Cross Agency Priority Goal
Quarterly Progress Update

Shared Services

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FY2016 Quarter 1

Overview

Goal Statement

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

Urgency

- Most Federal agencies have similar administrative functions that require the investment of increasingly scarce resources. Human resources, financial management, and payroll, for example, are common administrative functions that all agencies need, but not all agencies are equally efficient at managing. By creating Shared Service Providers (SSPs), and concentrating the delivery of administrative services within a smaller number of agencies, duplicative efforts and costly systems upgrades can be reduced. Further, by giving this task to agencies with the right expertise, we can free up resources for mission critical activities, reduce risk in systems implementations, and deliver cost-effective support to agencies.
- 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, HR, 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 for those not using a SSP. 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 Inspector General (IG) and Government Accountability Office (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)

- Unified Shared Services Management housed in General Services Administration (GSA), established by the Office of Management and Budget (OMB), is responsible for achieving five goals:
  1. Improve shared services efficiency, economies of scale, marketplace health and sustainability.
  2. Increase shared services adoptions and satisfaction among executive agencies.
  3. Enable service providers to effectively deliver high-quality shared services.
  4. Provide integrated, consistent, and sustainable management and oversight across shared service functions, the services made available by providers, and how agencies consume those services.
  5. Enhance the agility of agencies to implement and adhere to current and future government-wide legislation and management reform initiatives.

Progress Update – Accomplishments

Actions to Achieve Impact

2016 Completed:

✓ Q1: Established Unified Shared Services Management Office which serves as an integration body within the new shared services community. (USSM)

✓ Q1: President's 2017 Budget includes $5m to support USSM operations, thus, institutionalizing the organization and reducing reliance on transfers from the Chief Executive Officers Councils and Lines of Business. (USSM)

✓ Q1: Convened the Shared Services Governance Board (SSGB) which has met 4 times and appointed all 17 members. (USSM)

✓ Q1: Established the Provider Council which has met 3 times to represent the shared services ecosystem in the governance structure. (USSM)

✓ Q1: Convened an Executive Steering Committee of payroll providers to determine a strategy for the next generation of payroll solutions. (USSM)

✓ Q1: Released a methodology for capturing anticipated benefits associated with financial management shared services. (FM)

✓ Q1: Published the 2015 Provider Assessment Reports documenting a third year of SSC performance satisfaction that included over 4,600 federal HR, payroll, and IT employee responses, a 109% increase from 2014. (HR)

✓ Q1: Formed the Employee Performance Management (EPM) Working Group, comprised of subject matter experts from 21 cabinet and large agencies to develop government-wide business requirements and establish a standard set of services for EPM. (HR)

✓ Q1: Built the HR LOB Collaboration Site on the OMB MAX platform for communicating with federal stakeholders to address common challenges and pursue common goals for HR shared services. The site features program dashboards for HR LOB projects and activities, dedicated workgroup pages, newsfeed, document sharing and archiving, and discussion forums. (HR)

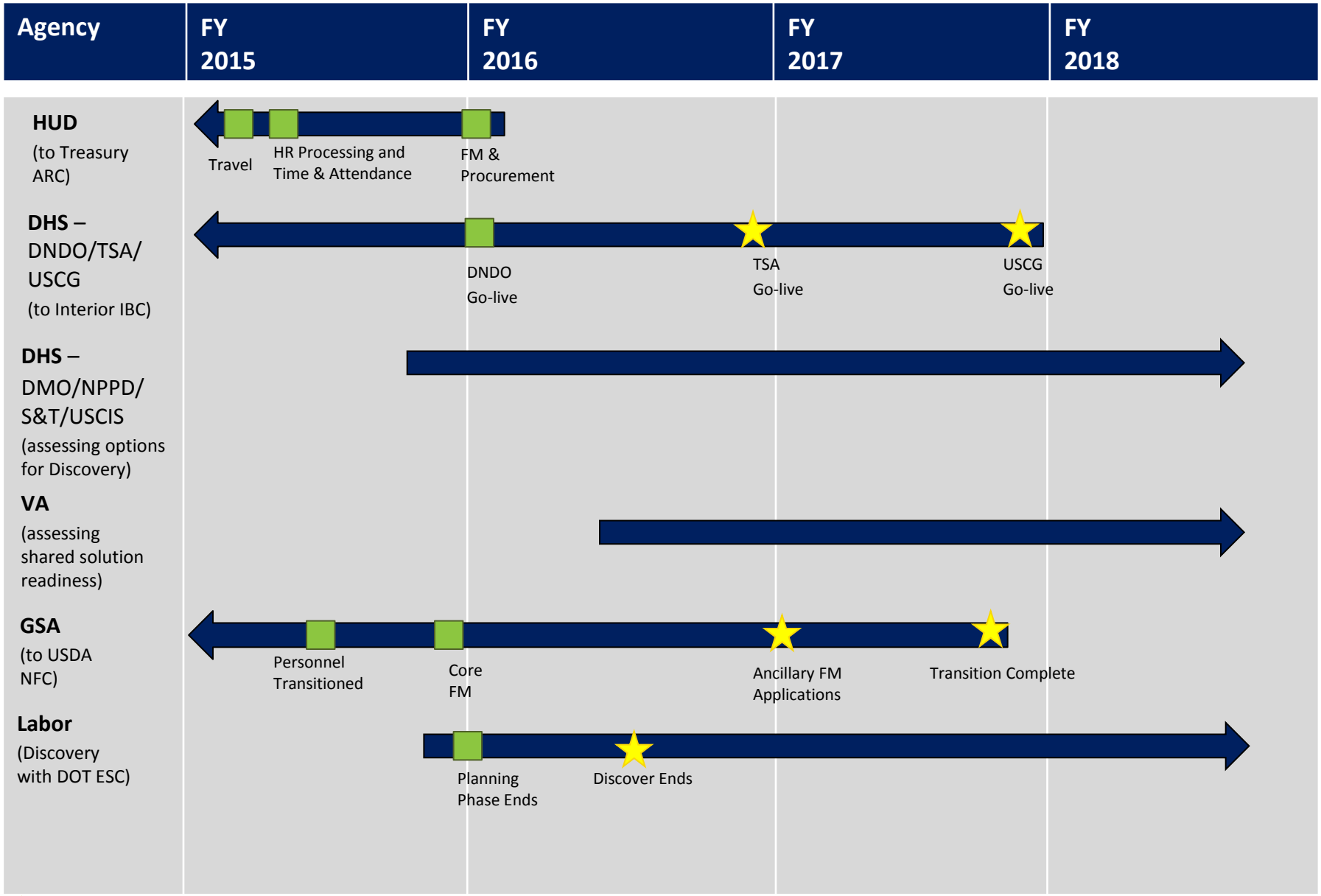
2016 Milestones

2016 Key Milestones	Milestone Due Date	Status
USSM and SSGB		
Establish a Shared Services Governance Board (SSGB) responsible for determining strategic direction, goals and expectations, for shared services.	Q1 2016	COMPLETE
Establish a Unified Shared Services Management (USSM) Organization to serve as an integration body, working across functions, providers, and consumers to provide implementation direction and guidance.	Q2 2016	COMPLETE
Identify opportunities to leverage Franchise Fund best practices to create greater consistency and flexibility with the shared services community.	Q3 2016	On-track
Document mission, vision, goals, objectives and strategies in an administrative shared service 5-year strategic plan.	Q3 2016	On-track
Evaluate the best use of Independent Verification and Validation (IV&V) support for shared service implementations.	Q3 2016	On-track
Develop the FAME Playbook and help agencies to understand and utilize the playbook to reduce the risk of failure in implementations on consolidated solutions.	Q3 2016	On-track
Develop a migration timeline designed to assess future demand and inform the Provider community to ensure sufficient supply exists in the community.	Q3 2016	On-track
Lead a cross-agency payroll pilot, including data from personnel management and time & attendance systems.	Q4 2016	On-track
Leverage existing lines-of-business and shared service provider governance structures to identify an integrated shared service ecosystem governance model.	Q4 2016	On-track
Conduct annual customer satisfaction survey to assess customer satisfaction and establish baseline.	Q4 2016	On-track
Establish and deploy an Investment Review Process that directs agencies to consolidation and oversee progress.	Q3 2016	On-track
Conduct a study to determine the optimal organizational structure for service delivery within the shared services community.	Q4 2016	On-track
Deliver a service catalog for financial management, HR, grants and acquisition.	Q4 2016	On-track

2016 Milestones

2016 Key Milestones	Milestone Due Date	Status
Financial Management Line of Business		
Release a methodology for capturing anticipated benefits associated with financial management shared services.	Q1 2016	Complete
Award acquisition vehicle for software maintenance and licenses to support strategic sourcing.	Q4 2016	On-track
Develop use cases for optimizing software configurations.	Q4 2016	On-track
Human Resources Line of Business		
Develop government-wide Time & Attendance (T&A) business requirements.	Q2 2016	On-track
Publish the Human Capital Business Reference Model (BRM), a federal operation model for the HR function.	Q2 2016	On-track
Develop government-wide Employee Performance Management business requirements.	Q3 2016	On-track
Develop Identity, Credential, and Access Management (ICAM) Plan, a component of the HR Security Reference Model.	Q4 2016	On-track
Develop government-wide Human Resources Information Technology (HRIT) systems catalog.	Q4 2016	On-track
Develop a future vision for a consolidated framework for HR LOB performance management measurement and oversight.	Q4 2016	On-track

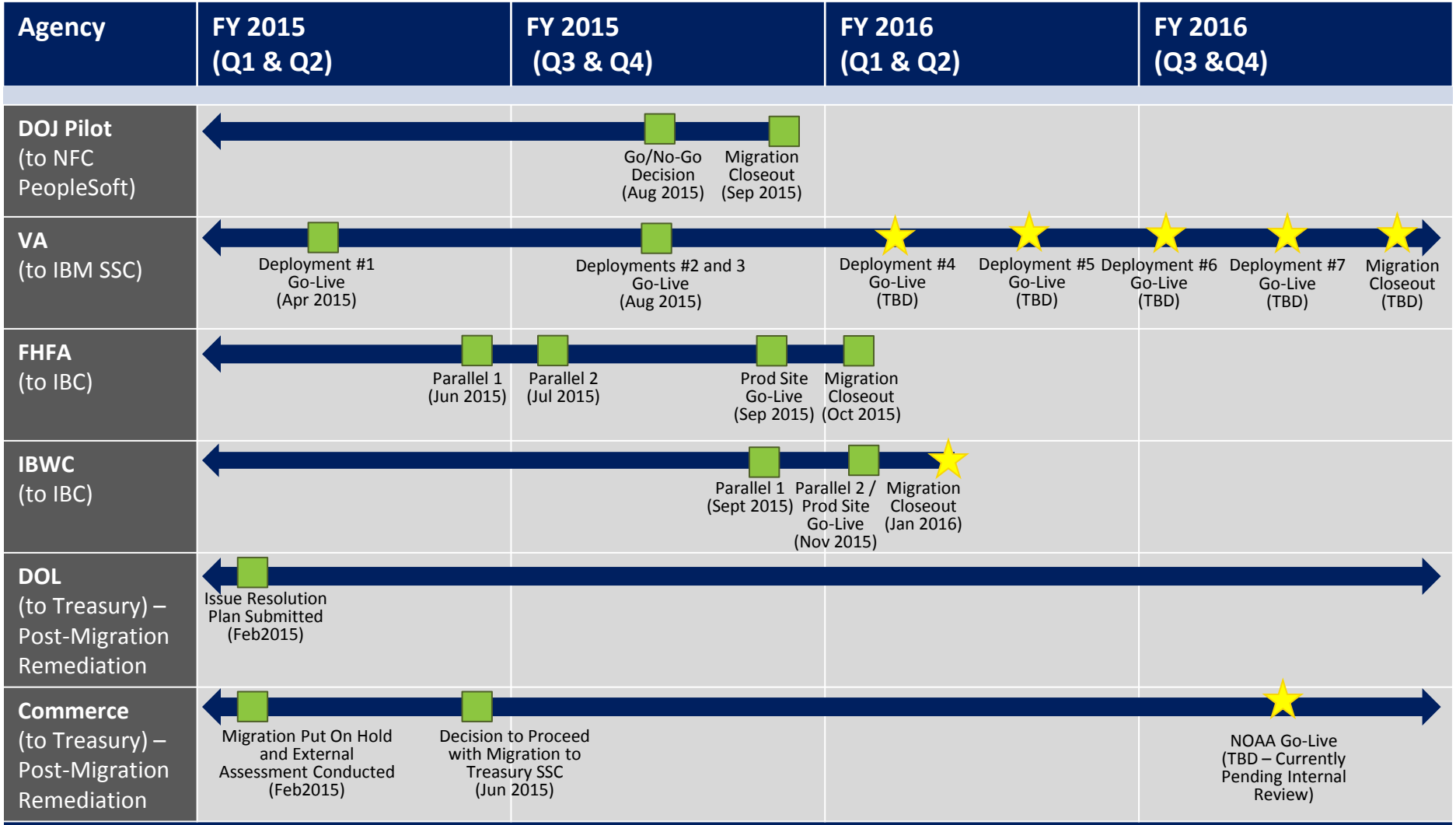
FINANCIAL MANAGEMENT: AGENCY MIGRATIONS TO SHARED SOLUTIONS



Represents the planned activity's completion timeframe *Indicates completed milestone*

As of 12/31/2015

HUMAN RESOURCES: AGENCY MIGRATIONS TO SHARED SOLUTIONS



The HR LOB has overseen 16 E-Payroll and 10 HRIT successfully completed migrations to SSCs since FY 2003.

Represents the planned activity's completion timeframe *Indicates completed milestone* *As of 12/31/15*

Key Performance Indicators

Key Implementation Data				
Metric Name	**Source**	**Baseline Before (2009)**	**Current Performance FY 16 Q1 Actuals**	**Goal for End of Q4 FY 16**
• Total Number of instances of Financial Management Systems in the Federal Government[1]	FMLOB	over 60	46	46
• Total Federal Level Employees Serviced by an SSC HR Provider	HRLOB	1,247,267	1,512,620	1,860,004
• *% of Federal employees serviced by a SSC HR Provider*[2]	*HRLOB*	*64.33%*	*71.87%*	*88.38%*
• Total Federal Sub Level Employees Serviced by an SSC HR Provider	HRLOB	228	308	339
• *% of Federal Sub Level Agencies Serviced by an SSC HR Provider*	*HRLOB*	*63.51%*	*77.19%*	*84.96%*
• Total Federal Level Employees Serviced by an SSC Payroll Provider	HRLOB	1,924,710	2,091,935	2,091,935
• *% of Federal employees serviced by a SSC Payroll Provider*	*HRLOB*	*99.27%*	*99.40%*	*99.40%*
• Total Federal Sub Level Agencies Serviced by an SSC Payroll Provider	HRLOB	353	398	398
• *% of Federal Sub Level Agencies Serviced by an SSC Payroll Provider*	*HRLOB*	*98.33%*	*99.75%*	*99.75%*
• Number of CFO Act agency components cross services by a financial service provider	FMLOB	10	20	Plus 5
• Number of agencies compliant with the Federal Financial Management Improvement Act (FFMIA)	FMLOB	10	12	
• Number of CFO Act agencies partnering with a shared service provider for FM solutions	FMLOB	0	3[2]	Plus 4

Footnote:
[1]Cannot provide a definitive number with prior data [2]HUD, DHS, Labor, Commerce, VA, OPM, NSF

Contributing Programs

Shared Service Providers	Core Services Provided
Department of Agriculture, National Finance Center (NFC)*	Human Resources and Payroll, Financial Management, Data Center Hosting
Department of Interior, Interior Business Center (IBC)*	Human Resources and Payroll, Financial Management, Acquisition Services
Department of Treasury, Administrative Resource Center (ARC)* and Shared Services Programs (SSP)	Human Resources, Financial Management, Acquisition Services, Data Center Hosting
Department of Transportation, Enterprise Service Center (ESC)*	Financial Management, Data Center Hosting
Department of Health and Human Services, Program Support Center (PSC)	Human Resources, Financial Management, Real Estate and Logistics, Acquisition Services
Department of Defense, Defense Finance and Accounting Service (DFAS)	Financial Management, Payroll
Department of Defense, Defense Civilian Personnel Advisory Service (DCPAS)	Human Resources
General Services Administration, Business Management Office	Human Resources and Payroll, Financial Management, Data Center Hosting

* Designated by OMB and Treasury as a Federal Shared Service Provider for financial management.

Acronyms

- ARC - Administrative Resource Center
- CAO – Chief Administrative Officer
- CAP – Cross Agency Priority
- CFO – Chief Financial Officer
- CHCO – Chief Human Capital Officer
- CIO – Chief Information Officer
- DCPAS – Defense Civilian Personnel Advisory Service
- DFAS – Defense Finance and Accounting Service
- DHS – Department of Homeland Security
- DNDO – Domestic Nuclear Detection Office
- Education – Department of Education
- ESC – Enterprise Service Center
- FAME – Federal Agency Migration Evaluation
- FIT – Office of Financial Innovation and Transformation
- FM – Financial Management
- FSSP – Federal Shared Service Providers
- GAO – Government Accountability Office
- GSA – General Service Administration
- HR- Human Resources
- HUD – Department of Housing and Urban Development
- IBC – Interior Business Center
- IG – Inspector General
- IT – Information Technology
- Labor - Department of Labor
- NFC – National Finance Center
- OFPP – Office of Federal Procurement Policy
- OMB – Office of Management and Budget
- PSC – Program Support Center
- RFI – Request for Information
- SLA – Service Level Agreement
- SSP - Shared Service Program
- SSGB - Shared Services Governance Board
- SSPO - Shared Services Policy Officer
- Treasury – Department of the Treasury
- TSA – Transportation Security Administration
- USCG – United States Coast Guard
- USDA – United States Department of Agriculture
- USSM - Unified Shared Services Management
- VA – Veterans Affairs