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WHITE PAPER

Oracle Solutions Transform State and Local Governments

Sponsored by: Oracle Corporation

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IN THIS WHITE PAPER

This IDC white paper examines the dynamics of the state and local government sector and how information technology can be leveraged to address the challenges facing state and local governments. Specifically, this white paper:

- Highlights the organizational and technology challenges facing state and local governments today
- Identifies how state and local governments are responding to these challenges through the use of information technology
- Introduces Oracle's state and local government solutions and examines how Oracle customers have leveraged these solutions to address the challenges they face
- Offers recommendations and best practices for decision makers at state and local government agencies

INTRODUCTION

THE CHANGING STATE AND LOCAL ENVIRONMENTS

The past few years have been tumultuous for state and local governments in the United States. The U.S. public sector is facing one of the worst budget crises ever. Following a fiscal boom in the late 1990s, nearly all states now face deficits in the current fiscal year. These deficits are projected to continue into future fiscal years for many states, as they attempt to deal with ever-rising entitlement costs such as Medicaid. County and city governments have suffered as a result of cuts to state budgets and decreases in income and sales tax receipts.

During these difficult economic times, state and local governments are also being pressed to address the challenge of homeland security. With the bulk of homeland security resting on the shoulders of first responders, state and local governments struggle to find money to fund local homeland security initiatives. And in the context of a post-9/11 world, the role of state and local government has shifted dramatically: State and local government agencies now need to integrate and interact much more tightly with both their counterparts in other localities and states and their relevant counterparts at the federal level.

Public sector organizations at both the state and local levels recognize the increased importance of installing, upgrading, and enhancing a robust, scalable, and flexible IT infrastructure. The emerging demands associated with issues such as homeland security, limited personnel resources, the loss of key experience to the retirement of baby boomers, and the demand for improved services are accelerating the realization

that it will be increasingly critical to transform disparate IT systems onto a single architecture that integrates business processes across the government enterprise.

As the dust following the events of the past two years begins to settle, state and local governments are taking steps to overcome their immediate obstacles and plan for the challenges that inevitably lie ahead. In many instances, government decision makers are turning to technology solutions to effectively address these challenges.

UNIQUE CHALLENGES OF STATE AND LOCAL GOVERNMENTS

The pressures facing state and local governments differ quite significantly from those facing the private sector and even represent a different set of challenges compared with those facing the federal government. IDC identifies several key challenges facing state and local governments:

- **Dealing with shrinking budgets.** The slashing of budgets is perhaps the biggest challenge facing U.S. states, counties, and cities. Indicative of this pressing challenge is the attitude of state and local governments toward the role of technology in reducing headcount. Years ago it was very unpopular to talk about how leveraging technology could reduce workforce. Now, this concept is almost welcomed, as state and local governments face shrinking budgets. Even if they determine that technology is the most economical route, state and local governments require a rapid, healthy return on investment (ROI) and low maintenance costs.

- **Meeting increasing public demand for more efficient and continuously available government services.** State and local governments are under increased pressure to provide 24 x 7 multichannel access to services for a variety of constituents, including citizens, businesses, and even other government agencies.

- **Gaining a clearer view on revenue and expenditures.** As they face one of the most difficult financial crises in recent history, state and local government agencies need to increase both transparency and accountability in their financial management practices. Achieving this level of effective financial management ranges from improving financial reporting capabilities to shifting toward more outcome-based budgeting processes.

- **Maximizing existing resources.** Recruiting and retaining a skilled workforce will become increasingly important as many state and local government employees reach retirement age in the next five years. Overall, "doing more with less" is a mantra of state and local governments, which are increasingly required to deliver much higher levels of constituent service with fewer personnel resources. Consolidation of servers and applications has been a popular way to do more with less. Many state and local governments are interested in eliminating the hundreds of file servers and application instances to reduce infrastructure expenses and lower maintenance costs.

- **Leveraging private sector best practices within government.** As state and local governments seek ways to reduce their spending, increase efficiency, reduce redundancy, and seek economies of scale, it is becoming increasingly common to leverage existing best practices within the private sector to implement such change. Examples include teaming up with other government agencies to launch an eprocurement solution and leveraging collaborative tools to enhance internal data and knowledge sharing among employees. These initiatives reflect the increased trend of government agencies acknowledging the best practices that have helped private sector organizations succeed.

- **Adopting an enterprise view of government.** As a whole, government agencies have operated fairly independently of each other. However, as the state and local landscapes have shifted over the past few years, it is becoming increasingly evident that agencies need to bridge the silos within their organizations. In fact, many initiatives, such as homeland security and egovernment, are contingent upon such successful integration.

- **Ensuring a skilled and trained workforce.** Bringing in new technology to solve problems can sometimes create new obstacles. States and localities often have difficulty meeting project milestones due to inadequate technical staffing and prolonged budget and approval cycles.

- **Making government accessible.** To address the changing needs of an aging workforce and communicate with citizens who may have some physical challenges, government agencies must comply with legislation that requires all technology to be accessible by persons with disabilities.

- **Communicating with small, remote counties and cities.** Many small cities in counties in rural areas do not have the necessary infrastructure (such as networks or hardware) to work effectively, which can impede their ability to benefit from the functionality of enterprise applications.

- **Facilitating interagency communication.** State and local agencies need to easily communicate with each other, especially during a crisis. Agencies also need to be able to quickly disseminate maps, instructions, and other vital information to first responders. Technology based on clear plans and processes is often the most efficient way to facilitate interagency communication.

IT ADOPTION IN STATE AND LOCAL GOVERNMENTS

IDC surveys of state and local government officials highlight the common ways in which state and local governments are prioritizing IT funds (see Figure 1). Disaster recovery and security are top of mind for most decision makers today, as 90% of state and local governments indicated that disaster recovery plans will be a top IT investment area in 2003. Preparing for unexpected events also requires state and local governments to upgrade their systems infrastructure capabilities, where 92% indicated that they will make investments. And 74% of government respondents indicated that they will make investments in their enterprise resource management (ERM) systems, responding to the increased need to tighten financial management of revenue and expenditures.

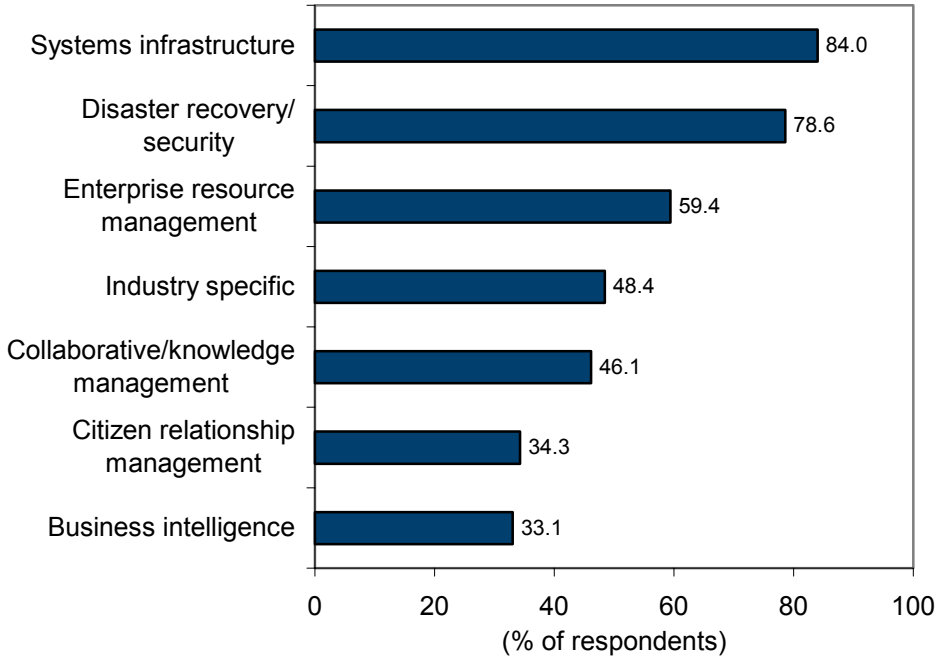
Citizen relationship management (CRM) systems are gaining rapid acceptance in the U.S. state and local sector. More than 56% of respondents plan to invest in CRM systems as part of their overall egovernment strategy. State and local governments are well on their way in the areas of business to business (B2B) (including eprocurement and electronic filing and payment systems) and business to consumer (B2C) for online payment of permits and taxes. B2B and B2C were initially thought of as bolt-on Web systems during the late 1990s dot-com era; however, with the recent consolidation in the software industry, many B2B and B2C vendors no longer exist. Nevertheless, the functions have been absorbed as features in large enterprise business suites (CRM, ERM, ERP). Such functions are still critical to state and local governments.

One of the historical challenges with ERM systems has been having the ability to generate business intelligence or deploy corporate performance management (CPM) practices to the data in the ERM system. As we move forward, state and local consumers of ERM packages should require CPM to be built into the ERM system. This removes the need to build complex and expensive custom data warehouses — and, more important, would provide real-time drillback to any source ERM transaction

starting with a key performance indicator (KPI) value, scorecard value, or any financial balance in an online auditable financial statement. The combinations of drillback across an ERM suite require that the ERM vendor provide this functionality.

FIGURE 1

TOP IT PRIORITIES FOR NORTH AMERICAN STATE AND LOCAL GOVERNMENTS, 2003



Source: IDC's *Enterprise Technology Trends Survey,* 2003

SOLUTIONS FOR STATE AND LOCAL GOVERNMENTS

TRANSLATING PAIN POINTS INTO IT INVESTMENTS

A key driver of IT investment among state and local governments is the leveraging of technology to help address business and operational challenges. As government agencies struggle to address these challenges, they are turning to IT investments to solve their problems:

- To meet the increasing public demand for more efficient and continuously available government services, state and local governments are making systems infrastructure improvements, moving forward with egovernment initiatives, redesigning their approach to customer service, and implementing ERM systems.
- To gain a clearer view of revenue and expenditures, the public sector is turning to ERM systems, implementing financial systems, and leveraging business intelligence processes. To extend improved financial management to the procurement function, many organizations are turning to eprocurement solutions.

- To maximize existing resources, state and local governments are increasing their focus on attracting, retaining, and developing a skilled workforce to align with the agencies' organizational and financial goals. To do this, human resources systems and recruiting systems are becoming increasingly appealing choices to many government organizations. In addition, many state and local governments are turning to outsourcing to cope with their aging workforces while often delivering a higher quality of constituent service.

- Leveraging private sector best practices has gained increased traction within many government organizations. One example of following best practices can be seen in the approach to developing disaster recovery and security plans. Adopting physical and IT security measures, including contingency planning and disaster recovery plans, is now a core driver of homeland security efforts, and many lessons have been learned from the private sector.

- To adopt an enterprise view of government, state and local governments have made improvements to existing IT infrastructure. In addition, reducing the cost of managing multiple IT infrastructures by gaining more economies of scale is now a focus across the state and local landscapes, as agencies seek to bridge the silos within their organizations. Initiatives such as homeland security and egovernment are contingent upon adopting an enterprise view of government.

Table 1 illustrates how many state and local government agencies are leveraging technology solutions to address their specific pain points.

TABLE 1

HOW STATE AND LOCAL BUSINESS CHALLENGES IN 2003 WILL TRANSLATE INTO IT INVESTMENTS

State and Local Business Challenge	IT Investment Area
Providing highly available and robust internal and external constituent services	Systems infrastructure, egovernment, customer service, enterprise resource management systems
Improving management and reporting of finances, especially to ensure accountability, achieve budget, and track disbursements	Enterprise resource management, financial systems, business intelligence
Extending improved financial management and reporting to the procurement function to focus on streamlined, efficient procurement processes and reviews	Enterprise resource management, eprocurement, ecommerce (XML), procurement business intelligence
Operating and investing despite huge budget cuts	Enterprise resource management, consolidation, IT outsourcing
Attracting, retaining, and developing a skilled workforce to align with an agency's organizational and financial goals	Human resources systems, Web recruitment systems, self-service employee and management functions
Adopting physical and IT security measures, including contingency planning and disaster recovery plans, as part of homeland security efforts	Disaster recovery, security
Establishing interoperable systems and processes to allow for intra- and interagency communications, such as information sharing and emergency communications	Database technology, systems infrastructure, online collaboration for files, chat, complex projects, Linux

TABLE 1

HOW STATE AND LOCAL BUSINESS CHALLENGES IN 2003 WILL TRANSLATE INTO IT INVESTMENTS

State and Local Business Challenge	IT Investment Area
Leveraging interoperable systems and processes to facilitate internal enterprise collaboration to resolve constituent issues, such as case management	Knowledge management for first-line support, collaboration (including chat, voice over IP, Web broadcasting [WebEx, iMeeting NetMeeting]), function-specific solutions (such as case management, email management, and multichannel input and output)
Addressing an aging workforce and the need to deliver higher-quality constituent service with more limited resources	IT outsourcing, Web services to connect citizen relationship management to departmental systems and processes
Reducing the cost of managing IT infrastructures, gaining more economies of scale	IT outsourcing, Linux on Intel, standard IT consolidation of personnel and hardware

Source: IDC, 2003

ORACLE'S SOLUTIONS FOR AND APPROACH TO STATE AND LOCAL GOVERNMENTS

ORACLE'S STATE AND LOCAL GOVERNMENT SOLUTIONS

Oracle's state and local government solutions include products specific to the unique needs of state and local governments. These solutions enable state and local governments to maximize their existing IT systems and investments while maintaining the flexibility to easily deploy future initiatives. The solutions are targeted at five key areas of operation:

- Improving strategic management of human capital
- Updating traditional financial management and improving corporate performance measurement
- Streamlining procurement
- Managing and maintaining the life cycle of assets
- Connecting citizens to services (311)
- Collaborating for efficient case management

To help state and local governments leverage best practices across their organization, Oracle's state and local government solutions also include offerings that span these processes, such as project management, contract management, business intelligence, and collaboration products (see Figure 2).

FIGURE 2

ORACLE GOVERNMENT SOLUTIONS MAP

Processes					
Strategic Management of Human Capital	Financial Management and Performance Measures	Procure with Fiscal Responsibility	Life Cycle Asset Management	Connect Citizens to Services	Collaborate for Efficient Case Management
Products					
• Public Sector Human Resources • iRecruitment • Self-Service HR • iLearning • Payroll • Advanced Benefits	• Public Sector Financials • Balanced Scorecard • Activity-Based Management • Financial Analyzer • Internet Expenses • iReceivables	• iProcurement • Sourcing • iSupplier Portal • Purchasing Intelligence • Payables	• Enterprise Asset Management • Property Manager • Fixed Assets • Order Management • Service Contracts • Field Service • Transportation	• Citizen Interaction Center • Advanced Inbound • TeleService • iSupport • Email Center • Mobile Field Service	• TeleService • iSupport • iMeeting • Internet File System
Products that span all processes					
Project Management, Contract Management, HR Intelligence, Financial Intelligence, Purchasing Intelligence					
Database Server, Application Server, Development Tools, Collaboration Suite, Outsourcing					

Source: IDC, 2003

HOW ORACLE MEETS THE UNIQUE NEEDS AND CHALLENGES OF STATE AND LOCAL GOVERNMENTS

Oracle helps state and local governments deliver on their egovernment projects by providing a single architecture to integrate business processes across the government enterprise. Oracle's state and local solutions are designed to serve the entire process of egovernment — from enabling a citizen to apply for a permit or license online to flowing that revenue through an agency's financial/purchasing system. The City of Chicago, for example, runs Oracle's Financials Suite and Oracle's Database to support several aspects of its egovernment initiative.

Various state and local government agencies have been able to automate key functions of their organizations, such as finance and human resources, using Oracle government solutions. Oracle's customer base in the state and local arenas encompasses agencies from social services, housing authorities, homeland security, public health, and transportation to education, justice, and public safety. Oracle is striving to bring repeatable solutions across these different types of agencies in the United States so that education agencies, for example, can benefit from these systems across state and local boundaries. Many agencies are also increasingly seeking consistent solutions in their own departments. Consistent solutions enable a governor, for example, to have an enterprise view of finances across all state agencies.

"We have a much greater level of comfort about the quality of data using Oracle E-Business Suite and can now provide more accurate information to our chief decision makers."

– Tom Lynch, Director of Information Technology, Chicago Park District

ORACLE'S APPROACH TO HOMELAND SECURITY

Oracle views architecture and interoperability as crucial parts of a foundation that will help agencies implement homeland security solutions. Oracle's solution architecture brings together various entities to avoid duplicate development and inflexible technologies:

- **Health agencies.** Today's underfunded public health IT infrastructures are in dire need of upgrades, and many lack the ability to deal with large-scale attacks, creating a vulnerability around effectively communicating, supporting ongoing operations, or even identifying a potential threat or attack. Oracle's solutions help bring laboratories, hospitals, clinics, and local departments of health together with the Centers for Disease Control and Prevention to enable disease surveillance and immunization.

- **Homeland security.** In delivering its homeland security offerings, Oracle strives to provide solution architectures that can be used both in times of peace and in times of heightened security. By providing an infrastructure that supports cross-jurisdictional investigations — spanning local, state, federal, and international law enforcement — Oracle is able to offer an integrated solution that improves quality of service and centralizes data collection while increasing speed of resolution and inquiry response.

"Our mission is to be the best at building great schools for the children of New York City. Oracle applications go a long way toward helping us fulfill our mission."

– Tom Morris, Director of Enterprise Resource Planning, New York City School Construction Authority

Oracle has partnered with more than 200 vendors to round out its approach to homeland security. Because homeland security involves several different types of technologies, Oracle is developing comprehensive solutions with partners in areas such as biometric authentication, cargo security, and spatial data management.

ORACLE ENABLES ACCESSIBILITY

To support the needs of physically challenged constituents, Section 508 of the Rehabilitation Act (as amended in 1998) has made accessibility a procurement requirement for federal agencies and many state and local governments. The legislation establishes standards for making accessible computer-based technologies that may present barriers for persons with disabilities.

While the benefits to disabled employees and constituents are obvious, such advancements in accessibility benefit government employers by:

- Addressing the changing needs of an aging workforce

- Retaining skilled resources who may have had an accident or illness that impairs performance

- Supporting inclusive hiring practices

- Communicating with citizens who may have some physical challenges

To meet the needs of government employers, employees, and constituents, Oracle has made strides in ensuring that its products and services are accessible to the disabled community with good usability. The introduction of accessibility design standards requires that Oracle products provide universal access with a screen reader connected to a graphical user interface (GUI) and full keyboard access. Based on design standards pertaining to auditory product features, full product accessibility for hearing impaired users has also become part of Oracle product design requirements.

Addressing the needs of its government customers, the majority of all Oracle products are now accessible to people with disabilities, including Oracle9*i* and most of Oracle's E-Business Suite, specifically:

- Business management products such as Financials, Human Resources, iProcurement, and iRecruitment
- Analytic tools such as Financial Intelligence, Financial Analyzer, and Purchasing Intelligence
- Education products such as Student System, iLearning, and Tutor

ORACLE'S SOLUTIONS MAP TO THE NEEDS OF STATE AND LOCAL GOVERNMENTS

Oracle has more than 2,000 customers in the government sector. The vendor's customers include state, local, and central governments worldwide, with Oracle providing everything from databases to its E-Business Suite and training and outsourcing. Figure 3 illustrates how Oracle's solutions map to the challenges faced by state and local governments, resulting in simpler deployments and faster ROI.

FIGURE 3

MAPPING ORACLE SOLUTIONS TO MEET STATE AND LOCAL GOVERNMENT BUSINESS AND TECHNOLOGY OBJECTIVES

State and Local Challenge	IT Investment Area	Oracle's Approach
Providing highly available, robust internal and external constituent services	Systems infrastructure, egovernment, customer service, enterprise resource management systems	Solutions that help connect citizens to public services, such as Citizen Interaction Center, Advanced Inbound, TeleService
Improving management and reporting of finances, especially to ensure accountability, achieve budget, and track disbursements	Enterprise resource management, financial systems, business intelligence	Solutions to provide financial management and performance measurement, including Oracle Financials, Balanced Scorecard, Reporting, Activity-Based Management, and Corporate Performance Management
Extending improved financial management and reporting to the procurement function to focus on streamlined, efficient procurement processes and review	Enterprise resource management, eprocurement, ecommerce (XML), procurement business intelligence	Solutions to help agencies procure with fiscal responsibility and accountability, such as iProcurement, Sourcing, iLearning, Purchasing Intelligence, and iSupplier Portal
Operating and investing despite huge budget cuts	Enterprise resource management, consolidation, IT outsourcing	IT outsourcing at the customer site or Oracle (Infrastructure solutions such as consolidation and centralization help reduce costs; for example, statewide ERP and email/collaboration are far less costly to run and easier to manage centrally than multiple systems at multiple agencies.)
Attracting, retaining, and developing a skilled workforce to align with an agency's organizational and financial goals	Human resources systems, Web recruitment systems, self-service employee and management functions	Solutions that focus on managing human resources as strategic investments: Public Sector HR, iRecruitment, Training Administration
Adopting physical and IT security measures, including contingency planning and disaster recovery plans, as part of homeland security efforts	Disaster recovery, security	Oracle9*i* Advanced Security provides industry-standard strong data encryption for data transmitted over a network and strong authentication

FIGURE 3

MAPPING ORACLE SOLUTIONS TO MEET STATE AND LOCAL GOVERNMENT BUSINESS AND TECHNOLOGY OBJECTIVES

State and Local Challenge	IT Investment Area		Oracle's Approach
Establishing interoperable systems and processes to allow for intra- and interagency communications, such as information sharing and emergency communications	Database technology, systems infrastructure, online collaboration for files, chat, complex projects, Linux	→	Approach to Linux that agencies can leverage in the areas of datacenter consolidation as well as outsourcing their IT operations to a trusted third-party provider
Leveraging interoperable systems and processes to facilitate internal enterprise collaboration to resolve constituent issues, such as case management	Knowledge management for first-line support, collaboration (including chat, voice over IP, Web broadcasting [WebEx, iMeeting NetMeeting]), function-specific solutions (such as case management, email management, and multichannel input and output)	→	Oracle E-Business Suite, utilizing Oracle's enterprise architecture approach
Addressing an aging workforce and the need to deliver higher-quality constituent service with more limited resources	IT outsourcing, Web services to connect Citizen relationship management to departmental systems and processes	→	Offers state and local customers options to help reduce the strain on agency IT personnel, such as outsourcing at the customer site or Oracle hosting services
Reducing the cost of managing IT infrastructures, gaining more economies of scale	IT outsourcing, Linux on Intel, standard IT consolidation of personnel and hardware	→	Oracle running on Linux helps agencies gain economies of scale and reduce the cost of managing their IT infrastructures

Source: IDC, 2003

ORACLE'S SUCCESS WITH STATE AND LOCAL GOVERNMENTS

Oracle's solutions are designed to address the challenges of state and local governments. The company's integrated technology stack, integrated E-Business Suite, Linux, and outsourcing all play well in this environment of cost cutting and reduced staff.

Table 2 shows real-world examples of how Oracle is addressing the needs of state and local governments.

TABLE 2

ORACLE SOLUTIONS IN PRACTICE

Customer	Oracle Product and/or Service
City of Chicago	The City of Chicago successfully installed the Oracle 11*i* E-Business Suite as part of its overall strategy to consolidate multiple legacy financial, procurement, budgeting, benefits, human resources, and cash-management functions into an enterprise ebusiness system. The benefits of the Oracle E-Business Suite include real-time controls and reporting of financial information across all business processes that affect city budgets, current funds available, and financial commitments and obligations related to all revenue on ongoing cash commitments. The City of Chicago is one of a handful of large cities in the United States that have successfully deployed a modern, 100% Internet-based system for back-office operations and at the same time deployed self-service functions to employees and the vendor community. The self-service functions include HRMS, benefits administration, eprocurement, vendor registration, vendor compliance, online bidding and auctions, and online recruitment. The City of Chicago applied a proactive strategy to lower the long-term costs of managing its internal- and external-facing business systems by focusing on core competencies and using Oracle Managed Services to provide ongoing operations support for the Oracle Database and E-Business Suite.

TABLE 2

ORACLE SOLUTIONS IN PRACTICE

Customer	Oracle Product and/or Service
California Public Employees' Retirement System (CalPERS)	CalPERS is using the Oracle9*i* Application Server platform for its entire middle-tier strategy needs. As a result, CalPERS was able to reduce tangible costs by 25% and saw an estimated 65% savings in avoided staffing and product purchase costs.
Leon County, Florida	Leon County chose Oracle Internet File System for the Oracle9*i* Database to organize its electronic documents. A flexible user interface was created, using Oracle JDeveloper, that can be modified for any group's business process. County employees and citizens can now search the system, select just the documents needed, and then print them — a process that takes minutes instead of days. Leon County has completely overhauled its growth management and public works document management systems; it is saving space, cutting costs, and reducing citizen and employee time by days each time a document request is made.
Chicago Police Department (CPD)	The Chicago Police Department (CPD) is the second-largest police force in the United States, employing 13,800 sworn officers and 3,000 civilian department members — all of whom require quick, efficient ways to process information on the fly. To serve ever-growing information-access needs, the CPD instituted a project known as Citizen and Law Enforcement Analysis and Reporting (CLEAR). To develop the system, the CPD's 17-member software development staff worked with Oracle University, training on Oracle9*i* Developer Suite (including Oracle9*i* Designer) and completing project management courses related to the implementation of CLEAR. As a result of CLEAR, the CPD estimates that administrative overhead costs are down roughly 15% across the board. The benefits of the CLEAR system include the redeployment of the administrative costs savings to fund an increase in Sworn Duty Officer positions. Because the system provides quick and efficient access to the City and other related state and federal databases, the officers on the street are using the information from CLEAR to not only solves crimes faster but also to prevent crimes by using trending and analysis of prior patterns in Chicago.

Source: IDC, 2003

IDC RECOMMENDATIONS AND BEST PRACTICES

IDC believes that state and local governments will increasingly find that technology can play a significant role in helping them address their challenges efficiently. Although state and local governments are facing challenging times today, in many ways, this may be the ideal time for these organizations to foster best practices around their IT investments. IDC has the following recommendations for state and local agencies interested in better leveraging technology to help them through these difficult times:

- **Prioritize IT investments.** As you prioritize what types of IT investments are top priority, you should be working with a team of stakeholders that is cross-functional and cross-department or cross-agency. Involving a cross-section of representatives not only helps ensure buy in, it also opens the door to discussions around leveraging technology investments to gain savings across agencies, rather than limiting opportunities to the traditional agency-by-agency approach to funding IT investments.

- **Decide what types of investments can help you demonstrate quick ROI.** Demonstrating quick ROI to internal constituents (employees) and public constituents (citizens and businesses) will build credibility and confidence while gaining internal and external stakeholder support.

- **At the same time, decide what types of investments should be long term.** Although the difficulties associated with budget shortfalls are currently top of mind for city and county officials, there are several areas where technology will bring long-term value to your organization. For example, although homeland security needs are paramount right now, consider investing in technology that not only supports your immediate homeland security requirements but that can be leveraged to support ongoing needs.

- **Evaluate the ongoing costs associated with managing your IT systems, and identify activities that are both noncore and could be provided by a third party with significant economies of scale.** Focus on core competencies and consider outsourcing noncore activities. Reducing maintenance and support costs can be one alternative to axing a particular project altogether.

- **Partner with private industry to leverage enterprise best practices.** Some state technology offices have begun considering the benefits of turning to private industry partners to help them manage their technology needs on an ongoing basis. Such partnerships can accelerate the transfer of best practices knowledge from the private sector to government entities.

- **Look out at the next one to two years and consider the need to integrate various interoperable applications across the organization to serve the needs of multiple constituencies and departments.** A proven, stable vendor with a suite of offerings can often help to address a state's or locality's ongoing needs as a cohesive organization, gaining economies of scale across the organization.

CONCLUSION

State and local agencies need to easily communicate with each other, especially during a crisis. Agencies also need to be able to quickly disseminate maps, instructions, and other vital information to first responders. As agencies seek to bridge the silos within their organizations, initiatives such as homeland security and egovernment are contingent upon adopting an enterprise view of government. To facilitate interagency communication, state and local governments need an enterprise architecture and applications that work together to avoid duplicate development and inflexible technologies.