

Technology Trend Topic: Shared Services Overview

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Current ITC Vehicles: Enterprise Infrastructure Solutions (EIS) and Public Key Infrastructure (PKI) Shared Service Providers (PKI SSP) Program 541519PKI ([link](#))

Overview

Shared services is the consolidation of back-office business operations like Human Resources, Finance, Information Technology, Legal and Procurement. - **The Boston Consulting Group**

“At GSA, it really goes back to that mission President Truman created for us 70 years ago: reduce senseless duplication.”

- Emily Murphy, former GSA Administrator

Shared services evolved into a more comprehensive and flexible tool for improving processes, enabling technology innovation, generating profits, and reducing costs. - **INC Editorial**

The Office of Management and Budget (OMB) issued M-19-16 establishing a new shared services regime led by Quality Service Management Offices (QSMOs) for specific functional areas empowered to craft governmentwide standards and manage a marketplace of solutions. - **NextGov**

The initial four QSMOs: GSA taking on the task of human resources transactions, primarily through NewPay; Treasury Department setting standards for financial management; the Homeland Security Department taking the lead on cybersecurity; and Health and Human Services taking up grants management. - **NextGov**

“Sharing Quality Services” is a Cross-Agency Priority (CAP) goal identified in the President’s Management Agenda, aiming to dissolve barriers between agencies and save costs incurred when agencies have to procure their own services. The ultimate goal is to allow agencies to focus on their mission.

“The GSA IT Best In Class (BIC) program is the preferred Government wide solution that offers increased data transparency to help agencies make more data driven business decisions such as Spend Under Management (SUM), cost avoidance, supply chain risk, asset management, and category management.”

- Muneeb Khan, ITC BIC Lead

The QSMO strategy takes the long view, they’re not a one-year thing that may or may not happen. This looks to deliver value.

- Maria Roat, Federal CIO

Market Trends

Federal finance, travel and payroll functions cost U.S. taxpayers more than \$25 billion annually. After some initial costs, the government will potentially realize 5 to 30% financial benefits. - **OMB Memo M-19-16**

Once an agency is pre-designated a QSMO, agencies shall not issue new solicitations for new or modernized technology or services for these functions unless they develop a business case to demonstrate a separate procurement results in better value. - **OMB Memo M-19-16**

With few if any positions impacted near term, human capital planning should take place in the next 24-36 months. - **OMB Memo M-19-16**

Over 80% of Shared Services organizations implement automation, turbocharging productivity and cost reductions. - **Gartner**

Use Cases/Applications

In the 1920s, typists were highly trained employees. Instead of having each business division hire its own typists, a centralized department for typists was seen as being more cost-efficient. Today, this typing pool would be called a shared service. - **Tech Target**

GSA already provides a number of shared services across government: Assisted Acquisition, Federalist (websites), G-Invoicing, NewPay, Payroll Services, and Travel. And the CAP Goal names GSA the lead for these existing Shared Services: Enterprise Infrastructure Solutions (EIS), Electronic Records Management (ERM), Fleet, and GSA SmartPay. - **Performance.gov**

EIS is GSA’s 15-year, \$50 billion Best-in-Class contract vehicle designed to modernize federal IT systems and save money through leveraging the Government’s buying power. By adopting EIS as a shared service, agencies can acquire the latest IT infrastructure solutions with improved service delivery and 28-32% savings over best commercial contracts. EIS helps meet agencies’ mission needs by providing secure, resilient, cost-effective, and high-quality solutions for their IT enterprise. - **EIS Program**

“The ITC Identity Management Solutions Division includes two shared service programs providing Identity Credentialing and Access Management (ICAM) to 120+ federal customers: 1) The Federal Public Key Infrastructure Management Authority (FPKIMA) operates the Federal Common Policy and Federal Bridge Certification Authorities (CAs) that enables trust in PKI credentials issued across government and by commercial partners and 2) HSPD-12 USAccess which provides government agencies with an end to end PIV credential issuance and maintenance solution at over 2,000 sites across the U.S. This shared service provides an efficient, economical and secure infrastructure to support agencies’ credentialing issuance activities.” - Darlene Gore, ITC IDMS

“GSA and the Department of Treasury are partnering to develop an acquisition marketplace for financial management (FM) solutions and services to drive modernization, standardization, efficiencies, and cost savings, and enhance customer satisfaction for all federal agencies (\$4.5 billion annual spend).” - Gio Onwuchekwa

“The NewPay Initiative tool covers 65 major pay plans across the federal space, which will actually help to pay about 89% of our workforce.” - Amy Haseltine, GSA’s QSMO Director

Risks/Challenges/Myths

QSMOs look to address these federal challenges: (1) Outdated processes and technology (2) Common mission support services that cost more than \$25B annually. (3) Duplicate contracts, people, and technology across hundreds of locations. - **performance.gov**

Employees facing displacement could transfer to the marketplace managed by the respective QSMO agency, change jobs within their current agency or enroll in one of the administration’s reskilling programs. - **OMB Memo M-19-16**

As shared services mature and automation increases, outsourcing models will likely change. Still, for back-office processes that lack sufficient scale, outsourcing makes a lot of sense. - **The Boston Consulting Group**

What You Should Read NOW

1. [OMB Memo M-19-16 ‘Centralized Mission Support Capabilities’ \(‘19\)](#)
2. [GSA’s Shared Services Webpage](#)
3. [Acquisition Gateway BIC](#)
4. [OMB Memo M-18-23 ‘Shifting from Low-Value to High-Value Work’ \(‘18\)](#)
5. [OMB Memo M-19-17 ‘Improved Identity, Credential, & Access Mgmt](#)

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