

Due to the success of the rollout and the technical and organizational benefits that were realized through the ERP implementation, the government moved forward with the consolidation of the bookkeeping agencies. The Federal Bookkeeping Agency was legally founded on July 1, 2004, and became fully operational on January 1, 2005.<sup>(9)</sup> The consolidation of 85 individual bookkeeping agencies into one organization, currently distributed across four locations, resulted in a reduction in bookkeeping personnel from 1,100 to 550. Moreover, the extra 550 bookkeepers did not lose their jobs but were reallocated to other positions throughout the ministries, such as procurement and internal auditing. Total savings were approximately €30 million in the first year of operation (2005). The Ministry of Finance expects to reduce the personnel in the bookkeeping agency by another 20% over the next two years as the government takes increasing advantage of the technology. For this achievement, the Ministry of Finance won the 2005 Administration Award for projects, presented by the Austrian Chancellor.

The creation of the Federal Bookkeeping Agency and the ERP implementation enables the overall provision of accounting services under minimal use of resources and same level of service. Through the bundling of administrative resources, more efficient control of personnel, and the nationwide use of standard software, significant synergy and considerable savings were achieved.<sup>(10)</sup> The system currently has over 4,000 users across the 12 federal ministries and other government organizations. Further gains will depend in part on individual users taking advantage of the system and the process improvements. The Ministry of Finance will continue to engage with the newly formed Federal Bookkeeping Agency and individual ministries to encourage maximum use of the system's potential. "In the future," according to Christian Ihle, "we will be able to measure the duration time for completing accounting and budgeting transactions. We will use this information and any inefficiencies that we identify as a leverage to improve the process throughout the government."

The value of the new system is not limited to these savings. Since 2005, the Ministry of Finance has expanded the project and focused on the data warehousing capability of the new system. One of the lessons learned was that, beyond these efficiencies linked to the larger political aspect of government reform, users and upper level management saw improvements in job performance. More specifically, according to Heinz Weber, "In the Ministry of Social Security, Generations, and Consumer Protection, the process standardization and integration of accounting and budgeting data improved managers' capability for reporting and gave them a more comprehensive view of their organization."

The new system also provides the infrastructure for developing services with direct returns to the public. Beyond the accounting functionality, the new system will be linked to support a key element of Austria's e-government strategy. That strategy aims to "enable government organizations to electronically record, save, find and re-work information thereby supporting the transfer of paper files to electronic files for all inter-ministerial processes at the federal level."<sup>(11)</sup> This element of the e-government strategy is critical to the government's goal of all public bodies being capable of full electronic transactional service delivery by 2008. The ability to deliver direct benefits to citizens of as part of this e-government goal depends on a portfolio of technology tools, policies, and government process and workflow improvements. The new federal accounting and budget system is an important piece of the puzzle. Moreover, its direct benefits and value to the government and the users of the system can be linked to direct benefits to citizens and other stakeholders that will emerge as additional aspects of the e-government strategy are implemented.

The complexity and integrated nature of this e-government strategy also creates some new risks. According to Christian Ihle, "We were very fortunate that the SAP implementation for the federal accounting and budgeting system was one of the first large scale IT implementations across the government. Being one of the first, we had a lot more flexibility than we have today." As the e-government strategy is implemented through various new IT solutions, many of which require interfaces with one another, technical, policy, or even management changes within one system can have large and potentially disastrous effects on other systems. According to Christian Ihle, "If we are not careful, instead of isolated IT islands, we will have an enormous yet fragile IT environment that we are unable to improve or modify for fear of shutting it all down."

---

(9) Josef Makolm **A Holistic Reference Framework for e-Government: The Practical Proof of a Scientific Concept** Proceedings from the 39th Hawaii International Conference on Systems Sciences, 2006.

(10) Administration in Brief: Services and Data, Austrian Federal Chancellery, May 2006.  
[http://www.bundestkanzleramt.at/Docs/2006/5/30/verwaltung\\_konkret\\_englisch.pdf](http://www.bundestkanzleramt.at/Docs/2006/5/30/verwaltung_konkret_englisch.pdf)

(11) See Austria eGovernment Fact sheet at <http://europa.eu.int/idabc/en/document/1395/385>.