A strong governance framework that ensures accountability, cooperation and strategic direction is the cornerstone of a strong federal shared services marketplace. Such a framework was advocated in “Building a Shared Services Marketplace: Recommendations from the Shared Services Roundtable,” a report released in March 2015.

Shared services operate in a complex environment that requires leadership to support and promote an integrated, enterprise governance framework among all actors, including central management agencies such as OMB and GSA, line-of-business managing partners, public and private providers, and customer agencies.

Having a clear shared strategic vision and knowing who makes decisions, how they are made, and how performance is measured can build trust among all those involved, and make shared services a success across government.

To expand on the report’s governance recommendation, members of the roundtable continued to interview shared services leaders, this time from both the public and private sectors, to learn how successful organizations make decisions.

This guide is a first look at governance best practices from those discussions and describes the roles and responsibilities needed to apply those lessons in the federal government. Following these practices can help to sustain growth and mitigate risk across the shared services marketplace.
RESPONSIBILITIES FOR EACH LEVEL OF GOVERNANCE

1. FOCUS ON THE ENTERPRISE
   Central enterprise governance is critical to driving standardization, automation, economies of scale, and consistent funding authority and financing.
   - Develop policy guidance that drives standardization, automation, economies of scale, and consistent funding authority and financing.
   - Establish common terms and definitions.
   - Identify and authorize eligible services and providers.
   - Set government-wide policy, budget and performance integration.
   - Leverage best practices from industry.

2. ESTABLISH A PERFORMANCE FRAMEWORK
   The framework serves as the key to trust and moving to an environment of continuous improvement.
   - Establish policy across the enterprise requiring standardized SLA/KPIs.
   - Continuously assess government-wide benchmarking initiatives for cost, quality and mission outcomes.
   - Establish standard SLA/KPIs.
   - Provide guidance to agencies and providers to mitigate switching costs when an agency moves from one provider to another.
   - Provide guidance on how to quantify and assess agency “as-is” cost and quality metrics.
   - Establish best practices for issue escalation and resolution at the customer-provider level.
   - Establish policy for dealing with non-performers.

3. EVOLVE GOVERNANCE WITH SERVICE MATURITY
   Governance and personnel evolve with maturity of the shared service and the marketplace as a whole through Construction and Development, Transition and Operations.
   - Set strategic direction for the entire federal enterprise during the development phase that evolves through the operations phase.
   - Initiate and oversee marketplace expansion.
   - Assist customer agencies and providers to structure governance systems and share best practices.
   - Collaborate with providers and customers to specialize and optimize service potential.
   - Identify core competencies and characteristics for personnel and assist in identifying, recruitment and retention of appropriate talent.
   - Maintain business process councils, advisory councils, and standards for LoBs.
   - Convene new business process groups as new services emerge and disband groups as services mature.
   - Establish cross-agency business process committees during construction and development.
   - Engage with different businesses as appropriate.
   - Engage with personnel competencies.

4. ILLUSTRATE THE ART OF THE POSSIBLE
   Illustrating the “art of the possible” and emphasizing shared services as a way to minimize mission distraction is critical for creating buy-in.
   - Leverage existing venues such as the President’s Management Council and CIO councils.
   - Collaborate continuously with Congress and agency Chief Operating Officers on shared service issues.
   - Market shared services to customer agencies by showing the “art of the possible” and the vision of how shared services can help organizational mission.
   - Contribute to the development of communication and messaging strategy to market shared services.
   - Demonstrate the “art of the possible”.
   - Redirect resources to the mission.
   - Highlight organizational transformation successes.
   - Develop metrics that tie service delivery to mission outcomes.

5. MOBILIZE SUPPORT AND SPONSORSHIP
   Executive sponsorship is key—both from a practical and change management perspective.
   - Sustain top-down support.
   - Establish collaborative governance system as a best practice.
   - Ensure governance approach facilitates relationships, communication and continuous coordination with all stakeholders.
   - Convene LoB process committees that include provider and customer representatives.
   - Provide assistance to agencies in identifying key personnel for governance bodies.
   - Communicate and coordinate with parent agencies of federal providers.
   - Include executive support, middle management and front-line/end-users in decision-making.

6. PRIORITIZE CHANGE MANAGEMENT
   Strong change management plans and strategies for building cohesive and mission-oriented cultures are required.
   - Establish and communicate the vision and goals for shared services across the enterprise.
   - Support tools that assess cultural readiness in coordination with central management agency.
   - Institutionalize and communicate the vision and goals for shared services across the enterprise.
   - Foster cross-functional leadership at the executive level for each phase.
   - Institutionalize and communicate the vision and goals for shared services across the enterprise.
   - Provide change management capability as needed.
   - Establish an organizational plan for change management in all phases.
   - Identify all internal and external stakeholders and understand their interests and perspectives.

7. BALANCE STANDARDIZATION AND FLEXIBILITY
   Governance structures need to facilitate economies of scale while ensuring customer needs are met.
   - Establish policy to minimize customization and maximize agility.
   - Establish Board that would review requests from customer agencies and providers.
   - Collaborate with providers to identify innovative and unique capabilities that may benefit all.
   - Collaborate with providers and customers to identify opportunities for innovation, scaling and enhancement of services.
   - Execute policy set by OMB.
   - Collaborate with customers through governance bodies to understand requirements and communicate need for standardization, focusing on continuous improvement opportunities.
   - Provide continuous feedback to providers and determine opportunities for innovation, scaling and enhancement of provided services.
   - Understand internal requirements of what can be standardized versus customized.

8. PROMOTE BEST PRACTICES
   Foster new ways to highlight and promote best practices across the enterprise.
   - Highlight and drive best practices across the enterprise, including how to establish incentives for customer behavior.
   - Use budget incentives to encourage “good” behavior by customer agencies.
   - Consider scaling shared services across the enterprise to reduce redundancy in mission-related activities and resources.
   - Provide a venue for providers to share best practices.
   - Coordinate policies that do not discourage or disallow providers that take innovative approaches to encouraging good customer behavior.
   - Communicate available incentives to current and future customers.
   - Share information on best practices and be willing to try best practices of other providers.
   - Collaborate with central management and policy for new ideas to scale and optimize new shared services.
   - Capture economies of scale and early payment discounts.
GOVERNANCE MODELS WORKING GROUP

Kathryn Kienast, Booz Allen Hamilton
Dan Chenok, SAGE
Angela Graziano, Interior Business Center, DOI
Pat Healy, SAGE
John Marshall, SAGE
Robin Rudy, Booz Allen Hamilton
Tim Rund, Microsoft
Chuck Santangelo, Department of Homeland Security
John Sindelar, SAGE
Michele Singer, Interior Business Center, DOI

PARTNERSHIP FOR PUBLIC SERVICE

PROJECT TEAM

Austin Price
Natalie Martino

SHARED SERVICES ROUNDTABLE

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

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

GOVERNMENT STAKEHOLDERS
Office of Management and Budget
Office of Personnel Management
General Services Administration
Office of Financial Innovation and Transformation, Department of the Treasury
Department of Commerce
Department of Veterans Affairs