



# Open Source CRM | Benefits and Case Studies in the Public Sector

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# Agenda

- Government Adoption of Open Source Software
- Open Source Software vs. Proprietary Software
- SugarCRM Background
- NIC Case Study
- Oregon DHS Case Study
- Questions



# Driving OSS Adoption in the Public Sector

“Among all industry sectors, government is showing the greatest potential for Open Source Software use.”

**Gartner**

Source: Gartner Group, “Open-Source Software in Government: The Tide Is Rising”, August 2006



# The Open Source Mandate

**BBC NEWS**

## Brazil adopts open-source software

By Steve Kingstone  
BBC News, Sao Paulo

FairfaxDigital

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**smh.com.au**

The Sydney Morning Herald

What will Netw  
★ Create a site. → Di

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## Venezuela promotes open source software

March 26, 2006

Tools sponsored by

**c|net NEWS.COM** <http://www.news.com/>

## Australian government to offer guide to open-source



'Critical' open source initiative to crack public sector

05 Apr 2005 18:30

The UK government is funding several projects to accelerate the adoption of open source software in the public sector, including a Sourceforge for councils

home / ZDNet news

**Software**

## Korea launches a switch to open source

By Seung eun Myung, News.com

Published on ZDNet News: Oct 1, 2003 3:05:00 PM



## Norway goes open source

Government initiative harpoons Microsoft

Iain Thomson, [vnunet.com](http://vnunet.com) 28 Jun 2005





# Why Open Source for Government?

- Reduces Vendor Lock-in
  - Gives departments more control over product
- Reduces Total Cost of Ownership (TCO)
  - Less expensive upfront and ongoing
- Reusable
  - Allows for reuse between local, state and federal agencies
- Time-to-Market
  - Shorter evaluation process and faster deployment times



# From Lock-In to Value-Based Software

	Lock-In-Based	Drivers	Value-Based
<b>Deployment Options</b>	<ul style="list-style-type: none"> <li>• On-Demand Only</li> <li>• On-Site Only</li> </ul>	<ul style="list-style-type: none"> <li>▪ Internet becomes a global collaboration platform</li> </ul> 	<ul style="list-style-type: none"> <li>• On-Demand</li> <li>• On-Site</li> <li>• Appliance</li> </ul>
<b>Sales/Marketing</b>	Expensive, Push Model		
<b>Language</b>	Proprietary	<ul style="list-style-type: none"> <li>▪ Open, web-based standards and languages emerge</li> </ul> 	Standards-based
<b>Development Process</b>	Closed		
<b>APIs</b>	Limited, Proprietary		Open, Standards-based
<b>Customization</b>	Lightweight		Light-to-Deep
<b>Third-Party Ecosystem</b>	Company-Controlled, Pay-to-Play		Community-Driven
<b>Pricing</b>	Complex, Hidden		Simple, Transparent



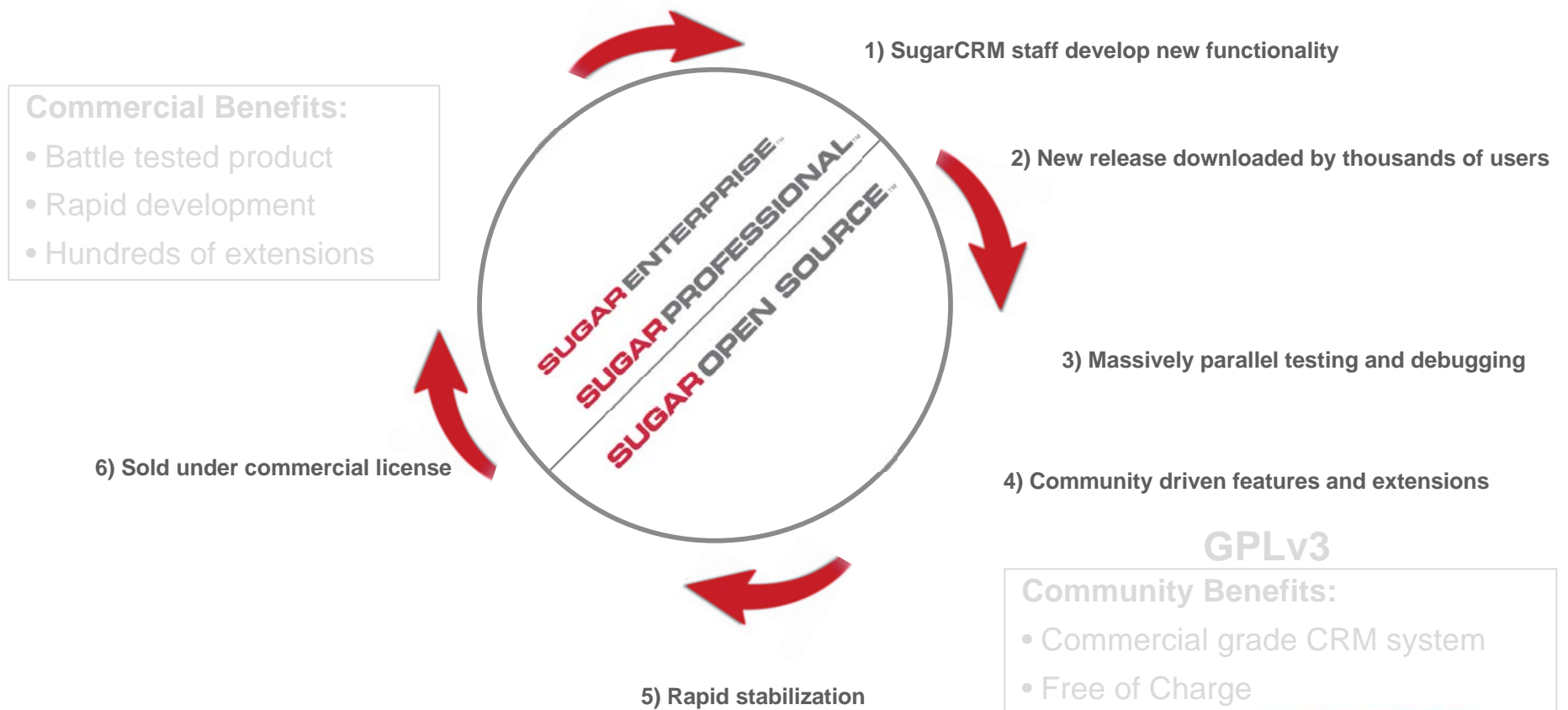
# SugarCRM Inc.

<b>Founded</b>	April 2004, Cupertino, CA USA
<b>Employees</b>	125+ Employees
<b>Products</b>	<ul style="list-style-type: none"><li>• Sugar Community Edition</li><li>• Sugar Professional Edition</li><li>• Sugar Enterprise Edition</li><li>• On-Site</li><li>• On-Demand</li><li>• Appliance</li><li>• Sugar Exchange</li><li>• Sugar University</li><li>• Sugar Professional Services</li></ul>
<b>Users</b>	<ul style="list-style-type: none"><li>• 2,000+ Commercial Customers in 30 Countries</li><li>• 100,000+ Users</li><li>• 3 million+ Downloads of Open Source Version</li></ul>
<b>Web Sites</b>	SugarCRM.com, SugarForge.org, SugarExchange.com
<b>Community</b>	60,000+ Community Members, 10,000+ Developers, 75+ Languages, 400+ Application Extensions
<b>Partners</b>	150+ Partners on Five Continents
<b>Financial</b>	\$26M Raised in Three Rounds (Walden International, Draper Fisher Jurvetson, New Enterprise Associates)



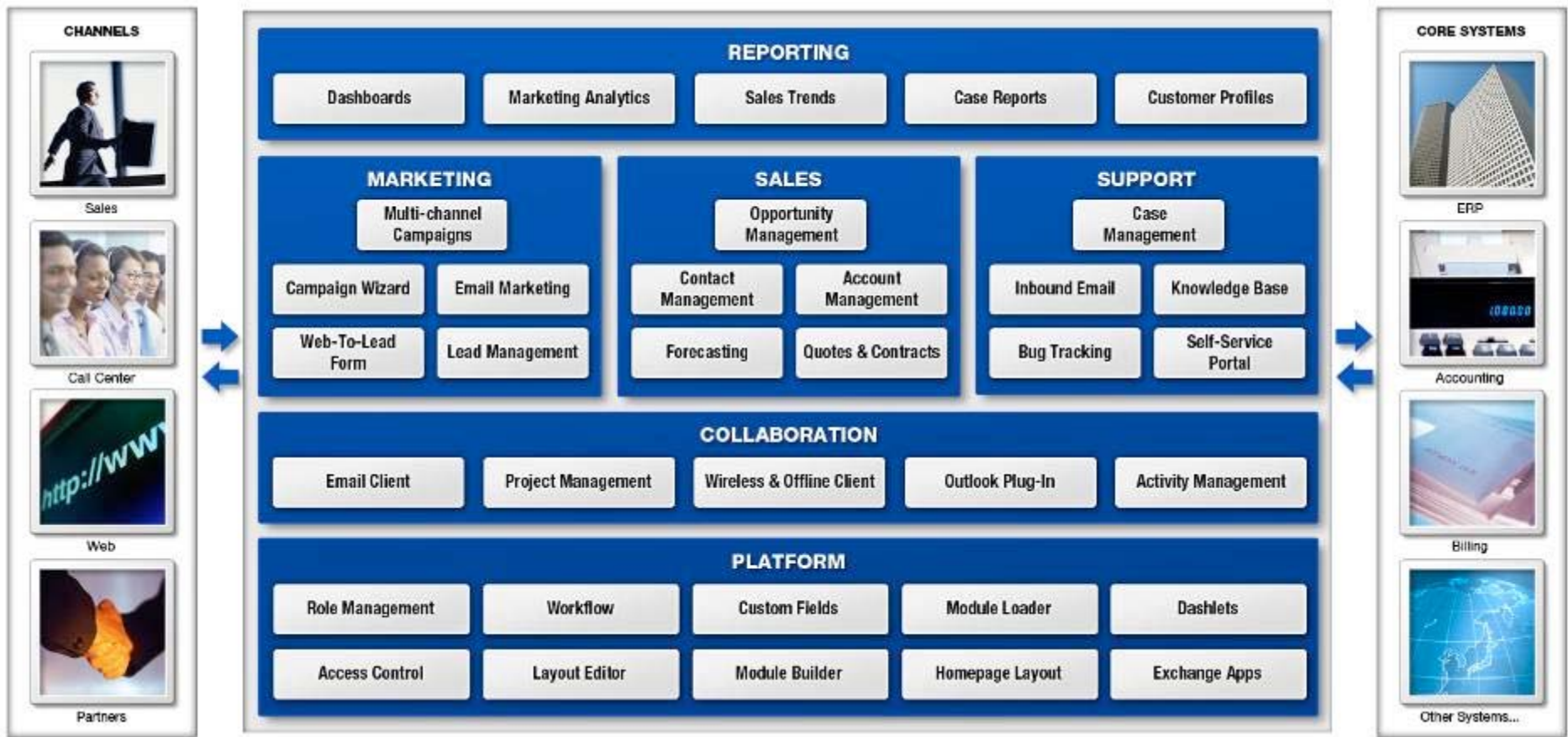
# Open Source: A New Manufacturing Process

- Higher quality software
- Less risk through mass utilization
- Lower cost, higher ROI





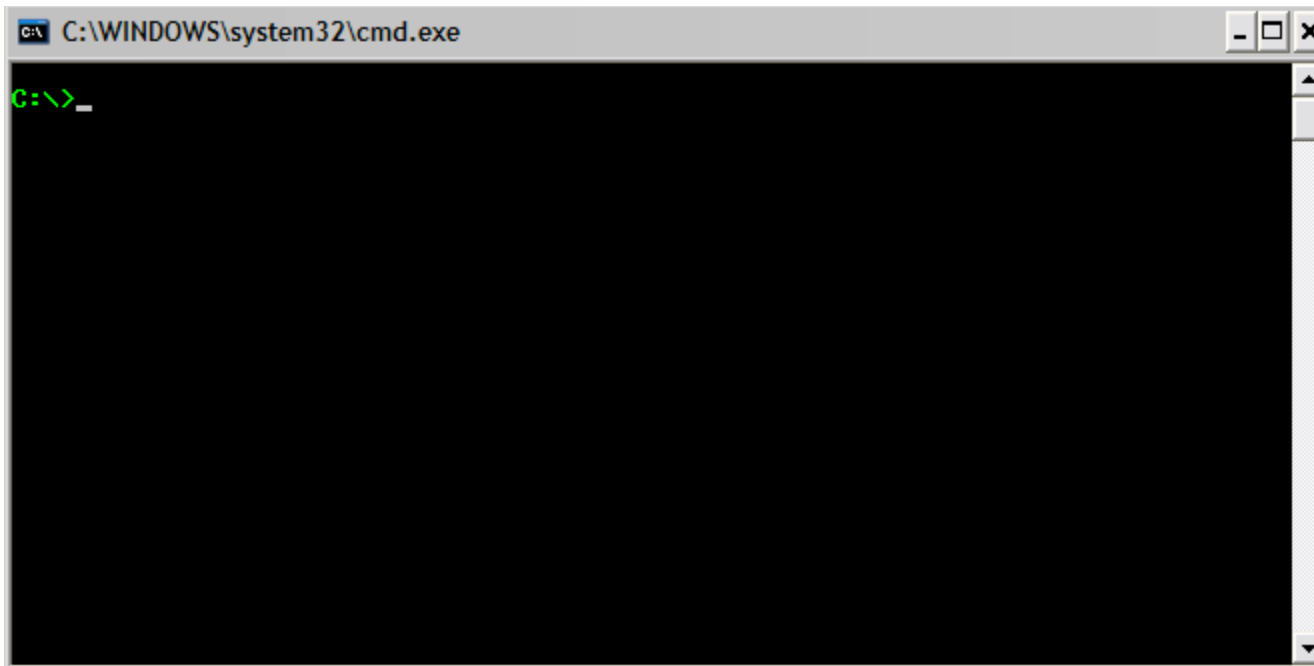
# A Complete CRM Suite





# Open Source has matured...

- It's no longer ...

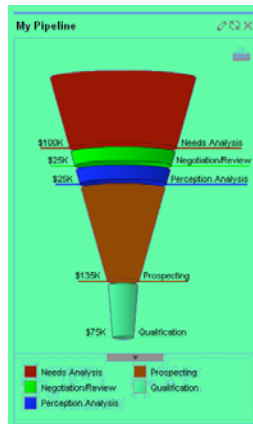




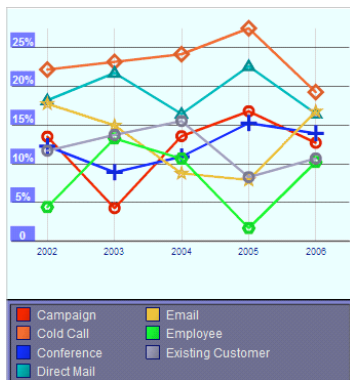
# Open Source has matured...

Now it's..

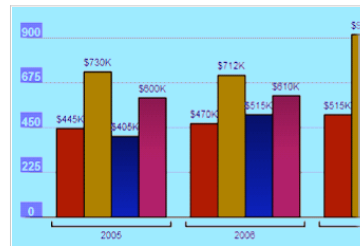
### Pipeline



### Line Graph

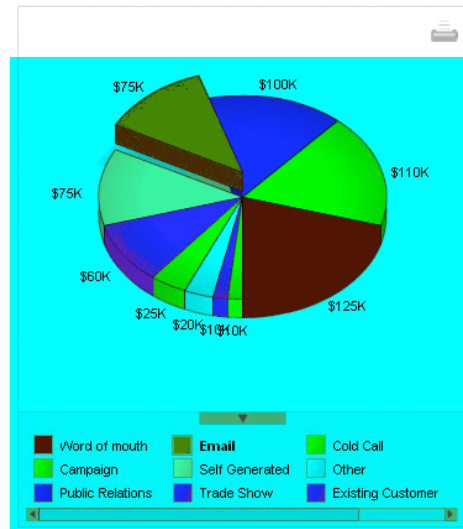


### Vertical Bar

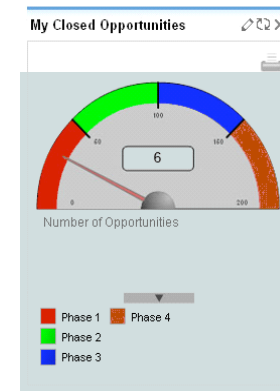


### Pie Chart

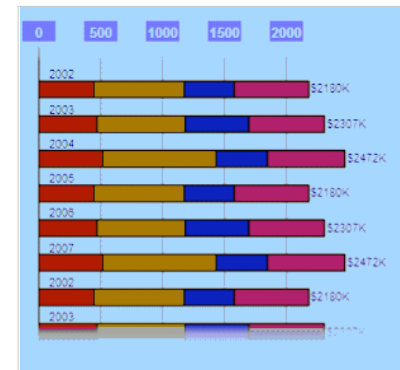
#### All Opportunities By Lead Source



### Performance Gauge



### Horizontal Bar





# Case Studies



- Founded in 1991
- Headquartered in Olathe, Kansas
- 375 Employees
- Publicly traded on Nasdaq since 1998 (EGOV)
- \$71.4 million in revenue (2006)
- NIC's eGovernment portals are utilized by 20 states in addition to hundreds of local government agencies.



## Kansas.gov Help Desk in Need of Help

- Help Desk serves as bridge between citizens and state agencies.
- Kansas.gov management wanted to reduce resolution times and streamline processes.

*“The Help Desk is a critical part of our operation and thousands of Kansas citizens depend on customer service to point them in the right direction. We were doing our best to handle these incoming inquiries, but we knew having a CRM system in place would make our lives a whole lot easier.”*

Brent Hoffman, General Manager, Kansas.gov



# The Open Source Answer

Kansas.gov selected SugarCRM because:

- Open Source architecture allows for greater customization capability
- Lower costs compared to proprietary CRM solutions
- More rapid innovation compared to proprietary CRM
- Sugar would be more adaptable to Kansas.gov's evolving needs



# Implementation

- All help desk inquiries are now driven by Sugar from initial inquiry to resolution
- Module and field level customizations were made to better fit needs of Help Desk and streamline response times
- Workflows were implemented allowing for all inquiries to be routed, tracked, and monitored all within Sugar



# Results

*“Sugar has been an important enhancement to our customer service operations. The state of Kansas is also pleased with the faster and more effective issue resolution we have been delivering since the system was implemented.”*

Brent Hoffman, General Manager, Kansas.gov



## We're Not In Kansas Anymore

NIC took notice of Sugar's value, flexibility, and has since rolled out Sugar to:

- Nebraska
- Iowa
- With plans for Colorado, Hawaii, and others

*“More state portals are using Sugar to enhance customer service delivery, and the customization features have allowed several states to deploy the system in different ways.”*



# Oregon DHS Case Study

- Headquartered in Salem
- 9,500 employees- Oregon's largest state agency
- Annual Budget over \$10 billion
- Serves over one million Oregon citizens
- Manages communications with over 35,000 healthcare providers



# Why is Relationship Management Important to DHS?

The DHS mission to *help people become independent, healthy and safe* is largely realized through the department's ability to effectively manage relationships.

- Individual Health Care Providers
- Managed Care Organizations
- Mental Health & Addictive Service Providers
- Clients, Caregivers & Private Citizens
- County Public Health Departments
- County Governments
- Seniors (AAA's)
- Legislators
- Federal Government
- Other State
- Vendors & Contractors



# Office of Medical Assistance Programs (OMAP)

## ● The Business Issue

- Manual tracking posed significant risk to DHS' HIPAA Contingency Plan

## ● The Business Challenge

- Centrally manage all communications related to outreach and education efforts
- Automate relationship management processes



# DHS Pilot: OMAP SugarCRM

## The OMAP Pilot

- June 2005 – February 2006
- Project included:
  - People – awareness, training
  - Process – improvement
  - Technology – implementation
- Results
  - Database of 35,000 provider records



# DHS Pilot: OMAP SugarCRM

## ● The Benefits Derived

- Achieved HIPAA compliance
- Centralized, secure data
- Quick access to information
- Consistent data
- Consistent communication
- Reporting capability
- Ease of use

## ● The Metrics

- Decreased monthly “cut-over” paper claims volume from 60,200 in January to 37 by December



# DHS Pilot: OMAP SugarCRM

## The Lessons Learned

- Possible to provide common view of partners
- Helps workers provide best possible service
- Captures and builds institutional knowledge
- DHS business success is realized through effectively managing relationships



# Proposal: SugarCRM

**The Question:** How does DHS extend the initial investment to achieve an enterprise RM solution?



# Proposal: SugarCRM

## The Opportunities

- May aid in meeting DHS 18-month business milestones
- Improve integrity of ad hoc DHS communications
- Provide common view
- Create secure environment
- Automate best-practices
- Centralize and standardize tools
- Architect for scalability



# Strategic Activities

## The Business Dimension

- Identify business clusters that would most benefit from an automated RM tool
- Outline process for implementing with the identified business area
- Identify business staff partners
- Determine success factors/metrics
- Outline project milestone dates



# Strategic Activities

## The Technology Dimension

- Identify funding sources
- Identify IT resources for phased implementation
- Acquire software & hardware
- Lead implementation teams



# Questions?

Open Questions...