Government Resource Planning (GRP) Digital Transformation and Legacy Systems

Situation

- Governments leverage digital GovTech (government technology) such as Financial Management Information Systems (FMIS)[1] to operate and automate Public Financial Management (PFM)
- Government digitization, digitalization, and digital transformation are enabled through modern GovTech systems and computing infrastructures

Complication

Governments often experience:

- high cost and functional limitations of legacy, expired, and unsupported financial systems, including most Enterprise Resource Planning (ERP) sold today[2]
- complex Information and Communication (ICT) portfolios that includes custom-developed software and the need for work-arounds because FMIS systems do not support recent PFM reforms

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[1] Commercial-Off-The-Shelf (COTS) FMIS software designed exclusively for PFM, like the FreeBalance Accountability Suite™, is known as Government Resource Planning (GRP)
[2] Most ERP systems fail to achieve the Gartner Group postmodern definition

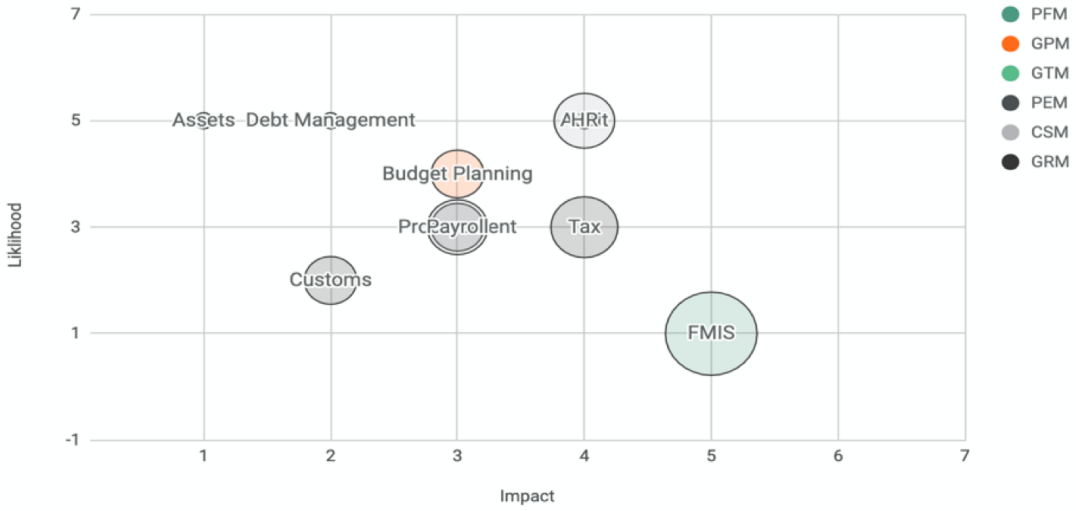
- difficulties integrating legacy systems with the latest GovTech because of proprietary technologies, the lack of modern integration support[3], and restrictive Commercial-Off-The-Shelf (COTS) integration licensing schemes[4]

Question

How can governments overcome legacy technology limitations to support PFM digital transformation?

Solution

The FreeBalance Government Resource Planning (GRP) advisory service enables governments to stage replacement and upgrades to legacy systems using a risk-based approach.



The GRP Risk Matrix evaluates FMIS systems of record based on application coverage (size of circle), risk impact (X-axis), and risk likelihood (Y-axis). Evaluated factors include:

- **Logical integration** that ought to be supported in FMIS portfolios, including the number of interactions, compared to actual integration
- **Integration method** risk identifying poor to good methods supported by financial applications
- **Technology** used by financial applications from expired to postmodern including openness, maintainability, configurability, and extensibility

[3] Such as Web Services and Application Programming Interfaces (APIs)
[4] Such as "indirect licensing" where customers need full licenses for users who do not use the COTS application, but connect to COTS through other applications

This evaluation also recommends Information and Communication Technology (ICT) infrastructure and capacity enhancements. The result is a staged plan that enables governments to leverage digital technologies based on country needs and government priorities. The risk-based approach enables governments to retain investments made in custom and Commercial-Off-The-Shelf (COTS) for as long as possible.

Appendix: Supporting Material

Supporting FreeBalance blog entries

- Interoperability in Public Financial Management Systems
- Digital PFM – Why Isn't It Working? What Can Be Done?
- A Comparison Guide: Post-Modern vs. Legacy ERP