How Can SLED Tech Vendors Adapt and Thrive Amidst the Covid-19 Crisis

May 13, 2020

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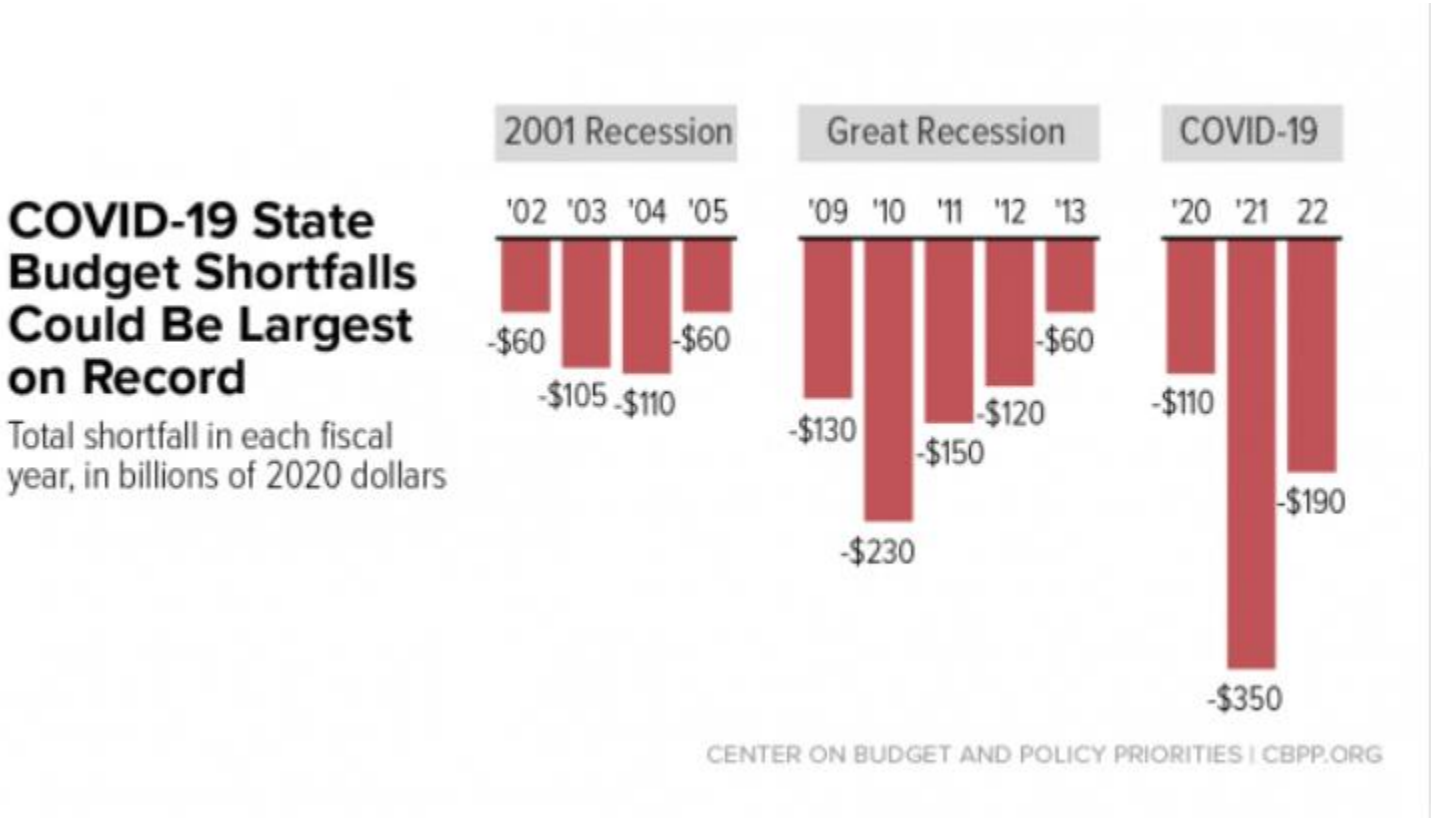
Agenda

- Housekeeping
- Impact of Covid-19 on SLED Tech Budgets
- Agency technology programs positively impacted
- Agency Technology programs negatively impacted
- Capitalizing on the federal funding/grant programs
- Buyer/Seller Dynamics
- Questions?

Housekeeping

- A couple of housekeeping matters:
  - All attendees are muted – if you have any questions please submit them via the chat dialogue box available on your screen. We will allow 10-15 minutes at the end of the presentation to answer some of the questions and will follow up with you all individually to respond to questions that we don't get to during the webinar.
  - A recording of this webinar and a copy of the presentation will be available on:
    - cjisgroup.com
    - poweralmanac.com
    - grantsoffice.com

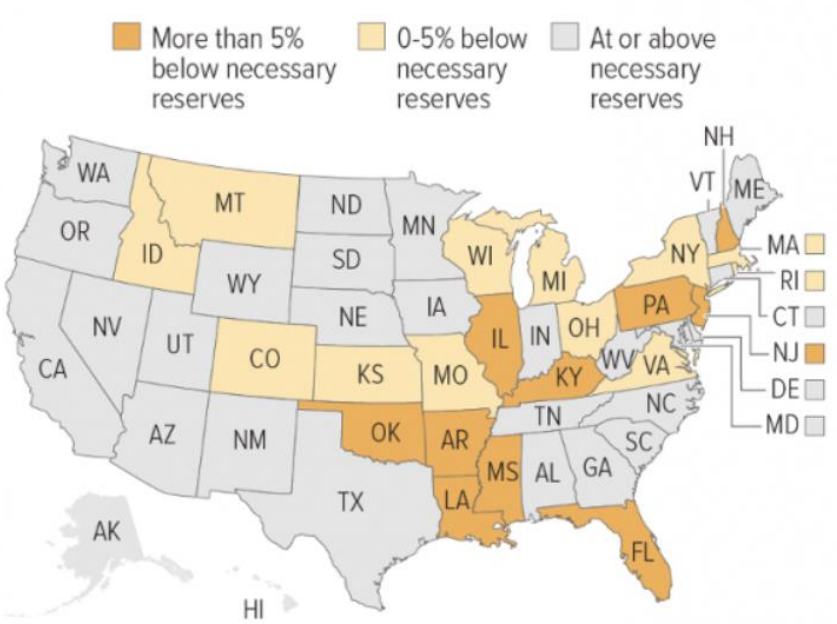
Expected State Budget Impact



State Reserves

One-Third of States Unprepared for Moderate Recession

Gap between current reserves and Moody's estimate of the "fiscal shock" from a moderate recession



Note: Current reserves are measured as a share of estimated 2019 revenues. States generally should aim for reserves of at least 15 percent of their budgets.

Source: Moody's Analytics, "Stress-Testing States 2019"

SLED IT Covid Impact Themes

- Get ***"Online"*** not ***"In Line"***
- Budgeted tech spends may be eliminated or re-prioritized
- ***Mobile first*** application development
- ***Tracking, tracing, identification*** programs to ramp up
- ***AI*** use will be accelerated
- Reallocated spending on travel and office facilities
- ***Local*** government budgets less impacted than state government
- ***Underserved communities*** most impacted by Covid-19
- ***Public/private partnerships*** more important than ever for infrastructure projects

Agency technology programs positively impacted

- Education –
  - Distance Learning solutions
  - Personal laptops/one-to-one devices
  - Personal Wi-Fi/Mobile Routers
- Health and Human Services
  - Telemedicine
  - Thermal Imaging/FLIR Cameras
  - Legacy System upgrades/replacement
- Enterprise –
  - Video/Web Conferencing
  - Cybersecurity
  - Election technology
  - Broadband infrastructure
- Public Safety –
  - Drones
  - Thermal Imaging/FLIR Cameras
  - Tracking/tracing solutions

Emergency Procurement – Contact Tracing IT Solution

Project | Technology Environment | Notes | Contacts | Updates | Related Projects

Project Snapshot

TR#	136071
Agency	DC Department of Health
Jurisdiction	State
State	Washington
Status	RFP
Business Segment	Health and Human Services
Categories (legacy)	CASE/RECORDS MANAGEMENT Health and Human Services
Categories (new)	**APPLICATIONS** **Records Management** Clinical Information Systems Emergency Management Systems Records Management System (RMS)

Primary Contact

Name	Ms. Dorothy Hale
Contact Title	Contracting Officer
Contact's Agency	DC Office of Contracting and Procurement
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Related Profile Reports

DC Department of Health

Washington

Project Description

The District of Columbia Office of Contracting and Procurement (OCP), on behalf of the Department of Health (DC Health) is issuing an Emergency Procurement to obtain a contractor to implement a comprehensive disease investigation/contact tracing IT application solution to support critical operations to contain the spread of the Novel Coronavirus 2019 also known as COVID-19.

Touch Screen Student Devices

Project Snapshot

TR#	135768
Agency	YES Prep Public Schools
Jurisdiction	City of Houston
State	Texas
Status	RFQ
Business Segment	Education
Categories (legacy)	VEHICLE SYSTEMS Mobile Computing
Categories (new)	**SYSTEMS INFRASTRUCTURE PRODUCTS** **Mobile/Portable computing** Laptops/Chromebooks Notebooks/Tablets

Primary Contact

Name	Kerem Kutuk
Contact Title	Purchasing Manager
Contact's Agency	YES Prep Public Schools
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Fax	713-589-2502
Email	procurement@yesprep.org

Related Profile Reports

City of Houston

Texas

Project Description

The YES Prep Public Schools released RFQ # yespdrfp0429#COVID19 for (7,000 Each) Student Devices. Specification for devices: 2-in-1 touch screen & Flip Cover, 11.5" Celeron N4100 4GB RAM 128GB (SSD) Windows 10 Pro or similar, Screen Size: 11.5", Processor: Intel Celeron N4100, RAM: 4GB, Hard Drive: 128GB, OS: Windows 10 Pro.

Current Update

Procurement Info

The RFQ is posted on the Texas Smart Buy Web site.

Procurement Schedule

Release Date	04/29/2020
Proposal Due Date	06/04/2020

Agency Technology programs negatively impacted

- **Many procurement departments have placed previously slated technology procurements on hold to focus on purchasing immediate needs resulting from COVID-19. Some are even working round the clock shifts to place emergency orders as soon as they are needed.**
- **Key take-aways:**
  - **All budgeted programs need to be reassessed.**
  - **Where do you stand in the new priorities?**
  - **Covid-19 will accelerate technology adoption and innovation**
  - **With no trade shows/travel, market intelligence can be the key to identifying opportunities.**

Grants & Funding

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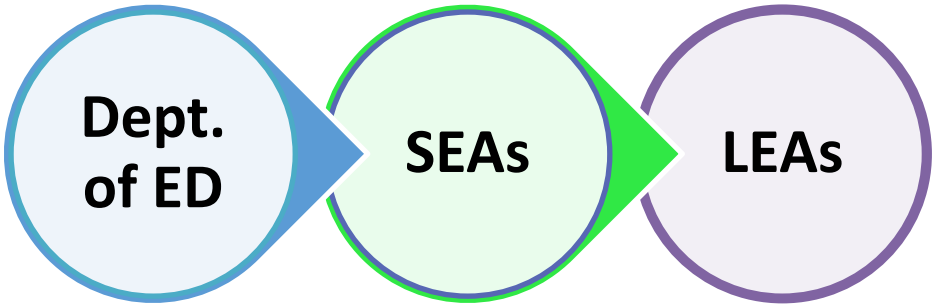
Governor's Emergency Education Relief Fund

Emergency block grants for Governors to decide how best to meet the current needs of students and education-related organizations in their State.

Governors are encouraged to focus resources on ensuring that all students continue to learn (most likely through some form of remote learning).

$2,953,230,000 total funding

Elementary & Secondary School Emergency Relief Fund



$13,229,265,000 total funding.

ED will first grant funding to State Education Agencies. Local Education Agencies can only access these funds from their State Education Agency.

ESEA Title I, Part A formula calculation used to determine allocations for both SEAs and LEAs

Once SEA has received funds, they **MUST** regrant 90% to LEAs

(includes charter schools).

Education Stabilization Fund Discretionary Grants

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Rethink K12 Education Models Grants provide support to State educational agencies (SEAs) in States with the highest coronavirus burden to address specific educational needs of students, their parents, and teachers in public and non-public elementary and secondary schools.

$307 million total between 2 programs
Expected to be due by the end of June
https://oese.ed.gov/offices/education-stabilization-fund/states-highest-coronavirus-burden/

Reimaging Workforce Preparation Grants provide support to help States leverage the power of entrepreneurship to create new educational opportunities and pathways that help citizens return to work, small businesses recover, and new entrepreneurs thrive. These programs also build new capacity within the state to offer short-term postsecondary programs that are responsive to the needs of individuals to more rapidly adapt and evolve to ever changing workplace and community needs.

Healthcare Sector

Provider Relief Fund ($100 Billion)

- $30 billion sent to hospitals based on 2019 share of Medicare claims
- $20 billion being sent to hospitals based on 2018 net patient revenue
- Remaining $50 billion targeted to specific entities (e.g. high impact areas, rural areas) and reimbursement for treating uninsured COVID patients.

FCC Telehealth Program ($200 Million)

- Applications accepted on a rolling basis until funds exhausted
- Nearly $25 million distributed to 56 winners
- May turn into annual funding program

USDA Distance Learning & Telemedicine Program ($25 Million)

- Program open with applications due July 13, 2020
- Up to $1 million per applicant; 15% cash match required
- Targets deliver of telemedicine to rural health care sites

US Department of Treasury

Funding Available: $150B allocated to states, territories and tribes based on their population. Each state to receive a minimum of $1.25B.

Flow of Funding: Your State will apply for funding directly. Counties and cities of 500,000+ residents may also apply directly. *(This already happened).*

Cities and counties of fewer than 500,000 must request funding from their State. Each state will announce a different process for distribution.

US Department of Justice – Law Enforcement

Funding Available: $850M allocated to states and large law enforcement agencies.

Flow of Funding: Your State department of justice will apply for funding directly. Large counties and cities may also apply directly. List of allocations: https://bja.ojp.gov/program/cesf/state-and-local-allocations

Criminal justice agencies NOT included on that list must request funding from their State. Each state will announce a different process for distribution.

US Department of Justice – Tribal Law Enforcement

Funding Available: $400M in supplemental funding for competitive grant for federally-recognized tribal criminal justice agencies.

Flow of Funding: A future application cycle is anticipated for this supplemental funding. Exact details on the new program (including award amounts and cost sharing/matching requirements) have not yet been formally announced.

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Your go-to-market plans have been disrupted too

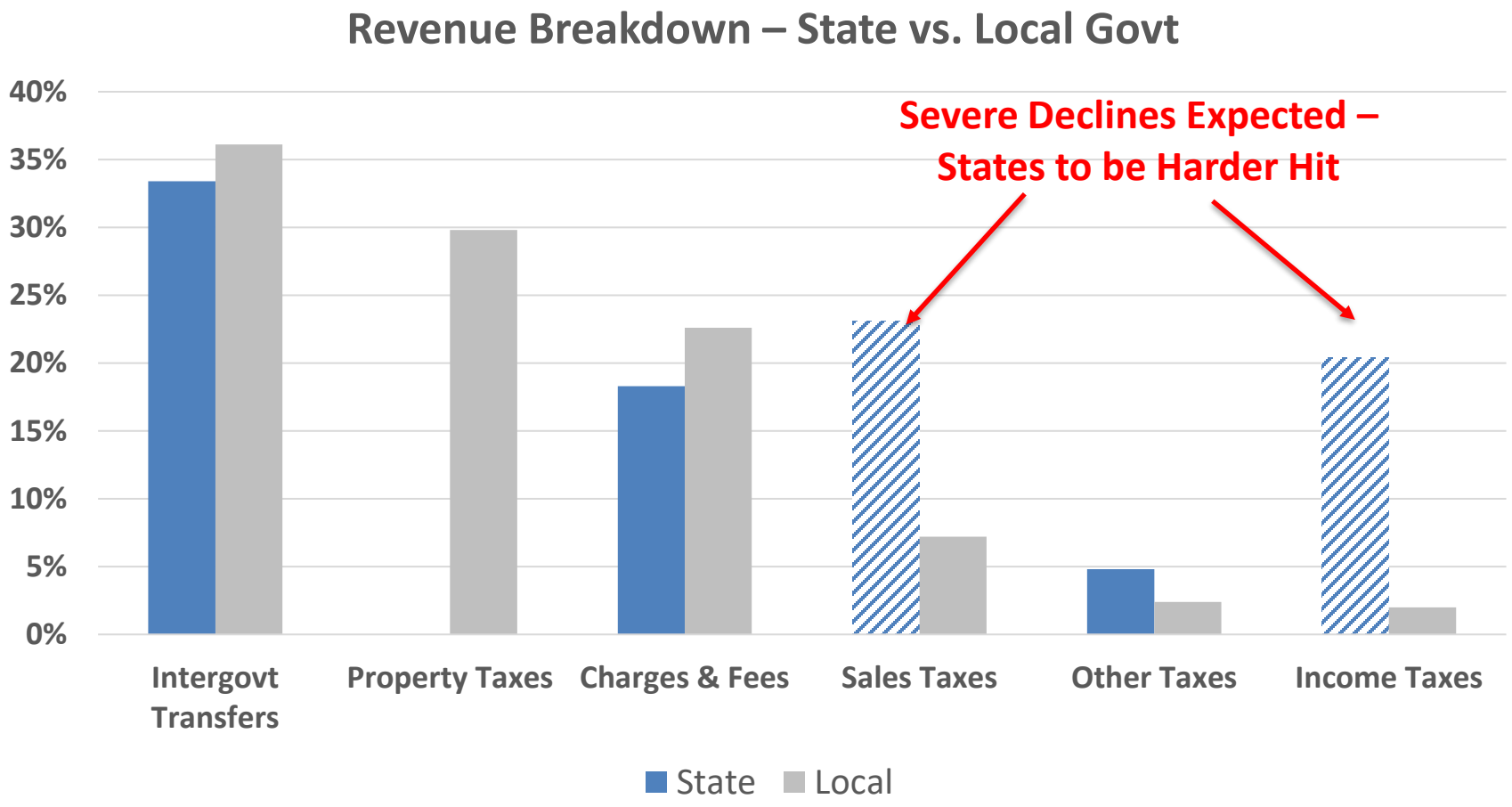
Multiple consequences from losing in-person contact

- Reduced lead flow
- Reduced visibility into upcoming projects/ RFPs
- Lower vendor/ solution awareness
- Diminished vendor trust
- Increased incumbent advantage

To adapt and thrive, do 4 things quickly

1. SHIFT your target market priorities
2. REPOSITION your products/services
3. EXPAND your marketing outreach
4. RETHINK communication tactics

1. Shift your target market: MORE LOCAL

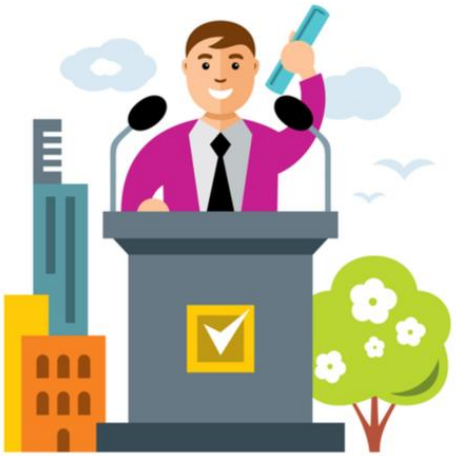


Source: Urban-Brookings Tax Policy Center; Power Almanac Analysis

1. Shift your target market: MORE USERS, LESS IT

- In local govts, purchasing power for technology decisions had already been shifting from IT to Users, even BEFORE the Covid-19 crisis
  - Only 25% of local govts have a head of IT
  - Cloud computing empowers primary users
- Covid-19 will accelerate this trend
  - Heightened urgency… quicker decisions
  - IT overwhelmed

1. Shift your target market:
MORE DECISION-MAKERS



2. Reposition your products: Messaging

- Focus on solving their MUST HAVES
- Add or enhance a FREEMIUM offer
- Emphasize ease-of-use and reliability
- If you can, highlight case studies that are Covid-19 specific
- Shift from sales pitches to offers of help

3. Expand your marketing outreach

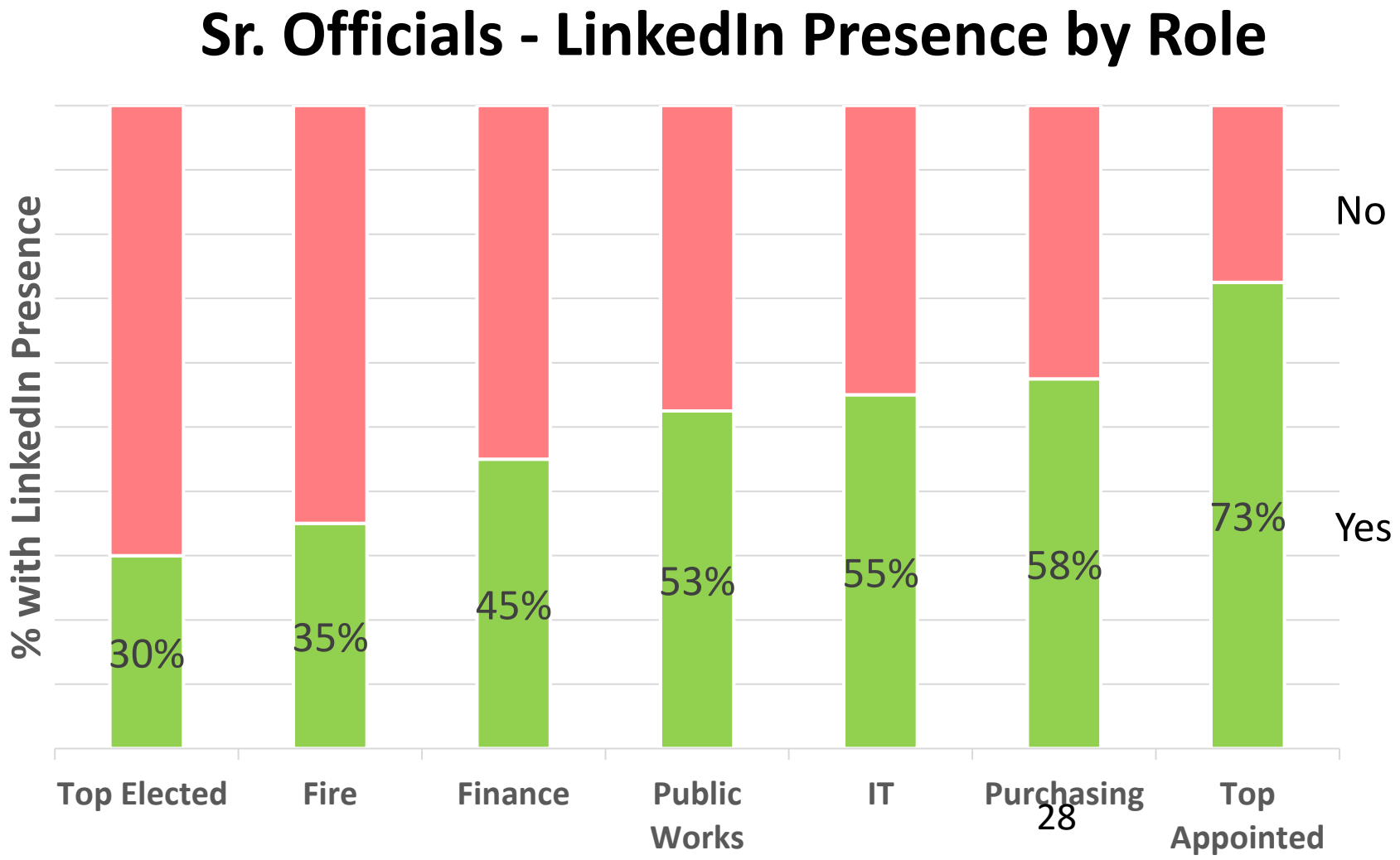
Cast a Wider Net

- End users
- Executive buyers
- Economic buyers
- Technical buyers (IT)

Use Multiple Channels

- LinkedIn/other social
- Online forums
- Professional associations
- Inside sales
- Webinars
- Pay-per-click (reassess key words)
- Partners
- Email campaigns
- Market intelligence tools

Know how to use each channel for local govts



4. Rethink communication tactics

Rethink WHAT you are communicating

- Is it valuable?
- Is it actionable today?
- Is it “snack sized”?

Rethink HOW you are communicating

- Are you creating anxiety?
- Are you memorable?
- Are you also listening?
- Is this the best time?

Conclusions and Questions

- Budgets down but technology key to solving Covid-19 issues
- Projects being re-prioritized
- How will your solutions be used?
- Funding will be there from federal sources
- You need to help agencies navigate the funding maze
- Sales and marketing tactics will change
- Emphasize local decision makers – use appropriate channels
- Be a partner, not a vendor -- empathy is key
- Questions?

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