Shared services can optimize the delivery of cost-effective, flexible, reliable services for organizations, allowing them to focus on their core missions. For more than 20 years it has been a highly desirable solution in the private sector, and Accenture can bring our insights and experience to help the federal government unleash the same potential for customers and providers.

More than 75 percent of Fortune 500 companies report having some form of shared services—from point solutions to fully integrated business services across finance, human resources, supply chain and procurement, information technology and customer support. Recently, state and local governments have had great success also, improving citizen services while reducing costs—effectively doing more with less.

Federal agencies have the same opportunity to use shared services for enhancing capabilities, increasing capacity and service levels, and reducing costs. There are a number of imperatives driving federal agencies to explore or expand their use of shared services—consider their role in providing services to other government organizations. Current fiscal realities, combined with Federal CIO guidance and efficiency initiatives such as "Shared First", mean more federal organizations are looking for the strategic solutions shared services can offer.

Implementation requires leaders to use workforce management techniques and technologies, operating models, and human capital strategies in coordination. This can achieve dramatically improved operating costs, greater consistency in service and sustainable momentum toward goals well beyond process reengineering or the use of disparate technology solutions. Our experience helping to identify the right model, managing operations, and transitioning clients to their goals reduces risk and provides accelerated results.

The Federal Shared Services Landscape

Across the federal government, there is a growing tendency to remove barriers and influence shared services outcomes through legislation, executive orders and administrative policies. Directives such as "Shared First" and policy like the Digital Government Strategy (May 2012), the Shared Services Strategy (May 2012) and the Shared Services Catalog (April 2013), provide a clear expectation that the change will happen, and soon. With that in mind, the next issue is to clarify the method. No matter where an organization finds itself on the continuum
from provider to customer, Accenture can provide tested practices and assets to:

- Help organizations choose what functions to move to shared services.
- Guide customer organizations on managing supplier relationships.
- Enable organizations to offer shared services and manage service level agreements.
- Conduct assessments to improve services and manage customer relationships.

Shared Services – Fit for Federal Solutions

Accenture defines shared services as the consolidation of administrative or support functions (such as human resources, finance, information technology, supply chain, and customer service) from several departments or agencies into a single, stand-alone organizational entity whose only mission is to provide services as efficiently and effectively as possible. While cost-cutting may be the initial rationale, high-performance government organizations focus more on using the potential of shared services to improve mission or citizen services.

Accenture defines the key features of shared services operations as:

- Consolidating administrative functions into an organization responsible for providing administrative functions efficiently and effectively.
- Redesigning standardized processes around best practices and enabling technology.
- Requiring a redesign of the organizational structure and workforce to best serve customers.

- Building a high-performance culture with a strong focus on service excellence and continuous improvement.
- Clearly defining responsibilities for both customer and service provider via service-level agreements, key performance indicators and a comprehensive service management framework.

We have seen the greatest value delivered by shared services when implementation goes beyond technology and applications and addresses the full end-to-end system including business process services. Adopting a shared services operating model should address business processes, policies, organizational structure, personnel management and technology. When all of these components are addressed holistically as part of a shared services strategy, the benefits of shared services can be realized.

Assessing Opportunities for Shared Services

Development of shared services is a journey, and public sector organizations are generally in the early stages of that journey. Although the timeframe will be unique to each agency, a typical shared services program progresses through a series of five phases: opportunity assessment, operating strategy, design, building and testing, and rollout.

Initial assessment recognizes that, in general, the ideal processes for transitioning to shared services have low strategic impact on the organization and can achieve significant...
economies of scale. The more strategic processes typically remain within agencies, while transactional processes are well suited. Tactical or operational functions are best considered case by case: depending on the agencies involved, each function may have different impact on the overall mission. For example, a public safety agency may not consider accounts payable to be critical to its mission; a child welfare agency, however, would be more likely to retain its accounts payable function because of the potential social impact and political risk deriving from even minor issues in a new model. Shared services decision makers will spend considerable time deliberating over "middle-ground" functions such as these.

Leaders must ask:
- Are skills duplicated unnecessarily in multiple departments or geographic areas?
- Do we face critical staffing shortages from impending retirements?
- Do we face budget constraints that suggest diverting funds from back-office to citizen focused activities?
- Do we suffer from a scarcity of specialized skills?
- Do our administrative support functions process large numbers of transactions?
- Are a lot of employees located in high-cost areas?
- Are we facing significant investments to update or upgrade systems and processes?
- Do we experience inconsistent service levels across the organization?

Accenture's significant experience in the field can help agencies to frame and make these decisions quickly, thoughtfully, and with full insight into the implications of each choice.

Benefits of Shared Services

Realizing the full value of shared services—whether for an existing line of business (LoB) provider improving service to attract and retain new customers, or an organization examining the possibilities of transforming to shared services for its own needs—comes from implementing and focusing on both service management and continuous improvement.

- Economic Value: Lowering the total costs of an existing administrative support function and gaining from economies of scale as consolidated functions and processes eliminate redundancies and minimize the cost of transaction-processing activities.
- Strategic Value: Benefits from economy of skill, higher employee productivity, lower defect rates, and increased flexibility

The economic value and strategic value of shared services will enable government organizations in meeting increased demand with fewer resources and assist the government in achieving other strategic objectives by freeing up funding for other initiatives with greater impact for citizens.

Critical Success Factors

Accenture brings a great deal of experience in providing shared services transformations to a variety of organizations and agencies. Leading practices for implementing and sustaining the benefits of shared services include:

- Building a strong business case to gather and sustain senior executive support.
- Clearly defining the vision, business strategy, objectives, operating model and governance.
- Identifying the full budgetary requirements at the outset of the journey.
- Establishing the portfolio and scope of services, service-level agreements and performance metrics.
- Positioning strong leadership and skilled shared services personnel.
- Planning in detail with an emphasis upon change management—with a focus on customers.
- Implementing rigorously standardized and automated processes.
- Building solid technology platforms.
Leading the Way

For more than 20 years, Accenture has been a leader in delivering the benefits of a shared services operating model. We transition our clients to shared services programs that consistently deliver cost savings and improved service levels. With more than 500 shared services projects globally, Accenture has helped our commercial and public sector clients collectively realize nearly US$1 billion in annual savings for clients operating around the world.

Our thought leadership continues to redefine the value our clients deliver to their customers, through publications such as:

- Achieving High Performance through Shared Services: Lessons from the Masters
- Multi-function Shared Services: Insights from an Accenture Research Study
- Optimizing Shared Services Performance through Better Service Management
- Establishing Trust through a Well-Defined Shared Services Governance Framework

We augment our capabilities with world-class assets, standardized methods based on industry practices, and a broad program of ongoing research developing the next wave of innovation to support our clients. We are able to leverage our proprietary assets and global delivery network for quality, speed and lower costs, including:

- Accenture Shared Services Methods.
- Accenture Shared Services Business Case Tool.
- Accenture Shared Services Health Check.
- Accenture Shared Services Location Selection Tool.
- Journey and Change Management for Shared Services.
- Transformation and Culture Change Methodologies.

Using proven leading practices in shared services transformation, Federal government agencies can expect to move toward high performance in managing their operations, serving their customers, and providing value for citizens, while reducing their operating budget.

For More Information

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Accenture Federal Services, based in Arlington, VA, a wholly owned subsidiary of Accenture LLP, helps US federal agencies build the government of the future. Visit www.accenture.com/federal for information regarding Accenture Federal Services, including our perspectives on agency and cabinet challenges and experience delivering results.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 266,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$27.9 billion for the fiscal year ended Aug. 31, 2012. Its home page is www.accenture.com.