

Cross Agency Priority Goal

Quarterly Progress Update

Shared Services

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FY2014 Quarter 3

Overview

Goal Statement

- Strategically expand high-quality, high value shared services to improve performance and efficiency throughout government.

Urgency

- The current environment of increased limitations of budget and human resources presents an immediate opportunity for leadership to direct Federal agencies to move to shared services in lieu of continuing to manage their own stove-piped administrative portfolios. Establishing a clear commitment to shared services would allow the government to benefit from economies of scale, leverage proven solutions, reduce duplicative investments, repurpose employees to mission-focused work, and mitigate risk that faces the current operating environment.
- Shared Services for administrative functions has long been common in the private sector and in other governments but has struggled to get momentum in the US Federal Government. To date, most users of shared services have been small agencies and commissions. Cross-servicing across Cabinet-level departments has not taken place. This reduces the economies of scale for shared service providers and continues a disjointed and redundant approach to Federal accounting, human resources, acquisitions, etc.

Vision

- Greater use of Shared Services by the Federal Government for administrative functions will reduce the risk and complexity of their implementations by adopting standard services with proven success at delivering results; reduce duplicative investments; and in the long-run will make it easier to implement government-wide initiatives like improved transparency and better reporting and analysis.
- Over the next several years, the Federal Government will, beginning with Financial Management, transition to a model based on leveraging existing investments and “sharing first” wherever possible.
- To support this effort, new governance over providers will be created and early adopters will develop lessons learned and help providers grow their capabilities and capacity.

Action Plan Summary

Sub-Goal	Actions to Achieve Impact	Key Indicators
Marketplace Development: Enhance the capabilities and capacity of the shared service providers	<ul style="list-style-type: none"> • Develop standard criteria for reviewing Shared Service Provider applications and review potential providers. • Announce Financial Management Shared Service Providers. • Identify opportunities for sharing between providers to reduce duplication of effort. • Solicit private sector input on ways to expand capabilities of shared service providers through Requests for Information (RFIs) and “Industry Days.” 	Year One <ul style="list-style-type: none"> • # of migrations to shared providers : total # of migrations • % of Departments using shared services for some core administrative function (FM, HR, IT, etc.). • Customer satisfaction survey results • # of new non-core services offered
Improve Governance of Shared Service Providers	<ul style="list-style-type: none"> • Support successful initial migrations of cabinet-level. • Establish working group of CFOs and Shared Service providers to update Shared Service governance for larger customers. 	Years Two and Three <ul style="list-style-type: none"> • Increase in shared services adoption among 24 CFO Act agencies for individual [function] processes
Identify “Quick Wins” for Shared Service Adoption	<ul style="list-style-type: none"> • Working group will develop principles for Government-wide shared service governance. • Individual shared service providers and customers will establish updated governance principles for their individual operations. • Formalize and document marketplace oversight by Treasury and OMB. • Review potential “quick-wins” for shared functions outside of core accounting (e-invoicing, centralized receivables, centralized loan collections, etc.). 	<ul style="list-style-type: none"> • Improvements in satisfaction results from customers (CFOs, CHCOs, CIOs, CAOs, etc.) • Total # of Financial Management Systems in the Federal Government • % of Departments using shared services for some core administrative function (FM, HR, IT, etc.).

Progress Update and Work Plan

Progress to Date

- Awarded contract to develop a Program Management Office with an overarching governance structure for the FSSPs – *completed Q4 2014*
- Highlighted shared services in over 10 sessions at the American Government Association Conference – *completed Q4 2014*

Milestone Summary

Key Milestones	Milestone Due Date
Implement FSSP improvement plans to address capability / capacity needs.	Ongoing
Release principles for financial management shared service governance.	Q1 2015
Identify opportunities to share between providers to leverage investments (e.g., business intelligence, data warehouses, etc.)	Ongoing
Establish common shared service provider performance metrics and customer satisfaction surveys for continuous monitoring and service improvement opportunity	Q1 2015
Financial Management agency advisory group to identify “lessons learned” from initial shared services expansion and recommend improvements for others lines of business or subsequent financial management initiatives.	Q1 2015
Formalize and document marketplace oversight and governance by Treasury and OMB	Q1 2015
Develop strategy for “Centers of Excellence” for non-core services such as e-invoicing, loan collections, centralized receivables, etc.	Q2 2015
Identify leads for Human Resource Shared Services initiatives and begin round 2 of shared services roll out.	Q1 2015

Key Indicators

Key Implementation Data						
Year One Metrics	Source	Baseline	Target	Frequency	Latest data	Trend
• # of migrations to shared providers : total # of migrations	Treasury FIT	2014	TBD	Annual	N/A	
• % of Departments using shared services for some core administrative function (FM, HR, IT, etc.).	Agency Data Call	2014	100	Annual	N/A	
• Customer satisfaction survey results	CFO Council Survey	2014	TBD	Annual	N/A	
• # of new non-core services offered	Treasury FIT	2014	TBD	Annual	N/A	

Indicators in Development – Year Two and Three Metrics:
<ul style="list-style-type: none">• Increase in shared services adoption among 24 CFO Act agencies for individual [function] processes• Improvements in satisfaction results from customers (CFOs, CHCOs, CIOs, CAOs, etc.)• Total # of Financial Management Systems in the Federal Government• % of Departments using shared services for some core administrative function (FM, HR, IT, etc.).