definition, the issue of the organization. In this phase by settling our expert in the location of the target organization, all of the cards infrastructure, hardware and software and the structure of the items will be consider by our experts and base of IPABS standard, special integrated planning and budget system of that organization will be designed and in form of RFP bookplate will be presented to the experts and managers, moreover finally through several rounds trips between organizations and experts team it will be finalized.

2. Producing process:

By performing, the first process issue and requires are well described. Now base on RFP booklet the technical team starts to produce the above system, and at the end, productions based on technical documents will be delivered to organization.

3. In this process some of specialized experts and superior on Sibna will be settled in the location of organization full time or part time to help the organization to settle in the best state. It is worth nothing that Sibna's settlement process will be done in several processes which by passing the time, step by step will cover all parts of the organization.

