Oracle's iGovernment: Can a Pyramid Help Governments Move?

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IN THIS PERSPECTIVE

This IDC Government Insights Perspective discusses observations for government buyers from Oracle OpenWorld 2009, where Oracle's users and partners and the industry analysts who follow them come together to share views and get caught up on information technology developments and strategies. Oracle also uses this event to make daily announcements on new products, solutions, and services and gives analysts alone time with its customers to discuss their experiences and partnerships with Oracle.

I met with several government customers from U.S. local, state, and federal governments, as well as a customer from the Asia/Pacific region. These discussions give good insight into the Oracle technologies, applications, and solutions they are employing and their working relationships with Oracle as a prime vendor in government. They also provide candid conversations on the issues that users face on the business side of government — budgets, governance, cultural, and structural issues — much of which has dramatically shifted over the past year as a result of the global economic downturn and new federal priorities as a result of a new administration.

The Oracle iGovernment Pyramid

At Oracle OpenWorld 2008, Oracle iGovernment officially launched as a construct for rationalizing information infrastructure, applications, and processes into a three-tiered pyramid grouping of solutions and outcomes designed to create "innovated, integrated, intelligent" government.

To briefly recap, the foundation of the concept is a service-oriented architecture (SOA)–enabled platform of database, middleware, and applications built on open standards. The model's midtier focuses on increased efficiency and transparency, with the latter becoming the new "big thing" in government, thanks to the economic meltdown and subsequent economic stimulus spending and the administration's emphasis on open government. Included in this layer are shared services; streamlined business processes; and governance, risk, and compliance controls. The pinnacle of the Oracle iGovernment includes
transformation of government service delivery. This is rationalized on a base of a common service delivery platform, managed master data, enabled self-service, and embedded business intelligence and analytics.

My initial reaction to the Oracle iGovernment construct was that it was impressive and on target. It logically presented a "how to get there" road map for achieving many common government goals in a way that shows that Oracle not only understands what it will take but lays out its applications, solutions, and services in a way that demonstrates their contributing IT value to getting there. The question I left open from Oracle OpenWorld 2008 was, Will government get it?

Oracle's Challenge

The biggest challenge that I saw for Oracle iGovernment was in making its construct relevant for government clients. Critical to that was Oracle's ability to get its solutions teams to actively use and relate to the model in their conversations with government clients. I wondered if Oracle would effectively use the model to say "you are here" and provide an actionable strategy to move up the pyramid. There is evidence that the discipline is taking hold.

In last year's Oracle OpenWorld public sector general session — billed as "Customer Perspectives in Oracle iGovernment" — city, state, and federal representatives each talked about where they were in implementing Oracle solutions, many of which make up components of Oracle iGovernment, but none openly reference the model. In their presentations this year, representatives from federal civilian and defense, state, and local governments presented their work in the context of each of Oracle iGovernment's three tiers. Notably, government officials also occasionally referenced relationships among the tiers, for example, "modernizing our infrastructure will help us rationalize information in a way that enables us to transform our service delivery."

A Changed World

Oracle OpenWorld 2008 took place just as economies globally really began to hit the skids, and just prior to the U.S. elections. Governments responded to the economic downturn with multibillion-dollar economic stabilization and stimulus programs. Accountability and transparency became the new watchwords of the day, along with new national priorities for healthcare, energy, and education.

U.S. federal agencies have become the administrators and overseers of massive government stimulus programs, and state and local governments are the recipients and administrators for federal funds targeted at new priorities, the bulk of which are being channeled to the
private sector to spur job creation. All of this comes at a time of dramatically decreasing government revenue and tighter budgets. There are precious few resources to contribute to internal organizational improvements and/or capital infrastructure that can be specifically targeted to creating innovated, integrated, and intelligent government. So while governments are focusing on driving down costs and improving service delivery, there has been an interesting shift in our conversations with government information technology and program executives.

In government client interviews this year, I consistently asked government officials how the changed environment is impacting their IT decision making and investing. The surprising answer, in general, was "not much." Rather, the new reality is forcing them to view new paths for IT service delivery, better define IT value, and seek new and innovative ways to deliver services. Essentially, their goals are to figure out how to build on what they've got. The current budget environment is giving them a hammer to begin tearing down walls that have historically prevented them from integrating technology and program silos.

The Outlook

As a government reference framework, the Oracle iGovernment model appears to be serving its purpose well. Every government client that I spoke with was focused on building out IT value from existing implementations. They are seeking ways to "move up." Most are, to a greater or lesser degree, dealing with legacy infrastructure and systems that they know are an issue in migrating to more productive service environments. Check the pyramid; it all maps.

The next challenge for Oracle will be to offer solutions that get government organizations out of their legacy infrastructure trap, with a focus very much on IT delivery value, whether through as-a-service offerings, virtualization, or private clouds. If Oracle keeps its commitment to open source and standards and successfully extends its capabilities following the completion of the Oracle–Sun Microsystems transaction, it appears poised to show them the way.

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