



# GETTING READY FOR SHARED SERVICES

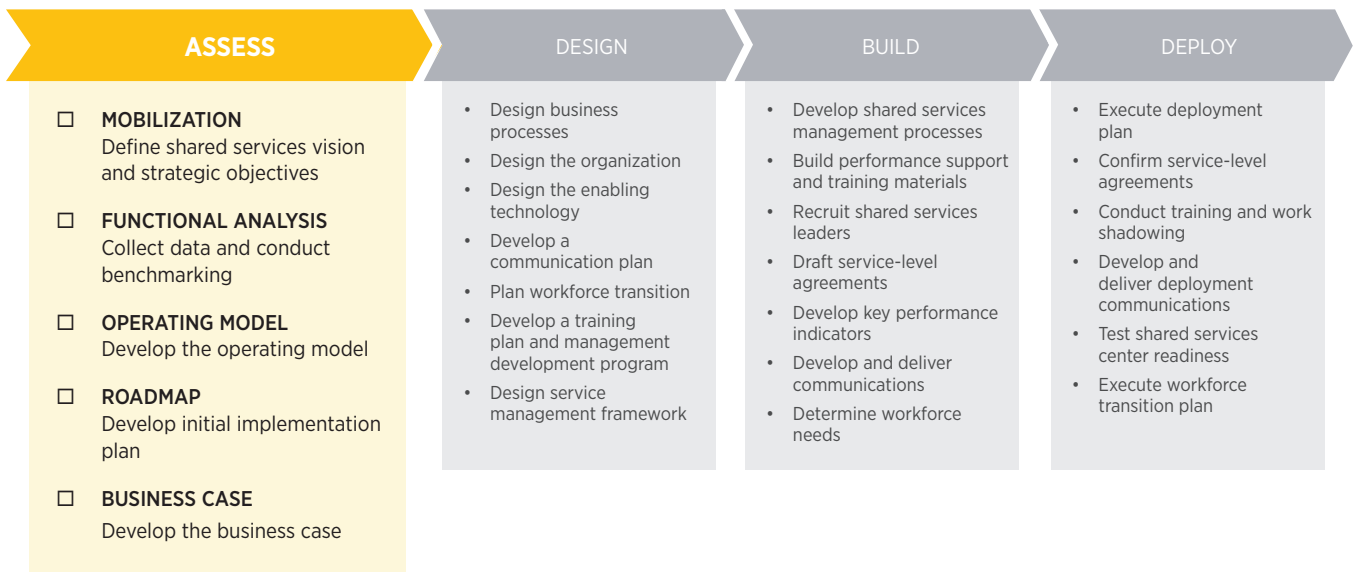
## FIRST STEPS FOR FEDERAL AGENCIES: ASSESSMENT

To effectively achieve their core missions, federal agencies need to have the right people, a clear strategy and vision, and sufficient resources. But as budgets shrink and the scopes of missions expand, federal executives must find every opportunity to improve operational efficiency and reduce costs.

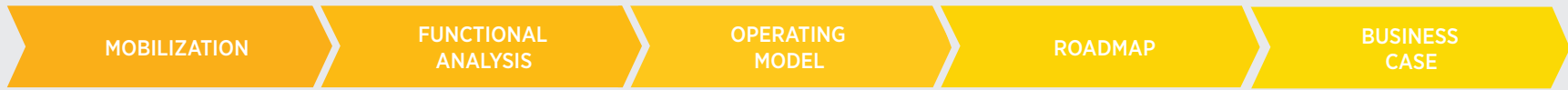
By sharing resources and services across common management and mission areas, otherwise known as “shared services,” federal agencies can leverage efficiencies of scale and improve the quality of their core operations by working within an entire department and, ideally, across departments.

**This guide will focus on the Assessment Phase of implementing shared services at a federal agency. Through the 5 components of the Assessment Phase, agencies will develop a clear plan to lead them into the implementation of shared services.**

### STEPS FOR PLANNING AND IMPLEMENTING SHARED SERVICES



# COMPONENTS OF THE ASSESSMENT PHASE



## WHAT DECISIONS DO YOU NEED TO MAKE?

Before embarking on the 5 components of the Assessment Phase of implementing shared services, agencies need to make certain decisions. The first set of key decisions involves the agency’s intent and the capacity and capability to migrate to a Shared Services Provider (SSP).

STRATEGIC INTENT	What is the strategic intent of moving to a shared services provider? Cut costs dramatically? Deliver or obtain better service?
SCOPE OF SHARED SERVICES	What is the right scope of shared services for the agency? Which functions? Financial management, human resources, information technology, mission? Technology only vs. full-service migration?
FIT WITH CURRENT INITIATIVES	How does shared services fit with current initiatives underway? How will the initiatives be aligned?
SHARED SERVICES OPERATING MODEL	What capacity and technology-integration needs will be required from a shared services platform?
CHANGE MANAGEMENT REQUIREMENTS	How should the change be managed to ensure that goals are achieved, buy-in is secured and a new high-performing operating model is created?
IMPLEMENTATION STRATEGY	What is the portfolio of initiatives required to implement shared services? How should they be prioritized? How should we organize the program?
COST and BENEFIT ASSESSMENT	What service and economic benefits are feasible? What level of investment will be required? What are the key risks to be managed?

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## MOBILIZATION



### People and organization

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#### Establish internal governance for:

- Decision-making
- Team structure and participation
- Team charter
- Executive participation

#### Initiate communication plan for:

- Stakeholders—on strategic direction, vision and scope for future state
- Interviews, focus groups and surveys—to listen to and incorporate internal customer input, and understand drivers and barriers
- Organization's cultural needs
- Clarity on value to the mission

#### Gather initial data on workforce including:

- Information on capabilities, constraints, headcount and labor costs

### Process

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#### Develop and confirm:

- Strategic direction and vision for future state
- Process scope
- Definition of performance metrics to track through initiative

#### Document organization's:

- Legislative authority
- Policy constraints
- Audit findings

### Technology

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#### Gather initial data:

- Current technical resources
- IT costs
- Transaction volumes
- Service-level metrics (cost and quality measures)
- Technical constraints, e.g. end-of-life information



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## FUNCTIONAL ANALYSIS



### CONDUCT ANALYSIS ON:

#### People and organization

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- Workforce baseline and labor union considerations (if any)
- Current resources
- Capacity and feasibility of transition to shared services

#### Process

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- Targeted business functions through market research to make comparisons and understand capabilities of providers
- Current performance levels
- Current processes
- Needed capacity and feasibility of transition to shared services
- Best-in-class practices
- Past, current and planned initiatives
- Compliance with federal policies and procedures (from audits, etc.)

#### Technology

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- Current technology resources
- Past, current and planned technology initiatives
- Aging or end-of-life technology inventory
- Assessment to determine needed technological capacity and feasibility of transition to shared services
- Best-in-class practices



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## OPERATING MODEL



DETERMINE HIGH-LEVEL REQUIREMENTS FOR FUTURE STATE INCLUDING:

### People and organization

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- Personnel requirements (from functional analysis)
- Organizational structure to align personnel with future-state processes
- New roles and classifications, as required to align with future-state processes
- Skills required for future-state and mitigation plan, e.g. training, recruiting
- Training strategy and plans required for alignment with future-state processes
- Communication strategy
- Performance management framework
- Identification of funding source (outlining mechanism)

### Process

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- Process splits by function (what is retained by agency vs. what is going to the shared services provider)
- Process flows for future state, aligning with organization and technology models
- Process metrics
- Baseline targets for metrics (SLA's and process improvements)
- Governance process
- Key process challenges to be addressed and redesigned during the design phase, including integration capabilities

### Technology

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- Technology capacity gaps (from functional analysis)
- Technology skills alignment with personnel capability
- Technology conceptual model (what is retained by the agency vs. what is going to the shared services provider)
- Functional and technical necessities for solution to address future-state processes
- Conceptual future-state enterprise architecture and business architecture
- Hardware and software gaps (new needs vs. disposal needs)
- Strategy for future-state infrastructure, e.g. networks, telephony, hosting



## ROADMAP



DEFINE HIGH-LEVEL KEY ACTIVITIES AND PLAN FOR:

### People and organization

- Skills and talent gap alignment
- Training and communication
- Recruiting
- Metrics implementation
- Durations, milestones and dependencies

### Process

- Business process modeling to include process, sub-process and activity, standard operating procedures and job aids
- Metrics implementation
- Work breakdown structure and project plan
- Durations, milestones and dependencies

### Technology

- Technology capacity gap alignment
- Technology and skills gap alignment
- Detailed functional and technical requirements
- Hardware and software gaps
- Future-state enterprise architecture and business architecture
- Building and deploying
- Metrics implementation
- Durations, milestones and dependencies



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## BUSINESS CASE



### QUALIFY AND ASSESS:

#### People and organization

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- Mission-effective performance measures and targets desired for outcome, e.g. increased customer service, data accuracy, reporting SLA's
- "As-is" baseline and future-state for personnel costs
- Future costs and benefits, addressing labor union considerations (if any)
- Transition costs of relocation, training, buy-outs, labor union considerations

#### Process

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- Costs of new functions and performance-effectiveness metrics
- Costs of keeping nonstandard processes
- Future efficiencies from process improvement
- Cost savings through business case scenario models and documented pros and cons of each scenario

#### Technology

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- "As-is" baseline technology total cost of ownership (TCO)—applications, operations and management, modernization enhancements and development, infrastructure, security and assurance
- Future technology TCO—applications, operations and management, modernization enhancements and development, infrastructure, security and assurance
- Transition costs including one-time full technology migration, conversion and inventory disposal
- Future efficiencies from technology improvement



## GETTING READY FOR SHARED SERVICES WORKING GROUP

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## PARTNERSHIP FOR PUBLIC SERVICE PROJECT TEAM

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## SHARED SERVICES ROUNDTABLE

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### FEDERAL SHARED SERVICE PROVIDERS

Interior Business Center, Department of Interior  
Administrative Resources Center,  
Department of the Treasury  
Enterprise Service Center, Federal  
Aviation Administration  
Program Support Center, Department  
of Health and Human Services  
Financial Services Center, Department  
of Veterans Affairs  
Global Financial Services, Department of State  
Human Resources Solutions, Office  
of Personnel Management  
NASA Shared Services Center, National  
Aeronautics and Space Administration

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### INDUSTRY

Accenture Federal Services  
Avaya  
Booz Allen Hamilton  
CACI  
CGI Federal  
CSC  
Deloitte  
Microsoft  
Savantage  
PAE

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### GOVERNMENT STAKEHOLDERS

Office of Management and Budget  
Office of Personnel Management  
General Services Administration  
Office of Financial Innovation and Transformation,  
Department of the Treasury



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