Shared Services
Lessons Learned
From NYC MTA

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Director Public Sector Shared Services
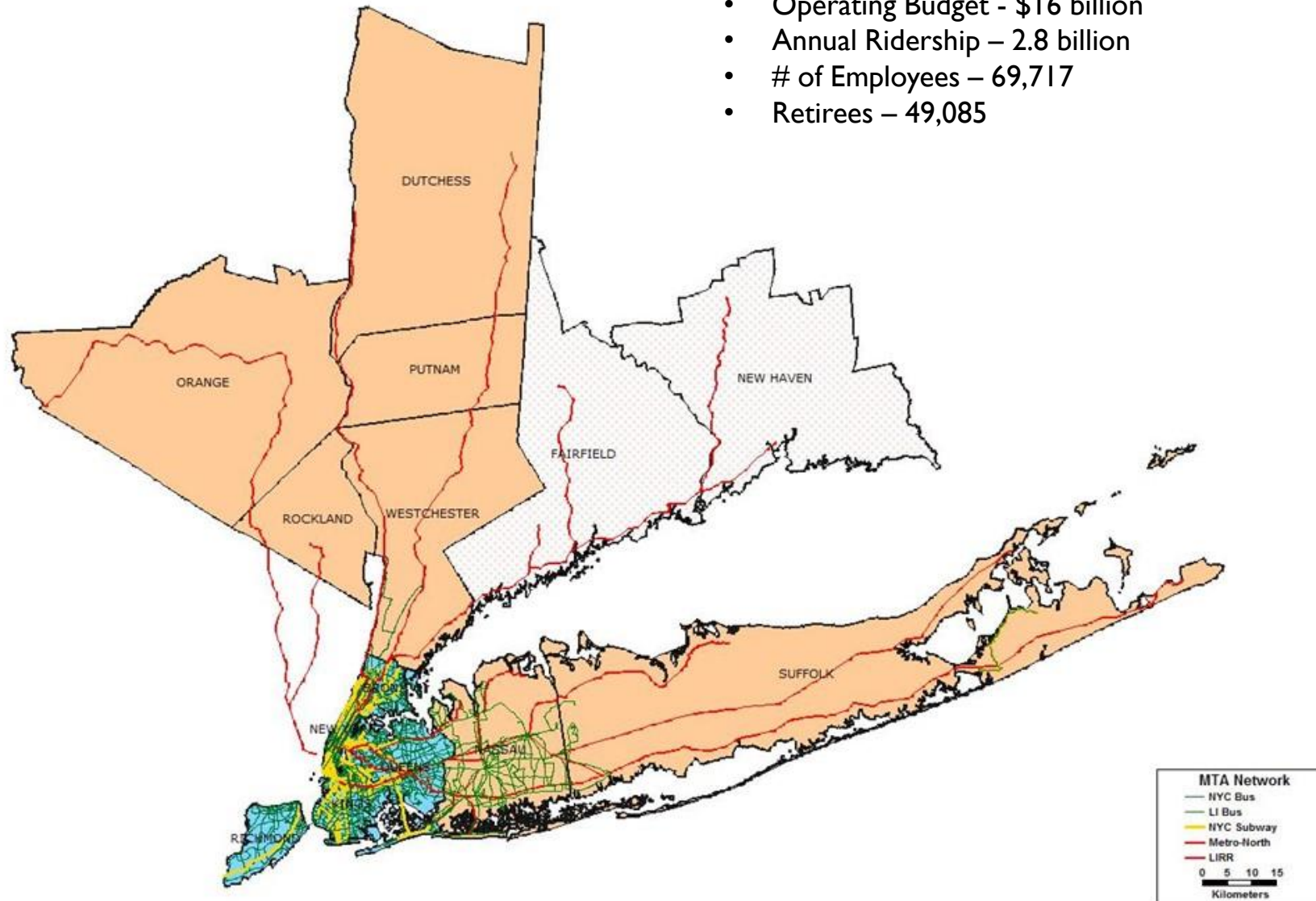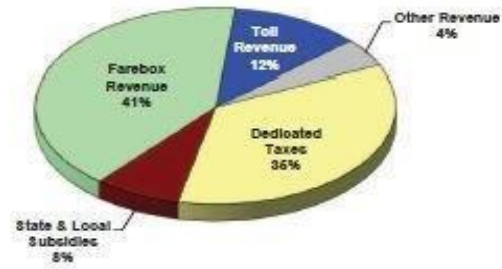
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MTA - One of the World's Largest Transportation Companies

- Operating Budget - $16 billion
- Annual Ridership – 2.8 billion
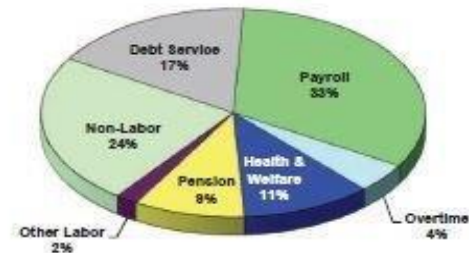- # of Employees – 69,717
- Retirees – 49,085

Follow the money

Where the Dollars Come From …

By Revenue Source ($ in millions)	
Farebox Revenue [1]	$5,936
Toll Revenue [1]	1,716
Other Revenue	689
Dedicated Taxes	5,153
State & Local Subsidies	1,126
Total [4]	$14,621

Where the Dollars Go …

By Expense Category

By MTA Agency

By Expense Category [2] includes below-the-line adjustments ($ in millions)	
Payroll	$4,736
Overtime	669
Health & Welfare	1,590
Pension	1,356
Other Labor	268
Non-Labor	3,402
Debt Service	2,482
MTA Below-the-Line Adjustments [3]	56
Total [4]	$14,558

By MTA Agency [2] includes below-the-line adjustments ($ in millions)	
NYCT/SIR	$7,441
LIRR	1,469
MNR	1,207
MTABC	632
HQ/FMTAC	636
B&T	495
Debt Service	2,482
MTA General Reserve	140
MTA Below-the-Line Adjustments [3]	56
Total [4]	$14,558

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"SHARED" – Reinforce Message

Shared Services is not just centralization of functions into one physical location. These administrative functions are a **shared** responsibility with the agencies/departments in the field.

- Agencies often have had negative experiences as the pendulum has swung many times over the years.
- Need to define the difference; the "sweet spot" that make sense
- Improve performance while preserving innovation
- Need to change technology, processes and work
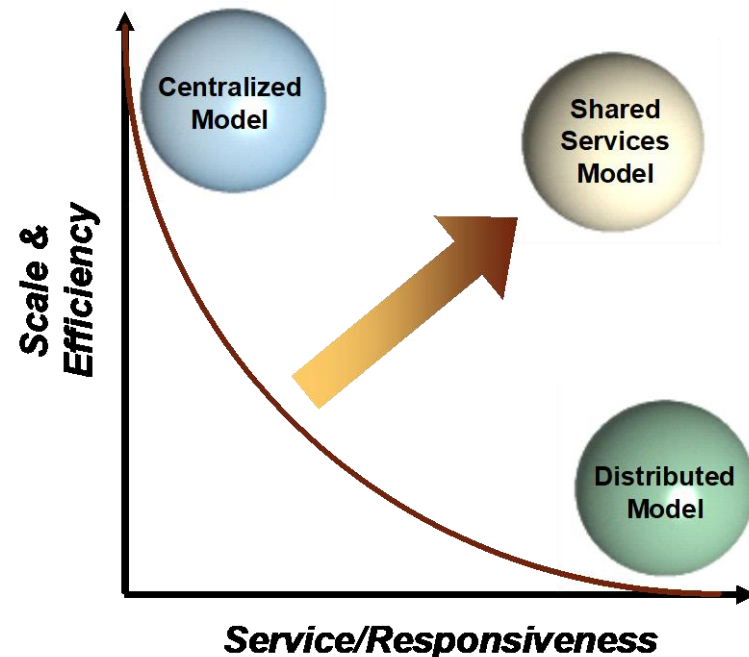
Pre-BSC System landscape was siloed

- Prior to the BSC, the MTA's administrative processing was achieved using many different systems that were not integrated

- Though many agencies used PeopleSoft, each system was completely "stand alone."

	MTA HQ	NYC Transit	CCC	Metro-North	LIRR	B&T	MTA Bus
Call Center	None	Yes	None	Yes	Yes	None	Yes
Imaging	None	Blue Bird	Blue Bird	Microfiche	Filenet	None	None
Benefits Admin.	PeopleSoft	PeopleSoft	PeopleSoft	PeopleSoft	GEAC	PeopleSoft	GEAC
HR Admin.	PeopleSoft	PeopleSoft	PeopleSoft	PeopleSoft	PeopleSoft	PeopleSoft	Mainframe
Payroll	PeopleSoft	GEAC	GEAC	PeopleSoft	GEAC	PeopleSoft	Mainframe
Timekeeping	PeopleSoft	ATS/UTS/Kronos	Kronos	PeopleSoft	Kronos	Kronos	Kronos
Accounts Payable	PeopleSoft	PRAP	PRAP	PeopleSoft	Cullinet	Macola	PeopleSoft
Procurement	PeopleSoft	Mainframe	Mainframe	PeopleSoft	Mainframe	Mainframe	PeopleSoft
Inventory	None	Mainframe	Mainframe	PeopleSoft	Mainframe	Mainframe	PeopleSoft
Accounting	PeopleSoft	GEAC	GEAC	PeopleSoft	Cullinet	Macola	PeopleSoft

With the BSC, the MTA established integrated systems

- Since the BSC, the MTA has had the advantage of using one Enterprise Resource Planning (ERP) system, one document management system and one customer relationship management system.

- ***This created the platform for innovation and savings***

- Agencies still use different inventory and timekeeping systems

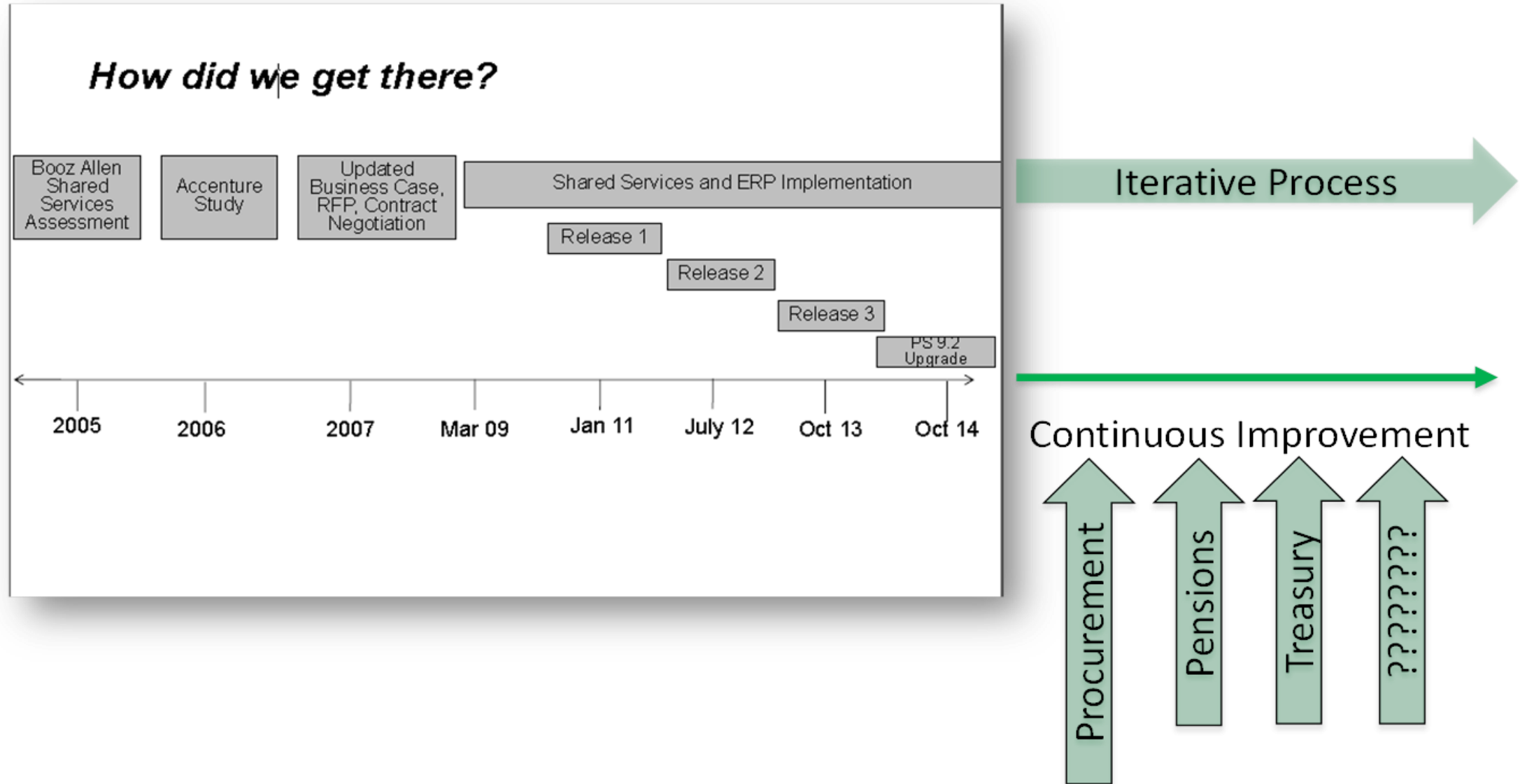|	MTA HQ	NYC Transit	CCC	Metro-North	LIRR	B&T	MTA Bus
Call Center	Siebel						
Imaging	Universal Content Management (UCM)						
Benefits Admin.	PeopleSoft						
HR Admin.							
Payroll							
Accounts Payable							
Procurement							
Accounting							
Inventory		Mainframe	Mainframe		Maximo		Mainframe
Timekeeping		ATS/UTS/Kronos	Kronos	Kronos	Kronos	Kronos	Kronos

Improving Staff Utilization

MTA has the opportunity to improve its staff utilization through a deployment of a new Shared Services operating model.

Function	Baseline 2006 Full Year	Projected Reduction	Ideal State BSC FTE Baseline	% FTE Reduction
Finance	236	(132)	104	55.9%
Human Resources	263	(129)	134	49.0%
IT and HRIS	113	(41)	72	36.5%
Total Reductions	612	(302)	310	49.3%
BSC FTE Additions			59	
Total Staffing	612		369	39.7%

Note: "BSC FTE Additions" includes BSC leadership, contact center, mailroom, and business operations personnel.

THE JOURNEY

How did we get there?

			Shared Services and ERP Implementation
Booz Allen Shared Services Assessment	Accenture Study	Updated Business Case, RFP, Contract Negotiation	

Release 1

Release 2

Release 3

PS 9.2 Upgrade

2005   2006   2007   Mar 09   Jan 11   July 12   Oct 13   Oct 14

Iterative Process

Continuous Improvement

Procurement

Pensions

Treasury

???????

Metropolitan Transportation Authority Business Service Center — **BSC Daily Operational Metrics [Be**

Batch Report Run on 10/18/2012 at 6:00PM

Inbound Requests

CMC - Calls/Emails	Prior	New	Closed	Current
<Required>	37	15	7	45
Accounting	9	1	1	9
Accounts Payable	303	66	68	301
Accounts Receivable	21	1	1	21
Benefits	344	390	388	346
Deferred Compensation	15	7	6	16
Employment	52	39	53	38
HRIS	140	139	115	164
IT Application Support	141	2	20	123
IT DBA	10	1	1	10
IT Enabling Technologies	26	3	4	25
IT HCM App Support	542	13	4	551
IT Network	8	2	-1	11
IT Operations	14	0	0	14
IT PS Administration	53	4	1	56
IT Security	72	103	106	69
MaBSTOA Pension	14	6	5	15
NYCT Pension	16	12	12	16
Other	65	77	75	67
Out of Scope	118	45	46	117
Payroll	419	90	88	421
Pension	23	16	11	28
Procurement	18	3	3	18
Training	5	4	7	2
Total	**2,465**	**1,039**	**1,021**	**2,483**
Total Excluding IT	**1,599**	**911**	**886**	**1,624**

Closed record counts are derived where closed = prior + new - current.
This inference is necessitated by occurrence of (1) reopened requests and
(2) requests that underwent a change in area. Because of that, closed
service requests may occasionally be negative.

CCA Information			
Abandoned,Calls- 76	Total Calls- 1,294	Abandoned Call Rate-	5.87%
Average Speed of Answer (HH:MM:SS) - 00:00:57			

DMC - Mail/Email	Previous Backlog	Documents Received	Documents Processed	Current Backlog
Invoice Volume	20	166	146	40

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Use Technology to Make Sharing Work

Waterfall Report Date 10/27/13

Agency**:		ALL

ALL Past Due Summary

PO	2,027	$11,802,643
Non-PO	557	$1,607,095
Automated Processes*	111	$111,536
Intercompany	64	$3,083,245
Total	2,759	$16,604,520

PO Summary
Match Exception Rules

R500: No receipts on PO	801	$6,378,089
R600: Receipt exists, but doesn't match	983	$4,392,746
P100: Unit price is below tolerance	11	$63,744
P400: Unit price is above tolerance	19	$35,071
F700: Freight Issue	11	$10,919
R900: Received Quantity > PO Quantity	4	$11,477
R950A & B: Voucher Qty > Receipt Qty	2	$1,970
450: Voucher Amt/Qty > Received Amt/Qty	1	$29,120
P500: Voucher Unit Price <> PO Unit Price	0	$0
S210: Invalid PO	21	$36,903
V200: Voucher Qty > PO Qty	46	$248,750
V300: Voucher Amt > PO Amt	45	$109,587
Blanks	0	$0
Ready to Match	80	$480,665
To Be Matched	3	$3,600
Total PO	2,027	$11,802,643

Non-PO Summary
Workflow Status

Approved	15	$73,228
Denied/Terminated	26	$123,034
Pending	28	$163,180
Other	488	$1,247,654
Total Non-PO	557	$1,607,095

Workflow Status: Other Summary

|		
NOR - No Receipt Hold	349	$1,305,905
SEC - Workflow Security Issue	4	$5,430
IPO - Invalid PO	0	$0
IMG - Missing Image	5	$4,675
FNS - Financial Sanctions	0	$0
OTH - Other (review specific voucher for details)	11	$114,671
AMT - Amount Hold	0	$0
Blank	119	($183,027)
Total Other	488	$1,247,654

Legend

BSC Actionable Items	
Agency Actionable Items	
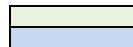
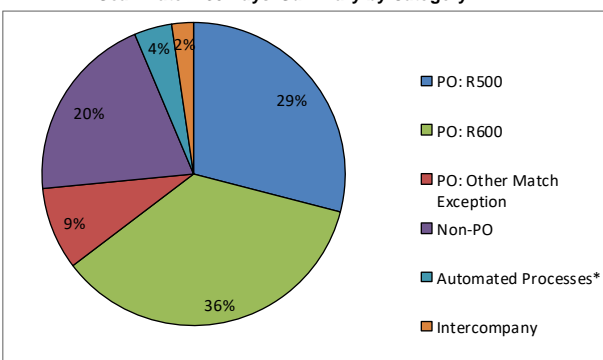* Automated Processes incl. Spreadsheet Upload and Interfaced items, i.e. Payroll and Capital Vouchers, etc
** Agency dropdown list has be consolidated (e.g. NYCTA includes MABST)

Scan Date + 30 Days Summary

Pie chart: Agency 43%, BSC 15%, Agency/BSC Collaboration 36%, Other 6%
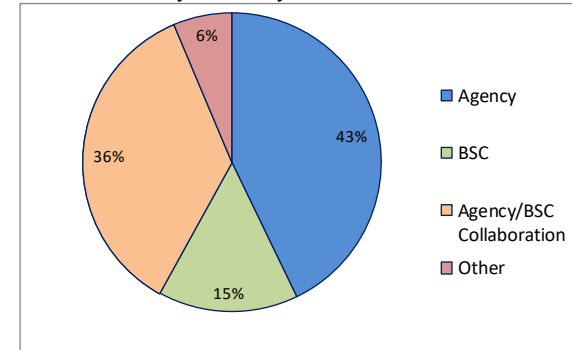
Agency	1,182	$7,852,605
BSC	419	$1,164,387
Agency/BSC Collaboration	983	$4,392,746
Other	175	$3,194,782
Total	2,759	$16,604,520

Scan Date + 30 Days Summary by Category

Pie chart: PO: R500 29%, PO: R600 36%, PO: Other Match Exception 9%, Non-PO 20%, Automated Processes* 4%, Intercompany 2%

PO: R500	801	$6,378,089
PO: R600	983	$4,392,746
PO: Other Match Exception	243	$1,031,807
Non-PO	557	$1,607,095
Automated Processes*	111	$111,536
Intercompany	64	$3,083,245
Total	2,759	$16,604,520

BSC Portal Single Point of Entry For All Users
(Employees, Retirees, Applicants, Vendors, Others)

PERSONAL
- Receive W2 forms
- View paychecks
- Verify benefits
- View wage increases
- Elect deferred compensation

WORK
- HR
- Finance
- Procurement

ORGANIZATION
- Direct Reports
- Time

SERVICE REQUESTS
- Open SRs
- Workflow

Change is hard

Consultant: "Change management activities focus on developing support for the change as the implementation progresses"
OR
Jesse: "Let's make this work and then see how we can change the culture"

Degree of Support for Change

Consultant

Commitment

Acceptance

Understanding

Awareness

DENIAL

ANGER

DESPAIR

ACCEPTANCE

Jesse

Time