

# Shared Services – an agency's perspective

## Discussion topics

- ▶ What we heard
- ▶ SSP benefits
- ▶ Our approach
- ▶ Why Ernst & Young LLP

## With you today

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## Ernst & Young LLP's perspective

The federal government's Shared Services initiative offers federal organizations an essential opportunity to delegate routine business operations to Shared Service Providers (SSPs) and focus their time and efforts on mission-critical activities. The vision of SSPs is to gain efficiencies, leverage leading practices and standardize processes. The SSP initiative was further cemented by the Office of Management and Budget (OMB), through Memorandum M-13-08, which mandated that agencies move to a federal SSP when upgrading their financial systems.

Despite the push to transition to an SSP, agencies have been cautious and continue to express concerns in the areas of governance, business processes and overall control. To overcome this impression, SSPs must convey updated processes that reflect the SSP's ability to optimize back-office functions while enabling agencies to dedicate their time and resources to mission-critical activities.

SSPs should market capabilities that demonstrate improved business processes for the agencies, strong service level agreements (SLAs) and customer service, and a robust governance structure allowing agencies to be part of the decision-making process.

Ernst & Young LLP can help by providing practical guidance to agencies interested in transitioning to an SSP, whether it be around financial systems, IT, HR or acquisition. Ernst & Young LLP has a long history of helping clients improve business performance through the effective use of process improvement models, information system capabilities and change management strategies. This includes designing shared service delivery models, preparing organizations to move to a shared service environment and managing the transformation process. We work with both agency leaders and SSPs to identify the needs and challenges of each agency and demonstrate how Shared Services can help agencies improve operations.

## Agency challenges

### Audit considerations

- ▶ Maintaining a clean audit opinion and the ability to produce needed documentation in a timely manner

### Operational continuity

- ▶ Considering user and mission requirements
- ▶ Minimizing disruption to stakeholders

### Data quality and harmonization

- ▶ Cleansing and standardizing data
- ▶ Meeting government-wide data standards

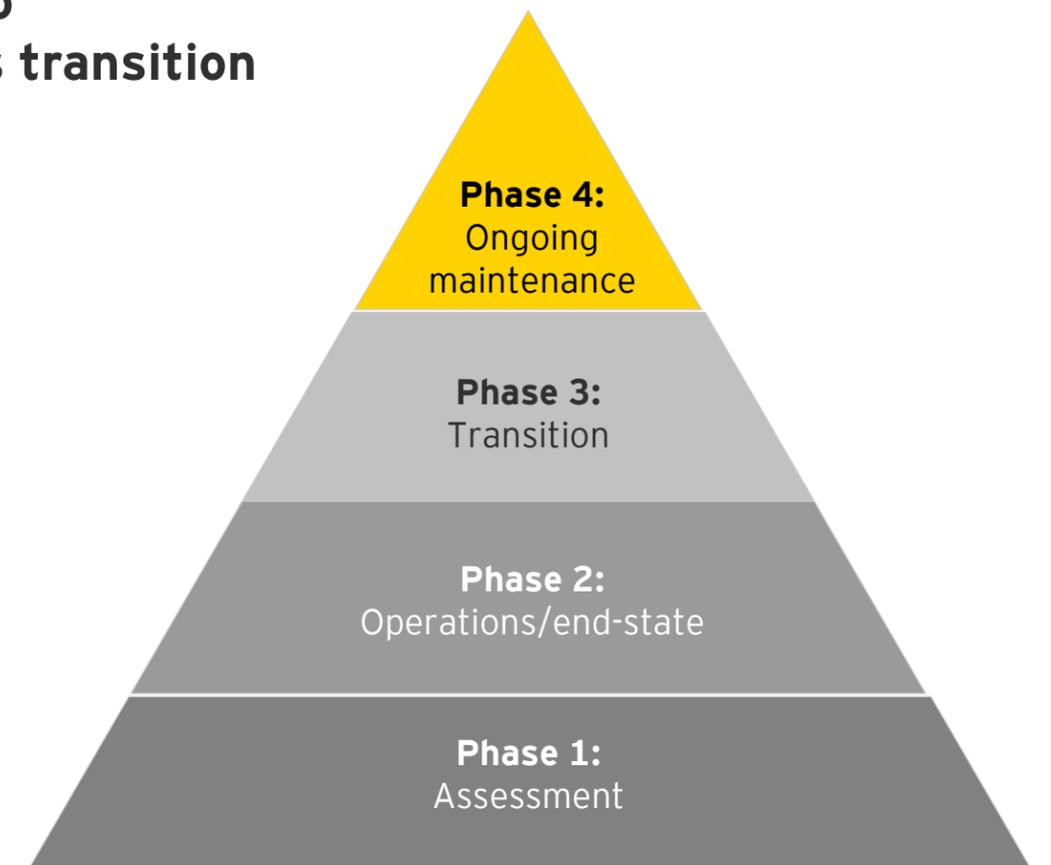
### Integration points

- ▶ Understanding the impact on feeder systems
- ▶ Including key interfaces in analysis

### Governance issues

- ▶ Developing effective SLAs
- ▶ Maintaining control over key processes that affect mission

## Our approach to shared services transition



## Why Ernst & Young LLP

- ▶ A dedicated Shared Services practice that brings you private and public sector leading practices
- ▶ A catalog of services to select from offering flexibility and optimum results and is based on:
  - ▶ Your current stage in the SSP transition
  - ▶ Your priorities and budget

## Our approach

Based on our experience and discussions with both SSPs and customer agencies, we have developed a list of key areas for consideration in each of the four SSP conversion phases. While there are a multitude of steps required to complete a shared services transition, these are the key areas that you need to get right in order to be successful and help your organization smoothly transition.

### Phase 1: Assessment

The assessment phase provides the justification for starting the project and identifies the measures for success. We recommend that an agency consider the following key areas:

- ▶ Know the true reason: Articulate why you are seeking to transition to a SSP and what you hope to accomplish by doing so.
- ▶ Talk with current customers: Meet with customers of the different SSPs to understand their experience.
- ▶ Secure an advocate: Hire or engage an agency advocate.
- ▶ Detailed SLAs: Get beyond the typical SLAs and discuss what is really important to your organization.

### Phase 2: Operations/end-state

A successful transformation is never about the technology – it always comes down to the people, which is why a separate effort focused only internally is essential. Key items to address in this phase are:

- ▶ Detailed end-state operation model and road map
- ▶ HR strategy
- ▶ Change management plan

### Phase 3: Transition

During this phase, an agency should drill down to the lowest level of detail so that there are no surprises when they go live. Conversations with agencies and providers led us to these key areas:

- ▶ Dedicated transition team
- ▶ Data cleanse
- ▶ Reports
- ▶ Detailed governance
- ▶ Process analysis
- ▶ Detailed new business processes

### Phase 4: Ongoing maintenance

Once the transition is complete and the day-to-day operations are underway, it is important that the agency works with the SSP in these key areas:

- ▶ Updates to the system
- ▶ New requirements
- ▶ SLAs
- ▶ Change control processes

## Ask us about ...

***Our work transforming the finance function for a \$4b global logistics and security provider. Our role included the:***

- ▶ Development of service level agreements (SLAs) using leading practice models.
- ▶ Configuration and release management of Oracle for each country.
- ▶ Development of “cutover” plans for the processes, data conversions, reports and interfaces for each country. These were designed to minimize the risks and reduce the timelines of the migration process.
- ▶ Use of regional collaboration teams to define data standards and conversion processes from the multiple, disparate systems into Oracle.

***Our research led to the development of two articles that can be found on the National Academy of Public Administration Political Appointee Project website:***

- ▶ “An Introduction to Shared Services”
- ▶ “Practical Advice for Federal Executives Looking to Transition to a Shared Service Provider”

