Federal Shared Services

> To become more efficient, government needs to reach the point where sharing or merging functions is routine, making use of scarce but critical expertise and building high-quality capacity through economies of scale. It requires agency leaders to make critical choices about what their organization does well and what makes sense to obtain from others who can provide best-inclass services.
>
> — Partnership for Public Service - A Call to Action on Shared Services[1]

Summary

Cost	The use of shared services is estimated to generate between $21.0 billion and $47.2 billion in cost savings between 2015 and 2025. Once fully utilized, total savings and cost avoidance are estimated at $47 billion per year.
Policy	The goal of shared services is to efficiently aggregate resources and systems to improve the quality, timeliness, and cost effectiveness of service delivery to customers. The Unified Shared Services Management (USSM) office was created to drive shared service adoption and establish a high-performing marketplace that leverages proven best practices in service delivery and performance.
Risk	Sporadic agency adoption of shared services continues due to concerns about quality and expertise of providers, the lack of standard, government-wide requirements, and the challenges of transferring funds between agencies.
Accountability	USSM recently launched ProviderStat to measure performance and drive accountability across shared service providers to improve customer satisfaction, transparency, and, ultimately, increase shared service adoption.

Federal Shared Services

Overview

A shared service is a business or mission function that is provided for consumption by multiple organizations within or between Federal agencies. There are approximately 300 Executive Branch organizations of various magnitudes and missions, and over 10,000 IT systems across the Federal government. Through the use of shared services, there is tremendous opportunity to drive efficiencies and cost-savings in many functions such as Human Resources and Financial Management. For example, a 2012 review of Federal agency IT investments revealed significant redundancies and identified billions of dollars in potential savings that could be achieved by adopting a shared approach to IT service delivery both inside and across agencies.[2]

The goal of shared services is to efficiently aggregate resources and systems to improve the quality, timeliness, and cost effectiveness of service delivery to customers. By leveraging government-wide economies of scale, agencies can reduce administrative burdens and increase collaboration, allowing more time to focus on core mission functions. Furthermore, *intra-agency* shared services can also be impactful in improving mission function, reducing costs, and increasing collaboration across an agency.

Federal shared services continue to evolve. While some challenges in shared service implementation have already been addressed, the government will only begin to benefit from economies of scale in technology if agencies agree on baseline common requirements that satisfy

We have a culture of every agency doing 100 percent of its own work most of the time, absent of a few shared services...And not just at the agency level, but sometimes well below that. There's tons and tons and tons of uniqueness."

— Federal CIO Tony Scott[3]

agencies of all sizes. Recognizing that agencies will have their own requirements based on existing business processes, gathering customer requirements on a systematic basis will help identify a more appealing shared service solution. By empowering shared service providers and their associated change management boards, these customer requirements can be built, as appropriate, into their service offerings. Potential cost savings are not insignificant. For example, "for government-wide back-office operations, the conservative range of cost savings over 10 years is estimated to be between $21.0 billion and $47.2 billion. Once shared services are implemented, total savings and cost avoidance from the annual budget would be approximately up to $47 billion per year"[4] (see Figure D1).

Recent fiscal pressures, cyber vulnerabilities, rising customer expectations, hiring limitations, and the need to deliver IT solutions more efficiently provide significant incentives for agencies to share services government-wide.[5] Agency adoption of shared services has historically proven to be an arduous task. Successful adoption government-wide will require sustained executive leadership and support from within the agency itself and from the next Administration.

Figure D1: Projected Cost Savings Through the Use of Shared Services (2015-2025)[6]

CALCULATION INPUTS	CUMULATIVE ESTIMATED COST SAVINGS PROJECTED OVER 10 YEARS*	
	COST SAVINGS (LOW)	COST SAVINGS (HIGH)
Cost savings	$24.8 billion	$55.9 billion
Migration and transition costs	- $6.5 billion	- $14.5 billion
Continuous improvement	$2.6 billion	$5.8 billion
TOTAL COST SAVINGS AND COST AVOIDANCE	**$21.0 billion**	**$47.2 billion**

Policy Evolution

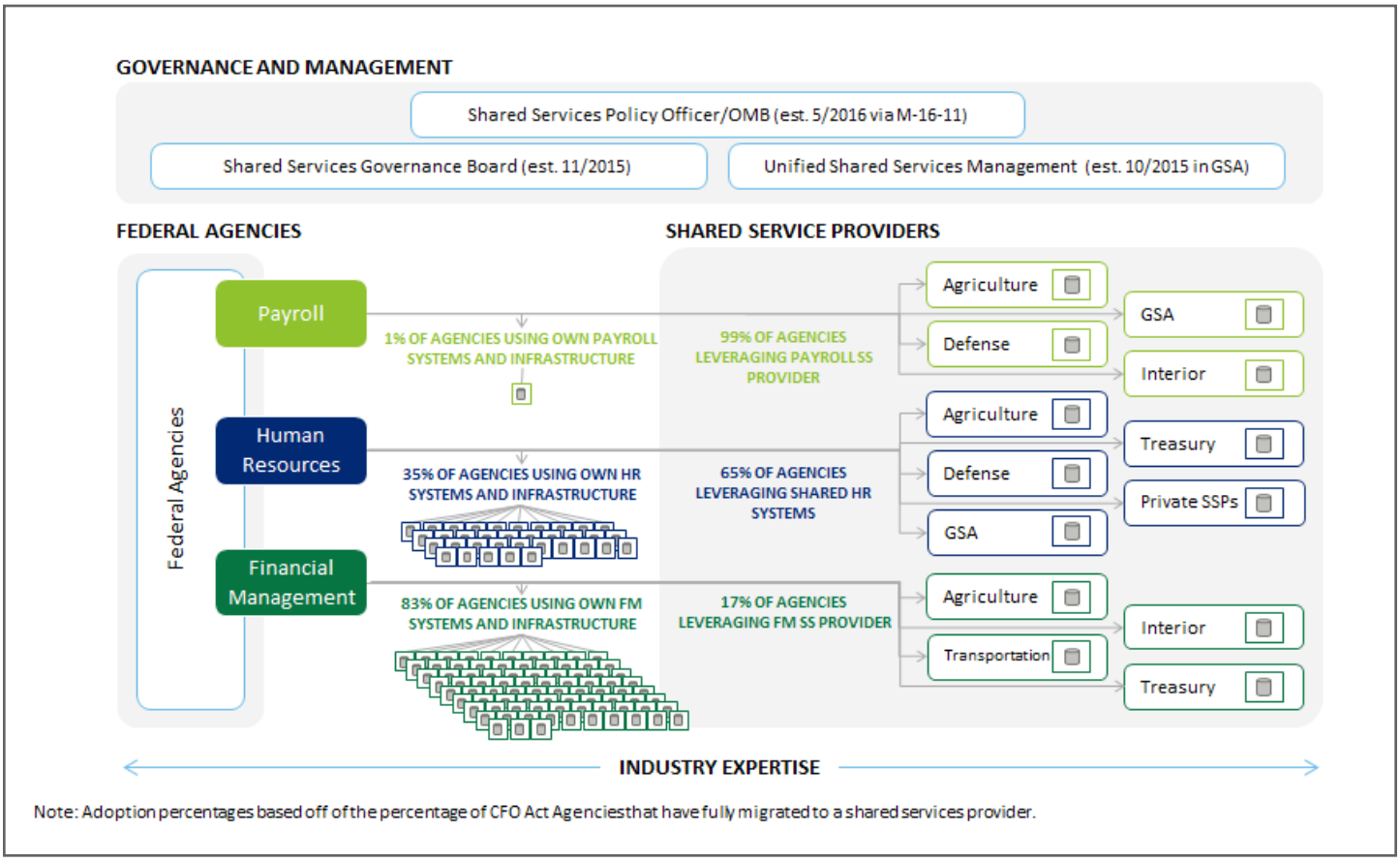
The benefits of shared services are well known to the Federal government. Though hurdles still need to be overcome for broad adoption, sharing responsibilities for common tasks both within an agency and among agencies can reduce duplicative investments, thus conserving resources and achieving efficiencies.

Currently, there are five Federal agencies offering shared services across two lines of business (LoBs) - Human Resources (encompassing Payroll and other services) and Financial Management. As shown in the figure below, the Human Resources LoB has the highest rate of adoption across government, 99 percent for Payroll and 65 percent for core Human Resources systems. Given the potential for further cost savings and cost avoidance, significant opportunities remain for additional adoption of these shared services.

Key Stakeholders

- Unified Shared Services Management (USSM) — GSA
- Federal Acquisition Service (FAS) — GSA
- Office of Financial Innovation and Transformation (FIT) — Treasury

Figure D2: Shared Service Providers[7]



Note: Adoption percentages based off of the percentage of CFO Act Agencies that have fully migrated to a shared services provider.

Over time, government-wide policies and initiatives to encourage and increase shared services have shifted from a top-down mandatory approach towards building a shared services marketplace. For example, the new Unified Shared Services Management Initiative (USSM) at GSA lays out a comprehensive organizational structure for shared services efforts across the Federal government. This shift is discussed in the next section of this paper, including a summary of key government-wide strategies and initiatives.

Key Initiatives

2001 E-Government Initiatives

Sets up cross-agency initiatives to provide services to citizens, business, and government through Internet-based tools and technologies. Initiatives included Benefits.gov, Grants.gov, and USAJOBS.gov.

2004 Lines of Business

Designates managing partner agencies and task forces to address areas of shared government-wide business support functions (e.g., human resources management, financial management, grants management).[8]

2011 Intra-Agency Commodity IT Services

Directs agency CIOs to leverage their agency's purchasing power to eliminate duplication of IT investments. Instructs agency CIOs to show a preference for the use of shared services, either as a customer or as a provider.

2012 Shared-First

Requires the adoption of shared services whenever applicable, identifies provider agencies and delivery models, and the identification of two IT areas for migration to a shared service.

2013 – 2015 Uncle Sam's List

Implements the market research component of the Shared-First strategy, provides a location for users to find and connect with service providers, and supplies additional implementation guidance to agencies.

2013 – present Financial Management Shared Services

Mandates the use of shared service solutions for future modernizations of core accounting systems, provides an analysis process for existing Federal shared service providers, and outlines communities to facilitate shared service adoption.

2015 Unified Shared Services Management

Created at GSA to foster a Federal shared services environment that emphasizes good government, consumer satisfaction, and service provider innovation.[9]

Supporting OMB memo M-16-11[10] establishes a review process for new financial management, human resources, or acquisition system investments and their alignment with shared service options, establishes USSM as the managing partner for ProviderStat, and provides new implementation and oversight guidance.

2001

E-Government Initiatives

In 2001, OMB established an E-Government Task Force to examine opportunities for government-wide common service solutions, many of which were citizen-facing.[11] The resulting projects became known as the E-Government Initiatives and focused on four general service areas: service to individuals, service to businesses, intergovernmental services, and internal efficiency and effectiveness.

E-Government Initiatives	
Key Strengths	• Led to initial improvements in the way that citizens interact with the government using the Internet • Focused on specific government-wide service offerings, such as one-stop websites and payroll consolidation
Key Challenges	• Mandating use of a shared service can lead to lower quality service levels if governance does not adequately incorporate customer feedback • Services addressed by this initiative did not necessarily prioritize the highest potential value opportunities • Requiring interagency funding transfers to pay for services can draw additional scrutiny or oversight • Migrations took a long time to complete (e.g. nearly a decade to migrate to the four government-wide payroll service providers)
Policy Impact	• Paved the way for future shared service offerings • Many of the citizen-facing websites originally created by E-Government Initiatives are still active today: Grants.gov, Benefits.gov, Recreation.gov, and USAJobs.gov

2004

Lines of Business

In 2004, the initial shared services Lines of Business (LoBs) were established to improve the internal operations of Federal agencies and further reduce duplicative IT spending. Cross-agency teams identified Financial Management, Human Resources Management, and Grants Management as key opportunities for integration and consolidation.[12] The LoB approach then designated government-wide service providers and sought to drive customer agency migrations to those providers. At present, the Shared Services CAP Goal highlights the Lines of Business for Human Resources Management (HR LoB) and Financial Management (FM LoB) which illustrates the continued commitment to these efforts.[13]

Lines of Business	
Key Strengths	• Early exploration of the value of interagency collaboration on standardizing common business processes
Key Challenges	• Required strong and consistent engagement by OMB and agency leadership to drive use of services provided by the Lines of Business
Policy Impact	• There are a number of active LoBs still in existence today, such as the Human Resources LoB, Budget Formulation and Execution LoB, and Financial Management LoB

Initial Lines of Business

- Case Management (CM)
- Financial Management (FM)
- Human Resources Management (HR)
- Grants Management (GM)
- Federal Health Architecture (FHA)

2011

Intra-Agency Commodity IT Services

The difficulties surrounding adoption of shared services within agencies led the Administration to include a shared services effort in its 2010 IT Reform Plan, the 25-Point Implementation Plan to Reform Federal IT Management.[14] As it relates to shared services, the focus was on consolidating intra-agency commodity IT services. Commodity IT includes areas of common functionality such as e-mail, desktop computers, mobile devices, financial systems, human resources systems, and other administrative systems.[15] To accelerate the adoption of shared services in commodity IT, OMB directed agencies to first examine the possibility of adopting shared services either as a provider or consumer before considering the adoption of one-off independent licenses or agreements.

Intra-Agency Commodity IT Services	
Key Strengths	• Required agencies to establish plans to replace redundant commodity IT services with consolidated or enterprise services • Developed cost savings targets used to track future PortfolioStat-related savings
Key Challenges	• While examples of commodity IT were listed, no formal definition was provided, leading to ambiguity and potential confusion • Encouraged agencies to consolidate but did not offer significant solutions to policy, legal, and management challenges • PortfolioStat efforts after the first year did not follow-up on the progress of commodity IT consolidation plans
Policy Impact	• Provided cover for agencies to replace disparate systems and services with consolidated and enterprise approaches • Established cost savings targets for new investments

2012

Shared-First

Shared-First[16] was an effort to consolidate and improve upon the shared services developed in the E-Government Initiatives, Lines of Business, and commodity IT. Shared-First, as described in the 2012 Federal Information Technology Shared Services Strategy, sought to improve return on investment and close productivity gaps through the use of shared services.[17] Key requirements for agencies included:

- Identification of two IT areas for migration to a shared service approach
- Submission of an enterprise roadmap that included the agency's Commodity IT Consolidation Plan and LoB Service Plan.[18]

Shared-First	
Key Strengths	• Provided agencies with standardized vocabulary and guidance on business models • Identified responsibilities for various shared services stakeholders, identified available funding models, and defined critical factors for success
Key Challenges	• Policy requirements were a good start, but did not go beyond basic guidance (e.g. "two IT areas for migration to a shared service approach")[19] • Despite the "Shared-First" principle, OMB continued to accept budget requests for agency expansion of non-shared systems with no negative consequences • Agencies often did not have the IT infrastructure[20] necessary to provide efficient and effective shared services to the Federal community
Policy Impact	• Agencies chose "low-hanging fruit" when selecting services to meet OMB's "two IT areas for migration to a shared service approach" • There is no evidence of follow-up on the success or failure of each agencies selected "two areas for migration" or to determine whether agencies progressed to more advanced services over time

2013 — 2015

Uncle Sam's List

Another key challenge facing shared services adoption has been the difficulty that agencies encounter when trying to identify providers and solutions. To address this issue, OMB launched Uncle Sam's List (USL) in 2013 as an online marketplace that cataloged available shared service providers, contracts suitable for use by multiple agencies, and other opportunities for agency collaboration.[21]

The goal of USL was to connect government service providers with potential customers the way popular commercial sites like CraigsList did so for housing, jobs, and professional services. Providers could post available services and contracts. Potential customers could post requests for services that matched their needs. Though the service offerings were centralized, continued rates of low adoption led OMB to pivot toward the broader-scoped USSM program and terminated USL in 2015.

Uncle Sam's List	
Key Strengths	• Explored a "marketplace" approach to connecting service providers with potential customers
Key Challenges	• Ambiguous service level agreements, competitive offerings from commercial providers, and low trust between potential customers and Federal providers resulted in low customer interest • Limited agency outreach, accessibility challenges, and lack of breadth in service offerings reduced adoption potential
Policy Impact	• Voluntary adoption of offered services was low • Uncle Sam's List was not widely used and was eventually discontinued

2013 — present

Financial Management Shared Services

In 2013, OMB's Office of Federal Financial Management (OFFM) looked to shared services as a means to reduce costs and improve the state of government-wide financial management. OMB required CFO Act agencies to halt all financial system modernization projects with $20 million or more in planned development or modernization spending, pending an agency re-evaluation of shared services alternatives and a further review by OMB.[22]

In order to mitigate risks and decrease costs, the Department of the Treasury's Office of Financial Innovation and Transformation (FIT) was established as a pilot office for new shared service solutions in the area of financial management systems. Some of the approaches attempted in this initiative were later applied in the Unified Shared Services Management effort discussed below.

Financial Management Shared Services	
Key Strengths	• Provided standards, migration guidance, implementation frameworks, and other tools designed to assist agencies in selecting government or commercially-based financial management shared services
Key Challenges	• Difficult to customize provider service offerings for diverse agency business process needs • Potential customer agency business processes were often difficult to reengineer to match available offerings
Policy Impact	• The effort acted as a pilot program for other shared services adoption government-wide, focusing on a mission-critical system to start

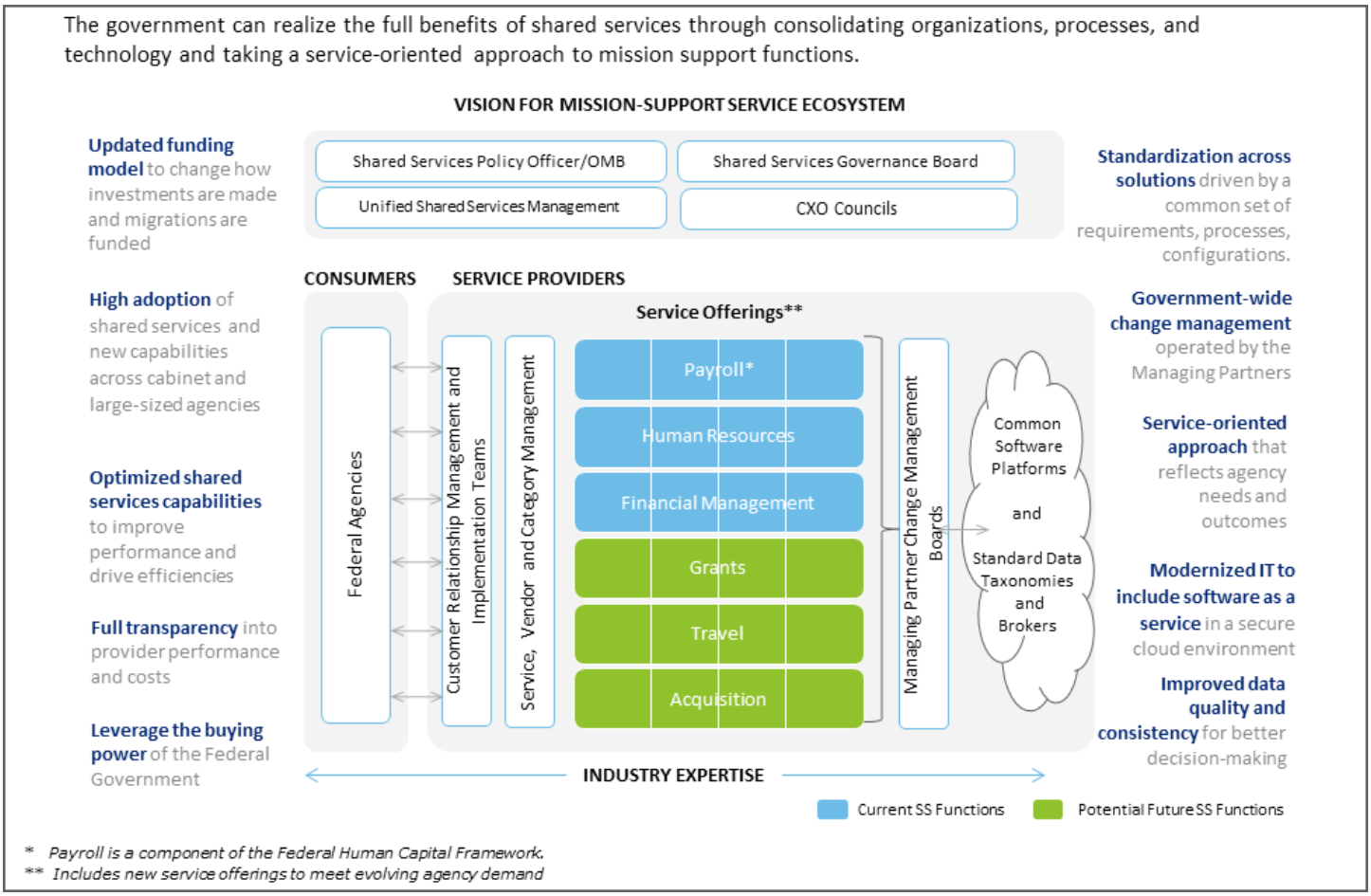
2015

Unified Shared Services Management (USSM)

In late 2015, the push for broad adoption of Federal shared services was renewed once more with the establishment of USSM.[23] USSM was placed within the Office of Government-wide Policy at GSA, providing management of the Federal shared services ecosystem. USSM's government-wide perspective includes efforts related to the original LoBs, commodity IT, the Shared-First Initiative, and financial systems modernization. At present there is a strong focus on cross-administrative functions, Financial Management, and Human Resources, as reflected in the current Shared Services CAP Goals. Much of USSM's role was defined in OMB Memorandum M-16-11.[24]

Primarily, USSM is charged with establishing a long-term vision to optimize a service delivery model for the Federal government that addresses capacity, funding, and technology challenges of today and creates a balanced marketplace of commercial and Federal providers. USSM also aligns agency demand to the possible expansion of supply, creates best practices to ensure successful implementation, and establishes a performance management framework for transparency into FSSP operations and metrics. The figure below depicts this future state of shared services operations for mission support functions.

Figure D3: Future Concept of Operations for Mission-Support Functions[25]



Unified Shared Services Management	
Key Strengths	• Provides guidance and support to both shared service providers and customers, as well as management and oversight from an enterprise-wide perspective
Key Challenges	• Previous challenges experienced with other shared services efforts still exist including different approaches to Service-Level Agreements (SLAs), migration timing, customer service burdens, concerns over the assumption of risk, and provider performance management
Policy Impact	• USSM has worked with the Shared Service Governance Board, providers, and customers to craft a 10-year vision for service delivery of administrative functions • Over the long-term, USSM will help agencies realize the full benefits of shared services through consolidating organizations, processes, and technology and taking a service-oriented approach to mission support functions • Creating a centralized support office should help agencies manage their migrations and can help mitigate regulatory and policy barriers to implementation

Metrics and Oversight

Primary Objective Emphasized in Metrics and Oversight

OMB and GSA have promoted shared services because agencies can leverage commonly-skilled resources to perform transaction work at lower costs, focus less on maintaining and modernizing systems and more on data analytics and mission work, and benefit from standardized processes that produce efficient outcomes.

Though the shared services marketplace is generally thought of as comprising the four designated Financial Management providers, there are actually more agencies offering niche services across the government. In 2016, the director of USSM, Beth Angerman, observed that, "[t]he market for Federal shared services is more than $1 billion a year and growing as agencies struggle to sustain their own systems and hire the right right resources. Because we have an expansive marketplace, it's important that the government expects cost and pricing transparency, coupled with consistent performance metrics, to ensure that the solutions are meeting customer demand."[26]

Examples of Metrics and Oversight

Report to Congress on the Benefits of the E-Government Initiatives and Lines of Business. While OMB's focus on shared services was based on both operational efficiencies and cost savings, the limited availability of such measures led to a focus on qualitative anecdotes. As these initiatives progressed, additional metrics and assessments evaluated adoption and performance of shared services. Some inconsistencies across these metrics made it difficult to accurately compare data from year to year.

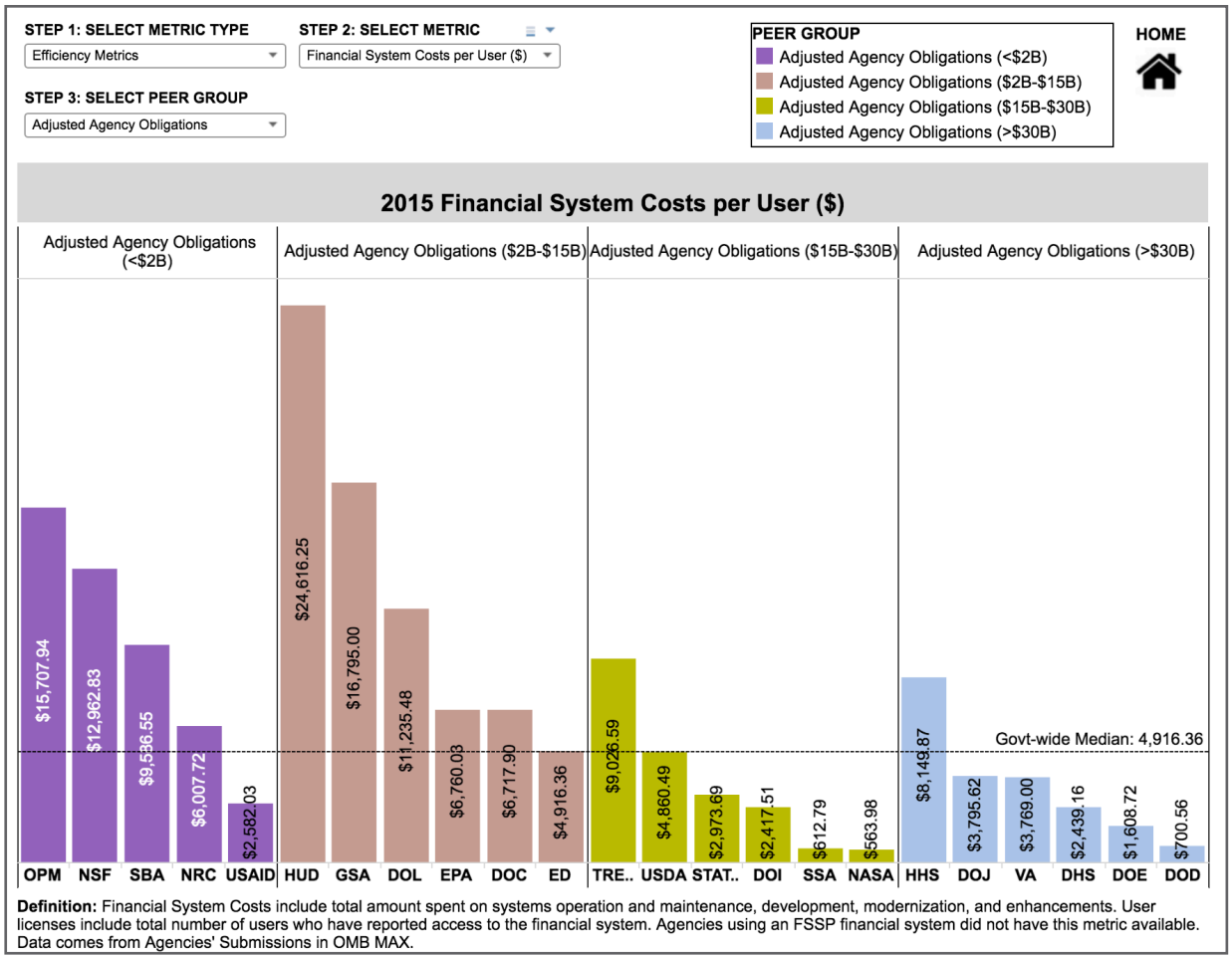
PortfolioStat 2012.[27] To promote adoption of Federal shared services, OMB directed agencies to identify opportunities to consolidate commodity IT functions — including both intra-agency and government-wide shared services. In the 2012 PortfolioStat process, OMB identified potential savings of $2.5B over 3 years through the reduction of duplicative investments; however, those savings were not solely attributable to the use of shared services.[28] While shared services savings have been reported by individual managing partner agencies (e.g., OPM reported $1.3B in cost savings and avoidance for HR LoB through FY 2014),[29] savings achieved through the use of shared services have not been measured in the aggregate through either PortfolioStat or CAP Goal Quarterly Progress Updates. In addition, the 2013 PortfolioStat process shifted the focus away from the consolidation of commodity IT.[30] Although agencies established Commodity IT Consolidation Plans as a part of PortfolioStat 2012, there is no evidence OMB followed-up on these plans in subsequent years or asked agencies to send updated status of in-progress projects or results of completed projects.

GSA Benchmarking Initiative. Beginning in 2013, GSA's Benchmarking Initiative built on the commodity spending areas originally identified in the first PortfolioStat. Agencies reported to GSA on their total and per-head spending in a variety of back-office or management areas for each of their bureaus and overall. This included the areas of human resources and financial management as well as a few sub-categories of IT.

In future years, the Benchmarking Initiative added more customer satisfaction and operational efficiency metrics. Together, these cost, satisfaction, and operations metrics helped OMB and agencies identify which agencies were leaders in common management functions and direct underperforming agencies toward those leaders. In some cases, OMB focused on expanding the ability of those leaders to directly serve other agencies as shared service providers, a focus elaborated on in the Financial Management LoB, HR LoB, and FedStat efforts.

Shared Services CAP Goal. Another way OMB helped to expand and support these management services was through efforts reported under the Shared Services CAP Goal on Performance.gov.[31] This CAP goal publishes quarterly updates of the progress of the FM LoB and HR LoB, as well as overall metrics evaluating government use of shared services. Like other CAP Goals, the agency and government-wide leaders of this Goal meet regularly and OMB leadership conducts a "deep-dive" into the plans and progress of the Goal.

Figure D4: Example of Benchmarking Initiative Data Related to Financial Management[32]



USSM M3 Framework and ProviderStat. In August 2016, USSM released the Modernization and Migration Management (M3) Framework, a process for agencies to follow when planning for the replacement of administrative IT solutions or services. M3 helps guide agencies through the planning, selection of a provider, and implementation of shared services. This framework includes an Investment Review Process, with OMB, provider, and customer involvement, to assess the health of the migrations in a repeatable and consistent way.[33] Currently, 12 agencies are utilizing the M3 framework to guide their migrations. It is too early to evaluate the impact of USSM's use of this framework, but according to its website "all agencies evaluating an administrative (e.g. financial management, human resources, or acquisition) system and/or service modernization or migration must comply with M3."

Another component of the USSM approach is ProviderStat, a performance management framework that demands transparency into provider costs and pricing, performance metrics, and a maturity assessment based on provider best practices established by the Shared Service Governance Board. ProviderStat will identify common challenges that providers face today, opportunities for USSM and OMB to assist in resolution of those issues, and data to compare the overall performance of the marketplace. This data will assist agencies in making informed decisions about possible providers and will inform USSM and OMB where supply may not be adequate.

Lessons Learned

Attempts to increase government-wide adoption of shared services and measuring their impact has changed over time from a top-down mandate requiring the use of certain shared services (as used in the E-Government Initiatives and, to some degree, the FM LoB) to more of a marketplace approach. Previous efforts have led to the establishment of USSM as a centralized entity focused on the management of these services to facilitate the goal of increased adoption.

Currently, USSM is focused on establishing a performance framework for evaluating and promoting shared services. One goal of USSM's performance framework is to establish objective data and information so an agency can evaluate the suitability of a shared service provider. This requires making reliable, understandable, and accurate satisfaction and service quality measures available for each service. This marketplace model allows the existing decision-making of a potential customer agency to validate the cost savings or other business case for shared services, but may lead to less overall adoption than the mandatory model. However, this approach could also lead to more substantive adoption of valuable services.

Observations and Findings

The opportunities and benefits of shared services within agencies and more broadly across the Federal government are clear. The increased use of shared services can save money and improve service delivery with the added benefit of replacing or retiring outdated infrastructure and legacy systems.[34] However, this will require the full attention of senior management as well as sustained engagement with key stakeholders outside of the executive branch – in particular, the legislative branch and the vendor community.

CIOs clearly see the opportunities for efficiencies and cost savings through the use of shared services. However, several CIOs expressed concerns during the interview process, specifically around increased risk and burden to agencies providing shared services and the difficulties of transferring funds between agencies. Further, some agencies may require additional customized features, while others may have specific security needs given the mission of the agency that may not align with a government-wide solution.

Agency Perspective

The Department of Justice found a great deal of diversity within its bureaus when trying to find common solutions for something as basic as email services. For example, some bureaus don't prioritize the sensitivity of emails, while others only use classified email. DOJ reported a significant challenge in that the CIO's office needs to get bureau-level buy-in on a common solution in order to get the money to acquire it. This challenge is representative of the obstacles many agencies face when developing shared service solutions to meet a wide range of bureau mission and operational needs.

FINDING #1

Providing Shared Services Increases Agency Risk and Burden and Can Lead to Lower Quality of Service.

Agencies who offer shared services face challenges scaling to meet the needs of a growing customer base and to remain competitive versus other providers, especially those from the private sector. Becoming a provider entails additional costs and risks, and agencies must carefully evaluate the business case before agreeing to become a provider. In some instances, becoming a provider may not align explicitly with the agency's own mission, further increasing these costs and risks. In addition, the range of costs and risks in providing a shared service depends in part on the variety of mission objectives of customer agencies. Differences in those agencies' missions can affect requirements (e.g., the level of security and privacy controls required for data storage), not to mention that shared service providers may receive conflicting direction from home agencies and USSM's Shared Services Governance Board.

> *Providing a shared service can be a potential liability... It becomes your fault if something goes wrong. There's lots of responsibility that goes beyond your agency's mission if you are a shared services provider.*
>
> — Agency CIO

In addition, Federal shared service providers face different constraints relative to those in the private sector around basic operational considerations. For example, Inter-Agency Agreements (IAAs) such as Service Level Agreements (SLAs) are not as easily enforceable as business to business contracts. This is in part due to the fact that government agencies do not

have access to the same legal recourse for addressing breaches of interagency agreements as private sector organizations do for contracts. Additionally, government agencies must comply with a number of hiring and retention laws and policies that are not found in the private sector. Federal agencies also typically face highly constrained annual budgets, reducing their ability to make long-term investments in service improvements. As such, mandating shared service usage across government can actually lead to lower levels of customer satisfaction. For example, as reported in Federal Shared Services CAP Goal KPIs, customer satisfaction with value of services (for the HR LoB) was relatively low.[35] Fixing these constraints should be part of the conversation around positive changes in government operations, which could increase shared service adoption as well as facilitate other improvements.

There's no accountability (via SLAs) for providing cost-effective and reliable services.

— Agency CIO

FINDING #2

Intra-agency shared service offerings may not effectively scale to other agencies.

Strong agency performance in providing a specific service to its own bureaus does not automatically make that agency a good candidate to provide that service across government. In some cases, small agencies may have difficulty scaling up services to larger Federal agencies, and agencies with a low cybersecurity risk may find it hard to provide certain services to agencies which are more likely to be the target of a major cyber attack. In order to drive better performance in Federal shared services, agencies must carefully evaluate all of the risks and benefits when deciding whether to become a service provider.

FINDING #3

Transfer of Funds Between Agencies Present Challenges

Interagency financial agreements can be challenging due to a variety of policies and laws governing how Federal appropriations can be spent and for what purposes. For example, shared service providers and customers typically rely on IAAs to transfer funds.[36] However, the laws that underpin these IAAs, such as the Economy Act of 1932,[37] have strict requirements as to what constitutes an allowable transfer.

Most department CIOs will tell you it takes about a year to move money between departments. The typical vehicle is the Economy Act, but it's not efficient for the task — the justification process is too long. Maybe we need a Shared Services Act to facilitate that process.

— Agency CIO

The barriers are even higher when moving funds across agencies.[38] Agencies may be required to submit reprogramming requests or otherwise notify Congress. In some cases, different funding rules apply within the same agency, requiring provider agencies to enter into multiple IAAs with a single customer agency to support some or all of that agency's bureaus. This may be further complicated by varying requirements for basic needs like service uptime and security across bureaus. Collectively, these issues both complicate and delay funding. As many CIOs reported, these legal, institutional, and cultural barriers can cause year-long delays for funding transfers, significantly curtailing the adoption of shared services.

FINDING #4

Increasing accountability could increase adoption.

Moving forward, many agency CIOs noted that standard accountability measures for shared service providers could improve customer confidence and increase Federal shared service adoption. They stated that providing information, flexibility, and choice for shared service customers improves the competitiveness and quality of Federal shared service offerings.

USSM is also setting up new ProviderStat accountability sessions, designed to foster transparency in the shared service marketplace and to provide a performance review process for Federal shared services.[39] USSM, working with shared service providers, customers, and OMB, seeks to utilize ProviderStat to identify shared challenges, establish common metrics, develop reporting mechanisms, and measure customer satisfaction.[40]

Notes

1. Available at https://ourpublicservice.org/publications/download.php?id=758

2. Federal Information Technology Shared Services Strategy. 5/2/2012. pp 3-4. https://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/shared_services_strategy.pdf

3. Tony Scott: "Cyber means sharing more than just info" 11/17/2015. http://fedscoop.com/tony-scott-wants-to-see-more-sharing-among-agencies

4. Partnership for Public Service. "Building a Shared Services Marketplace: Recommendations from the Shared Services Roundtable." 05/2015. pp 24. https://ourpublicservice.org/publications/viewcontentdetails.php?id=470

5. For further information on cybersecurity shared services and programs, such as the EINSTEIN program, see Policy Chapter E: Cybersecurity

6. Partnership for Public Service. "Building a Shared Services Marketplace: Recommendations from the Shared Services Roundtable." 05/2015. pp 22-24. https://ourpublicservice.org/publications/viewcontentdetails.php?id=470

7. Graphic provided by Unified Shared Services Management

8. For a complete listing of Lines of Business, see page 48 of the FY 2018 IT Budget – Capital Planning Guidance. 6/30/2016. https://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy18_it_budget_guidance.pdf

9. Unified Shared Services Management. "About Unified Shared Services Management". https://www.ussm.gov/why/about-ussm/#.V9BqnCgrKM8

10. M-16-11. Improving Administrative Functions Through Shared Services. 5/4/2016. https://www.whitehouse.gov/sites/default/files/omb/memoranda/2016/m-16-11.pdf

11. M-01-28. Citizen-Centered E-Government: Developing the Action Plan. 7/18/2001. https://www.whitehouse.gov/omb/memoranda_m01-28; and E-Government Strategy: Simplified Delivery of Services to Citizens. 2/27/2002. https://www.whitehouse.gov/sites/default/files/omb/inforeg/egovstrategy.pdf

12. George W. Bush Presidential Archives. "Lines of Business". https://georgewbush-whitehouse.archives.gov/omb/egov/c-6-lob.html

13. Performance.gov. "Cross-Agency Priority Goal: Shared Services". FY 2016 Q3 Update. https://www.performance.gov/node/3398/view?view=public#progress-update

14. 25-Point Implementation Plan to Reform Federal IT Management. Point A.6: "Develop a strategy for shared services". 12/9/2010. https://www.dhs.gov/sites/default/files/publications/digital-strategy/25-point-implementation-plan-to-reform-federal-it.pdf

15. The initial focus on commodity IT (i.e., desktop, mobile devices) was due to the relatively low complexity of such items when compared to business support services (e.g., human resources) and mission support services (e.g., geospatial). Nonetheless, agencies and OMB faced challenges in determining common definitions of commodity IT. A subsequent OMB memo provided examples of Commodity IT, but did not provide a specific definition of the term. M-11-29. Chief Information Officer Authorities. 8/8/2011. https://www.whitehouse.gov/sites/default/files/omb/memoranda/2011/m11-29.pdf

16. The "Shared-First" concept was first articulated in the 25-Point Implementation Plan to Reform Federal IT Management (https://www.dhs.gov/sites/default/files/publications/digital-strategy/25-point-implementation-plan-to-reform-federal-it.pdf) in action item #6

17. Federal Information Technology Shared Services Strategy. 5/2/2012. https://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/shared_services_strategy.pdf

18. Ibid

19. Ibid

20. For more information about IT infrastructure and its underlying role in many other IT policy areas, see Policy Chapter B: IT Infrastructure Modernization

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