# How Does Industry Fit into "Shared First?"

Posted At : May 30, 2012 9:26 AM | Posted By : Angie Petty
Related Categories: Shared Services, Office of Management and Budget, Federal, Policy & Legislation, IT Services

OMB's release of the final Federal Information Technology Shared Services Strategy early this month, left many wondering about industry's role in the initiative. As agencies identify shared services opportunities and begin to embrace the concept, OMB believes opportunities for industry will increase.

In an effort to reduce wasteful spending that results from building duplicative IT solutions, OMB is pressing agencies to adopt a business driven approach to shared IT services across government. Savings gained through implementation of shared services will allow agencies to invest in innovative mission systems. The Shared Services Strategy strives to facilitate a cultural shift when it comes to viewing federal IT portfolios and needs.

During an AFFIRM panel discussion last week, Scott Bernard, the federal chief architect at OMB, stated that unlike the former line of business (LOB) shared services initiatives where public and private sector providers existed, OMB is not differentiating between the two. The strategy diagrams the basic shared service roles as follows:
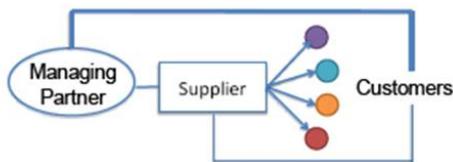
Source: Federal IT Shared Services Strategy, May 2012

The managing partner establishes and maintains an IT shared service and may be referred to as the program management office (PMO). The managing partner develops, implements, and maintains financial and service models as well as contracts with customers and suppliers. The customer is the federal agency or sub-organization that contracts with and pays a managing partner to receive an IT shared service. The supplier is a government or commercial organization that provides the actual IT shared service to customers. Statements of Work and Service Level Agreements are maintained between the managing partners and suppliers. Bernard stated, "It's my opinion in many cases, not all, but in many cases the supplier role will be filled by an industry provider."

The Office of Federal Procurement Policy, in conjunction with federal CIO Steven VanRoekel, is working to develop contracting approaches or templates that give departments and agencies more flexibility to join or leave a shared service in order to more easily switch from poorly performing contractors.

Agencies will use the PortfolioStat sessions, comprehensive reviews of IT investment portfolios, to determine where shared services opportunities exist.

According to Andrew McMahon, the PortfolioStat lead for OMB, the administration is indifferent about who provides the shared services, and because of new technologies, there could be different levels of providers.   These technology innovations and differing levels of service and providers may present additional opportunities for vendors.

Agencies have four shared services deadlines this summer:

- **May 31st** - Agencies must submit to OMB a high level portfolio survey of their internal lines of business, where they can identify potential opportunities for consolidation to a shared service provider.

- **June 15th** - Agencies must send to OMB a list of commodity IT areas ripe for consolidation.

- **June 29th** – Agencies must submit a draft plan to consolidate commodity IT.

Deltek predicts, as agencies embrace shared services, increased opportunities will emerge for contractors, especially those currently providing shared services.   But work may decline for those providing services to agencies who make a jump to a shared service model with another agency. Some agencies may be positioned to become providers of IT shared services for other agencies, which might further erode work available for the contracting community. Finance and human resources have been the first functions agencies have ported to a shared services model. Contractors can expect more shared services activity in these areas, as well as areas such as website and content management; e-mail, help desk, and collaboration; and infrastructure and asset management.