

Respect

Excellence

Integrity

Leadership



Shared Services and Systems - a Federal perspective

Financial Management Institute of Canada
Public Sector Management Workshop
"Cresting the Wave - Innovations in Accountability"
June 14, 2010 | 3:30 p.m.

Presenter:

Mark Perlman, Acting Assistant Deputy Minister, Consulting, Information and Shared Services



Presentation Objectives

- Present a brief background on:
 - The history of shared services (focussing on shared systems), what they are, how they work, and current services.
- Provide an overview of:
 - Goals, benefits, examples of success
 - Changing environment
- Innovative projects
 - In the financial and HR systems and services area



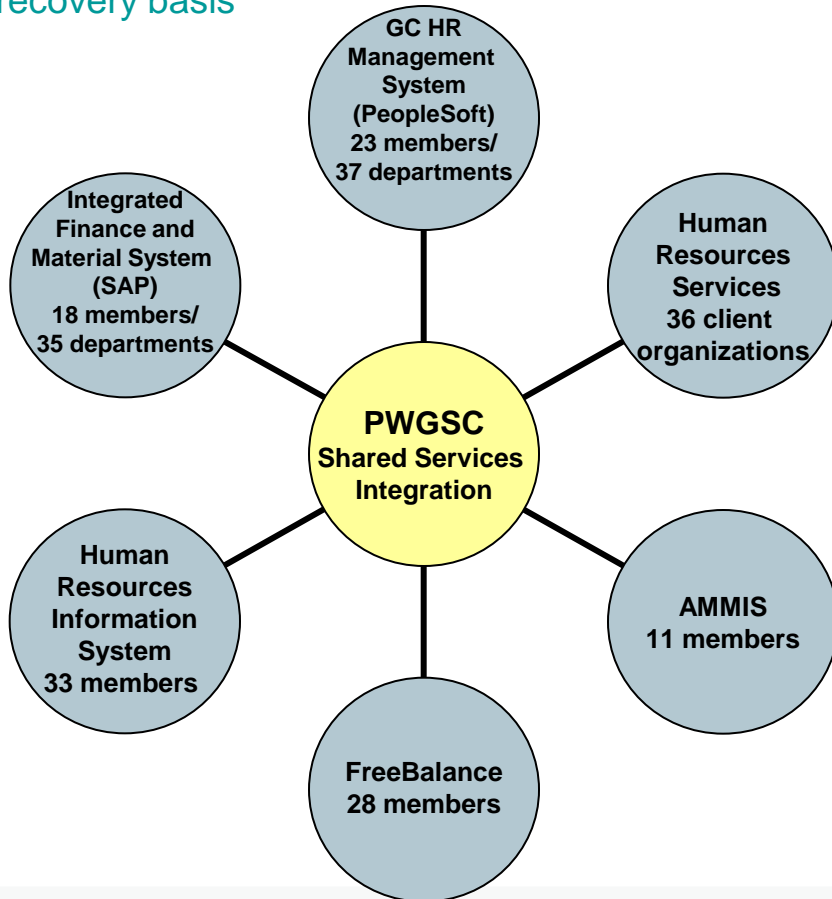
History - Shared Services

- The shared systems service model was founded in 1996 and was known as the “*Shared Systems Initiative*”.
 - The model is built on voluntary associations of Government departments known as clusters.
 - One of the largest cluster groups we manage is the Integrated Financial and Materiel System (IFMS).
 - The IFMS contains a Government of Canada requirements layer that is built on the commercial SAP product.
 - The cluster currently consists of 35 departments and agencies representing approximately 80% of the Government of Canada’s expenditures.
- Human Resources services have been provided to small agencies for 14 years, however there is interest in expanding to other services.



Background: what we do

Support clusters of departments sharing five government-wide administrative systems (Human Resources, finance and materiel) and provide human resources services to small agencies on a full cost recovery basis



Priorities:

- Bringing communities together including central agencies, departments and service providers to maximize opportunities for horizontal analysis, common development, and shared decision making
- Maximize contributions to enhance efficiency and reduce costs to departments and the Government of Canada overall
- Increased standardization
- Implement system improvements in support of government wide initiatives such as Public Service Renewal / Workplace (Enabling Infrastructure)
- Reduce risks for small departments and agencies

How do clusters work?

- Clusters are collaborative self-funded partnerships among departments, with strong central agency linkages
- Cluster members collectively govern the shared system development under clear governance frameworks and accountabilities
- All costs are paid by member departments through annual contributions, with the exception of funding provided by Treasury Board Secretariat for specific projects
- The value of the contributions is determined and approved by the membership on an annual basis
- PWGSC offers cluster program office support to member departments
 - A program office is a permanent organization dedicated to cluster operations
 - It provides cluster governance support, annual planning and monitoring and reporting and application management services



Clustering Goals

- Strong collaborative governance and horizontal strategic planning involving key stakeholders including central agencies (policy), departments (users) and service providers
- Significant cost and risk avoidance through standard configurations, enabling departments to make efficient investments towards improving their systems
- Internal service delivery improvements (systems and services) allowing organizations to focus on front-line programs
- Pooling of common resources to achieve common goals
- Broader leveraging of these successes that allows greater realization of benefits

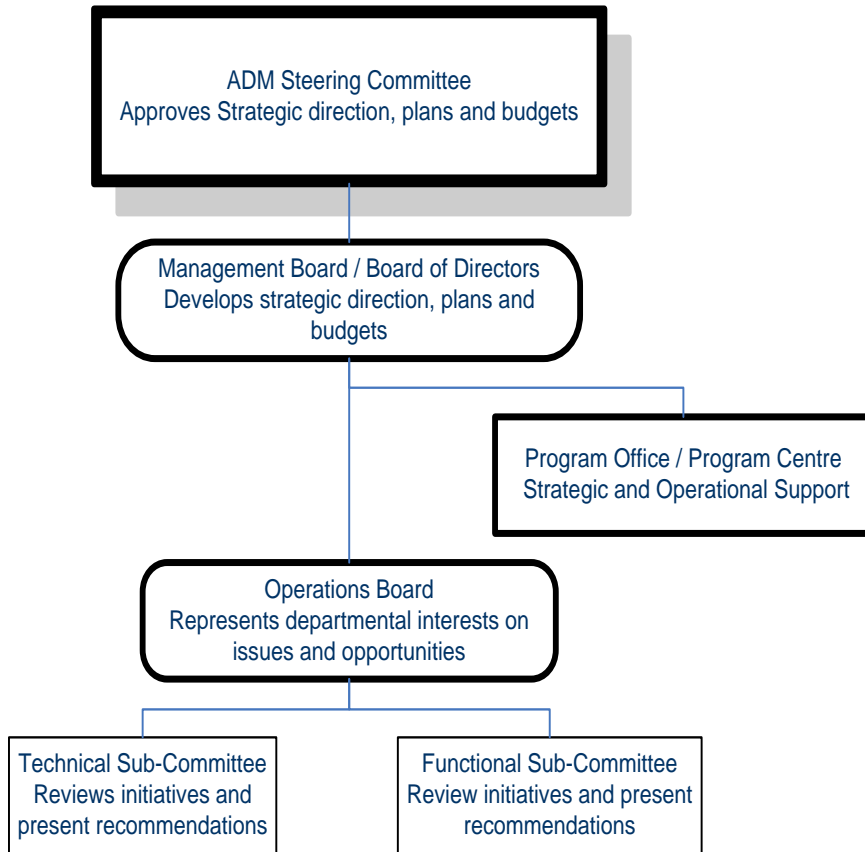


Clustering Benefits

- Enterprise-wide, strategic approach to internal service delivery
 - Single point for implementation to enable standardized processes and procedures
 - Cost avoidance and risk mitigation - maximizing efficiency
 - Leveraging successes
 - Smaller departments benefit by leveraging the work of larger departments
 - Reduction in customization / maximize use of technology
- Strong, collaborative governance
 - Better decision-making / investment choices
 - Improved collaboration with departments and with central partners
 - Communities regularly brought together to effectively achieve common goals and facilitate collective decision making (common procurement, creation of GC standards)
- Organizational Benefits
 - Focus on program delivery
 - Reduced need for training and development due to common enterprise data and common financial and HR practices across departments

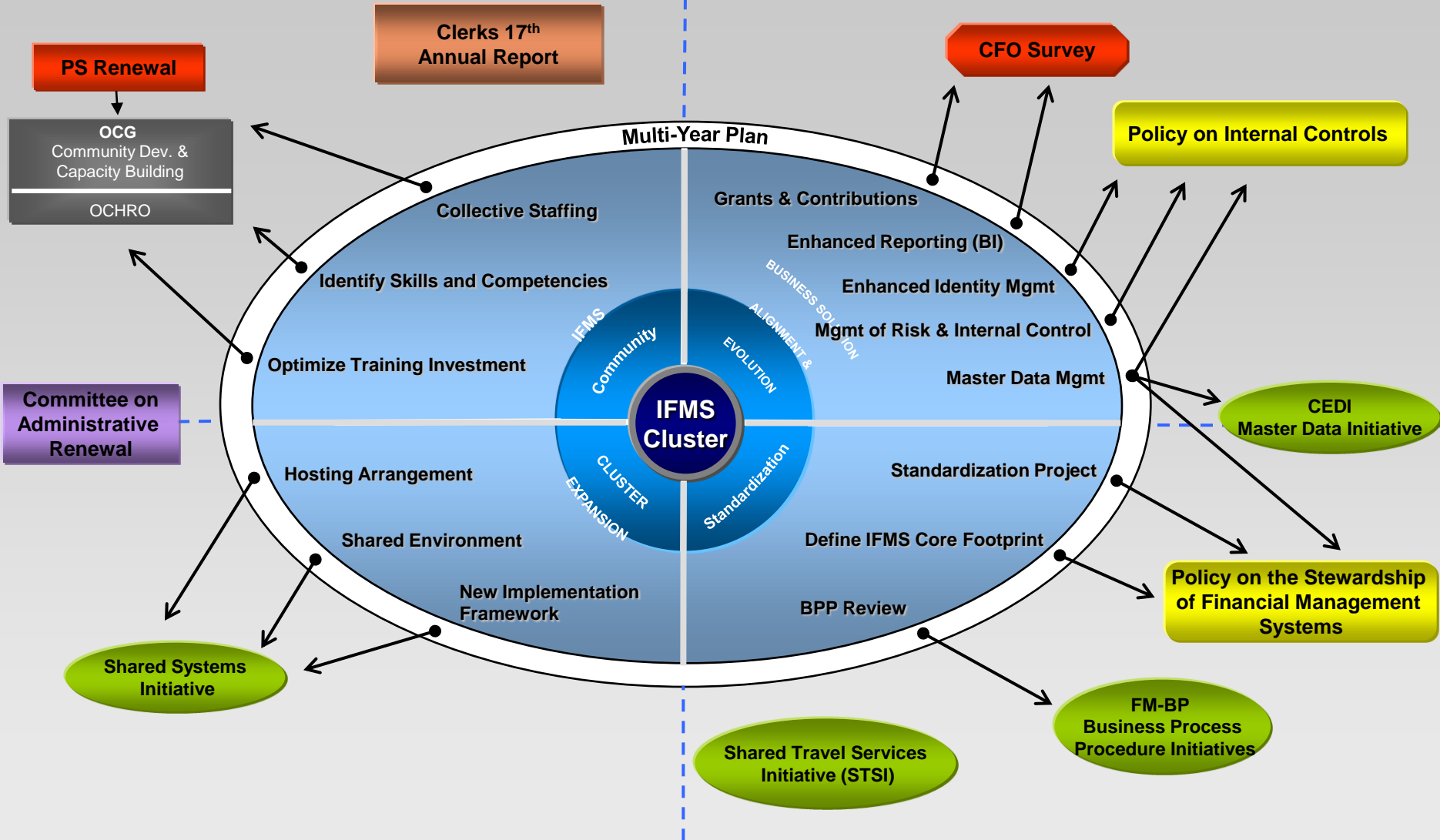


Generic Accountability Map and Cluster Governance



1. The **Steering Committee** is accountable to member departments. It ensures strategic direction, plans and budgets of the Cluster are aligned with GC and organizational objectives and priorities. It approves the annual business plan and budget presented by the Board.
2. The **Board** is accountable to the Steering Committee. The Board recommends a vision and strategic direction for the evolution of the products, annual priorities, business plan and budget.
3. The **Program Office / Program Centre** is accountable to the Board of Directors for delivery of the approved annual plan within the annual budget.
4. The **Operations Board** is accountable to the Board. It makes decisions at the operational level and ensures the product meets legislative and functionality requirements defined in the design of the product.

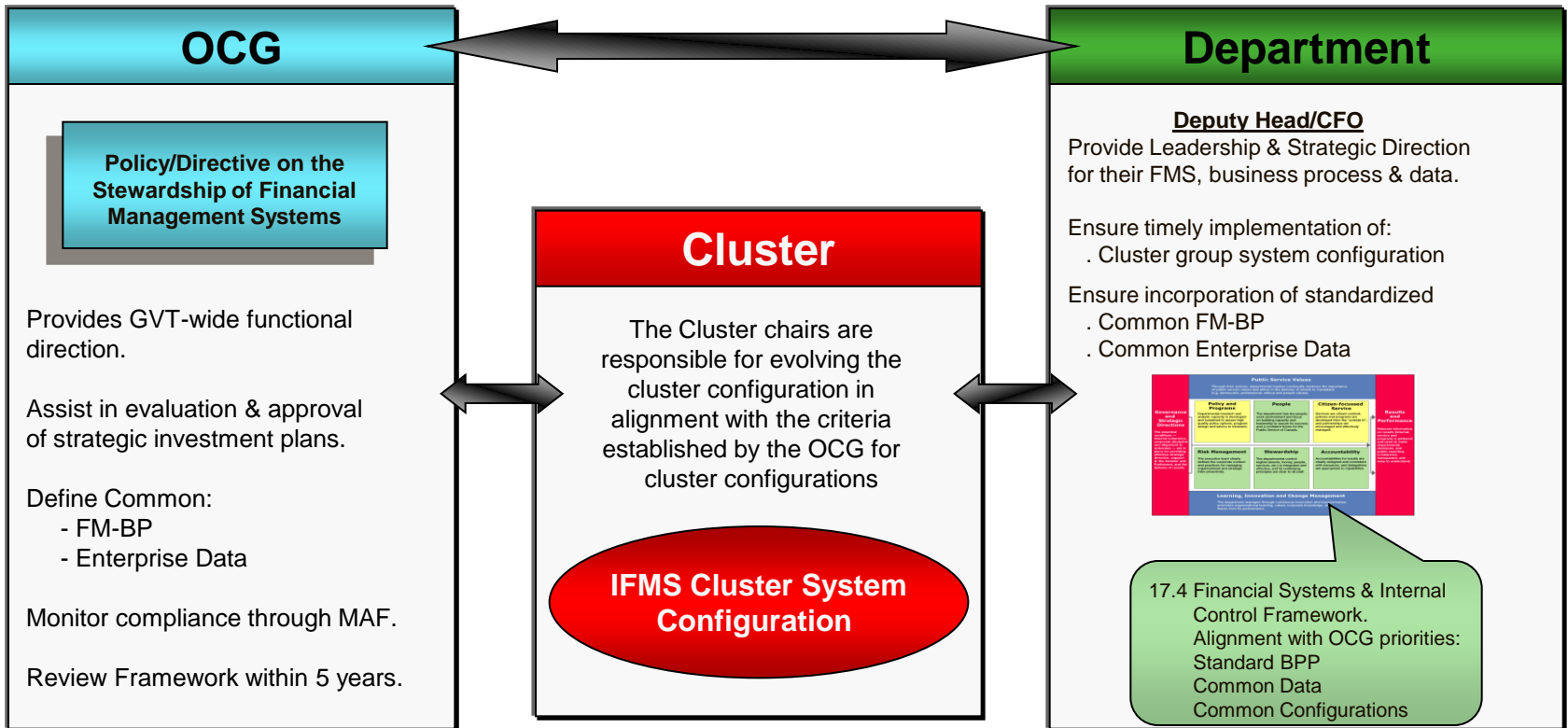




Alignment to Government-Wide Policies and Initiatives



Policy / Directive Stewardship of Financial Management Systems



Standardize & Streamline FMS, business process and data across government

Examples of Success

Cost and risk avoidance

- Projects successful under this model; implementation and upgrade roadmaps / project plans developed once and leveraged; and SWAT support teams available
- The Americas' SAP Users Group (ASUG) recognized the IFMS with the Impact Award for significant business results for generating a cost avoidance of \$87 million from 1999-2003 (2006)
- Government-wide license for ECC 6 (SAP) purchased February 2009 was obtained at a significant discount due to the power of joint acquisitions

Standard GC platforms and joint development

- IFMS - Development of a gold client for SAP saving significant implementation time for new clients
- Salary forecasting functionality built into the IFMS footprint saving \$ millions
- Training, documentation and common business processes (over 600 business processes standardized)
- Enhanced Cross Functional Integration - integrated functionalities in finance, materiel management, assets, salary management, project management and many more
- New requirements being identified jointly – i.e. Grants and Contributions working group

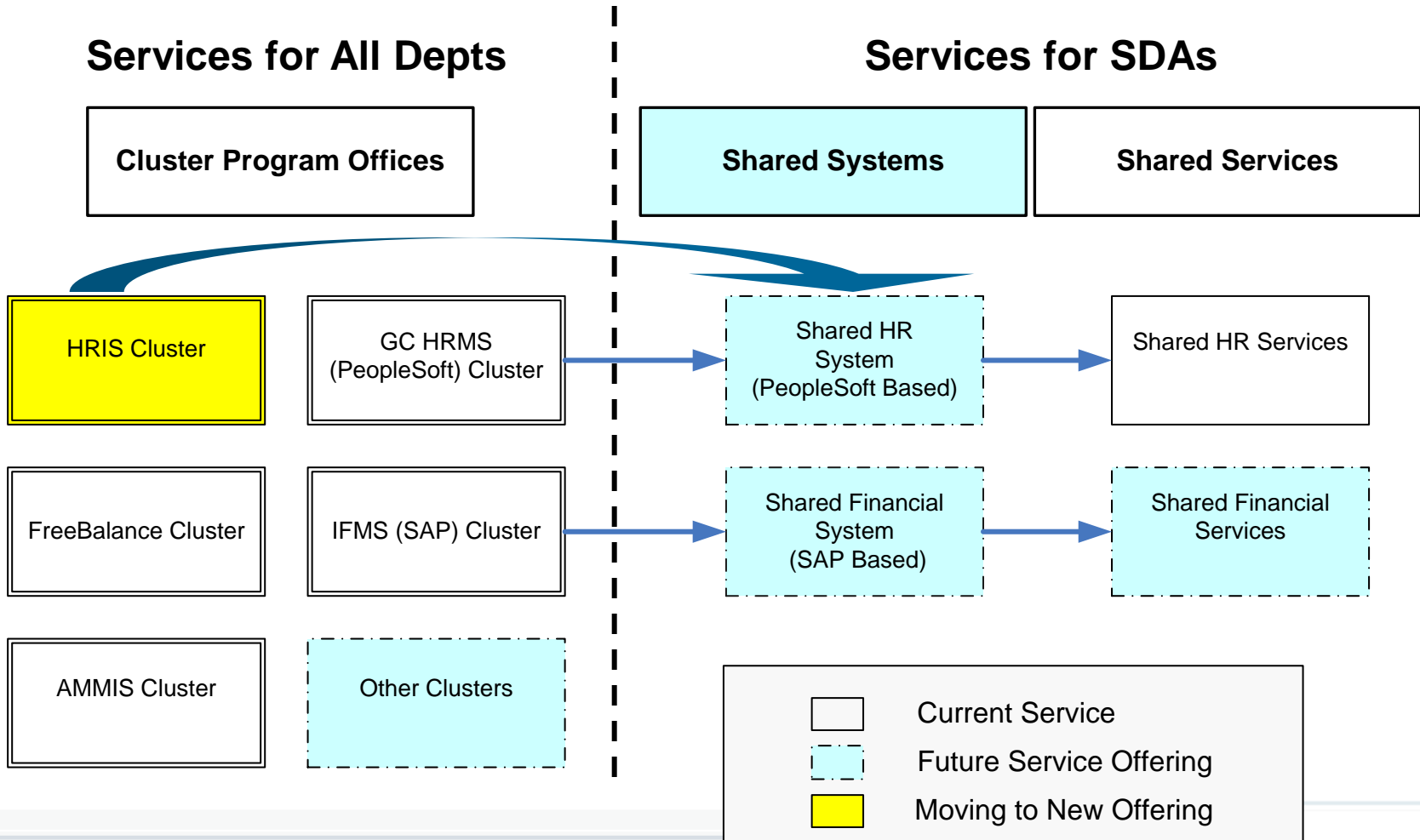


Changing environment means an increased need for shared services and systems

- Departmental budgets are getting tighter
- Increasing move towards common business processes, standardization, and shared environments – “ruthless standardization”
- Increasing need for strategic decision making and alignment, and administrative efficiencies
- Tellier-Emerson Advisory Committee Clerk’s report, Speech from the Throne and Budget, MAF 17, Auditor General’s Spring Report
- Need for full adoption of existing purchased functionality and investigation into future procurements
- Need to leverage existing structures and landscapes to assist both large and small departments (SDA’s)
 - i.e.; environments that support multiple users and multiple access to applications, common instances (single application instance that serves all clients) and set the foundation for shared services



Current operations are being leveraged to provide new services for small departments and agencies (SDAs)



New offerings for SDAs will be built on existing services, infrastructure and software licensing

Shared HR System

- Based on GC HRMS/ PeopleSoft

Shared HR Services

- Expansion of existing services, leveraging common system

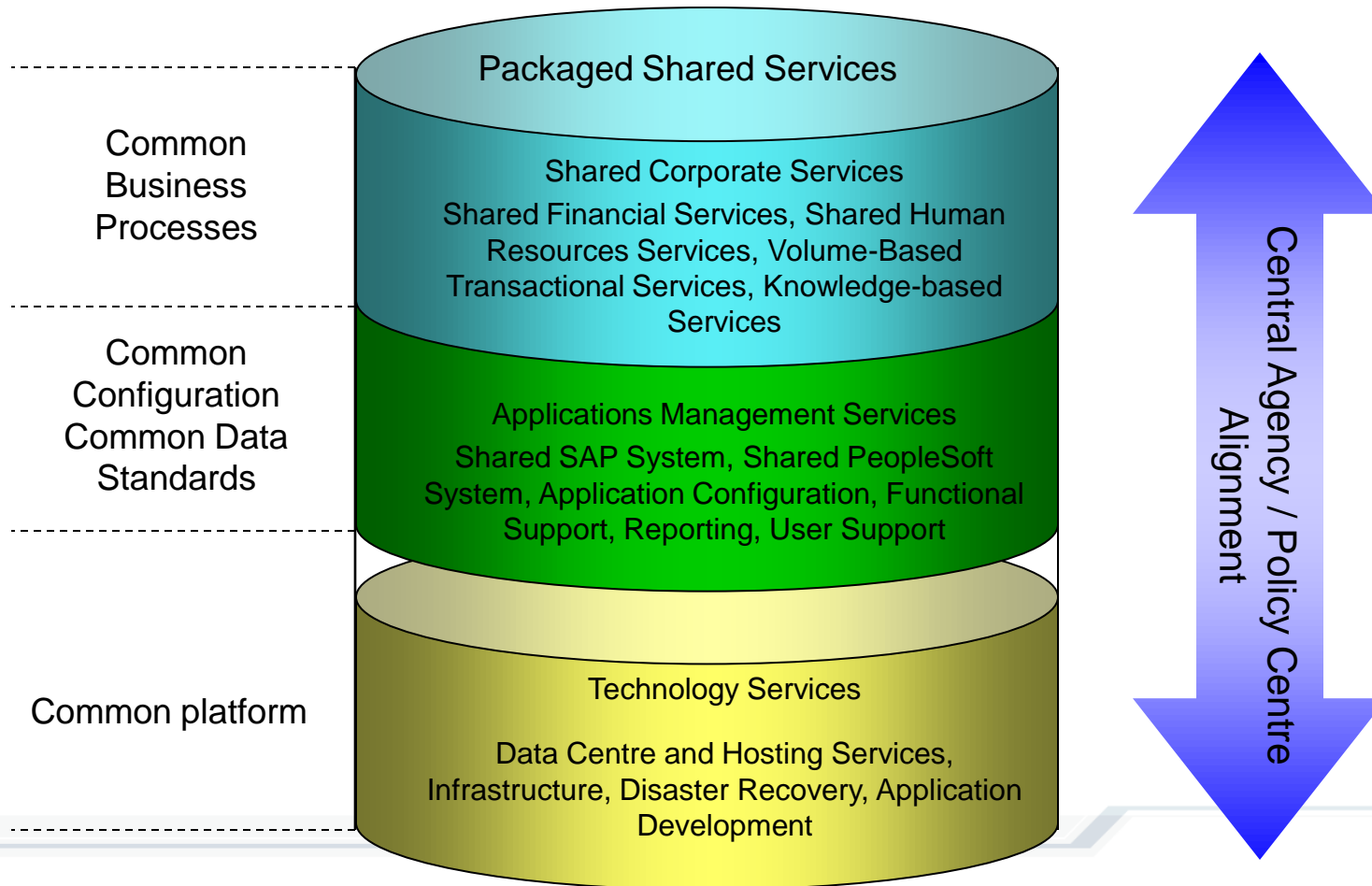
Shared Financial System

- Based on IFMS / SAP

Shared Financial Services

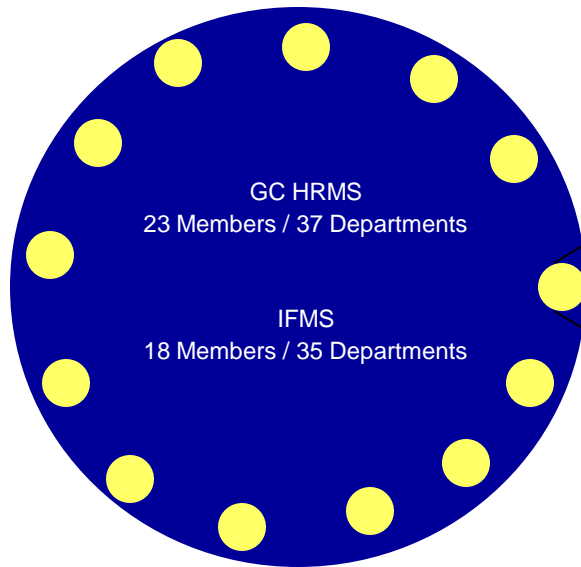
- Introduce shared financial services in support of Deputy Head accountability

Services are comprehensive – from the common platform to common business processes

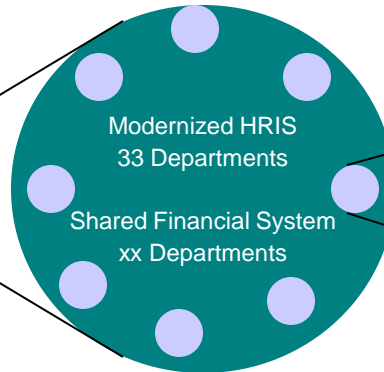


Community benefits from the synergies and through the alignment of governance

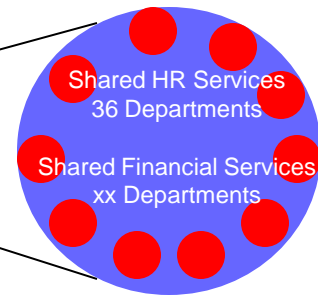
GC HRMS/IFMS Cluster
Medium to Large Departments
and Shared Environments



Shared System
(Common Instance)
Small to Medium
Departments



Shared Services
Micro to Small Departments
and Agencies



And we continue to evolve ...

<u>Yesterday</u>	<u>Today</u>	<u>Tomorrow</u>
Consolidation of many single functional systems	to clusters of systems some services	towards a whole of government cross-functional approach for systems and services
Single systems	to systems and services based on requirements from functional communities with input and guidance from policy authorities	to a holistic approach based on inclusion of policy authorities, departments and service providers to permit effective cross functional discussion, perspectives and decision making
Individual departmental needs	to provision of product and services to meet the needs of multiple departments	towards activities that provide additional value at the enterprise level



Contacts

Shared Services Integration Sector:

- Stéphane Guèvremont, acting **Director General** - stephane.guevremont@tpsgc-pwgsc.gc.ca – (613) 992-3248

IFMS - Program & Product Directors:

- Michel McGee - michel.mcgee@tpsgc-pwgsc.gc.ca – (613) 943-9363
- Lynn Gibault (acting) - lynn.gibault@tpsgc-pwgsc.gc.ca – (613) 995-6032

GC HRMS - Director:

- Claire Pereira - claire.pereira@tpsgc-pwgsc.gc.ca – (613) 996-6697

HRIS - Product Director:

- Yoline Joseph-Hoskin - yoline.joseph-hoskin@tpsgc-pwgsc.gc.ca – (613) 992-5877

AMMIS, FreeBalance - Product Director:

- Mary Lepiesza - mary.lepiesza@tpsgc-pwgsc.gc.ca – (613) 943-3484

Shared HR Services - Director:

- Nancy Sanders - nancy.sanders@tpsgc-pwgsc.gc.ca – (613) 996-7221

Shared Financial Systems and Services - Director:

- Hélène Paquette - helene.a.paquette@tpsgc-pwgsc.gc.ca – (613) 943-8382

