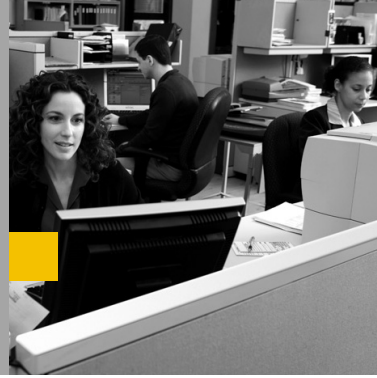


SAP Customer Success Story
Public Sector – Water Planning and Management



“SAP for Public Sector and the SAP ERP application give us the tools to manage the complexities that arise from government controls.”

Dave A. Gutierrez, Acting Deputy Director and Chief of Dams,
Department of Water Resources, State of California

AT A GLANCE

Company

- Name: Department of Water Resources – State of California
- Location: Sacramento, California
- Industry: Public sector
- Products and services: Water planning and management
- Budget: US\$1 billion
- Employees: 2,800
- Web site: www.water.ca.gov
- Implementation partners: SAP® Consulting; IBM

Challenges and Opportunities

- Unique financial accounting needs of public sector
- Tailored reports for multiple constituencies
- Elimination of custom development and workarounds

Objective

Install off-the-shelf software with public sector functionality

SAP Solutions and Services

- SAP for Public Sector solution portfolio
- SAP ERP application, including the SAP Employee Self-Service, SAP Manager Self-Service, and SAP Strategic Enterprise Management applications
- SAP NetWeaver® platform
- SAP Consulting

Implementation Highlights

- SAP Ramp-Up program
- SAP Ramp-Up coach
- High priority for issue resolution
- Stable product

Why SAP

- Robust public sector functionality
- The latest technology

Benefits

- Greater ability to handle fund and grant accounting and other industry-specific requirements
- Ability to disseminate detailed reports to diverse constituencies
- Easy interface to partner software programs
- Elimination of dual ledgers, constant reconciliation, and custom reporting
- Easy interface to other state agencies using SAP software and to internal and external non-SAP programs

Existing Environment

SAP software for enterprise resource planning

Third-Party Integration

- Database: Oracle
- Hardware: Sun
- Operating system: Sun Solaris

DEPARTMENT OF WATER RESOURCES – STATE OF CALIFORNIA

State Agency Eliminates Funds Management Workarounds with SAP® Software Stamped MADE FOR PUBLIC SECTOR

The public sector has unique accounting and reporting requirements around funds, grant, and budget management. Vanilla software just won't do, and that's why the State of California's Department of Water Resources (DWR) launched its NextWave project – an upgrade to the SAP® ERP application and implementation of software from the SAP for Public Sector solution portfolio and the SAP NetWeaver® platform.

“We needed public sector functionality,” says Dave A. Gutierrez, acting deputy director and chief of dams for the State of California's DWR. “We are required to manage our budget not only in total, but by individual funds, by fiscal year, and by appropriation elements. SAP for Public Sector and the SAP ERP application give us the tools to manage the complexities that arise from government controls.”

The DWR especially needed better control of funds accounting. Previously, financial postings first had to be made to the general ledger, then separated by fund source and reposted in the special ledger. Explains Mary Smith, project manager for the State of California's DWR, “Everything had to be custom built, including the integration links. We had to modify the system to report independently against each fund. It was quite a challenge – basically, we had to be our own custom development shop. We wanted off-the-shelf software to get away from that.”



SAP for Public Sector solutions are tailored to the specific standards, processes, and challenges of the public sector industry. The DWR is using the enterprise resource planning software across the entire scope of its operations, including financial accounting, procurement, plant maintenance, and human resources. The big win is in financial accounting.

“With the SAP software, the ability to differentiate each posting by fund has been incorporated directly into the general ledger – also called New General Ledger – so we no longer need two ledgers, the general ledger and the special ledger,” Smith says. “Now, we don’t have to custom develop reports against the special ledger and constantly reconcile both ledgers to ensure they are synchronized.”

That means stronger compliance with state government controls. “We can handle appropriations better – and accommodate all the state government rules about what you can spend the money on and when you can spend it,” Smith says. “Financial postings are matched against the funds for each program to ensure that program managers adhere to spending thresholds and follow the rules of the appropriation as set forth in the governor’s act.”

The DWR is also using SAP for Public Sector grants management software – primarily for reimbursable programs, rather than traditional grants – to monitor administrative overhead applied against projects. The DWR can also now handle multiyear, multifunded contracts. “We can carry over contract numbers and different funding sources across fiscal years,” says Andy Osiow, technical manager for the implementation for the State of California’s DWR.

Financial reporting and budget planning have also been improved. “We have better visibility into costs and at a more detailed level,” Smith says. “You can drill down to the purchase order or time sheet. Fiscal people, program managers, water contractors, the state controller – they all want to see information in different ways. We collect data at this granular level and use the SAP NetWeaver Business Intelligence component, along with the SAP Strategic Enterprise Management application, to give them individualized reports and help us prepare budgets.”

SAP Ramp-Up Program Reduces Risk, Smooths Rollout

The SAP Ramp-Up program enabled the DWR to implement the SAP software as soon as the latest version became available. SAP Ramp-Up customers benefit from accelerated support channels and dedicated coaches with direct access to SAP product development. “We came in on time and under budget,” Gutierrez says. “We had a ramp-up coach and priority response on issues, which were promptly escalated and resolved. The SAP software was very stable. I didn’t feel we were on a test system.”

The DWR is taking advantage of other new capabilities beyond finance. “We’ve already used plant maintenance functionality to reduce outages, increase equipment availability, and save money,” says Wendy Underhill, plant maintenance and project systems team lead for the State of California’s DWR. “After the upgrade, we implemented functionality for work clearance management and leveraged the SAP NetWeaver Portal component, along with SAP Interactive Forms software by Adobe, to capture data from our operations logs.”

The DWR is also using the SAP Employee Self-Service application, enabling employees to maintain personal details and training history, do timekeeping, check leave balances, and look up other employees. The SAP Manager Self-Service application will be installed next for project tracking, manager approvals, and operational reviews.

The DWR plans to leverage the SAP NetWeaver platform even further. “SAP NetWeaver allows us to interface much more readily with the partner software programs we already have or see coming in the future,” Gutierrez says. “SAP NetWeaver interoperability really holds a lot of promise for us.”

“SAP NetWeaver will give us the opportunity to link with other state agencies using SAP software, as well as with a variety of non-SAP programs both internally and externally.”

Steve Croft, SAP NetWeaver Team Lead,
Department of Water Resources, State of California

SAP NetWeaver unifies technology components into a single platform to integrate all systems running SAP or non-SAP software. Says Steve Croft, SAP NetWeaver team lead for the State of California’s DWR, “SAP NetWeaver will give us the opportunity to link with other state agencies using SAP software, as well as with a variety of non-SAP programs both internally and externally.”

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