

# Shared services: A compelling model for government business

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*Deltek is pleased to present a guest blog on cloud computing from Microsoft. Over the next year, the General Government Services team will be looking to partner with leading vendors in the fields of cloud computing, enterprise resource planning software, student and teacher information systems, statewide longitudinal educational data systems and other core technologies tracked in the GovWin IQ Opportunities Database. Special thanks to Joel Cherkis and Michele Bedford Thistle for contributing their valuable insight and opinions regarding cloud computing.*

*If you are interested in guest blogging for Deltek in the topics mentioned above, reach out to [DerekJohnson@deltek.com](mailto:DerekJohnson@deltek.com) for more information! Meanwhile, be sure to follow us on [LinkedIn](#)!*

**By Joel Cherkis, Government General Manager, Microsoft**

As public sector organizations around the world seek to cut costs in response to economic and budget pressures, many are looking for new strategies to deliver on their missions. Adding to this challenge is that amid shrinking budgets and resources, more than ever, citizens are demanding services from government that rival the best and most innovative in the consumer world.

In this era of doing more with less, shared services – a new computing model made possible by the cloud – is rapidly gaining popularity in government. It refers to taking a service, application, or infrastructure owned by one organization and sharing it via the cloud with multiple parties, either within the same organization or adjacent ones. Analyst firm IDC Government Insights **predicts** that in 2013, shared services will account for 18 percent of the government cloud market and will offer new ways of procuring and provisioning technology.

The benefits of this model are clear. By combining the IT resources of departments, agencies, and even various levels of government, public sector organizations collectively stand to realize enormous cost savings by eliminating the need to independently own and manage their own IT resources. There are also important opportunities to boost efficiency by consolidating IT resources and maximizing the use of underutilized applications and services by opening them to a broader set of stakeholders. With this new model also comes greater access to innovation, particularly for local government leaders who, despite limited budgets, can now access the latest technologies by collectively sharing the cost.

A **great example** of an organization that's taken advantage of shared services in the cloud is **Staffordshire County Council** in the U.K., which created the Staffordshire Public Sector Network (PSN) to enable public sector organizations in the area to securely share services over a common network. As a result, the council is now able to deliver a pricing model based on usage of cloud services, maximize its current IT investments, and better predict future IT needs because of its new approach.

Shared services offers an exciting new model for government, and stands to change the way that public sector organizations use and procure technology. By fully leveraging economies of scale, shared services can help governments maximize their investments in technology, improve utilization of existing resources, and expand access to innovation by sharing the cost of adopting the latest technologies. As organizations continue facing challenging budget environments, I believe this will drive even more governments to adopt a shared services approach. If you'd like to learn more, I encourage you to check out our **Microsoft On Government** blog, which frequently covers this topic.

*To learn more about cloud computing procurement in the state and local marketplace, be sure to check out Deltek's 2012 report, "[Creating the Hybrid Cloud](#)," by research analyst Derek Johnson (subscription required).*