

Have ARRA Reporting Requirements Stimulated Software Purchases?

Source: Tech Target's SearchSAP.com – September 3, 2009
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A few months ago, I wrote about how some of the big vendors — SAP and IBM most notably — were selling software packages to help governments deal with the new American Recovery and Reinvestment Act (ARRA) reporting requirements.

I checked in with state of Pennsylvania Secretary of Administration Naomi Wyatt, who was planning to use some of the SAP BusinessObjects dashboards in the SAP package, to see how the tracking process was going there.

She said in an email interview that the process was going well. They built a database using SAP BusinessObjects and other SAP tools that will centrally collect all of the federal reporting requirements into a single report that will be submitted to the Office of Management and Budget.

“That we already have much of the required information in our central SAP system has given us a huge head start,” she wrote. “In addition, the Business Objects tool, which pulls information outside of SAP into a report with our SAP data, made building a comprehensive reporting solution straightforward and doable in the extremely tight timeframe we are facing.”

But in other state and local agencies, the process isn't as advanced. And despite billions headed for states, cities and towns, the stimulus package so far doesn't appear to be the boon to the software industry that many vendors counted on.

“We haven't seen anybody buying any software,” said Ron Wince, CEO of Guidon Performance Solutions, a consulting firm that helps public sector agencies, among others, implement lean principles.

The ARRA sent \$787 billion to U.S. state governments with the promise to its citizens that such spending would be transparent. To that end, the federal government has set up a website — Recovery.gov — that is supposed to provide up-to-date data on the expenditure of the funds.

Analysts have said software vendors were hoping some of this money would trickle down to software purchases - especially those aimed at helping ARRA compliance.

But in most cases, governments are using workarounds with what they already have, and relying on Excel for reporting, Wince said.

What's worse, the amount of information they need to collect, and a lingering ambiguity about how exactly to do so, is leading to the development of a lot of bad processes, Wince said.

What's a government to do?

Some are getting ahead of the problem. Guidon's been getting a lot of requests from state agencies to assess where they are and put a roadmap in place for a better IT management system, Wince said. What they're doing with many of their clients are three to four small, one week quick-hit projects on hot spots, and completing process redesign in four to five days.

Wyatt recommends nailing down all the data required as a first step, and determine what's already in existing systems. Then fill in gaps using other tools.

If you work in government, how are you dealing with ARRA compliance? Have you had any challenges and how are you dealing with them?



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About Guidon Performance Solutions:

Guidon is a global management consulting organization that helps clients achieve rapid, sustainable improvements in operational performance and growth. Guidon pioneered the combined application of Lean and Six Sigma in the service sector and has a proven track record working with clients in financial services, healthcare, government, retail, technology and other service organizations. With a full-spectrum of capabilities focused on people, process, and technology, Guidon provides strategic direction and hands-on implementation to guide cultural and organizational transformation. Guidon's approach, aligned with client leadership, generates measurable results including revenue growth, cost reduction, productivity improvement, increased customer satisfaction and innovation.

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