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# Market Update: Human And Social Services Enterprise Software

by Gene Leganza

for Enterprise Architecture Professionals



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The Large Enterprise Market Is Down To Cúram Software, Oracle, And SAP

by **Gene Leganza**

with Alex Cullen, Mimi An, and Matt Czarnecki

### EXECUTIVE SUMMARY

Forrester last reviewed enterprise software offerings in human and social services in 2006 — what's changed? The shift to installing commercial-off-the-shelf (COTS) software rather than engaging in mammoth custom development projects has gained significant momentum. The market for large enterprise multi-social-program COTS procurements has boiled down to Cúram Software for anyone who does not feel a need to keep within the bounds of their entrenched enterprise resource planning (ERP) and customer relationship management (CRM) software stack, or Oracle and SAP for customers that are predisposed to do so. But Oracle has declared its intention to become the largest player in this space and has begun to invest in a more competitive solution. Can Oracle steal Cúram's thunder? Only if it maintains an aggressive agenda over the long haul and Cúram fails to address a key vulnerability: the code-level changes that characterize many major Cúram implementations.

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### NOTES & RESOURCES

Forrester interviewed vendors, system integrators, and US state and federal health and human services executives for this report and has worked with government organizations around the world through ongoing client inquiry and advisory engagements.

#### **Related Research Documents**

["The Forrester Wave™: Human And Social Services Enterprise Frameworks, Q3 2006"](#)  
September 15, 2006

["Human Services Agencies Turn To Enterprise Framework Software"](#)  
September 26, 2005

## THE NEED FOR MODERNIZATION IN HUMAN AND SOCIAL SERVICES IS STILL HIGH

Health and human services are among the largest areas of government expenditure. While much attention in the US is currently on health IT and healthcare reform, human and social services modernization is a global issue that epitomizes several major topics in public sector business technology, including the shift to a citizen- rather than a program-centric view, a focus on outcomes, and the need to analyze business architecture before launching a technology project.

Government human and social services agencies have long acknowledged the need to transform their overall approach to service delivery and their accompanying IT systems.<sup>1</sup> Agencies around the world continue to kick off “one enterprise” and “no wrong door” initiatives to resolve the issue of constituents’ frustration with siloed government programs. Agencies are also looking at comprehensive process change and new IT systems that would enable an integrated approach to policy, planning, and service delivery to attain the dramatic improvement in outcomes that are possible (see Figure 1). With the world economies in recession, the need for effective support systems has never been greater as the number of people looking for their government to help them get through tough times continues to increase. But with shrinking revenues in the tax coffers, government agencies are less able to fund major change programs in addition to maintaining current support levels.

In the US, near-term funding from the American Recovery and Reinvestment Act of 2009 (ARRA) can augment shrinking budgets, but, in many cases, the funds will not last beyond 2010, and states’ recession-slammed budgets will not have recovered by then.<sup>2</sup> US state health and human service agencies can, however, use the funding to advance the strategic change programs that can eventually squeeze dramatically more positive outcomes from program dollars.

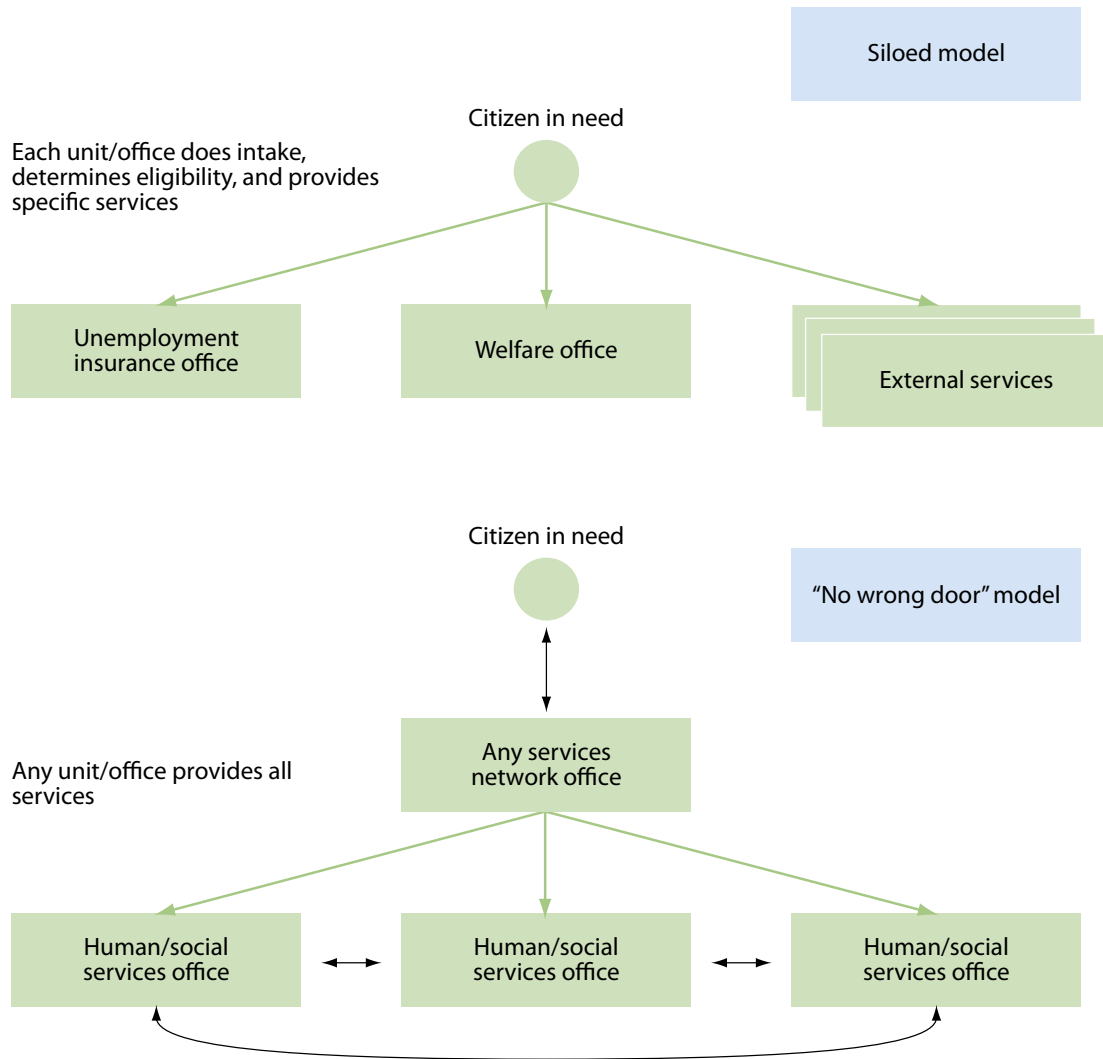
### Enterprise-Class Human, Social Services COTS Systems Pivotal To Health, Human Services

Comprehensive change programs require activity on many fronts and often involve the legislature and the executive office to drive process reengineering across multiple business units. At the heart of these efforts lies new enterprise software to enable the process changes, integrate constituent information, automate eligibility determination, support cross-program planning, send incident-based intervention alerts, and provide advanced business intelligence (BI) for fraud detection and performance tracking. While some system modernization initiatives were implemented by means of very large custom development efforts involving armies of systems integrators, the industry has been trending toward COTS packages that specialize in human and social services requirements. The best of these systems provide a complex array of capabilities including business rules engines, workflow engines, BI functionality, CRM, case management, back-office financial capabilities, and the flexibility to accommodate significant differences in each jurisdiction’s approach to service delivery.

Forrester’s “The Forrester Wave™: Human And Social Services Enterprise Frameworks, Q3 2006” report itemized and quantified the relative strengths and weaknesses of the most visible players

in the human and social services software market.<sup>3</sup> In the three years since that study, industry consolidation claimed one vendor, some vendors have strengthened their positions, and others have refocused to provide a more complete solution for specific areas of social program functionality.

**Figure 1** Integrating Services To Be More Citizen-Centric Requires A Different Architecture



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Source: Forrester Research, Inc.

## CÚRAM, SOLE LEADER IN THE 2006 FORRESTER WAVE, MAINTAINED STRONG MOMENTUM

Dublin-based Cúram Software has continued on its course to provide a comprehensive solution for social enterprise management with a strong emphasis on the enterprise.<sup>4</sup> What's happened since 2006?

- **Still more program-specific out-of-the-box functionality.** Cúram delivered on its 2006 commitment to fully support unemployment insurance benefits and subsequently also added modules for out-of-the-box support for such programs as youth services (juvenile justice in the US), child care, and child and adult protective services. Cúram further extended its child welfare offering by partnering with Children's Research Center (CRC) to integrate CRC's research-based methodologies and decision support tools, the Structured Decision Making (SDM) model, into its existing solution.<sup>5</sup> Cúram has also formally announced development of support for child support enforcement.
- **A continuing stream of new enterprise customers.** With more than 50 customers in North America, Cúram has continued to win significant new customers looking for enterprise-level modernization solutions each year. Recent wins include the state of North Carolina for a full-replacement multiprogram human and social services solution. In August 2009, the state of New Jersey awarded Cúram the contract for a complete replacement of its social services systems. Additionally, Cúram has focused activity in Louisiana to provide online self-service preregistration for disaster food stamps in preparation for 2009's hurricane season.

Other recent customer activity includes Cúram being named the human and social services enterprise case management standard in the Canadian provinces of Alberta and Ontario. Cúram was also selected by Hamburg, Germany, the largest city/state in the country, to run all social programs as a part of its modernization project for youth and social welfare services.

- **An enduring commitment to the enterprise approach.** Cúram's key differentiator is its long-standing commitment to the enterprise approach. It provides a robust and flexible platform plus program-specific functionality for the most common social programs. Cúram boasted the most program-specific out-of-the-box functionality in the 2006 Forrester Wave evaluation, and it has continued to add detailed support for different types of programs.

Cúram has also maintained its focus on technical architecture and strategic partnerships. Already service-oriented architecture (SOA) certified by IBM, Cúram Software was invited in April 2008 to participate in IBM's Customer Acceleration Program (CAP) for the IBM WebSphere Business Process Management portfolio. The two companies announced the integration of their software in June 2009.<sup>6</sup>

## **STRONG PERFORMERS IN 2006 RANGE FROM GONE TO TARGETING INDUSTRY DOMINANCE**

Of the four Strong Performers in our 2006 Forrester Wave evaluation, industry consolidation absorbed one, another stated that it was committed to being the biggest vendor in the social services industry in the future, and the two others narrowed their focus rather than pursuing large, comprehensive cross-program implementations.

### **ACS Acquires Albion**

Affiliated Computer Services (ACS) acquired Albion in 2007 and will not be offering the software as a COTS product. Albion had been somewhat chameleon-like: In 2006, it mostly operated as a systems integrator, but it offered its software as a COTS product and was also experimenting with an open source model. With the ACS acquisition, the software will be used to jump-start ACS-led custom development implementations.

### **Harmony Acquires Synergy, Focuses On Aging, Adult Services, And Intellectual Disabilities**

In 2006, it looked like Harmony Information Systems might attempt to move from small-to-medium enterprises to multiprogram systems replacement projects for enterprises as large as US state health and human services agencies. However, in 2007, it acquired Synergy, an independent software vendor (ISV) that provided solutions for aging services that was looking to move beyond that market niche. Executives in the new organization evaluated their options and decided against focusing on huge comprehensive enterprise projects requiring extensive customization. Rather, the company's strategy was to stay true to its core competency of providing solutions that could be implemented quickly and inexpensively for a subset of social services segments. Harmony's strategy is to provide soup-to-nuts support for these segments at a level of detail that the larger providers do not provide off the shelf. Its primary focus areas include Synergy's strong suit of aging services — home and community-based care for seniors living at home — plus adult protective services (APS) and intellectual disabilities (mental retardation and development services). The company continues to grow in its chosen niche. With the current attention on cloud computing, it is noteworthy that Harmony offers a hosted option.

### **Lagan Rebuilds Case Management, Focuses On Human Services CRM, APS, And Housing**

At the time of the 2006 Forrester Wave evaluation, Lagan had just acquired Peter Martin Associates (PMA) to move beyond the government CRM market and enter the enterprise market for social services eligibility determination and case management. Lagan found that, while the PMA expert system for eligibility determination was ahead of the industry, PMA's case management would not scale to the number of users typically served by its government-industry-leading 311 call system. It built a new SOA-based case management product from the ground up that incorporated the PMA IP, dubbing the new product ServiceFlow and launched it in 2007. In 2008, it launched a new call center offering designed specifically for human services agencies.

Lagan has had particular success with APS agencies and in the UK social housing segment. Lagan plans to formally announce an APS-specific product and a mobile case worker offering in Q3 of 2009. Both of these products are currently live in Tennessee in the final stages of user acceptance testing.

### Oracle Acquires Haley, Plans To Offer End-to-End Social Services Functionality

Oracle was relatively new to the human and social services software market segment in 2006. Still, it made a strong showing in the 2006 Forrester Wave evaluation based largely on the strength of its technology stack with components for the CRM, case management, and back-office processing areas, even though much of the program-specific logic had to be added via custom code in each implementation. Changes since 2006 include:

- **Acquiring an industry-leading business rules engine specifically for social services.** In addition to other acquisitions and activities that contributed to its increasing social services footprint, Oracle acquired Haley in 2008 and rebranded it in April 2009 as Oracle Policy Automation. Oracle Policy Automation was originally designed for eligibility determination, and Forrester rated it as an industry Leader in our Q2 2008 business rules platform Forrester Wave evaluation.<sup>7</sup> Other product-related progress includes Siebel enhancements for self-service with citizen-facing features plus agent-facing features such as master case creation.
- **New customer sites.** Oracle does not disclose customer counts, but since the 2006 Forrester Wave evaluation, Oracle has added a number of new social services clients including the province of British Columbia, Canada, which is using Siebel Public Sector and other Oracle components for enterprisewide integration, and UWV in the Netherlands.
- **A strategic product road map.** Forrester believes that the public sector is one of the largest vertical industries within Oracle and that social services is a significant investment area within its public sector industry product offerings. The social services agenda will play a crucial role in upcoming Siebel releases, and Oracle told Forrester that it is committed to being the “largest case management social services market leader.” The product road map for FY 2010 includes expanded Oracle Policy Automation integration and benefits determination; embedded analytics; functionality for child welfare programs; and enhancements to service plans, assessments, appeals, and provider set up and referral. Ongoing plans include expanded functionality for unemployment insurance, child welfare, and integrated eligibility.

Oracle will also be introducing Application Integration Architecture (AIA) Pre-built Integration Processes (PIPs) starting with disbursement and contract management in FY 2010, with additional AIA PIPs down the road.<sup>8</sup>

## SAP IS THE SOLE 2006 CONTENDER VISIBLY COMPETING FOR LARGE ENTERPRISES

To date, SAP has been the only Contender in the 2006 Forrester Wave evaluation that has been visibly active in the large enterprise arena. SAP continues to develop its offerings for both monetary and non-monetary social services. Progress since the evaluation includes:

- **Development of separate products for social care and social services.** SAP's Social Care Management, currently available, addresses non-monetary benefits, with functionality mainly for child and adult care. The Social Services Framework solution (planned availability in mid-2010) will deliver a flexible framework that SAP customers or its systems integration partners can customize for social program-specific content.
- **New SAP-based customer implementations.** SAP reported just three customers in the 2006 Forrester Wave evaluation. It has added several to that list, including two of significance: Gauteng Department of Social Development and KMD. Gauteng — the populous South African province that includes Johannesburg — went live with SAP's Social Care Management solution in 2008. KMD is the largest Danish-owned IT company and is the main supplier of IT solutions to the public sector in Denmark. In partnership with SAP, KMD plans to deliver all social services capabilities for Denmark municipalities with SAP software starting with maternity benefits in late 2010.
- **An investment plan for social services and social care functionality.** In addition to the Social Services Framework solution planned for mid-2010 delivery, SAP plans to add support for end-to-end processes for calculation of entitlement and execution of payment using its Business Rule Framework plus (BRFPlus), as well as enhanced case management functionality.

### WHAT IT MEANS

#### FOR THE NEAR TERM, IT'S CÚRAM VS. ENTRENCHED ERP — BUT CAN ORACLE BREAK OUT?

Providing enterprise-level software for human and social services is a difficult path for vendors. "The revenue stream was always lumpy" said a subject matter expert with industry experience dating back to the 1990s. Large procurements are long processes that present a significant barrier for new entrants. Cúram has established itself as the only COTS vendor besides the two major ERP providers that can compete at the high end of this space. Why? The flexibility, increasingly comprehensive program-specific functionality, and architecture of Cúram's software, coupled with the company's tight partnerships with major league software and service providers, make Cúram the solution of choice for large social enterprises. The only meaningful exceptions are those enterprises where business or IT leaders have a strong desire to keep within the software stack of their ERP provider, as was the case when British Columbia, an Oracle Financials customer, selected Oracle for its multiprogram initiative.

While SAP's strategy will make it easier for their customers to choose an SAP solution for human and social services initiatives, Oracle's strategy does that for committed Oracle customers plus it aims at broader market penetration. Oracle has its sights set beyond currently entrenched Oracle ERP and CRM customers to winning in an open competition with Cúram for any large prospect. Can it succeed? Oracle is an industry giant with the resources to enable success, but it will compete effectively with Cúram only if:

- **It maintains — or increases — its level of investment over the next five years . . .** The Haley acquisition and functionality road map for Siebel Public Sector shows that Oracle is serious about competing in this space. However, Cúram has a huge head start, especially on program-specific functionality, and shows no signs of slowing down its investment in additional features. Oracle must continue to invest in subject matter expertise, create a road map showing an aggressive plan over the next five years, and deliver on it consistently.
- **. . . and Cúram neglects to reduce implementation dependency on code-level changes.** Cúram's vulnerable point is that despite a significant effort to make the software flexible and configurable, implementations often involve code-level changes that introduce the kind of risk and dependency on implementers' knowledge, which is more associated with custom development than COTS implementations. If Cúram does nothing to eliminate this as an issue, then as Oracle builds out program-specific functionality, Cúram may eventually find its lead eroding if prospects assess offerings on functionality plus configurability.

## ENDNOTES

- <sup>1</sup> Inflexible, stovepiped applications hamstring states and agencies as they attempt to transform human and social service delivery from a program- to a customer-centric approach. The goals are coordinated and integrated services that match all beneficiaries' needs and the elimination of wrong doors that would bar service access. See the September 26, 2005, "[Human Services Agencies Turn To Enterprise Framework Software](#)" report.
- <sup>2</sup> A variety of funding programs are available, each with their own timetables and requirements. Source: Deloitte (<http://www.aphsa.org/Photos/Doc/2009/DeloitteARRApresentation.ppt>).
- <sup>3</sup> For states and agencies that recognize that their old systems don't fit the desired service delivery model and for which custom solutions are too expensive, a commercial off-the-shelf (COTS) package is the remaining option. See the September 15, 2006, "[The Forrester Wave™: Human And Social Services Enterprise Frameworks, Q3 2006](#)" report.
- <sup>4</sup> Social enterprise management is Cúram's term for "a business and technology blueprint for outcome-based, client-centered, integrated delivery of services across needs-based and contribution-based programs." Source: Cúram Software (<http://www.curamsoftware.com/so.se.php>).
- <sup>5</sup> CRC was established to help federal, state, and local child welfare agencies reduce child abuse and neglect by developing case management systems and conducting research that improves service delivery to children and families. Source: Children's Research Center ([http://www.nccd-crc.org/crc/c\\_index\\_main.html](http://www.nccd-crc.org/crc/c_index_main.html)).

- <sup>6</sup> IBM's CAP program's focus "is to provide additional assistance to leading edge customers and business partners who have made a commitment to the WebSphere Business Process Management family of products, have an aggressive implementation plan, and who will agree to provide references in 2008." Source: IBM (<http://soa-blog.net/index.php?archives/38-IBM-announces-WBI-Customer-Acceleration-Program-CAP.html>) and Cúram Software (<http://www.curamsoftware.com/co.ns.php>).
- <sup>7</sup> Forrester rated Haley as one of six Leaders as a general-purpose business rules engine but as the sole Leader for specialized rules platforms. See the April 8, 2008, "[The Forrester Wave™: Business Rules Platforms, Q2 2008](#)" report.
- <sup>8</sup> AIA has at its core a set of common application services, business semantics, and a programming model that Oracle hopes will one day be comprehensive enough to support a wide range of business processes. AIA's PIPs are packaged integrations that save customers (and their agents) from having to build integration code from scratch. See the October 31, 2008, "[Which Has The Better Apps Strategy: Oracle Or SAP?](#)" report.

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