



## **“Fiscal Accountability in Financial Management and Shared Services”**

### **Seminar #3, May 24, 2018**

This seminar sponsored by CGI engaged a panel of three experienced Federal CFOs (Joe Hungate of HUD, Alan Evans of the State Department, and Matt Roper of the Department of Justice) in a discussion of fiscal accountability issues from the perspectives of providers and customers of shared services. An audience of about 70 government and industry professionals listened and participated in break-out groups following the panelists' presentations.

State is a provider of shared services to external customer agencies in overseas locations. Mr. Evans noted that despite an 86% customer satisfaction rate, shared services requires constant improvement efforts guided by strong governance and ISO 9001:2015 standards.

HUD is a customer of shared services from external providers. Mr. Hungate noted successful migration of numerous core FM services, improved internal controls and data quality, and high levels of satisfaction from having third party providers manage complex processes and compliance requirements for the Department.

Justice is a provider of shared service to internal customer bureaus within the Department. Mr. Roper noted that the agency's viability depends on continuous modernization with gradual evolution over time being an important success factor.

Break-out sessions engaged the audience in discussing issues of process, people, technology, customer satisfaction, innovation and benefits realization. A few key insights included:

- Aggressive change management is necessary to break down attitudes of “we’ve always done it this way”
- Continuous sharing of information and demonstrating value is necessary to get buy-in, build momentum and keep things moving forward
- A strong customer voice is necessary in standards-setting; too much top-down decision-making can undermine customer satisfaction in services
- SLA's must be managed diligently to realize efficiencies and business case cost savings.

The following recommendations are proposed to support improved implementation and success of the Administration's Sharing Quality Services initiative:

#### **Summary Recommendations:**

- Expand number and use of common solutions and use of centralized services
- Promote best-practices through proven commercial innovation and tools

**Recommendations to 5 Core Shared Solution Challenges** (received from break-out group work):

- 1) Old technology, outdated processes, and culture of compliance creating inflexible environment:
  - There is resistance to new processes and ways of conducting business.  
Recommend ample advanced notice and focused change management practices to increase success of adoption.
  - Promote actions on movement from low to higher value business analysis skillsets
  - Create environment and systems that will attract Millennial and younger talent
- 2) Enterprise-wide, there are duplicative back-office financial management services (contracts, people, and technology) at hundreds of locations
  - Promote Reimagine efforts across cabinet agencies on how to tackle inefficiencies. Establish target goals and further internal standardization and consolidation efforts.
  - Promote internal agency efficiency through culture of employee upward feedback
  - Create a culture of sharing, best processes, and broader information sharing across agencies that will promote operational improvement
- 3) There is “low” customer service satisfaction for back office administration activities
  - Providers of service should migrate to customer service orientation with SLA’s and feedback mechanisms like those used in commercial industry.
  - Recommend increased, real-time and transparent information sharing
- 4) Commercial innovation has outpaced Federal capabilities
  - Expand use of public / private partnership models from industry to bring innovation
  - Some agencies finding the budget cycle and process restrictive to acquiring new innovation. Recommend expanded use of multi-year funding and contracting and more flexible acquisition arrangements.
  - Make more R&D funding available to agencies
- 5) Commercial vs. Government benchmarks are widening
  - Proceed with Federal / Industry benchmarking assessing gaps
  - Utilize tools like tight SLA’s and ability to decrease costs.
  - Utilize right mix of public and private workforce and innovation automation to decrease gaps.

The graphic on the following page is a storyboard of the session prepared by Matteo Becchi of The Clearing, knowledge curator for the seminar series.



**BREAKOUT DISCUSSIONS**

