



2018 BREAKFAST SEMINAR SERIES

Shared Services: Busting the Myths Surrounding a Powerful Tool for Agency Reform

Thursday, April 5 | Washington, DC





Agenda

- Welcome (8:00)
- The Shared Services Mindset
- Mythbusting: Shared Services
- Observations About the Administration's New Presidential Management Agenda (PMA)
- Q&A: PMA and GSA's Office of Shared Solutions and Performance Improvement
- Close (10:30)





The Shared Services Mindset





Question 1

- In your role, or from your perspective, what is a service or function within your domain you could see being shared with other organizations? Why?
 - *Bonus question:* What are characteristics of a function that could be a good candidate for shared services?



Question 2

- What makes sharing services across government organizations hard?
 - *Bonus question:* What functions would you be unwilling to share, and why?





Question 3

- What are examples of great customer experiences? What did you like/dislike about them?
 - *Bonus question:* What has your experience been as a customer of shared services?





The Shared Services Mindset





Mythbusting: Shared Services

Rowan Miranda, Managing Director, Accenture Federal



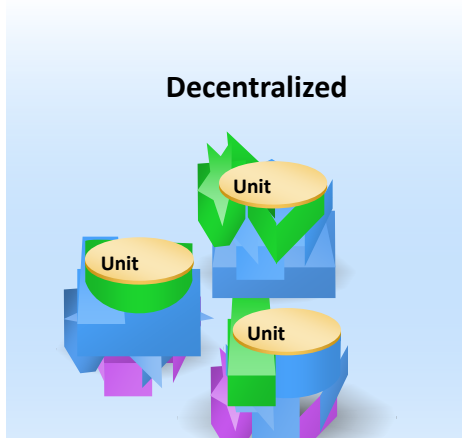
Service Delivery Challenges Facing Government Agencies

Administrative functions have suffered from common challenges that hinder service delivery

- Complex, variable, and manual processes that are costly to execute
- Redundant, non-standard systems and infrastructure
- Too much time spent on transactional activities; too little time spent on analysis/reporting
- Functions are staffed to support peak demand periods
 - Multi-layered organizations with wide-ranging spans of controls
 - Salary ranges inconsistent and variable for similar roles
- Weak capacity for reporting, analytics and many versions of the “truth”
- Sub-optimal control, compliance and risk environment

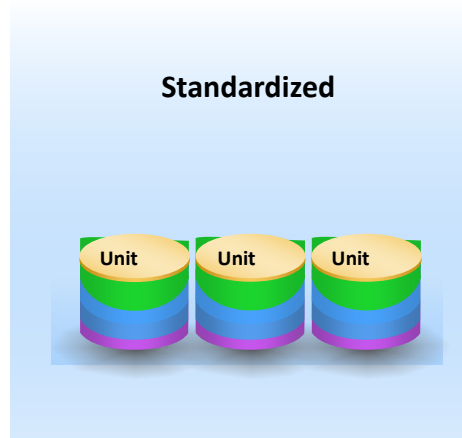
Range of Operating Models

Operating model transformation involves optimizing service delivery to be more cost-effective, flexible, reliable and customer focused



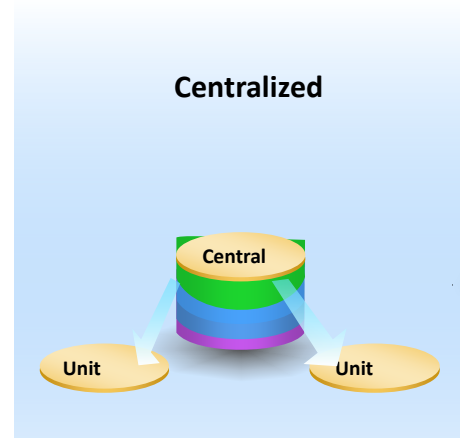
Decentralized

- Autonomous departments
- Focus on responsiveness
- Different systems & non-standard processes
- Separate functional staff



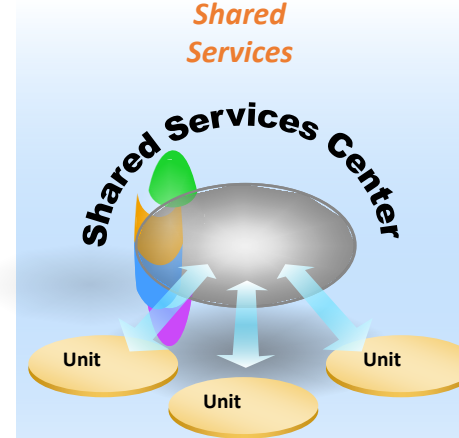
Standardized

- Business units run similarly
- Typically some common sub-systems
- Common processes
- Separate functional staff



Centralized

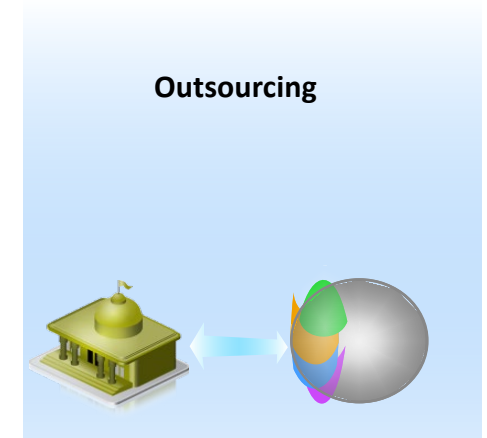
- Single department, division or site which performs the function
- Focus on efficiency and control
- Typically some common sub-systems
- No service level agreements nor performance targets
- Customers aren't typically part of the governance process



Shared Services

Shared Services Center

- Separate organization but linked to customers through governance model
- Managed service delivery through clear SLA's
- Customer driven transactions
- Performance driven culture through measurement and feedback
- Process ownership end-to-end



Outsourcing

- Contracted services provided by a third-party vendor
- Balances responsiveness with efficiency
- Access to vendor capabilities
- Focus on labor arbitrage and service management
- Potential political impact

Case Study: *NY Metropolitan Transportation Authority*



- MTA is one of the largest transportation agencies in the US with 70,000 employees, \$15B+ operating budget and a \$30B+ long term capital plan.
- MTA consists of eight independent agencies (e.g., NYC Transit, Long Island Bus, Metro-North RR) that had separate organizations for Finance, HR, Procurement and IT; these agencies also had separate administrative/ERP systems.
- Accenture worked collaboratively with MTA to:
 - Design, implement, and launch a high performing new organization (the “Business Service Center” or BSC) focused on finance, human resources, procurement and select IT functions;
 - Streamline business processes, including expanding use of automation, workflow, and self-service and improve customer service delivery;
 - Implement a single ERP system to support MTA as an enterprise; we also implemented a self service portal to support HR, procurement and finance functions across external and internal applicants, vendors, self-service employees, retirees, and core users.
 - Reduce operating expenses to meet MTA’s budgetary goals.
- Outcomes:
 - Development of a customer service focused Business Service Center
 - Consolidation of multiple systems into a single ERP system
 - Cost and FTE reductions that exceeded targets

Top 10 Shared Services Myths (1 of 2)

#	Myth	Description
1	Shared Services Equals Centralization	<i>“Our prior experience in centralizing IT was terrible. Not only did we give up our people and budget, we then had to rehire new staff.”</i>
2	Service Satisfaction will Decline	<i>“If we rely on another agency to provide financial systems to us, how do we know that we will be a priority to them?”</i>
3	It is Bad for the Workforce	<i>“Service Center work is dehumanizing compared to the interesting jobs people have in our agency have today.”</i>
4	Can’t Address Our Unique Needs	<i>“Shared Services uses a ‘one size fits all’ model. We have very unique needs that must be met to effectively carry out our mission.”</i>
5	My Agency Can Do it Cheaper	<i>“We conducted a ‘make or buy’ study. Our costs are much lower if we provide the service” and/or “Costs may start out lower but prices will increase sharply over time.”</i>

Top 10 Shared Services Myths (2 of 2)

#	Myth	Description
6	Shared Services Equals Outsourcing	<i>“Sure it saves money -- by outsourcing jobs to the private sector who pay lower salaries and reduced benefits.”</i>
7	Virtual Shared Services Works	<i>“Staff will work where they are today and report ‘virtually’ to a new shared services organization.”</i>
8	All Responsibility is Shifted to the Shared Services Center	<i>“Shared Services allows us to get completely out of a line of business. We are no longer responsible.”</i>
9	Any activity can be moved into a Shared Services Center	<i>“Lets move all of HR or Finance from our Bureau to the Shared Services Center.”</i>
10	Shared Services has a Beginning and an End	<i>“When implementation is complete, our work is done.”</i>



Observations About the Administration's New Presidential Management Agenda (PMA)

Dustin Brown, Deputy Assistant Director for Management, OMB





Q&A: PMA and GSA's Office of Shared Solutions and Performance Improvement

