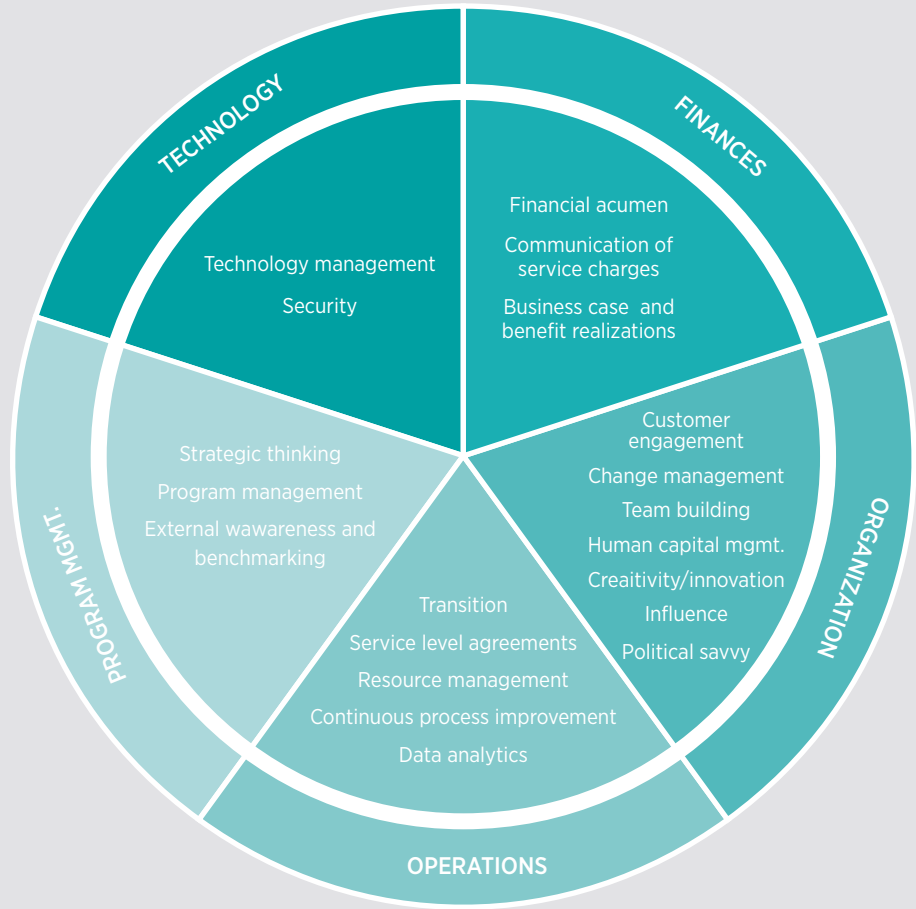SHARED SERVICES PROVIDER

LEADERSHIP MATURITY MODEL

The mission of federal shared services providers is to provide high-quality, high-value shared services to federal agencies and components within them. Federal organizations that use a provider are able to focus more resources and attention on mission-based programs that serve the American people.

Providers run their organizations like a business and need to hire staff who are customer-oriented, entrepreneurial and innovative if they are to meet the rising demand for shared services.

To understand the unique qualifications provider organizations seek from the people they hire, members of the Shared Services Round-table interviewed shared services leaders from the public and private sectors. Those conversations informed this guide, which outlines the critical skills, knowledge and experiences successful shared services organizations should seek.

The guide can be useful for an organization that plans to stand up a provider organization or for an existing provider conducting workforce planning. Based on our interviews, we also outlined a series of strategic solutions for the challenges of recruiting, hiring and retaining top talent.

TECHNOLOGY
- Technology management
- Security

FINANCES
- Financial acumen
- Communication of service charges
- Business case and benefit realizations

PROGRAM MGMT.
- Strategic thinking
- Program management
- External wawareness and benchmarking

ORGANIZATION
- Customer engagement
- Change management
- Team building
- Human capital mgmt.
- Creaitivity/innovation
- Influence
- Political savvy

OPERATIONS
- Transition
- Service level agreements
- Resource management
- Continuous process improvement
- Data analytics

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	TRANSITION
INDIVIDUAL	Individual has limited experience leading a shared services organization	Individual has demonstrated experience leading a shared services organization	Individual has demonstrated experience leading a shared services organization or has demonstrated experience serving existing customer base while taking on new customers	Individual has demonstrated experience leading a shared services organization with multiple lines of business, or service offerings, and introducing innovation	Individual has demonstrated an ability leading a shared services organization that has taken on additional customer(s)
ORGANIZATION	Organization has minimum competencies to satisfy basic business requirements: reactive to customers	Organization is proactive with respect to customer satisfaction and business outcomes	Organization operates effectively and efficiently, and provides value-added services	Organization operates effectively and efficiently, and is seeking to expand market share, offer specialized or differentiated services	

SHARED SERVICES PROVIDER LEADERSHIP QUALIFICATIONS: LEVEL FOUR

FINANCES

Definition: this qualification involves the ability to strategically manage the organization's finances as well as knowledge of federal financial management practices, including funding sources and pricing methodologies. It also involves the ability to conduct business cases for customer organizations to evaluate the benefits realized from shared services.

FINANCIAL ACUMEN	• Extensive knowledge, experience and results with federal financial management practices in a shared services environment, to include working capital funds and franchise funds • Understands and appropriately applies principles related to specialized expertise with demonstrated results • Extensive knowledge, ability and results to accurately forecast resource requirements and price interagency agreements for multiple lines of business and a range of customers • May have one or more certifications in the following: Certified Public Accountant (CPA), Certified Government Financial Manager (CGFM), and/or Certified Defense Financial Manager (CDFM)
COMMUNICATION OF SERVICE CHANGES	• Extensive knowledge, results and demonstrated ability to establish formal governance processes to communicate anticipated changes, early and often, to price, levels of service and service offerings, to reduce budget and service level uncertainties. Communication in concert with annual budget cycle to inform customers of service prices two years in advance
BUSINESS CASE AND BENEFIT REALIZATION	• Extensive knowledge and ability conducting business case analyses, including benefit realization • Demonstrated ability to effectively track, monitor and report progress to stakeholders through effective metrics taken before and after services are moved to a provider • Possible industry experience

ORGANIZATION

Definition: this qualification involves the ability to lead strategic change and engage stakeholders and teams, both within and outside the organization. It also includes the ability to manage organizational capacity and personnel skills and experience, and to embody and establish an organizational culture of innovation and entrepreneurship.

CUSTOMER ENGAGEMENT	• Extensive knowledge, experience and results leading a shared services organization, including interagency service, based on documented governance and stakeholder management experience • Demonstrated customer savvy, and ability to build relationships with customers and collaborate on developing detailed plans • Demonstrated ability to instill customer service focus throughout all provider operations; responsive rather than proactive to customer needs • Customer governance system instituted and used routinely to address performance and issues, and to determine future opportunities, with demonstrated results • Extensive success resolving complex issues based on core principles, sometimes with limited data • Empathy for the customer and viewed as fair

CUSTOMER ENGAGEMENT	• Extensive knowledge, experience and results leading a shared services organization, including inter-agency service, based on documented governance and stakeholder management experience
	• Demonstrated customer savvy, and ability to build relationships with customers and collaborate on developing detailed plans
	• Demonstrated ability to instill customer service focus throughout all provider operations; responsive rather than proactive to customer needs
	• Customer governance system instituted and used routinely to address performance and issues, and to determine future opportunities, with demonstrated results
	• Extensive success resolving complex issues based on core principles, sometimes with limited data
	• Empathy for the customer and viewed as fair
CHANGE MANAGEMENT	• Extensive experience, ability and results in change management (e.g., adding/losing customers, changing service offerings, upgrading technology) with multiple lines of business and a diverse set of customers ranging from small to large Cabinet-level agencies
	• Extensive experience and results with change control boards that formally authorize upgrades and service changes, and managing effective voting procedures
	• Extensive experience and results obtaining buy-in for major decisions from a wide range of stakeholders
	• Strong communication skills, including the ability to articulate a compelling vision with demonstrated results
	• Extensive experience and results managing labor relations
	• Demonstrated resilience and ability to deal effectively with pressure; persistent in the face of adversity; recovers quickly from setbacks; institutionalizes this culture in the organization
TEAM BUILDING	• Extensive experience, ability and results leading high-performing teams and motivating managers to provide development to their staff members as well
	• Extensive experience rewarding teams for positive outcomes and inspiring and fostering team commitment and trust
	• Ability to foster organizational resilience and collaborate with a team to build and reinforce an organizational culture and ethos
	• Ability to build a sense of team and cooperation between the provider and customer organizations
HUMAN CAPITAL MANAGEMENT	• Extensive experience and results building and managing a multi-sector workforce based on organizational goals, budget considerations, customer requirements and technology needs
	• Extensive experience and results scaling an organization up or down and moving staff as needed, from having done numerous migrations
	• Extensive and proven leader with ability to attract, retain and develop top talent
	• Extensive knowledge of human resources management (e.g. staffing, employee relations, labor relations)
CREATIVITY, INNOVATION AND ENTREPRENEURSHIP	• Market maker with experience projecting a future market, balancing innovation with risk
	• Extensive entrepreneurial experience developing new service offerings and discontinuing others, based on market demand
	• Demonstrated ability to instill culture of innovation across the organization: rewards and encourages innovation across the organization; willing to take informed risks
INFLUENCE AND POLITICAL SAVVY	• Extensive experience maintaining a large network across both public and private sectors
	• Extensive experience collaborating across boundaries to build strategic relationships and achieve common goals that can advance the mission, with proven results
	• Extensive experience identifying the internal and external politics that impact the work of the organization, with proven results
	• Ability to perceives organizational and political reality and act accordingly

OPERATIONS

Definition: this qualification involves the ability to manage the day-to-day operations and functions of the organization to provide high quality services and customer satisfaction. The ability to manage data analytics and service level agreements (a vehicle for outlining clear roles and responsibilities and accountabilities for customers and providers) are inherent to this qualification, as well as the ability to manage resources efficiently and effectively with a lens of continuous improvement.

SERVICE-LEVEL AGREEMENT (SLA) MANAGEMENT	• Extensive experience and results ensuring that SLAs are updated as needed, and at least annually; performance is monitored and communicated routinely to customers and the organization regularly; uses the SLA as a tool to help identify opportunities to improve processes and offers tiered levels of service and choices to customers
DATA ANALYTICS	• Extensive experience using data analytics tools in an organization to create demand forecasts and analyze service consumption; ensures data is communicated frequently and used in a meaningful way
RESOURCE MANAGEMENT	• Extensive experience and results ensuring that resource management is considered in all service areas and is used to reduce costs, expand service hours, staff new initiatives and meet variable demand for services; develops and evaluates the resources management plans routinely
CONTINUOUS PROCESS IMPROVEMENT	• Extensive experience and results implementing and overseeing a formal continuous process improvement methodology; program may be led by a manager who has achieved professional certification in the field • Ability to ensure improvement goals are set and measured regularly, and training is offered to all staff on process improvement • May have certifications in Capability Maturity Model Integration (CMMI) and Information Technology Infrastructure Library (ITIL) • Possible certification as Lean Six Sigma Black Belt, indicating ability to apply a set of process-improvement techniques to specific projects
TRANSITION MANAGEMENT	• Extensive experience and results ensuring that transition management plans are well-documented, centrally managed, updated regularly and part of the knowledge-management database

PROGRAM MANAGEMENT

Definition: this qualification involves the ability to establish and implement an organizational vision through effective program and project management. Inherent to this qualification is being aware of and applying relevant external trends. It also includes ensuring that the organization is compliant with government laws, regulations, policies and guidance.

STRATEGIC THINKING AND ORGANIZATIONAL STRATEGY	• Extensive experience, ability and results developing, communicating and executing a vision and long-term strategic plan for a shared services organization • Extensive experience, ability and results developing, reviewing and institutionalizing long-term strategic plans • Articulates and inspires a vision for innovation that radically improves shared service offerings or operations
PROGRAM MANAGEMENT	• Extensive experience, ability and results managing major programs, service delivery and change initiatives in large organizations • Extensive experience, ability and results completing projects within defined scope, quality, time and cost constraints • Demonstrated ability to implement standard, repeatable processes across enterprise • Extensive experience and results managing risks, crises and incidents • Extensive experience ensuring that the organization is compliant with government laws, regulations, policies and guidelines.
EXTERNAL AWARENESS AND BENCHMARKING	• Extensive experience, ability and results evaluating organizations and incorporating leading practices from the public and private sectors as appropriate (conducted on a regular basis) • Recognized by peers and industry as a thought leader

TECHNOLOGY

Definition: this qualification involves the management, security and modernization of the organization's facilities as well as system tools and processes.

TECHNOLOGY MANAGEMENT	• Extensive knowledge, ability and results to use current and new technology to support the organization and achieve results • Ability to keep up-to-date on technological developments and incorporate technology modernization into institutional practices • Ability to modernize in cost-effective ways • Ability to ensure that technology is stable and reliable • Ability and results developing a multiyear technology roadmap
SECURITY	• Extensive knowledge, ability and results ensuring the security of technology systems (knowledge of FISMA and NIST security) • Extensive knowledge of scanning for vulnerabilities and conducting insider threat programs; Federal Risk and Authorization Management Program (FedRAMP) certification that ensures a standardized approach to security assessment, authorization and continuous monitoring for cloud products and services

TOP 12 PRACTICES TO ATTRACT AND RETAIN TOP SHARED SERVICES TALENT

While the ability to attract, hire and retain top talent is an issue all across government, federal shared services providers face unique challenges. These provider organizations run like a business, with workforces from both the private and public sectors. They provide support for the missions of numerous organizations and must scale up and down to meet customer demand. Attracting the right talent to work in and lead such organizations can be challenging; however, there are innovative best practices that providers are using to overcome the barriers to getting top talent.

ORGANIZATIONAL CULTURE

First and foremost, leaders of provider organizations should understand the current and desired culture or ethos for the organization. This can be embodied in mission and vision statements, values and norms. Actively involve members of the organization in establishing and reinforcing the culture, and ensure that cultural fit is considered throughout the recruitment, hiring and onboarding process.

1. Collectively establish and reinforce the organizational ethos

Provider organizations have unique missions and cultures, and it is necessary to build and reinforce these cultures as a leader. Leaders can establish and communicate an organizational mission statement, organizational values and communication norms to strengthen the culture. This practice should also involve ensuring sure that employees feel satisfied and committed to the job and the organization.

2. Train for technical skills and hire for attitude and cultural fit

While shared services work requires a technical skill set, the most important qualities that provider organizations look for when hiring top talent are attitude and cultural fit. Organizations should ensure that position descriptions speak to the cultural qualifications of the desired candidate, such as customer focus, initiative and relationship management. To assess cultural fit, organizations can also utilize situational-based assessments for candidates. Focusing on promoting and developing from within the organization can also build trust and ensure cultural fit.

RECRUITMENT AND HIRING

Shared services provider organizations have expressed challenges in recruiting and hiring top talent due to federal hiring procedures constraints. But providers are deploying innovative solutions to overcome this barrier.

3. Use on-the-spot hiring authority and other special hiring authorities

Depending on an agency's needs, there are a variety of options to bring top talent in quickly that do not replicate the traditional federal hiring process which can be lengthy. Listed below are a sampling of hiring authorities and flexibilities that an agency can utilize to bring top talent in. Please note that use of these authorities and flexibilities may differ depending on an agency's specific policy and guidance. Hosting on-site recruitment events allow for the best practice of on the spot hiring to be utilized for individuals who qualify under specific hiring authorities and flexibilities.

Government-wide Direct Hire Authority
When there is a severe shortage of workers or a great hiring need for a specific occupation that the government could not have planned ahead for. A current listing of government-wide direct-hire eligible positions can be found on the Office of Personnel Management's website.

Schedule A Hiring for Individuals with Disabilities
Streamlines the hiring process for individuals with disabilities. Agencies can either utilize Schedule A from the competitive hiring process or select from a list of qualified Schedule A applicants, through databases such as the Workforce Recruitment Program (WRP) and/or resume mining on USAJOBS.

Schedule A Hiring for Short Term Positions

Includes both short-term positions and continuing positions that an agency must fill on an interim basis pending completion of competitive examining, clearances, or other procedures required for a longer appointment. Appointments under this authority may not exceed 30 days and may be extended for up to an additional 30 days if continued employment is essential to the agency's operations.

Veterans Recruitment Appointment

Is an excepted service authority that allows agencies to appoint eligible and qualified veterans without competition and traditional vacancy announcement to GS-11 and below positions.

Military Spouse Appointee Authority

Allows agencies to appoint qualifying military spouses without competition. Agencies can choose to use this authority when filling competitive service positions on a temporary (not to exceed 1 year), term (more than 1 year but not more than 4 years), or permanent basis.

Interpersonal Agency Act

Allows people to go from state to local government, or from nonprofit, and educational institutes to government. As this is temporary in nature, this type of arrangement is great for specialized positions, defined projects or where there is a need for speed in hiring.

Transfer and Reassignments

Allows current career or career-conditional employees to transfer from one agency to another without a break of service.

Experts and Consultants

Can be utilized as a knowledgebase for temporary or intermittent work when external candidates come in to advise the agency but, they are not allowed to have supervisor or managerial duties.

Peace Corps and AmeriCorps VISTA

Allows for returned Peace Corps and AmeriCorps VISTA members a one-year period to be non-competitively appointed to a normally competitive federal position.

Pathways Programs

Are different appointment avenues designed to provide students and recent graduates with clear paths to internships and full-time employment, as well as meaningful training, mentoring and career-development opportunities.

4. Partner with universities and professional societies

A best practice is to identify and build relationships with schools that best meet recruitment needs based on the academic programs they offer and the caliber of the students. Providers should also work with universities to ensure that the curriculum is equipping students with the skills and competencies to be successful in a shared services environment. While participating in campus recruitment events are beneficial, a best practice is for organizations to build long-standing partnerships with universities and foster name recognition with students by making presentations to classes or student organizations, serving as guest faculty for relevant courses and talking regularly with and informing career services staff or faculty regardless of whether the organization is currently hiring. Providers can also involve students in the organization through internships and class projects.

5. Utilize challenges and competitions to recruit and screen for top talent

Given the unique characteristics that provider organizations are seeking in candidates, using competitions or challenge events are a good way to recruit candidates that fit requirements and to get potential candidates excited about federal shared services. Competitions might test for business case problem-solving, teamwork and process re-engineering skills.

6. Encourage current employees to be recruiters

Current employees are uniquely positioned to recruit for the organization. Leverage employees' enthusiasm and knowledge of the organization in the recruitment process by encouraging them to actively reach out to their networks when there is an open position. A best practice is to hold a 'recruitment blitz' in which all employees reach out to their networks about open positions: recognition is given to individuals who reach out to the most potential candidates. Interns can also serve as great recruiters: students who have recently completed federal internships can promote public service and share their own positive experiences with prospective candidates.

TRAINING AND DEVELOPMENT

To retain and invest in employees and to continuously improve organizational performance, shared services provider organization leaders should prioritize training and development.

7. Prioritize professional development

Training and development should focus on assessing employees' development needs and providing appropriate training, allowing them to do their jobs effectively and improve their skills. While classroom training is often essential, providers expressed the need to prioritize experiential-based development opportunities, such as rotations and mentoring. Rotating employees across the federal shared services providers can lead to skill development and best practice sharing. Rotations could also occur within an organization between different types of positions. Such a practice could be mandated in performance plans and Individual Development Plans (IDP) for leadership tracks and included in position descriptions. Mentoring by senior staff to more junior staff also can be available.

8. Establish the provider as a learning organization

Providers are data-driven organizations that require regular analysis of performance metrics. Committing data to action requires informing employees of those trends and educating on gaps in metric achievement, errors and anticipated challenges. A best practice is for an internal training team to hold regular trainings for staff on these areas.

COMPENSATION AND RECOGNITION

Innovation and entrepreneurship are fundamental to shared services organizations, and these principles can be recognized in its employees through non-monetary and monetary means.

9. Reward innovation and entrepreneurship through monetary and non-monetary means:

While monetary recognition is valuable, organizations may not always have the means to provide bonuses. Organizations should also deploy non-monetary strategies, such as annual awards programs for innovation and public appreciation during organization-wide town halls or emails from leadership.

10. Consider adjusting federal pay scales

Pay is a top driver of employee satisfaction and commitment, and is an important consideration to encourage providers to be innovative and to save taxpayer money. Adjusting federal pay scales for provider organizations should be considered.

STRATEGIC WORKFORCE PLANNING

Shared services organizations face situations in which they must quickly scale up and down to meet customer needs, particularly when a new customer is transitioning to a provider. Promoting workforce flexibility can assist with this dynamic.

11. Establish a government-wide SWAT Team to assist when a customer transitions to a provider

The transition phase is a challenging time for the customer and provider, and having a cross-government team of experts assist, by request of the organizations, during this phase would be beneficial. This shared services SWAT team could be comprised of individuals who have led or been involved with a transition before, either in the private or federal sector. It also would be beneficial for an organization that is in the discovery phase (earlier on in the process) to have an individual join the SWAT team to be involved in what it takes during the transition phase.

12. Cross-train a workforce on multiple service lines

As demand shifts, it is essential to be able to shift personnel as well to avoid the need to over hire. Cross-training a workforce pool on multiple service lines can allow the organization to quickly adapt to changing service needs. This pool can also be groomed for future management, as having expertise in multiple service lines can situate the individuals well for leadership positions.

HUMAN CAPITAL WORKING GROUP

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SHARED SERVICES ROUNDTABLE
FEDERAL SHARED SERVICE PROVIDERS

Interior Business Center, Department of Interior

Administrative Resource 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

National Finance Center, Department of Agriculture

NASA Shared Services Center, National
Aeronautics and Space Administration

INDUSTRY

Accenture Federal Services

Booz Allen Hamilton

CACI

CGI Federal

Deloitte

Ernst & Young

Grant Thornton

Golden Key Group

Hewlett Packard Enterprise

IBM

KPMG

Microsoft

MITRE

VMware

GOVERNMENT STAKEHOLDERS

Office of Management and Budget

Office of Personnel Management

General Services Administration

Office of Financial Innovation and
Transformation, Department of the Treasury

Consumer Product Safety Commission

Department of Agriculture

Department of Commerce

Department of Housing and Urban Development

Department of Homeland Security

Department of Veterans Affairs

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