

Room for Expansion across Agency Shared Services Adoption

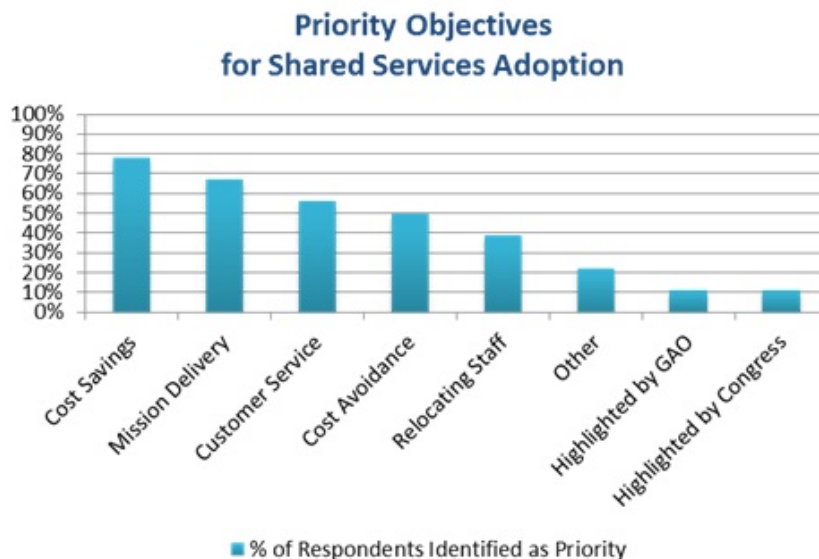
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Related Categories: Department of Agriculture, Department of Defense, Department of Homeland Security, IT Budget, Digital Government, Department of Health and Human Services, Shared Services, Office of Management and Budget, Air Force, Army, Veterans Affairs, Department of Commerce

A recent survey of federal agency leadership explored drivers behind the uneven adoption of shared services for acquisition, human resources, and information technology. Delving into agency business cases sheds light on which agencies are leading the way with transitioning major information technology efforts to shared service environments.

Survey Summary

In March 2015, the Partnership for Public Service and Deloitte [released findings from a survey on shared services](#) progress. Researchers interviewed CFOs and leaders from 18 of CFO agencies to take stock of federal shared services including the attitudes and efforts underway across acquisition, human resources (HR), and information technology (IT). The respondents offered varying perspectives on government buying. Some viewed agencies as independent service providers, which may lend a competitive aspect to shared service arrangements. Others are inclined to see government as a single purchaser, which contributes to a more collaborative environment. Over half of respondents (55%) indicated that terminating or transitioning services was difficult. 28% suggested it was a moderate challenge, and 17% said it was easy. Survey respondents identified primary objectives for adopting or expanding shared service use. The top drivers included cost savings (78%), mission delivery (67%), customer service (56%), cost avoidance (50%), relocating staff (40%), other (22%), highlighted by GAO (10%), and highlighted by Congress (10%).



Source: Partnership for Public Service

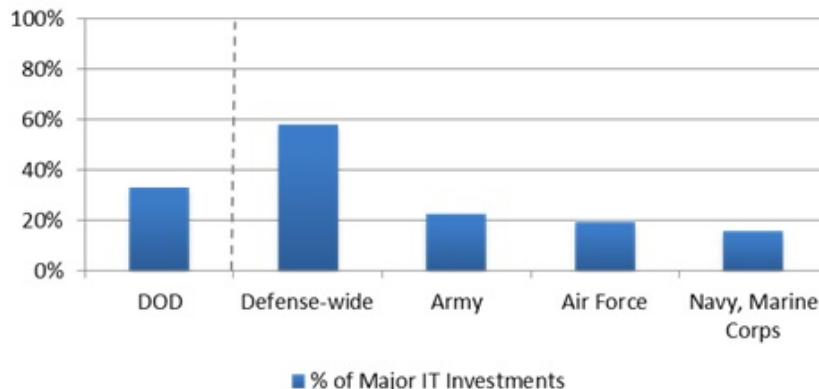
The survey findings stopped short of offering assessing the status of each of the agencies. However, agency budget materials provide some insight for plans related to shared services.

Observations from IT business cases

According to the Office of Management and Budget's exhibit of business cases for major IT investments, federal agencies identified 738 major efforts totaling \$43,609.1 million in their FY2016 budget request submissions. Of these investments, 383 include current or planned shared service spending, nearly 52% of those major IT efforts.

Across the Department of Defense's 124 major investments, 41 include current or planned efforts for shared services. Total funding associated with these efforts totals over \$7.3 billion. Due the nature of the data reported, it is unclear what portion of those resources will be directed toward shared services. Of the major investments planned Defense-wide, 58% involve shared services. Across the Army's 31 major efforts, 23% have current or planned shared service elements. 19% of the Air Force's 31 major investments include shared services, and 16% of the 19 major IT projects for the Navy and Marine Corps do as well.

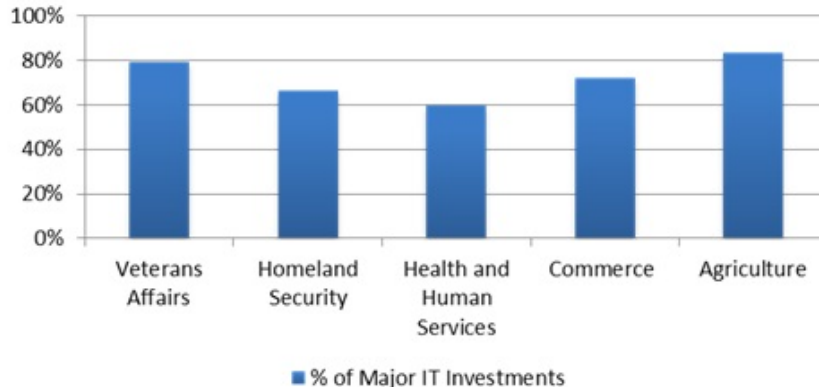
Shared Services in Major IT Investments: Defense Department, FY 2016



Source: OMB, FY 2016 IT Business Cases

Analysis of the major investments across civilian agencies highlights the range of adoption progress across organizations. By the level of spending associated with those investments, the top five civilian agencies for shared services are Veterans Affairs, Homeland Security, Health and Human Services, the Department of Commerce, and the Department of Agriculture. 79% of the 24 major investments at the Department of Veterans Affairs include current or planned spending on shared services. At the Department of Homeland Security, 66% of 89 major investments involved shared services. Within Health and Human Services, 60% of 94 major efforts include shared services components. 72% of the 23 major investments detailed for the Department of Commerce have shared service elements. The Department of Agriculture reported on 24 major IT efforts, 83% of which include shared services. Total funding associated with these major investments across the top five agencies combines to roughly \$12,070 million. As with the Defense Department, the portion of each fund intended for shared services is not specified.

Shared Services in Major IT Investments: Top 5 Civilian by Associated Funding, FY 2016



Source: OMB, FY 2016 IT Business Cases

Take Away

Agencies are approaching shared services as a means to increase operational and cost efficiencies. In some cases, concerns about mission delivery contribute to some reluctance to relinquish program control. In others, the ability to standardize and ensure consistency of services is helping shared services gain traction. Additionally, agency leaders are working to resolve uncertainty about specific benefits and costs associated with the move to shared services in order to decide if it's right for a particular organization. Given the varied landscape of mission and program requirements across the government, it's hardly surprising that there's a range of positions and approaches in play for how shared services are being implemented.

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