



**Statement for the Record
US House of Representatives
Committee on Oversight and Accountability
“What We Have Here is a Failure to Collaborate:
Review of GAO’s Annual Duplication Report.”
June 3, 2024**

The Shared Services Leadership Coalition (SSLC) is pleased to submit this statement for the record in the House Oversight and Accountability Committee’s hearing on the May 2024 report on duplication, overlap and fragmentation in government mission delivery issued by the Government Accountability Office (GAO).

Founded in 2015, SSLC is a non-partisan, non-profit organization dedicated to advancing the government’s implementation of shared services business models to improve government efficiency and effectiveness.

GAO has identified 112 new matters across 42 subject matter areas where significant opportunities exist to reduce or eliminate duplication, and estimates that tens of billions in savings could be realized by fully addressing these issues. We thank and congratulate GAO on this impressive report and urge Congress and the Administration to work together – collaboratively, as the report title suggests – to fully realize these potential savings.

We find it surprising that in the entire 146-page report, not a single mention is made of “shared services” as a “whole of government” strategy for addressing wasteful duplication in common mission delivery and support services. Only two references to “shared IT systems¹” and “shared support functions²” are mentioned in all 112 “new matters.”

Shared services is a mainstream business model used by over 90% of Fortune 500 companies and leading public and private sector organizations around the world. Many organizations much smaller than the federal government have reported billions in savings. For example, Johnson and Johnson achieved about \$2 Billion in savings in an enterprise of 150,000 employees.

Shared services can be an important tool for increasing efficiency, eliminating technology platform duplication, reducing costs, enhancing security and government-wide data analytics for Congress, and improving the quality of services delivered to the American people.

The term “shared services” refers to the consolidation of common mission administrative functions such as human resources, financial management, procurement, information technology and many other mission delivery services into a centralized service provider. By sharing these services across multiple agencies, the government can eliminate redundancy, streamline operations, and leverage economies of scale.

¹ Recommendation 6, Background Investigations Reciprocity Among Agencies

² Recommendation 2, DoD Medical Facility Management



The benefits of shared services are multifold. First and foremost, they lead to significant cost savings. By centralizing functions, government can reduce duplicative efforts and achieve greater efficiency. These savings can then be redirected towards mission-critical activities, enhancing the government's ability to deliver on the core objectives of each agency.

Moreover, shared services improve the quality and consistency of administrative functions. Standardized processes and centralized expertise ensure that best practices are applied uniformly across agencies. This not only enhances the accuracy and reliability of administrative operations but also allows individual agencies to focus on their primary missions without being bogged down by routine administrative tasks.

Shared services also foster innovation. By creating a centralized hub of administrative functions, the government can open up opportunities for implementation of advanced technologies and innovative practices. For example, shared services can facilitate the adoption of cloud computing, artificial intelligence, and data analytics, further driving efficiencies and improving service delivery.

Finally, shared services can create attractive new career opportunities for government employees by developing highly marketable skill sets and enabling greater mobility throughout the public and private sectors.

The success of shared services is evident in numerous examples from the public and private sectors. Several Federal agencies have already embarked on shared services initiatives with promising results. The NASA Shared Services Center realized approximately \$200 Million in savings and cost avoidances in the first 10 years since its inception. In 2012, the Office of Personnel Management reported \$1.625 Billion in cost savings and avoidance from consolidating payroll services from dozens of agency-specific platforms to four government-wide service centers.

Similarly, the private sector offers compelling case studies. Many leading corporations have adopted shared services models to streamline their operations, reduce costs, and improve service quality. Bristol Myers Squibb's, realized \$1.5 Billion in annual savings through shared services. Proctor and Gamble's move to global business services delivered \$800 Million in savings. The lessons learned from these successes can and should be applied more actively to government operations.

In 2014, the Partnership for Public Service has estimated \$50 Billion in potential savings plus significant service improvements could result from fully optimizing shared services across the government over 10 years³. A 2017 study by the Technology CEO Council⁴ identified \$1 Trillion in potential savings from shared services and related IT modernization enabled by shared

³ *Building a Shared Services Marketplace*, Partnership for Public Service, October 2014.

⁴ *The Government We Need*, Technology CEO Council, January 2017.



services. These estimates did not consider the force multiplier effects of generative artificial intelligence which has the potential to yield far greater cost savings and service improvements.

The transition to shared services is not without challenges. It requires a commitment to change management, investments in technology, and a willingness to break down silos. It also necessitates robust governance structures to ensure accountability and benefits realization.

To support more rapid expansion of shared services, SSLC urges:

- **Legislative Support:** Enact legislation that encourages and facilitates the adoption of shared services across Federal agencies consistent with SSLC’s policy recommendations published in February 2024. This should include provisions for funding, incentives for participation, and clearer guidelines for implementation.
- **Investment in Technology:** Allocate resources for the development and deployment of advanced technologies that enable shared services. This includes investments in cloud infrastructure, cybersecurity, and data analytics capabilities.
- **Change Management:** Implement comprehensive change management strategies to support agencies through the transition. This includes training, communication, and the development of a shared services culture.
- **Governance and Accountability:** Establish robust governance frameworks to oversee shared services initiatives. This should include clear performance metrics, regular audits, and mechanisms for accountability.

With the national debt surpassing \$35 Trillion and the government spending more on debt service than either defense or Medicare, the time is long overdue for decisive action to eliminate unnecessary spending. “Whole of government” implementation of shared services can reduce duplication, overlap and waste while improving delivery of important government missions and mission support services. By embracing shared services, the government can deliver better services to the American people while being responsible stewards of taxpayer dollars. SSLC urges the Committee to support the advancement of shared services and to take the necessary steps to make this vision a reality.

Our recently published report, *Initial Policy Recommendations for the Transformation to Effective Shared Services Across the Federal Government* enclosed with this statement, offers additional proposals for streamlining governance and improving government-wide

implementation of shared services. We appreciate your consideration of our views and look forward to meeting with you and your staff to discuss them in greater detail in the near future.

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