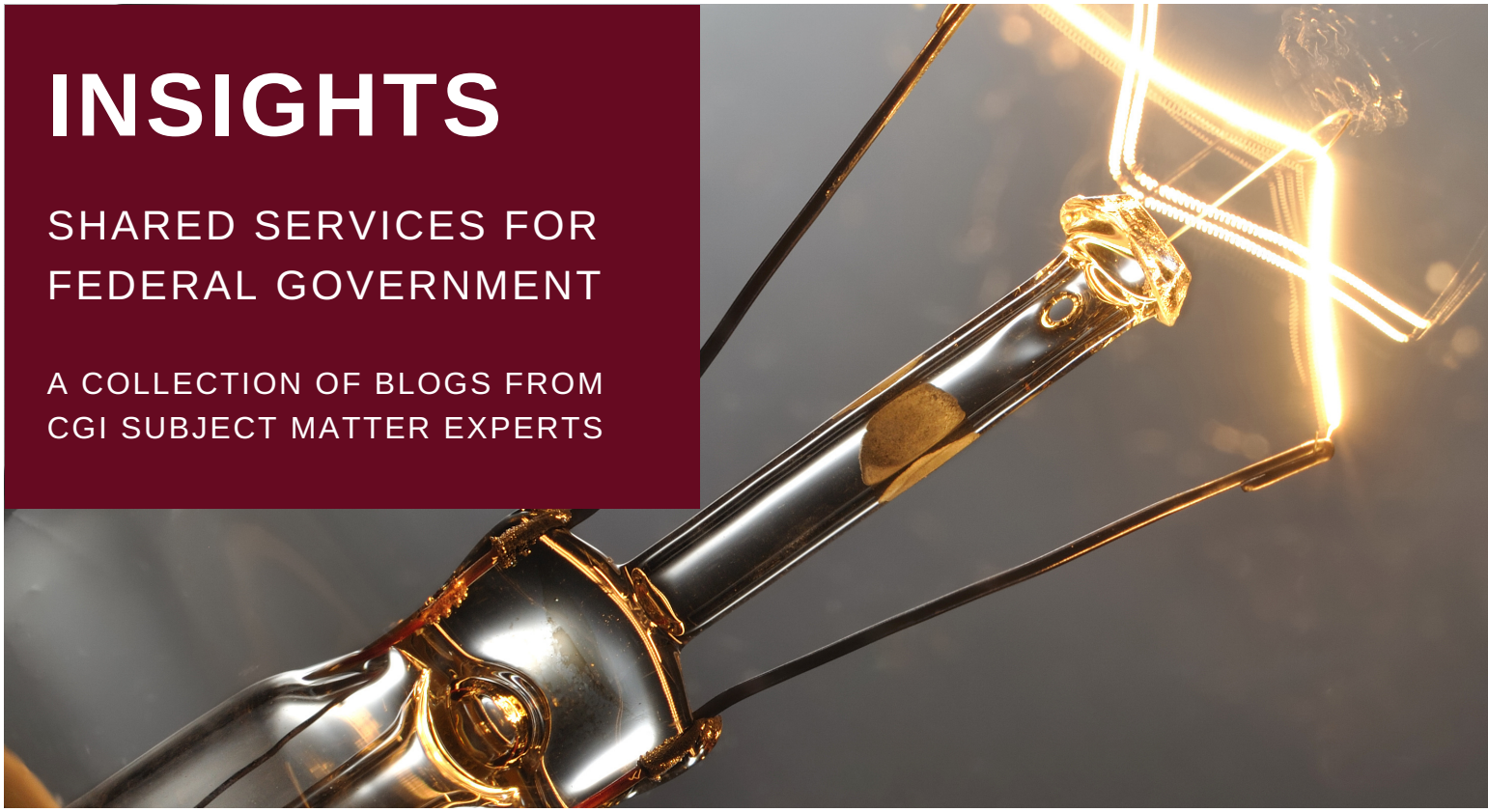
INSIGHTS

SHARED SERVICES FOR FEDERAL GOVERNMENT

A COLLECTION OF BLOGS FROM CGI SUBJECT MATTER EXPERTS



Realizing the value of Shared Services

In this “shared first” era, careful planning and deep expertise are critical enablers to achieving the expected results. CGI has an unrivaled breadth and depth of experience in the shared services arena, offering federal agencies unique solutions for planning and executing smart shared services to achieve long-term sustainability and success.

CGI supports federal shared services through systems integration, intellectual-property based solutions, and secure cloud hosting for numerous programs.

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Shared Services: reinventing post-pandemic

by Stephanie Mango

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Efficiency is not just a word for me, it is a way of life. I focus on it in everything I do, much to the dismay of my family and colleagues. I view efficiency not as an anathema to effectiveness but as a tool to free up to maximize effectiveness. I have always supported government shared services for the same reason: they allow agencies to conduct business efficiently, focusing on effectiveness and better outcomes for the taxpayers, rather than back-office tasks. In the federal government today, shared services have become a strategic enabler for agencies to meet rising workforce and citizen expectations.

The COVID-19 pandemic provides an inflection point - an opportunity to reframe and reinvent who we are, what we do, and most importantly, how we do it. This offers a similar opportunity for shared services, to re-examine its desired impact and long-term vision. It is a time to set even more ambitious goals for the delivery of services, empowerment of the government workforce, data sharing, security, and overall modernization.

Shared Services: reinventing post-pandemic

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Shared service marketplaces naturally create themselves when certain scenarios exist:

- **Active, competitive markets**: These markets govern themselves - where supply and demand naturally adjust to each other., where barriers are low to people moving between service providers. As a result, suppliers invest to gain customers. These markets are transparent and accessible; people can compare services, outcomes, and costs, and make the appropriate tradeoffs.
- **Centers of Expertise**: The pop up where there are highly-specialized and/or low frequency services. For example, you pay taxes once a year, and a professional accountant has the expertise to prepare more easily than most taxpayers can. In government, services like travel and relocation are good candidates for such expertise.

- **Benign monolopies**: Large organizations create these shared services as a way to drive standards and efficiencies. Use of these are generally mandated, and the goals of the shared service provider and customer are aligned. Often, these are incentives to reflect that alignment.

Some shared services in government, such as running a payroll, disbursing funds, managing health clinics, and processing FOIA requests, work easily.

We have also made significant progress in areas like cyber shared services because of the U.S. Department of Homeland Security Continuous Diagnostics and Mitigation Program.

Shared Services: reinventing post-pandemic

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Creating an unnatural market

Mission support services, such as financial management, HR and grants, bring more stops and starts because they don't naturally create markets. That does not mean that it is not possible, but these "unnatural markets" require more hard work to cultivate.

To that end, The Office of Management and Budget (OMB) has designated (or is in pre-qualification of) Quality Services Management offices (QSMOs) for cybersecurity services, financial management, grants and civilian HR, and tasked them with creating the market. Each QSMO is achieving early success on the first three elements that we need to make it work:

- **We need to create standards.** Standards give us common ground to develop shared services and common expectations oh what outcomes that shared services should provide. Standards are in process for contract writing systems, travel, and electronics record management.
- **Supply must match demand.** Each of the QSMOs is tasked with creating contract vehicles with the right number of providers, based on the key service they are going to provide and the expected demand for that service. Keeping these in balance will be one of the one of the biggest challenges for the QSMOs.
- **We must define outcomes.** Rather than detailed business and system requirements, defined outcomes give providers room to innovate.

Shared Services: reinventing post-pandemic

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To really accelerate shared services and stay on this path, there is more we need to do:

- **Ensure balance of supply chain and demand**. That provides incentive for service providers to continuously innovate in order to gain customers.
- **Limit barriers to entry for suppliers**. Some of these barriers are unavoidable; supporting the government is inherently different than supporting other industries. However, we should minimize the barriers that are not providing value and not meeting the needs of the government.
- **Lower the barriers to changing providers**. Under the federal contracting process, it can cost an agency tens of millions of dollars and take years to to shift from one provider to another, which disincentivizes ongoing investment.
- **Require transparenc**y. Industry and government should be in constant communication throughout the market creation process. While each QSMO has engagement plans, the transparency must increase for us to be successful.

Looking ahead

To build on our successes and create vibrant market places that drive efficiency, effectiveness, and outcomes, we have to be alert and take advantage of inflection points such as the one we are going through now. Much of the time, growth comes from building incrementally on what is already in place; in times like this, we can step back and truly assess how we do things and where we can design core processes for far greater gains.

As we do that, we also need to finish and govern our standards, manage our supply and demand, and focus on desired outcomes. We must eliminate barriers to supplier entry and supplier switching, and create a full transparency in the market. Once we have these hybrid (unnatural) markets, created, we need to govern them and adjust as circumstances and realities change; since we created the market instead of it forming by itself, we need to manage it actively.

The trend to shared services is going to continue regardless of administration. Moreover, we have learned so much over the years. As we shape and define these markets, we must stay agile and adjust. The shared service initiative has made solid progress. Now, we need to propel it forward.

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The art of the integrated back office

by Avanti Patel

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As shared services and commercial cloud providers contribute to reduced duplicative costs and redundant systems across shared functions - such as financial management or human resources - agency leaders are also using integrated financial, acquisition, and budget systems environments to benefit the agency bottom line and improve the customer experience.

This integrated back office is an important precursor to offering quality shared services, and has value of its own even when shared services are not involved.

While the President's Management Agenda (PMA) has energized the federal community to step up efforts to implement shared services through Cross-Agency Priority (CAP) Goal # 5: Sharing Quality Services, the integration of the back office is another consideration agency leaders are tackling given that the benefits are hard to ignore. Streamlining administrative operations benefits all of the parties concerned.

To formalize the importance of shared services, OMB, in collaboration with the CAP Goal team, released M-19-16, Centralized Mission Support Capabilities for the Federal Government. The memo, published April 26, 2019, establishes the new model for identifying, planning, and operating government-wide shared services.

The art of the integrated back office

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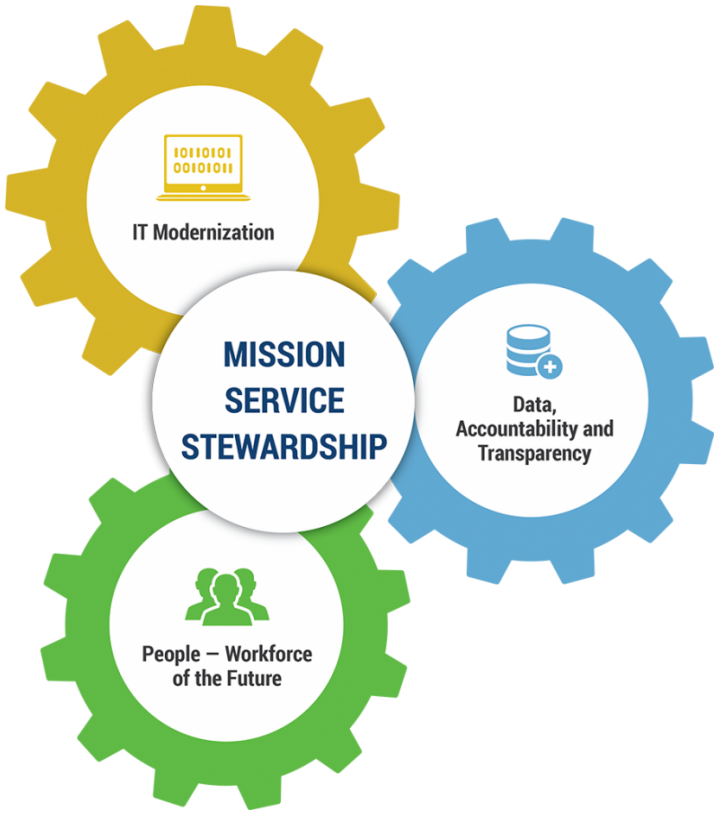
The value of the integrated back office

To improve efficiencies when running their own back office operations, federal agencies or other organizations should develop an enterprise integrated back office.
By eliminating redundancies, administering the operation through a single integrated solution and adding automation where practical, agencies are aligned with the three key drivers of transformation as identified in the PMA:

- IT modernization
- Data accountability and transparency
- People - Workforce of the Future

Aligning modern information technology helps government agencies meet customer expectations and keep data and systems secure in the digital age. More critically, it allows the workforce to move away from old-school data entry and focus on advanced financial and technology analysis through robotic process automation (RPA) that can take over rote tasks.



Three Key Drivers of Transformation, The President's Management Agenda

The integrated back office also makes it easier for agencies to provide self-service portals, which addresses PMA CAP Goal # 4: Improving for Customer Experience with Federal Services. The customer experience challenge is also ongoing within agencies between back office operations and employees delivering programs to our citizens. Financial operations

The art of the integrated back office

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are delivering on web-based financial systems to meet mobility demands of staff and IT offices are moving to secure clouds and shared platforms that ensure connected operations no matter the time nor place.

Access to data for decision-making for IT investments, program operations, and grant awards is pivotal for agency operations. The Federal Data Strategy principles and practices focus on data as a strategic asset. The overarching goal is to drive enterprise data governance. IT investments are enabling agencies to fulfill this goal, and streamlined administrative operations are giving way to focusing on using data to transform how and when agencies can share data with the public and facilitate the use of data to drive innovation and commercial purposes.

The rise of cloud computing within the once reluctant federal government has made shared services even easier to implement. Federal Shared Service Providers (FSSPs) are allowing commercial cloud providers to have direct access to their customers, shifting the technology maintenance even further away from agencies onto third-party providers.

Why we do it

People have been and will continue to be at the heart of public service. Implementing integrated operations frees an agency's employees to focus on program management and delivery for their mission, rather than on maintaining and operating back office systems. A nimble and agile management of the workforce, including re-skilling and redeploying existing workers to keep pace with the current pace of change, is key to an efficient and effective government.

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Building a bridge to SaaS in government

by Kerry Canfield

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The Sharing Quality Services Cross Agency Priority (CAP) goal in the President's Management Agenda, CAP Goal # 5, establishes a 10-year plan for continuous improvement and delivery of quality services and technology for administrative services by expanding the use of common solutions and contracts, thus standardizing administrative operations.

While not explicitly stated in the PMA, related guidance and analysis suggests that Software as a Service (SaaS) is the model most likely to provide the desired cost predictability and regular innovations in support of the PMA goals. Essentially, the model for administrative functions is changing to what I call "best in class."

Legacy	Best-in-class
Customizations	Configurations
Agency-specific functionalities	Standardization
Long gaps in between updates	Regular, easy to test / implement releases
Unpredictable costs	Predictable costs

The problem with urging or prescribing SaaS models, however, is that SaaS is not an ownership model. Rather than purchasing, owning, and managing software, agency personnel access it via the cloud, and the agency pays a subscription fee for as long as it needs to use the software. Many agencies already have ownership rights to software via enterprise of perpetual licenses. Switching to SaaS while those arrangements are still in place would mean squandering the money already spent or committed.

But what if you get to a best-in-class status without having to abandon your current investments?

What is you could do it while retaining full ownership rights to your data and your systems, with direct influence into the release schedules, features, and production direction?

Building a bridge to SaaS in government

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If you find yourself wondering where to start, I recommend you review what you already have to determine the best course of action. There are efficiencies to be gained at each of the layers of software delivery. Assess your existing enterprise licenses, contracts, historical investments, and risk tolerance; from this evaluation you can then establish the correct shared services course and timeline for each administrative system or function.

So what are the layers of software delivery?

1. **Infrastructure as a Service**: In concert with federal IT mandates, agencies should consider cloud adoption when defining their administrative roadmap. The benefits include securing data in the Federal Risk and Authorization Management Program (FedRAMP)-certified environments, the ability to scale in response to continuously changing needs and real-time metrics related to utilization, consumption, and service management.

2. **Sustainment as a Service**: This model is for agencies ready to take a broader step. Many of our clients have successfully consolidated around standardized shared service environments throughout the Legislative, Judicial, and Executive branches. In conjunction, some of our clients have structured contracts that include regular upgrades and support on a fixed price model. This model benefits federal agencies by offering predictable pricing and regular innovations, but allows them to leverage software ownership rights and authority around timing of innovation deployments.

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Building a bridge to SaaS in government

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3. **Software as a Service:** Ask two people what SaaS means and you might well get two different answers - if not more. My version is: it's a subscription-based pricing model that allows an agency to access software. Agencies retain ownership of their data but do not own the software. New releases are automatically delivered on a regular frequency as established by a service delivery agreement which binds all of the tenants using a given SaaS application. A SaaS model benefits an agency looking for predictable pricing, with a small business system footprint that can easily accept software upgrades. To successfully adopt SaaS, agencies must ensure the contract vehicle allows for integration to non-SaaS components.

There are different models available to navigate the adoption of the Sharing Quality Services CAP Goal. The key is to determine what success looks like for each agency given their current investments and contracts. Agencies can get to best-in-class by moving either to Sustainment as a Service or Software as a Service.

Navigating the Federal Data Strategy

by Kevin Greer

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The federal government is entering an era where data analysis is taking on even greater importance at the same time emerging technologies such as intelligent automation (IA) are enabling better and faster analysis work. Thus, it's no surprise that the President's Management Agenda (PMA) highlights leveraging data and analytics as a priority enabler this year. The PMA—the guiding principles that will govern the administration's approach to managing (and modernizing) the federal workforce—names data accountability and transparency as a key driver of digital transformation. In that light, the government wants to leverage data as a strategic asset, turning toward economic growth, federal government effectiveness, oversight and transparency. Therefore, according to the PMA, the federal government "needs a robust, integrated approach to using data to deliver on mission, serve customers, and steward resources while respecting privacy and confidentiality."

> *"... the federal government needs a robust, integrated approach to using data to deliver on mission, serve customers, and steward resources while respecting privacy and confidentiality."*

The document lays out an outline for a four-part Federal Data Strategy to be developed. To that end, leveraging data as a strategic asset is Cross-Agency Priority (CAP) Goal #2 in the PMA.But it's not just there. The importance of analytics is also key to CAP Goal #6, which focuses on shifting time, effort and funding from burdensome requirements to high value work—something in which IA plays a role as well—to accomplish several outcomes. Part of this goal is to be accomplished through reducing the regulatory burden on agencies—lowering the demand for low-level processing work required to document and demonstrate compliance—but a larger piece is to be solved through integrated IT and automation software.

Navigating the Federal Data Strategy

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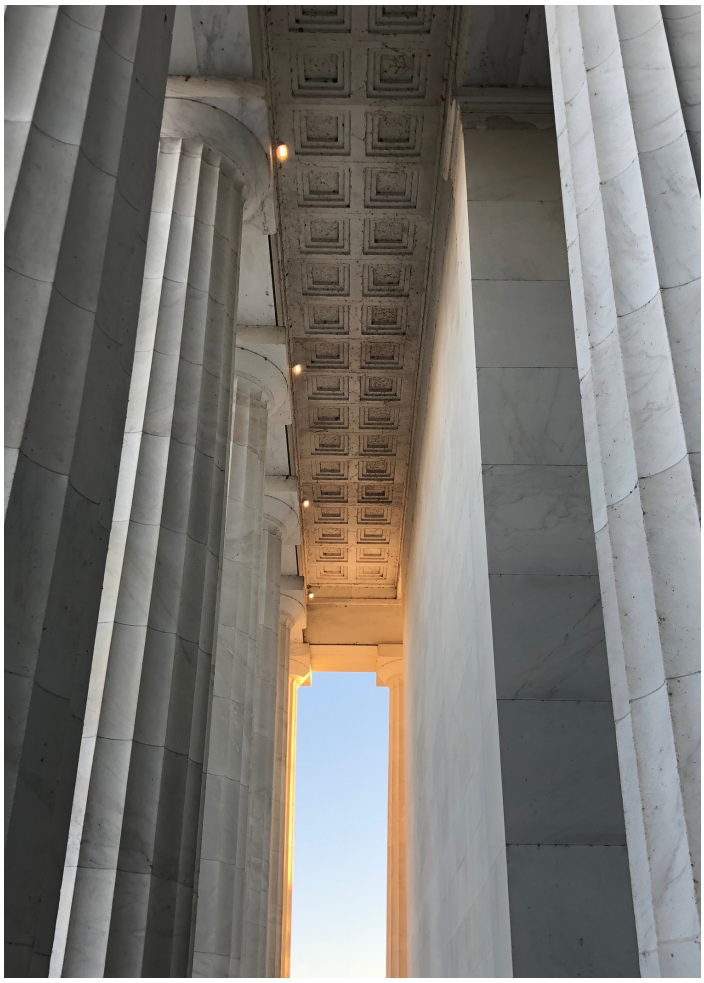

Analytics analysis is already occurring with the DATA Act legislation. The act requires the federal government to adopt a single data structure for spending information along with a goal of bringing together all spending information—whether it be contract, loans or grants--into one unified data set that would be easily searchable by the public. Already, the public can download data from USASpending.gov and analyze spending by agency, organization and geography.

The Federal Data Strategy

To understand the administration's goals for the use of data, we can analyze the four key strategies that together comprise the Federal Data Strategy, as detailed in the PMA:

Strategy 1: Enterprise Data Governance—Agencies are to establish priorities for managing government data as a strategic asset. This means that they will develop or update data policies, specify roles and responsibilities for data security and privacy protection, and monitor compliance throughout the information lifecycle. This calls for a systematic and consistent approach to data that serves to enhance its value.

Strategy 2: Access, Use and Augmentation—Agencies also must create policies and procedures to enable stakeholders to more effectively gain access to and use the information. These goals include making data available more quickly and in a broader array of useful formats, and releasing as much non-sensitive data as possible to the public. The strategy also encourages agencies to leverage new technologies and best practices to increase access to sensitive and classified information, to the extent possible while maintaining its protected status.

Navigating the Federal Data Strategy

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Strategy 3: Decision-Making and Accountability—This strategy calls on agencies to improve the use of data assets in decision-making and accountability. Dovetailing with the first two strategies, its intent is to provide high-quality and timely information, to facilitate external research on the effectiveness of federal programs, and to foster public accountability by providing timely spending information and related data.

Strategy 4: Commercialization, Innovation and Public Use—Agencies must ensure that external stakeholders can use federal government data assets in order to make that data more accessible and useful, such as through commercial ventures and third-party data sources. This piece of the strategy focuses on making data available for research, or to inspire and inform technological innovation in the private sector.

Analytics will play a key role in meeting all four pieces of the strategy. It can help pull out useful information quickly, providing data sets that are far more immediately useful to the various stakeholders who need them. The technology also can help detect security and privacy breaches or provide insight needed to make wise decisions.

Together, these four strategies make up the larger Federal Data Strategy and point to the administration's attention on making the most of information available within federal agencies. Data is to be better organized, better provided and better disseminated than previously has been the case. Federal agencies are currently at differing points along the road of analytics maturity, but the time is now to accelerate.