



Overview:

The American Council of Technology and Industry Advisory Council (ACT-IAC) and the Shared Leadership Coalition (SSLC) have joined in a collaborative engagement to host a series of eight roundtable discussions on different topics related to Shared Services. Personalized invitations were sent to government staff directly to participate in a ninety-minute interactive discussion. Description and discussion questions were provided to each government registrants and each roundtable was facilitated by a member firm. These roundtables occurred during the months of January and February 2022 and the summary and outcomes was presented by each facilitator at the Shared Services Summit on April 28, 2022.

Collaborators on this effort:

- John Marshall, CEO and Founder, Shared Services Leadership Coalition
- Carol Miller, Chief Corporate Revenue Officer, ACT-IAC

The following is a summary of each report's findings and key takeaways.



Title of Roundtable: *The Impact of Today’s SaaS Offerings on the Roles of the Shared Service Centers and QSMOs*

Description of Roundtable: The purpose of this Roundtable was to share thoughts on any impacts the rise of Today’s SaaS Offerings might have on the roles of the Shared Service Centers and QSMOs

Industry Sponsor: CACI

Date of Roundtable: January 27, 2022

Government Participants:

- Indu Garg
- Elanchezhian Sivagnanam
- Garen Behnke – Treasury FM QSMO
- Jason Stowe – CISA
- Steve Krauss – HCM QSMO
- Laurie Cole
- Robert Wuhrman
- Tashona Beale – DoD WHC CX Office

CACI Participants:

- Joe DeFee – (Moderator) – Strategy and Development, HCM Solutions
- Dan Logan, Senior Business Development Executive
- Keith Conquest, Senior Business Development Executive
- Haresh Patel, Senior Program Manager
- Vijay Yadav, Senior Program Manager

Topics discussed:

While the intent of this roundtable was to explore how the roles of the SSCs and QSMOs might change in response to the emergence of SaaS, the dialog kept coming back to a discussion around why and how to move to SaaS. There was agreement that both SSCs and QSMOs would need to assume a greater role in standardizing processes, but this isn’t a significant change from today.

Key Take Always:

- SaaS isn’t a new concept anymore
 - Vendors are beginning to push their SaaS solutions in lieu of on-premise solutions across all markets
 - Some on-prem solutions are very rich and mature; early SaaS offerings were NOT as attractive, which made the business case hard, however advancements have been significant in the last couple years to close the gap, including becoming FedRAMP compliant

- Vendors are encouraging customers to go to SaaS - tough leap for many customers, but vendors have realized that and have made good progress enriching the functionality of the SaaS offerings including some Federalized configuration options
- **Why move to SaaS?**
 - Keeps you on the path to the future – continuous improvements
 - Opens up additional capabilities and more comprehensive end-to-end offerings
 - Drives government to standardize policies and data
 - Better security than on-prem solutions
 - Improvements are being made by providers to accommodate government requirements
 - SaaS providers have shown commitment to accommodate Federal
 - Savings from eliminating the hosting, infrastructure, and care and feeding of on-premise solutions provide savings to invest in providing more functional capabilities and services to users
- **Challenges**
 - One of the key challenges is how to build a strong business case to justify the transition; the business case for SSCs is not necessarily the same as for individual Agencies
 - Need new strategies to help agencies and SSCs justify and get funding and resources
 - Challenges quantifying processes, capabilities, and cost savings to pay for the migration to SaaS
 - Agencies have not seen the benefits
 - Need a good template for the Business Case
 - Need to solidify answers and share with agencies
 - SSCs will face a lengthy transition period where they will have to support both the on-prem offering as well as the SaaS offerings in parallel until all their customers are migrated to the SaaS solution (this has to be factored into the business case)
- **Risks**
 - Business Process Reengineering must be done to migrate to a SaaS solution
 - Data conversion/migration from legacy on-premise solutions are difficult and complex
 - Interfaces development and testing is complex and tedious
 - Process Change Management across all stakeholders and users to adopt the new solution
- **Keys to success**
 - Standardizing processes - need “Agreement of Capability” across agencies
 - Agree upon data strategy
 - User experience must be better than current to gain user adoption; change management is critical
 - Government needs Industry Partners to be allies in getting agencies to adopt commercial processes; be enthusiastic about driving to standards
 - Custom vs. configuration vs. BPR – 3 approaches in descending order of preference:
 - “Convention” = leverage the capabilities as much as you can
 - “Configuration” = preferred way of extending the product

- “Custom” = last resort
- Getting out in front of it and getting agreement across agencies on requirements/needs to define “Convention” to satisfy 70-90% is the goal
- For an SSC to move to SaaS, ideally start with a mid to large sized customer; migrating a small one does nothing to mitigate the skepticism around change; successfully moving a larger agency establishes greater credibility, uncovers the challenges, and creates usable lessons-learned
- Take advantage of SSLC and ACT-IAC forums to share info and lessons learned and Business Case
- It can be difficult or impractical to change processes to fit product; You have to be able to make accommodations and most current SaaS offerings provide a safe means to do that without creating unmanageable technical debt

Title of Roundtable: *Shared Services Key Performance Indicators: Measuring End-to-End Results*

Description of Roundtable: Metrics can drive end-to-end results that deliver success and optimize performance. Many of the metrics in place have been derived from business processes that are transactional and repetitive in nature. While these are important metrics, they do not get to the next set of metrics that goes to indicators of quality of service or other opportunities for improvement that can be harder to define. Further, while some standards may be standard across the board, developing effective metrics requires looking at the particular service being provided and then, in turn, figuring out the most appropriate metrics for that particular service.

Industry Sponsor: Jefferson Consulting Group

Date of Roundtable: January 11, 2022

Participants

- Janet Clement, Chief Executive Officer, Jefferson Consulting Group
- Allan Burman, President, Jefferson Solutions of Jefferson Consulting Group
- Jeremy Arensdorf, Chief Growth Officer, Jefferson Consulting Group
- Karen O'Brien, Vice President & General Counsel, Jefferson Consulting Group
- Brad Wilhelm, Vice President, Jefferson Consulting Group

Topics Discussed:

- **Performance Management:** What should be included in developing an end-to-end shared service performance management solution to optimize business outcomes (e.g., deliver services better, faster, and cheaper to its customers)?
- **Demonstrated Results & Value:** How are results and value delivered at the QSMO and agency levels defined, quantified, measured, and evaluated?
- **Performance-Based Acquisition:** How can the government use its knowledge of PBA principles to develop KPIs that promote innovation and heightened customer service and hold the QSMO accountable for exceptional results?
- **Maturation & Adaptability to Change:** How can the government enable performance standards to mature and evolve with change?
- **Exploit Big Data:** How can the government maximize the strategic value of data and use it to make data-driven decision-making?

Key Take Aways

- **Flowthrough:** QSMO performance management framework includes a tiered performance management framework and a balanced scorecard. It is not clear how this framework flows through the tiers—from the QSMO, to the service provider in the marketplace, to the contractor who is supporting service providers
- **Accountability:** How should accountability be shared and assessed for both the QSMO and the contractor service provider
- **Authority and Control:** How do you address the complaint that in using shared services an agency is giving up authority and control
- **Metrics:** What metrics drive quality of service and achievement of mission objectives
- **Ensure Technology is Current:** Too often, the Federal Government is behind the technology curve and has catch-up work to do. With cloud-based technology for example, the QSMOs should require that providers' technology solution are current
- **Innovate Processes:** Not only does technology need to be refreshed, but providers must also be responsible for innovating processes. A standard or requirement can be included that seeks improvements to processes
- **Standards & Playbooks:** Rather than managing performance at the order or provider level, create standards and playbooks and focus on compliance with the rules for the marketplace
- **Data Governance & Standards:** There's a ton of data generated across the federal landscape – need to define and articulate who the authoritative source and keeper of the data is. This is critical so standards can be rolled out across the enterprise, and everyone is using sanitized data
- **Enterprise Decision-Making & Risk Management:** If procurement data can be leveraged across the federal landscape, we'd be driving mission, not just how we spend money. Procurement data can inform enterprise decision-making and drive risk management
- **Transparency:** Maximize transparency into operations to help identify challenges areas and pain points and inform if performance measures need to be created, revised, or removed.
- **Communication & Collaboration:** Keep the feedback loop open between the Government and service providers to discuss opportunities for improvement and innovation



Title of Roundtable: *Cyber as a Shared Service*

Description of Roundtable: Federal agencies are facing rapidly changing and increasing cyber risks, requiring a focus on continuously improving their cybersecurity posture across a complex landscape of systems and data. To help mitigate risk and increase organizational resiliency while maintaining low disruption to ongoing operations, agencies should make cyber as a shared service an integral part of advancing their cyber posture.

This roundtable discussion explored how increasingly stringent cyber security mandates can be leveraged as the next evolution of shared services adoption/expansion in government.

Industry Sponsor: [CGI Federal](#)

Date of Roundtable: January 18, 2022

Participants:

- Ken Munson, Senior Program Analyst, OPM
- Garen Behnke, Supervisory Contract Officer, FM QSMO, Bureau of Fiscal Services, Treasury
- Laurie Cole, Program Advisor, Office of Shared Solutions and Performance Improvement (OSSOI), GSA
- Courtney Anderson, Program Advisor, Office of Shared Solutions and Performance Improvement (OSSOI), GSA
- Paul Gass, Director of Information Technology and CIO, Defense Finance and Accounting Service (DFAS), U.S. Army
- Mary Beth Foley, Grants QSMO, HHS
- David Sampson, Director of IT, AFPEO BES, U.S. Air Force
- Dr. Dominic Saxton, Management Service Owner, Information Technology Service Office, Business Enterprise Systems, AFLCMC
- Karen Evans, Managing Director, Cyber Readiness Institute (Former First Assistant Secretary for Cybersecurity, Energy Security and Emergency Response at the U.S. Department of Energy; former CIO for Department of Energy)

Moderators:

- Kenyon Wells, SVP, Consulting, Applications, Solutions and Technologies Practice, CGI Federal
- Stacy Dawn, VP, Emerging Technologies Practice, Cyber Leader, CGI Federal
- Victor Foulk Director, Emerging Technologies Practice, Cyber Leader, CGI Federal
- Paresh Patel, VP, CIO Advisory Practice, CGI Federal
- Scott Hoge, Director, Consulting Services and Cyber Expert, CGI Federal

Zero trust and Cyber EO 14028

On May 12, 2021, President Biden signed [Executive Order 14028 on Improving the Nation’s Cybersecurity](#), a whole-of-government, aggressive plan for cybersecurity modernization. The imperative to improve cybersecurity at such an accelerated pace was the Biden administration’s response to:

- pandemic-driven virtual network expansions and the reality of a remote workforce,
- high-profile breaches like the [Solar Winds supply chain hack](#) and the [Colonial Pipeline ransomware hack](#),
- other significant platform hacks of Twitter and Microsoft and
- an ever-increasing number of breaches and supply chain infiltrations by foreign adversaries.

The order advocates stronger implementation of cyber requirements agency-wide, including cloud security, zero-trust architecture, multi-factor authentication and endpoint detection and response. These provide a powerful starting point for cybersecurity improvements and puts the onus on agencies to take ownership of their cybersecurity postures.

Although zero trust concepts have been around for a couple of decades, getting to zero trust in a scalable manner is a tall order. It is a multi-disciplinary approach—an integrated team of cybersecurity experts, application developers, data administrators and system administrators, all the way down to the end users. It is a network (re)design issue, an application issue, a human behavior issue—zero trust adherence is everyone’s responsibility.

Considerations:

- Continue to form and/or expand zero trust working groups within as well as across agencies. Promote active industry collaboration with multi-cloud service providers with a strong focus on the integration of zero trust into cloud strategies—whether it’s hybrid or on premise.
- Build a zero-trust environment on an inter-agency level first—i.e., the Department of Health and Human Services (HHS) and its agencies such as the Center for Medicare and Medicaid Services (CMS), the Social Security Administration (SSA) and the Centers for Disease Control and Prevention (CDC), etcetera. Within a federated approach, standardized criteria may be used to build the zero-trust architecture. The federal government can strengthen smaller agencies’ security when they are given access to more inter-agency cybersecurity shared services.
- Identify zero trust architecture pillars that can be leveraged as low hanging fruit for an inter-agency or federated shared service approach. Pillars like identity management, applications and application programming interfaces (APIs), device health and compliance, etc. can be foundational in the development of a zero trust (as a shared service) architecture for agencies with similar missions.

Information security governance and data sharing

Agencies have their own practices and, in some cases, regulations about when how and they can share and combine data. If an agency keeps acquisitions and procurement data in one system, its human resource and financial information in another and the assessments that determine an agency’s performance in support of its mission in a separate place entirely, the bigger picture—the holistic intelligence that can be drawn from those data sets may not be readily accessible.

Sometimes these systems interface; other times, they have firm barriers between them.



Since data is constantly moving through countless systems, applications, and individuals, only a robust cybersecurity program can mitigate the complexities of the information ecosystem. Securing organizational data is the primary goal of any cybersecurity framework. The disparity in information security controls over personally identifiable information (PII), health information, export-controlled information—and questions about data ownership and incident response and reporting all raise the inherent complexity of establishing data governance security practices.

Ensuring the proper and effective use of data is more a function of governance and processes versus IT and architecture. Addressing these concerns will help lay the groundwork for establishing a framework to securely move and manage data to a shared services construct.

Considerations:

- Adhere to a consistent and high-quality set of standards for privacy and data protection by building risk mitigation into the citizen digital journey and embed proper safeguards and processes for managing data throughout its life cycle.
- Assess the options and find the right tools that will help enable modernization initiatives—technologies such as artificial intelligence (AI), machine learning, intelligent automation and blockchain among others. In some cases, commercial off-the-shelf (COTS) technologies will fill the need. In others, custom tools are a better choice. That decision depends on the specific requirements of an organization’s data. Any solution, whether COTS or custom, must be secure and privacy-aware when connecting data from multiple sources.
- Internal user training with programs powered by technology is imperative and should remain institutionalized as part of user training programs. With the implementation of automation and machine learning tools, you can monitor users across the enterprise to help mitigate behavior that creates vulnerabilities.

Additional insights and considerations:

Ever-rising citizen digital expectations, the pace of change, and protecting America through cybersecurity are ongoing challenges facing government executives. As a result, they continue to prioritize optimizing operations and modernizing systems.

Below are some additional insights federal agencies can adopt now to improve the citizen experience, accelerate digital results and strengthen their cybersecurity postures. These insights are foundational to recent as well as future adoption of shared services in government:

- **Collaborate across organizational boundaries to accelerate transformation.**
The global pandemic accelerated the need for government agencies to become digital for their citizenry. Transformation is key to delivering the services taxpayers want—when and how they want them—and to enhancing the citizen experience.

Success, however, cannot be achieved in isolation. It requires collaboration across multi-sectoral boundaries. This involves bringing the public, private, academic, and other sectors that deliver different services together to communicate, share information and leverage similar processes. With this level of collaboration, government agencies can avoid duplicating information and processes, improve efficiencies, minimize errors, reduce fraud and more, all of which helps them to more effectively advance their digital journeys and meet the public’s digital expectations.

- **Ensure strong cybersecurity posture and regulatory compliance.**

While digital transformation is a top trend and priority for government agencies, keeping an eye on the underlying foundation of their organizations — cybersecurity and regulatory compliance — remains critical. As the world becomes increasingly digital, the types and frequency of cyber threats are on the rise.

Vigilance in protecting online systems, sites and services must be reflexive and ongoing across the organization. Regulation, likewise, is increasing across geographies and different areas of government, so keeping up with changes is vital. In general, any digital transformation strategy and roadmap must include strong cybersecurity and regulatory compliance capabilities to be successful.

- **Drive efficiencies through IT modernization.**

Leading government agencies seeking to achieve digital transformation understand the need for IT modernization. Modernization involves implementing new technologies such as artificial intelligence, Internet of Things, and robotic process automation, as well as using agile IT delivery models, such as the cloud, to improve efficiencies and reduce costs. In addition, it involves driving product and service innovation. Modernization is complex, so it is important to hire digital leaders who can anticipate trends, set targets and provide the know-how and technologies for achieving those targets. Further, these partners should have proven expertise in specific technologies because each new technology vital for digital transformation requires specialization.

Looking ahead

The road to transformation takes the federal government through innumerable modernization efforts. While each agency’s journey towards IT consolidation, standardization and optimization may be on different paths, some agencies are indeed, heading towards the same destination.

When goals and expectations are aligned across agencies, as processes are standardized and as services are commoditized, the proven benefits of successful shared service implementations lead to one intersection—a more agile and efficient government that delivers on its missions and meets its citizens’ expectations.

Shared services milestones

There are a growing number of best-in-class shared services implementations across the federal government and below are just some that have become gold standards:



CDM DEFEND Groups F and C

CDM DEFEND Group F provides a host of services including a cybersecurity catalog and a shared services platform for the Homeland Security Department to deliver new cyber capabilities to more than 75 smaller, non-CFO Act agencies access to the same cybersecurity tools as their larger, cabinet-level counterparts. CDM DEFEND Group C includes several cabinet-level large agencies who first gained access to identity management tools, sensors and a shared services catalog in 2016. Today, agencies under the CDM DEFEND Groups benefit from the existing shared services platform. The access to asset management as well as the identity and access management capabilities where each agency can see their own data lies within this shared service, multi-tenant platform where all the sensor data reports up and gets summarized up to the federal dashboard. The continued success of CDM DEFEND makes it a proven framework for a configurable shared services that can meet every agency's security needs.

Defense Finance and Accounting Service (DFAS), Department of Defense

In 1991, the Secretary of Defense created the Defense Finance and Accounting Service (DFAS) to standardize, consolidate, and improve accounting and financial functions throughout the Department of Defense (DoD). As one of the world's largest finance and accounting operations, DFAS supports military and civilian customers, retirees and annuitants as well as DoD contractors and vendors. It also supports customers outside the DoD in support of electronic government initiatives. Customers include the Executive Office of the President, the Department of Energy, the Department of Veterans Affairs, the Department of Health and Human Services and the U.S. Agency for Global Media.

Within the past ten years, the DFAS has consolidated more than 300 installation-level offices into 10 DFAS sites and reduced the number of systems in use from 330 to 70.

NASA Shared Services Center (NSSC)

NASA Shared Services Center, the NSSC provides more than 60 business activities to 10 NASA Centers. To increase operational efficiency and improve overall customer service, the NSSC performs a variety of activities in the areas of Financial Management, Procurement, Human Resources, Enterprise Services, and Agency Business Support. Its shared services approach to these administrative functions continue to streamline and standardize the agency's back-office operations. NSSC's shared services model presents opportunities for continued synergy across functions while achieving a critical mass of core expertise. The NSSC provides a stronger focal point for delivering transactional and specialty services that accelerate the adoption of business process engineering within NASA.



Title of Roundtable: *The QSMOs – A Promising Model: What’s Important, What’s Needed, What’s Possible*

Description of Roundtable: To explore how we as a community of federal and industry collaborators can help make the Quality Service Management Organization (QSMO) marketplaces more impactful.

Outcomes:

- Shared understanding of progress on the QSMO marketplaces
- Shared view of how Customer Experience (CX) Executive Order aligns with QSMO approach
- Summary of high-level challenges & opportunities

Industry Sponsor: [The Clearing](#)

Date of Roundtable: 20 January 2022

Participants: An Open Round Table for Government and Industry Representatives

Topics Discussed:

- The Basics – QSMO OMB Memo (M-19-16)
- Responsibilities of the QSMOs
- Overview of Current QSMOs
- The role of CX in the QSMO Marketplace

Key Take Always:

- The development of inter-agency standards and priorities for shared services is a core government priority and the successful standup of five new QSMOs is a key component of this strategy
- The creation of centralized capabilities, shared services governance, and performance expectations is vital to the successful adoption of shared services more broadly across the government and the development of the QSMO marketplaces is advancing that goal
- In addition to the QSMO effort, there is also a huge opportunity to expedite the adoption of existing quality services that currently perform well and provide demonstrated value to agency customers
- The recent CX Executive Order highlights the importance of Customer Experience in the successful standup of the QSMO marketplaces

Title of Roundtable: *Reimagining Service Delivery with an Integrated Lens*

Description: In the five years leading up to the pandemic, we have seen a significant change in how organizations address delivery of their mission support work / services - moving from a traditional back-office viewpoint, where operations are siloed and focused on transactions, to a more holistic view of enterprise services driving mission value. Disruptors like technology and the pandemic have forced organizations to reimagine how work can and should be delivered highlighting the importance of integrating and sharing data and talent across silos, thereby ensuring enterprise-wide resiliency. Deloitte's Enterprise Service Transformation (EST) team led a round table with executive branch leaders to discuss their priorities and constraints in improving their service models moving forward. Deloitte has developed a methodology and key frameworks, such as the Reimagine Operating Models¹ and Welcome to the Center Office² paper, to help advise organizations on cost-effective and value-driven service delivery models for support functions. These frameworks can be applied to any organization to help customize the optimal model for them. This report will provide a summary of the points shared and takeaways from the ACT-IAC Round Table Event.

Public sector institutions are examining different means by which to achieve their central mission in the face of growing resource constraints, cyber security threats, and demands for improved customer experience. Shared services is one of many means of achieving this goal in addition to automation, AI, virtualization of work, ERPs and related technology advancements. Success lies in viewing and examining all of these levers holistically with an integrated lens. Lacking an integrated strategy for the implementation of service delivery transformation is often a key roadblock to internal innovation and the adoption of new practices and technologies.

Industry Sponsor: *Deloitte*

Date of Roundtable: January 24, 2022

Participants:

- Lora Muchmore, Chief Information Officer, *DoD*
- Courtney Anderson, Program Advisor, *GSA*
- Robert Wuhrman, Program Lead, *GSA*
- Janet Pfleeger, Manager, *HHS Grants QSMO*
- Chad Clifford, Executive Director, *HHS Grants QSMO*
- Curt Rauhut, Executive Director, *VA*
- Dominic Saxton, Business Integration Branch Chief, *AFLCMC*
- Harrison Smith, Director Enterprise Digitalization, *IRS*
- Thomas Herndon, Working Capital Fund Director, *HUD*

¹ <https://www2.deloitte.com/us/en/pages/operations/articles/post-pandemic-operating-models-of-the-future.html>

² <https://www2.deloitte.com/us/en/insights/topics/strategy/evolution-of-shared-services.html>

- Kurt Bersani, Deputy Assistant Secretary for Administration, DOC *Enterprise Services*
- Vince Micone, Executive Director for Enterprise Services, DOC *Enterprise Services*
- Virginia Huth, Assistant Deputy Commissioner for Technology Transformation, GSA
- Amanda Harrison, Director of Information Technology, ESC
- Clarissa Johnson, Information Technology Specialist, NSF
- Philip Johnson, Staff Associate for IT Operations, NSF
- Debora McCarty, Navy
- Indu Garg, Human Capital Management Executive, OPM
- Laurie Cole, Program Advisory, GSA
- Suzanne Logan, Senior Advisor, OPM
- Dr. Dwight Sanders, Treasury
- Leroy Larkins, Executive Director, VA
- Pam Goins, Executive Director, *National Association of State Chief Administrators*
- Lindsey Willis, Senior Communications Specialist, USAID
- Ken Munson, Senior Program Analyst, OPM
- Cara Whitehead, Assistant Secretary to Policy management and Budget, DOI
- Jason Stowe, Portfolio Manager, CISA
- Garen Behnke, Supervisory Operations Lead, Treasury

Topics Discussed:

1. Deloitte’s perspective on current trends and organizational transformation

A review of historical and present-day context, current strategies adopted by high performance organizations, shortcomings that hamper internal improvement, and the transition from the back office to the center office. The center office model signifies consolidated workflows in a single point or sub-unit that services the whole enterprise, such as finance, purchasing, or human resources.

2. Setting the ambition for what leaders want to achieve & why

A group activity, based on a framework exercise using four strategic value levers (cost savings, customer service, customization, and standards) in which executives reflected on their organization’s priorities, needs, and challenges.

3. Designing the blueprint on how to achieve the ambition

A group discussion in which executives reviewed a 4x3 matrix to map and identify opportunities to optimize organizational performance and improve efficiency by reviewing individual workflows, making determinations on what could be consolidated at the enterprise level.

Lessons from “Deloitte’s perspective on current trends”

Policy at the Federal level is moving towards greater service integration, data sharing, and cross-functionality.

- Significant funding is available for IT modernization and improving user access to services
- There are growing calls for improved back-office operations via seamless integrations between various public institutions.

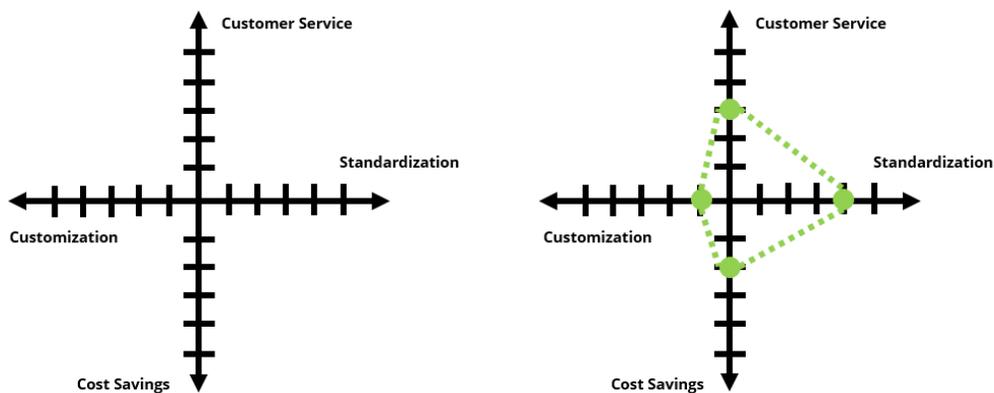
Private and Public institutions are increasingly pursuing elements of the Center Office Model.

- The Center Office organizational model consolidates various workflows from across the enterprise into a single centralized office.
 - There are three characteristics of this model:
 1. Delivery of specialized, cross-functional, capabilities as a service to the enterprise
 2. A focus on customer / user experience
 3. Utilization of digital capabilities and tools to overcome a distributed technology landscape

Executives are increasingly bombarded with conflicting messages about how to adapt to the pace of change.

- The explosion of digital tools, the need for speed and agility, and the demand for proactive insights and personalized user experiences complicate an already opaque information environment.

Lessons from “Setting the ambition for what leaders want to achieve & why” Standardization of business processes and data is becoming the most important foundational objective for enterprises to



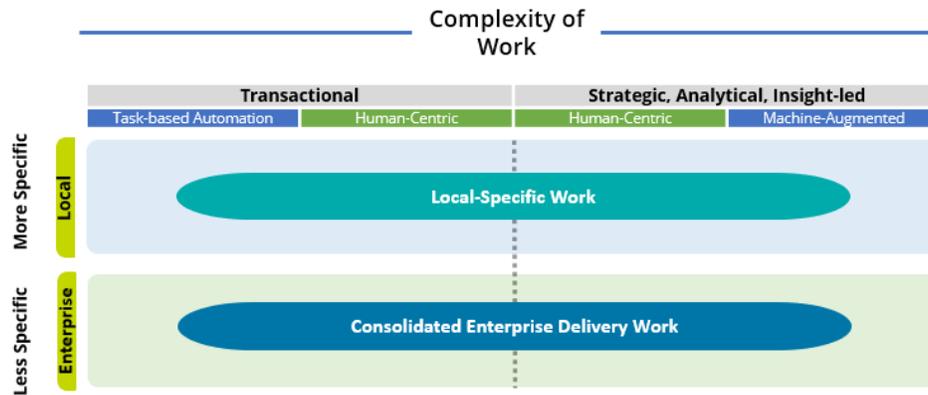
pursue while delivering value-added capabilities. During the exercise, participants were prompted to prioritize four value drivers (Cost Savings, Customer Service, Customization, & Standardization) by allocating an exhaustible pool of 10 points across the four drivers. Agency leaders were forced to make tradeoffs, as they are in the real world. These points were mapped to a graph to create a visual representation of their tradeoffs. Public agency leaders, on average, assigned the highest scores to Standardization, with Customer Service following in importance. Below is an example of one respondent's graph:

- In discussion with public agency leaders, Deloitte found a clear pattern in which agencies favor the pursuit of standardization of processes and customer service. This is done with the expectation that long term cost savings will occur because of standardization and a consistent quality customer experience.
 - While attendees acknowledged the importance of cost savings, several shared that operational focus centers more so on achieving the primary mission of the agency, as the drivers of public accountability focus on mission first and foremost.
 - In addition to the previous point, one executive pointed out that cost savings is not the only goal, as cost avoidance in the long term also provides a significant public benefit.
- Attendees indicated that the size of a government agency also needs to be considered:
 - A small agency has a small budget, so they focus on higher levels of Standardization to develop a viable service in the face of fewer resources
 - A large agency, with access to a large budget, are often driven by what the organizational incentive is (e.g., GAO Reports, changing legislative landscape).

Lessons from “Designing the blueprint on how to achieve the ambition”

Designing a new operating model begins with leadership's alignment on a shared ambition for change and an examination of the nature of work performed through an integrated lens.

- Work functions that are specific to a single branch of operations should be handled at a local level - organized within that branch to ensure greater responsiveness. General functions, on the other hand, which affect the entire organization on a regular basis, can be accomplished at a centralized, enterprise level.
- Based on the complexity of the task, tasks can be fully automated, human centric, or machine augmented.



To build off this principle, public agency executives were polled on what they deemed could become enterprise-wide functions. The results of the poll reinforced the potential for centralizing less specific work functions within a central office at the enterprise level. The following is the list of examples of transactional work that attendees said could be done efficiently at the enterprise level:

- "Continued expansion of Grants Payment shared services and Recipient automated financial reporting"
- "Certificate Sharing in the Hiring Process "
- "Capturing records "
- "Contract management "
- "Most all transactional work SHOULD be done at enterprise level "
- "HR transactions (personnel actions, job announcements, classification) "
- " Helpdesk"
- " Grading positions, evaluating PDs"
- " Customer Surveys"
- " Public Call Center (calling one number for any question you might have) "
- " Most HR support"

Attendees then listed the following examples of knowledge-based tasks that could be done efficiently at the enterprise level:

- "Customer Journey Mapping"
- "Process Modeling"
- "Risk Frameworks"
- "Data Management & Governance"
- "Workforce Planning"
- "Succession Planning"
- "Performance Improvement"



- “Acquisition Cost Savings”



Attendees then gave examples of a long-term benefit that can emerge from centralizing transactional tasks at the enterprise level – one of which was the principle that the more centralized payments become, the further Recipients can automate financial reporting processes.

- However, in this discussion, it was revealed that only 1 of the 6 public service providers within a given breakout group automated financial reporting, indicating a pressing need for further automation.

Attendees also specified that the organization’s existing enterprise architecture must be considered to determine the feasibility in leveraging artificial intelligence or machine learning capabilities.

Moving Forward:

Technological developments are allowing for increased automation and fewer redundancies within an organization – resulting in the centralization and consolidation of workflows and greater efficiency. While an overall boon for organizations, these advances will come with their own long term demands for leaders to consider in their overall strategies before, during, and after their implementation.

To expand on the conversation shared in this report, leaders of institutions increasingly need to ask themselves the following questions:

- *How do we organize and deliver services within and across the business to adapt and thrive?*
- *What capabilities should we invest in to balance long-term growth and efficiency as budgets shrink?*



Title of Roundtable: *How can shared service business models be leveraged to improve implementation of “whole of government” policy initiatives?*

Description of Roundtable: The Administration’s top four policy initiatives to be implemented on a “whole of government” basis include:

- Economic recovery (“Build back better”)
- Pandemic response
- Climate change
- Diversity, inclusion, equity and accessibility

These issues cross numerous mission areas, agencies and Congressional appropriation accounts.

Industry Sponsor: [Golden Key Group](#)

Date of Roundtable: February 2, 2022

Participants

- Steve Krauss, GSA
- Kelly Cox, GSA
- Robert Wuhrman, GSA
- Steve Nulter, Treasury
- Janet Pfleeger, HHS Grants QSMO
- Reed Waller, Treasury
- Chad Clifford, Grants QSMO
- Kurt Bersani, Enterprise Services
- Virginia Huth, GSA
- Amanda Harrison, ESC
- Clarissa Johnson, NSF
- Philip Johnson, MSF
- Debbie McCarty, Navy
- Indu Garg, OPM
- Laurie Cole, GSA
- Suzanne Logan, OPM
- Dr. Dwight Sanders, Treasury
- Pam Goins, National Association of State Chief Administrators
- Ken Munson, OPM
- Cara Whitehead, DOI
- Tyson Whitney, USDA
- Garen Behnke, Bureau of Fiscal Services

Topics discussed:

- To what extent do overlapping missions and duplication of resources exist across the government within Administration's priority policy areas?
- What policy areas appear to offer the most potential for "quick wins" to demonstrate the value of shared services in mission delivery?
- What's the best way to rapidly test and scale promising shared services mission delivery projects?

Key Take Always:

- Consistent opinions of the participants included:
- There is still a lot to be done
- QSMO's are a good start to standardize in certain functional areas (i.e., Grants), however there are opportunities outside of the current designated QSMOs, like Regulations.gov or Fleet.
- The PMA allows for additional cross-agency conversations that are needed to improve the acceptance of QSMOs.
- There were questions about the current state of the SPOCs and how they would be used to coordinate the shared services efforts.



Title of Roundtable: *Leveraging the TMF and other financing vehicles, as well as best in class contracts, to accelerate shared services implementation in the Federal Government*

Description of Roundtable: The Technology Modernization Fund (TMF) is flush with funds, and shared services are one of four “buckets” identified for priority attention. The TMF is only one of many financing vehicles available. Public-private partnerships, OTAs, share-in-savings and other “under-the-radar” approaches are available but have not been widely utilized. Use best in class contracts to advance time to procurement for technology investments.

Industry Sponsor: **IBM**

Date of Roundtable: February 8, 2022

Participants:

- Soraya Correa: former DHS Chief Procurement Officer and now an ACT-IAC Senior Advisor
- Ed DeSeve: former OMB Deputy Director for Management and former Senior Advisor to the President for Recovery Implementation, and now Coordinator of the Agile Government Center, NAPA
- Karin O’Leary: former Chief Financial Officer of the Judicial Branch and now Fellow with the IBM Center for The Business of Government
- Margie Graves, former Deputy Federal CIO for the Office of Management and Budget and now IAC Chair and Senior Fellow with the IBM Center for The Business of Government
- Dan Chenok, Executive Director, IBM Center for The Business of Government
- Mark Weatherly: former OMB DAD for budget programs in natural resources and now Executive Specialist with Deloitte Consulting

Attendees:

Reza Latif, NOAA
Steve Krauss, GSA
Robert Wuhrman, GSA
Steve Nulter, Treasury
Janet Pfleeger, HHS Grants QSMO
Chad Clifford, Grants QSMO
Bena Kluegel, Treasury
Michelle Sager, GAO
Garen Behnke, Bureau of Fiscal Services
Ken Newton, NASA
Kurt Bersani, Enterprise Services
Virginia Huth, GSA
Chris Kraft, FEMA



Amanda Harrison, ESC
Indu Garg, OPM
Laurie Cole, GSA
Dr. Dwight Sanders, Treasury
Ken Munson, OPM
Cara Whitehead, DOI



Topics discussed:

- How can we make sure shared services investments leverage their TMF awards?
- What other funding sources, authorities and acquisition business models are available to provide additional support?
- How can we break down barriers of imagination and risk-aversion and enable greater creativity and bolder leadership in leveraging under-utilized approaches?
- Stories/Case studies and lessons learned
- Is it better to work with CFO or program offices to get their input?
- A lot of agencies that know they need to modernize, most agencies are not able to get the funding to adopt a modern IT HR platform (don't have time/don't have money). Advice/thoughts how to attack this issue?

Key Take Always:

- Use of TMF:
 - **Communication and transparency** need to show how this would save money for all (or many) agencies
 - Build a body of demonstrated systematic **experience and evidence** to OMB and Congress in terms of what could be recovered in cost savings or efficiencies down the road
 - Need to create a **business case**; demonstrate the **ROI**
 - Challenges for agencies with their regular budgets, which can make it difficult to show the savings (scores up front). Savings need to be identified in the out-years. **Transparency** is critical in getting people on-board, both within the agency or on the Hill. Sharing a financial system or payroll system, if there is modernization, they can show that would lessen the burden on the agency.
- Other sources to provide support:
 - It is beneficial to have **several funding options**. Some agencies that have working capital funds that may be leveraged as a funding source. (Important to be aware of authorities for use of various funds.)
 - Sometimes easier to propose funding through the regular budget process.
 - Importance of **relationships** with people; particularly the key decision makers. The three key people that every model should address: Budget officer, OMB Budget examiner, Appropriations staff. **Relationship and trust** between those parties/agencies is key.
 - The Appropriations staff are really keen on if the right charge is being sent to the correct agency. Key is for agency to be **transparent of all sources of funds** available to support IT modernization.

- Consider whether **timing** may be right for a proposal that is out of the blue/out of sync. There are opportunities that are not apparent (Side door or back door instead of the front door). There are lots of informal ways to settle appeals. Present a valid case and good evidence, you can get the attention of your OMB examiner or appropriators. \$10 million or less can be done with less fanfare. Doesn't always have to be a flashy front door approach.
- **Use of mandatory spend;** control of spending has always been as you go; the offset is created from throughout the budget. Mandatory funds can be easier to spend. Not as much tight control.
- Break down barriers:
 - **Remove the fear of failure**, everything will not go perfectly. Come up with risk aversion/back-up measures. Be creative and innovative, bring the team together, have a common understanding, understand the constraints (what you can/cannot do). Willing to take chances.
 - **Build relationships with partners** to get their input. Leadership not just from the top down but from the bottom up and across. Bring all the players to the table. People in the organization must hear this constantly (how are we going to do this, what are the obstacles, how do we get people to adapt, etc.). Building a coalition to explain they all have the same problem, why they would work together to solve this issue.
 - **Work closely with program offices** in understanding the common mission objectives, see what is different, and come up with a solution on how to adapt to the difference. Critical to have program office input to build business case.
 - **Bring industry** as early as possible. Understand their risk, keep the engagement going.
 - Sometimes in the absence in data, bringing people (industry and other government partners) can help persuade the value of this project and add credibility.
 - Take a step back and build relationships with the **shared services provider**. Clear alignment with shared service providers, helping them think through their technical roadmaps, largely about IT modernization.
- Stories/Case studies
 - Understand the nature of the political orientation of the people you are dealing with. Explain why they should care, why is it important to have shared services. If you are going to get support, get the **hearts and minds of all key decision makers involved**. Educate political appointees on what you are trying to do. Bring them in and get them to support the project.
 - **Inclusion and clarity** - a great way to also reduce risk in delivering shared services and broader inter-agency initiatives.
 - When you put together these business cases, **understand the equities of all your partners**. It's up and down the chain not just for the individuals at the top. If there is buy in all on the chain, there is support for the potential project. If you can have everyone centered on the outcome, it may go more smoothly.
 - Going with shared services, there may be **some control relinquished**. Are they willing to let go? Get a few people that will take that step and others will follow.

Final words of Advice:

- Be prepared when the opportunity strikes, have a few drafts of the **business proposal**
- **Transparency**, knowing the objectives (no duplications)
- The **Relationships**, understand one other



- **Focus on one thing** that is very clear and going with it. The business case gets easier.

Link to report: <https://www.businessofgovernment.org/report/mobilizing-capital-investment-modernize-government>

Title of Roundtable: *Customer experience: a change management game changer.*

Description of Roundtable: Cultural resistance to change remains a major barrier to agency adoption of shared services. The Administration is making customer experience a major priority for IT-related modernization. Improving the customer experience can build trust and mitigate agency resistance to shared services adoption.

Industry Sponsor: **Golden Key Group**

Date of Roundtable: February 9, 2022

Participants:

- Roberto Coquis, GKG
- Steve Krauss GSA
- Robert Wuhrman, GSA
- Steve Nulter, Treasury
- Janet Pfleeger, HHS Grants
- Reed Waller, Treasury
- Chad Clifford Grants QSMO
- Terry Riffel, VA
- Dominic Saxton, AFLCMC
- Garen Behnke, Fiscal Service
- David Sampson, USAF
- Virginia Huth, GSA
- Amanda Harrison, ESC
- Clarissa Johnson, NSF
- Philip Johnson, NSV
- Debbie McCarty, Navy
- Indu Garg, OPM
- Laurie Cole, GSA
- Suzanne Logan, OPM
- Dr. Dwight Sanders, Treasury
- Leroy Larkins, VA
- Pam Goins, National Assoc. of State Administrators
- Lindsey Willis USAID
- Ken Munson, OPM
- Cara Whitehead DOI
- Garen Behnke, Bureau of Fiscal Services

Topics discussed:

- What are the key customer acceptance issues that impede agency acceptance of shared services?
- How can CX address these barriers most effectively?
- How are CX principles currently addressed in shared services design, and how can the design process be improved to leverage the most value CX has to offer?

Key Take Aways:

The larger issue discussed on customer acceptance was whether the agencies could determine the customer. It was driven by the instance of the shared services. The group was unified in that the customer was larger than one group. The list included:

- Stakeholders
- Public
- End Users
- CFOs
- Agencies
- Participants felt that customer experience could address these barriers when the customer could be identified and the focus of the interaction.
- Customer Engagement principles were vital as the group could not drive to consensus about the customer being satisfied with the resolution, but instead the customer had to be satisfied that their concern was understood by the service.
- Customers had to see the value in the shared service and that there was an improvement on their interaction.