

Cross Agency Priority Goal Quarterly Progress Update

Shared Services

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FY2014 Quarter 4

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, combined with the need to focus on mission-focused work, presents an immediate opportunity for leadership to direct Federal agencies to move non-mission work to shared services. Establishing this 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 U.S. 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.
- The passage of the Data Act in FY 2014, with a narrow three year implementation window and specifying the creation and adoption of accounting standards, will be a difficult task. Agencies participating in shared service arrangements for financial, procurement, HR, payroll or performance reporting systems will be able adopt the changes more rapidly and at reduced costs. The bill requires both IG and GAO review and audit of the adoption of the standards shortly after their issuance. If those standards are adopted first by the shared service providers, customers will benefit from that early adoption both economically and logistically.

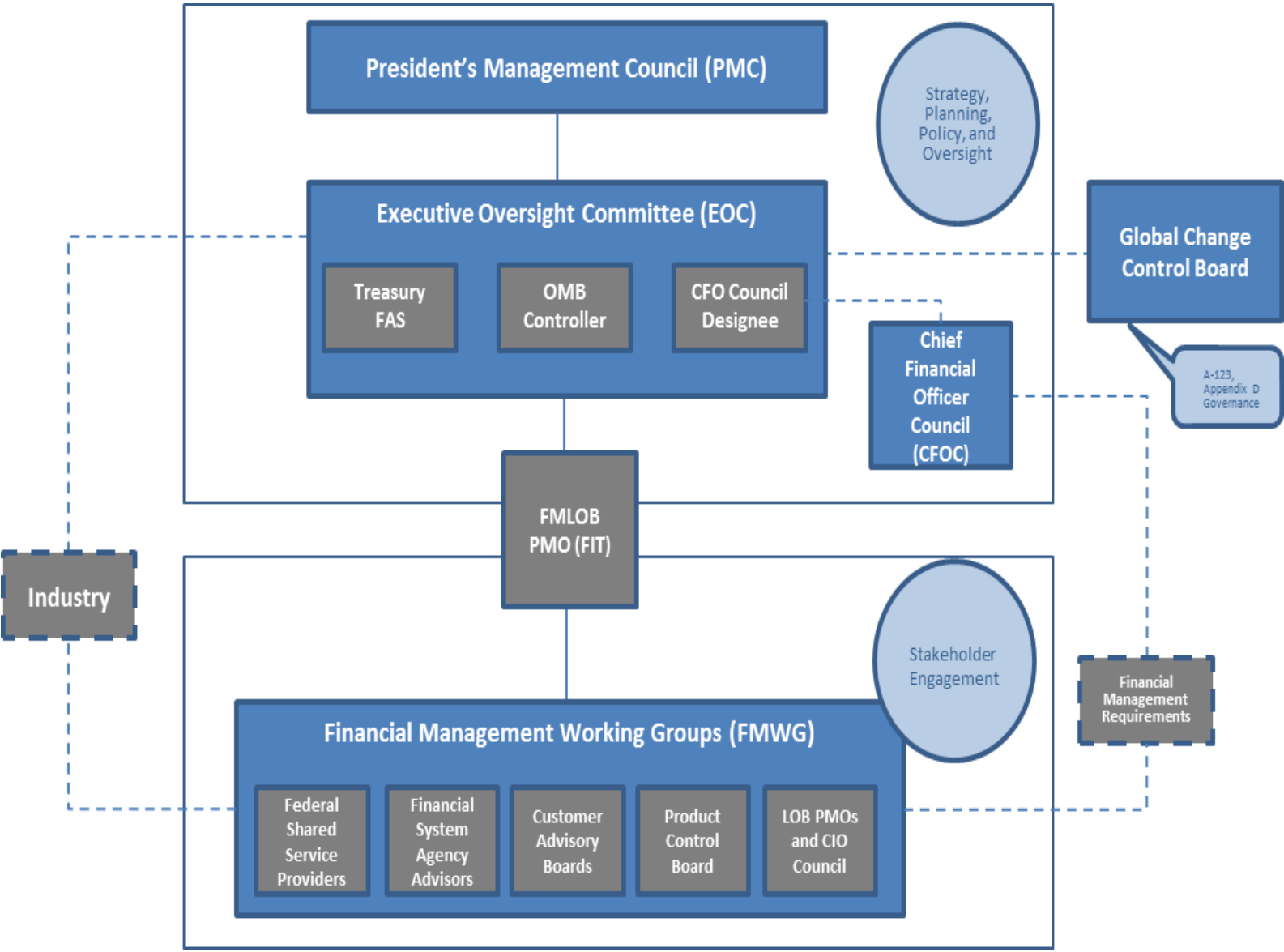
Actions (Short Term)

- Greater use of Shared Services by the Federal Government for administrative functions will reduce risk and complexity of agency operations by adopting standard services at agencies with proven success at delivering results; reduce duplicative investments; and will ultimately make it easier to implement government-wide initiatives such as transparency.
- To support this effort, new governance model for providers has been created and early adopters will develop lessons learned and help providers grow their capabilities and capacity.
- OMB will explore opportunities to expand “shared first” beyond financial management into other administrative functions such as HR, Acquisition, etc. It will continue to leverage benchmarking results to support the business case for shared services.
- OMB will engage large Departments to explore shared services opportunities internal to organizations.
- Foster the adoption of the new Data Act accounting standards in all shared services administrative systems including financial, procurement, HR, Payroll and performance reporting systems.

Progress Update - 2014 Accomplishments

Actions to Achieve Impact
<p>Completed:</p> <ul style="list-style-type: none">✓ Developed standard criteria for financial management Federal Shared Service Provider (FSSP) applications✓ Designated four financial management Shared Service Providers (Treasury ARC, Transportation ESC, Interior IBC, Agriculture NFC)✓ Solicited private sector input on ways to expand capabilities of shared service providers through two Requests for Information (RFIs) and an “Industry Day”✓ Established working group of CFOs and Shared Service providers to craft governance for customer and provider expectations in an O&M environment✓ Formalized and documented Federal Marketplace governance by Treasury and OMB✓ Highlighted shared services in over 10 sessions at the American Government Accountants Conference in July and other forums in the past year✓ Entered three new agencies into the “Needs Identification” phase of the FAME process✓ Treasury recommended Government-wide e-invoicing strategy to OMB✓ Hosted Lessons Learned Day – FSSPs collaborated with CFO agencies to share and adopt lessons learned from large financial management implementations✓ Kicked off the Entrepreneurs-in-Residence Program – provide industry expertise to FSSPs for opportunities to scale organizations to address multiple large customers <p>Ongoing:</p> <ul style="list-style-type: none">• Support successful migrations of cabinet-level agencies to shared service providers, including DHS Components, HUD, Labor

FMLOB Federal Marketplace Governance



2015 Milestones

2015 Key Milestones	Milestone Due Date	Status
(new) Issue guidance on “must-haves” and lessons learned to formalize the process of moving to a shared solution	Q1 2015	On track for release by Dec 30, 2014
(revised) Publish the Financial Management Services Catalog with prices and performance metrics for FSSPs	Q2 2015	Draft is out for comment. On track for release in February, 2015
(new) Issue a common customer satisfaction survey across the current community of FSSP customers for comparability and performance measurement in coordination with Phase 2 of the CAP Goal: Benchmarking	Q2 2015	Survey is drafted and being reviewed by customers and FSSPs
(new) Complete a baseline SLA (including performance metrics and targets) for Financial Management Shared Service Providers	Q2 2015	On-track
(new) Complete business case for a possible data exchange solution* for implementation across various lines of business.	Q3 2015	On-track
(new) Release a cost/benefit model for capturing costs and anticipated savings associated with shared services	Q4 2015	On-track
Develop strategy for “Centers of Excellence” for non-core financial management services	Q4 2015	On-track
(new) Identify leads for Human Resource Shared Services initiatives in conjunction with OPM	Q3 2015	On-track
(new) Identify leads for Acquisition Shared Services in conjunction with OFPP	Q3 2015	On-track
(new) Identify leads for IT Shared Services in conjunction with E-gov	Q3 2015	On-track

**The shared data transfer capability will facilitate the automated interaction between software applications such as financial systems, procurement systems, e-invoicing systems, inventory systems, or other mixed systems. These software applications may or may not be owned and operated by the Federal government. The use of this tool will allow the Government to develop standard and reusable exchanges and minimize new interface development for system implementations.*

Key Performance 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	2/4	
• % of Departments using shared services for some core administrative function (FM, HR, IT, etc.).	Agency Data Call	2014	100	Annual		
• Customer satisfaction survey results	FIT Governance	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.)

Contributing Programs

Department of Agriculture, National Business Center

- Federal Shared Service Provider, currently working with GSA and another cabinet-level agency

Department of Interior, Interior Business Center

- Federal Shared Service Provider, currently working with DHS Coastguard, DNDO, and TSA

Department of Treasury, Administrative Resource Center

- Federal Shared Service Provider, currently working with HUD

Department of Transportation, Enterprise Service Center

- Federal Shared Service Provider, currently in discussions with two cabinet-level agencies

Department of Housing and Urban Development

- Office of the Chief Financial Officer, Office of the Chief Procurement Officer, and Office of the Chief Information Officer

Department of Homeland Security

- Office of the Chief Financial Officer, Office of the Chief Procurement Officer, and Office of the Chief Information Officer for Coastguard, DNDO, and TSA

General Services Administration

- Office of the Chief Financial Officer