Delivering Shared Services in Government:

- The Story of IT Assist

Barry Lowry (Head of IT Assist)
BCS Presentation
7 October 2011

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This evening's Presentation:

- Why NICS considered sharing ICT Services

- The scope of the challenge

- What we agreed to do & how we did it

- What we have achieved so far

- Where next

- The Benefits of the intervention

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Why NICS decided to Share:

1. Government Policy (Gershon/ Transformational Government)

2. Issues with Existing Service

3. Corporacy / General Strategic Direction

4. Changes in Technology

Civil Service Reform

Delivery of better public services by improving our capacity and providing the necessary technology and facilities.

Transforming the IT landscape :
What we did …..

Old Service Model

- 11 Departments served by 6 IS units associated with the pre-devolution departments, with some services provided by the centre

- 3 Mail products, two office productivity systems, 13 Active Directories

- > 1 LAN per building

- Numerous wide area network connections

- Jack of all Trade approach to staff development

- Uneven service
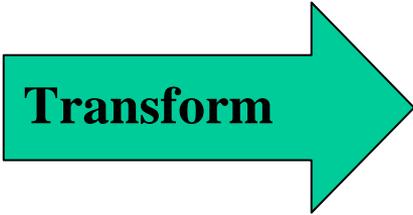
Transform

New Service Model

- Shared Service Centre for common ICT services. ISUs focused on LOB

- Single Infrastructure, Single Active Directory

- Standardisation of products and processes

- Staff allocated to roles which maximise their strengths and interests

- Equity of service

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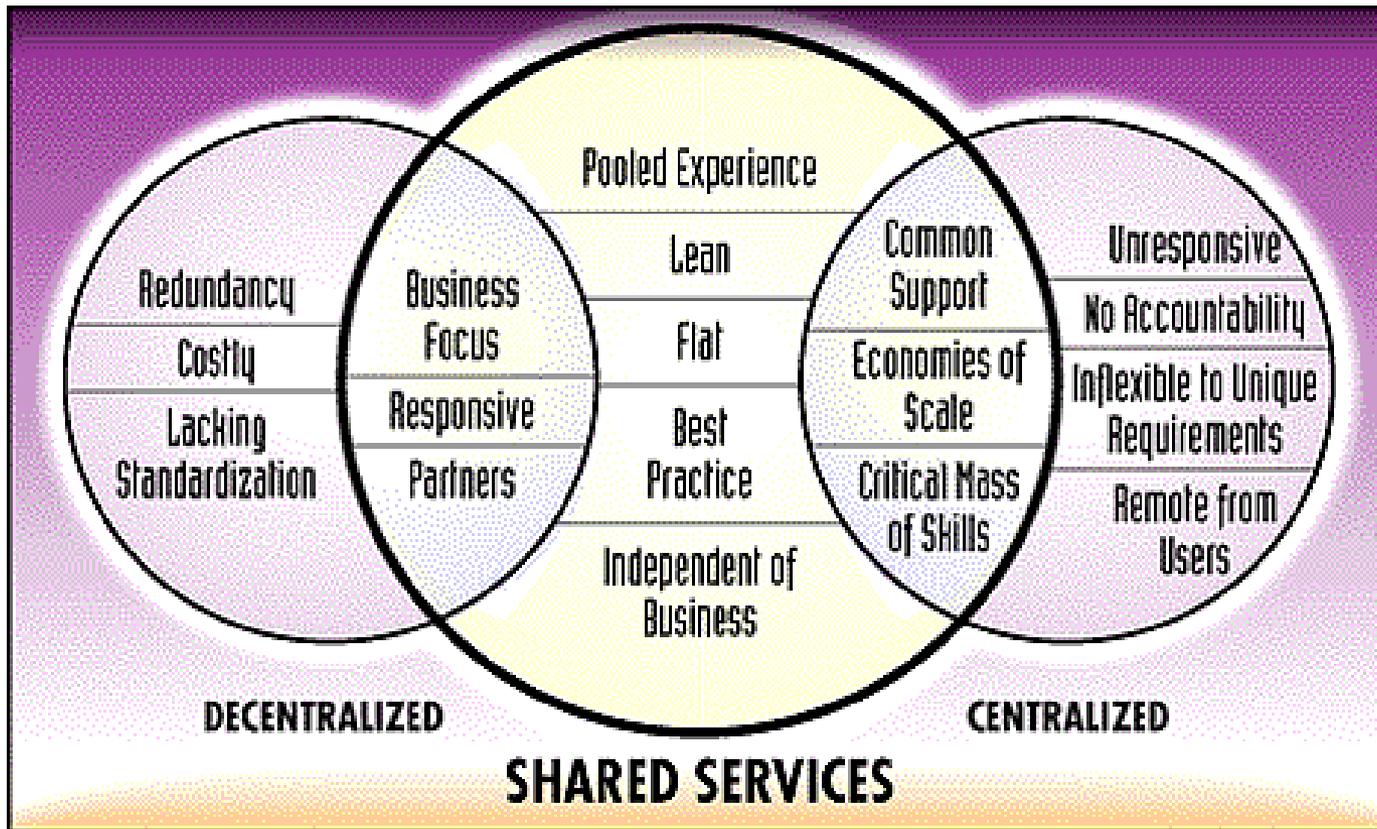
What are Shared Services?

Shared Services is a business model with the following characteristics:

- An internal organization becomes an internal service provider and manages a non-core, but essential functional area
- Business organizations request products and services from the shared service provider
- The shared service organization provides products or services to multiple business organizations in the company
- The users of products and services are charged by the provider for the things they use
- The shared service organization is run rather like an independent business, covering their costs through revenue
- Measurements including external and internal benchmarking assure that the shared services organization is efficient and always improving
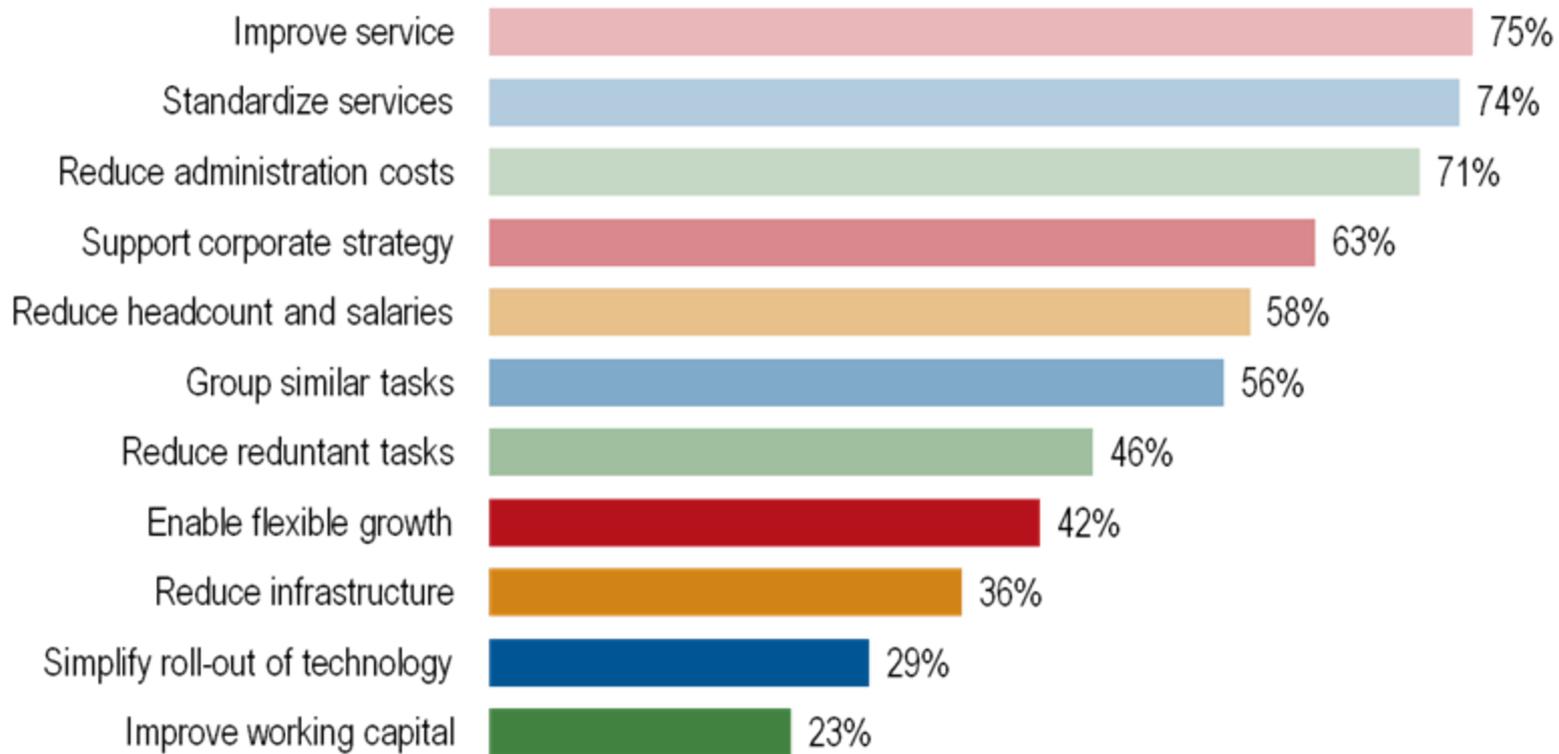- It's not outsourcing or consolidation!

Holland & Davis

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Why Shared Services?

(Holland & Davis)

Reasons for establishing SSO

Improve service — 75%
Standardize services — 74%
Reduce administration costs — 71%
Support corporate strategy — 63%
Reduce headcount and salaries — 58%
Group similar tasks — 56%
Reduce reduntant tasks — 46%
Enable flexible growth — 42%
Reduce infrastructure — 36%
Simplify roll-out of technology — 29%
Improve working capital — 23%

Are no longer just about cost: Effective service delivery is now as important as improving efficiency.
Are becoming more strategic: 'Link to strategy' is the fastest growing driver for shared services

© The Hackett Group 2009

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The Shared Service Phenomenon

- "The UK government could save up to £40bn over the next decade by sharing services across public sector human resources and finance functions"
  The BuyIT Best Practice Network (December 2005)

- The vision of the government is that by 2016, the majority of the transactional elements of Corporate Services in the public sector will be delivered through a handful of professional shared services organisations. Some of these organisations will remain within the public sector although many will be outsourced.".
  Paul Bentham, Addleshore Goddard (June 2007)

- In the wake of pressure to improve service delivery while cutting costs, the public sector is beginning to embrace the shared services model to take advantage of economies of scale and streamline processes .
  Financial Times (2006)

- In the past 10 years, the shared service centre (SSC) concept has emerged as the dominant business trend for the provision of cost-effective support functions. Today, 80% of all Fortune 500 companies have implemented SSCs. In Europe, almost 70% of pan-European SSCs are based in four key markets. In order of importance, these are: the UK, Ireland, Netherlands and Spain.
  Peter Lemagnen Oxford Intelligence (April 2005)

- Shared services are set to reshape public sector ICT as organisations that once jealously guarded their digital turf enter into partnerships intended to cut costs and improve the effectiveness of ICT.
  (PublicTechnology.net October 2011)

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A "no-brainer"?

"There are clear benefits that can be gained from sharing services across the UK public sector as highlighted by reports such as Gershon and Varney. Experience from the private sector shows that typically corporate shared services can deliver efficiencies of between 20% and 50%. Where central government departments have established corporate shared services, e.g., DWP, HMRC, DfT, DEFRA, HMPS these have delivered significant benefits."
Jo Clift, UK Cabinet Office (March, 2008)

"One of the really encouraging things we have seen from the introduction of shared services across departments is the great improvement that you do get in management information. I think until you have got good information it is actually quite difficult to effectively manage any of the services that you have got."
Alexis Cleveland, Director-General of Transformation and Delivery, Cabinet Office (Apr 08)

"We have achieved remarkable success in creating a culture of innovation anchored on "shared services" and "smart alliances.".
Robert Scott, Procter & Gamble (June 2007)

Or ……

Shared services are by no means a sure thing. The area is riddled with contractual and legal potholes.

Paul Bentham, Addleshaw Goddard

June 2007

"Although 85% of companies (in our survey) expected performance to improve through shared services, only 66% believe they have achieved improvement. Similarly, 76% expected increased productivity, but only 56% have realised this goal. Finally whereas 53% expected improved internal client satisfaction, only 42% report success in this area."
A.T. Kearney (March 04)

Shared service organisations are failing to live up to expectations. Our recent Research Study of nearly fifty global shared service organisations showed that SSCs are not realising their full potential.

Alsbridge plc Oct 2008

Parliament's Public Accounts Committee has described the 'stupendous incompetence' of the Department for Transport's shared-services project.

ZDNET Dec 2008

enterprise shared services
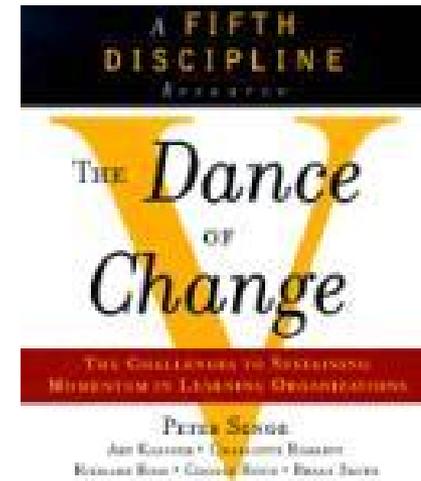better together

"Change is hard because people overestimate the value of what they have—and underestimate the value of what they may gain by giving that up."

(James Belasco and Ralph Stayer, Flight of the Buffalo (1994))
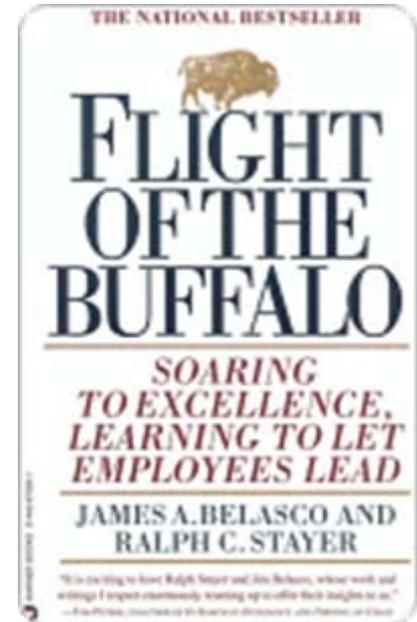
"People don't resist change. They resist being changed!"

(Peter Senge)

Why do Projects Fail?

'Seven Deadly Sins' – factors that will lead to IT project failure:

1. Poor project scoping and undefined project objectives, roles and responsibilities – leading to the setting of unrealistic expectations

2. Lack of communication between IT and the business – resulting in a mismatch of requirements and expectations

3. No senior business sponsor AND separate project manager

4. Technology put before people: no or minimal involvement of key users during the scoping phase and lack of regular communication with them throughout the project implementation

5. No project success metrics

6. No risk assessment or contingency plan

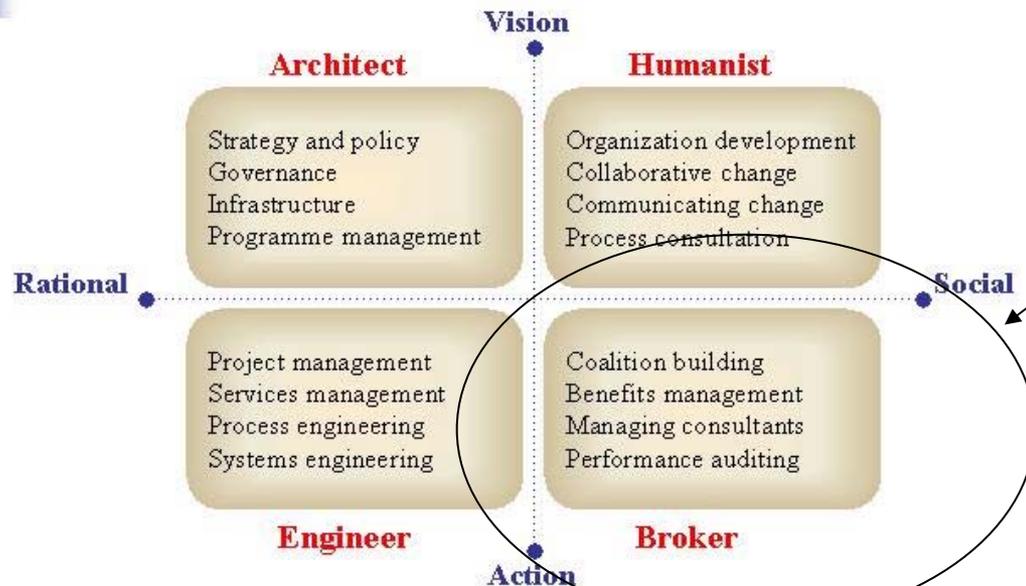*7. Lack of regular checks to ensure the project is on track – to time and budget*

Unilog 2003

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Essential Components of Successful Shared Services

(Butler Group: April 09)

Project Sponsorship	Strong sponsorship and leadership from all participating organisations is essential to make the project a success.
Shared Objectives	Objectives are likely to be similar rather than an exact match, thus effort needs to be made to align objectives between participating organisations.
Measurement	Agree methods for measuring the success of the project beyond adherence to SLAs.
Quality versus Cost	It is implied that quality will increase whilst simultaneously reducing costs – managing expectations around this can be complex.
Ongoing Project	Once implemented it is essential that the shared service is regularly reviewed for required enhancements, changes, etc.
Project Management	Realistic project management is essential in ensuring that the project is delivered according to timescales and requirements; don't be over-ambitious in setting targets that cannot be realistically achieved.

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The TCD McDonagh Model

The 4 Quadrant Leadership Model

Vision

Architect
Strategy and policy
Governance
Infrastructure
Programme management

Humanist
Organization development
Collaborative change
Communicating change
Process consultation

Rational — **Social**

Engineer
Project management
Services management
Process engineering
Systems engineering

Broker
Coalition building
Benefits management
Managing consultants
Performance auditing

Action

© 2004, Dr. Joe McDonagh, Trinity College Dublin

• Area of greatest risk

How we therefore did it in NICS:

2004

Consult & Sell

Justify & Assure

Steering Group Established

2005

OBC/Sourcing

2006

Fund, Initiate, Design & Plan

2007

Exemplar/Lessons Learned

Rollout

2009

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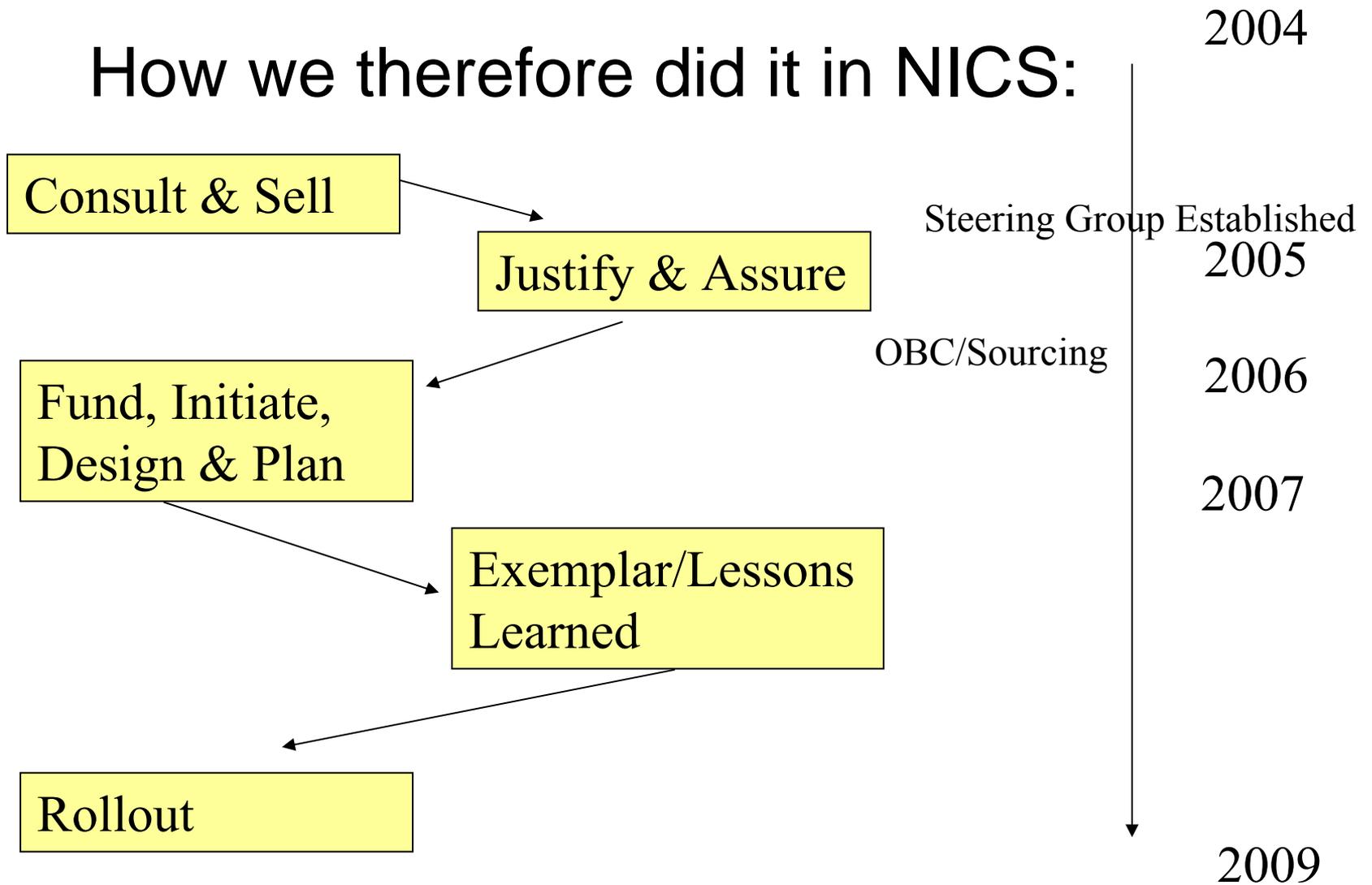
Outline Business Case – Key Aspects

- Must provide high quality support to individual users and the business as a whole at an affordable price;

- Should be technically innovative without compromising reliability or security, or costing too much;

- Should provide an opportunity for in-house ICT staff to develop their careers;

- Should provide services to common standards to all parts of the NICS;

- Should be governed and managed in a way which makes it accountable to its customers, i.e. departments and agencies;

- Should contribute to the delivery of the public sector modernisation and reform agenda.

The ICT SSC Vision:

"The SSC provides a cost effective means of delivering ICT infrastructure and common services to all Departments within NICS, operating to industry best practices and providing improved levels of service availability and resilience to meet the needs of all stakeholders".

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Department	Apr 07	Jul 07	Oct 07	Jan 08	Apr 09	Jul 08	Oct 08	Jan 09	Apr 09
DRD	■								
DOE	■								
DCAL	■								
DFP	■								
OFMDFM	■								
DETI			■						
DE					■				
DHSSPS							■		
DSD							■		
DARD								Achieved in Dec 08 (1 mth early)	
DEL									■

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And this is IT Assist!

Accommodation

People

Processes

Technology

- All 11 Departments came on Board (April 07 – Mar 09)
- c 30 NDPBs
- Letter of intent from DOJ
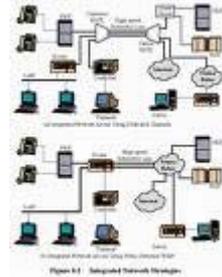- Departments see themselves as partners/shareholders

Back Office

Front Office

Customers

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2010/11

•> 104K telephone calls handled during the year

•> 70K incidents addressed
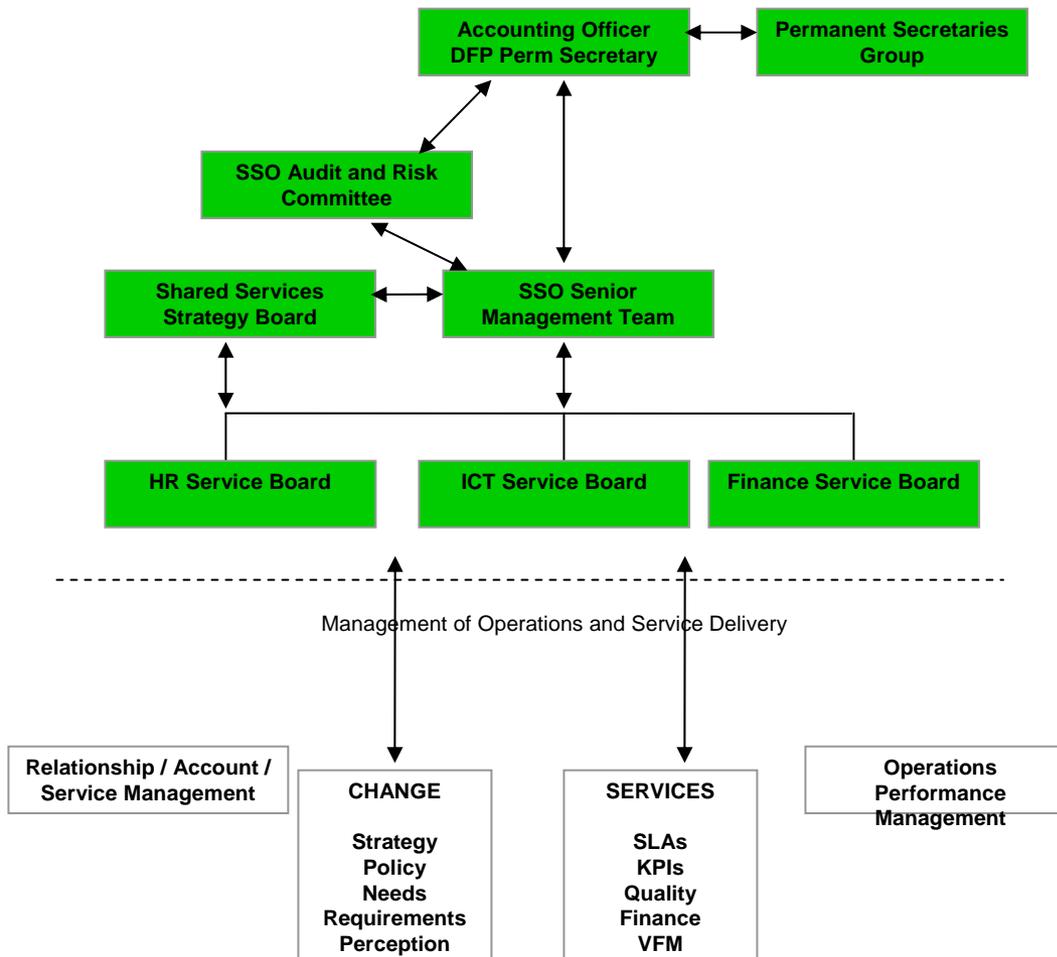
•> 18.5K service requests dealt with
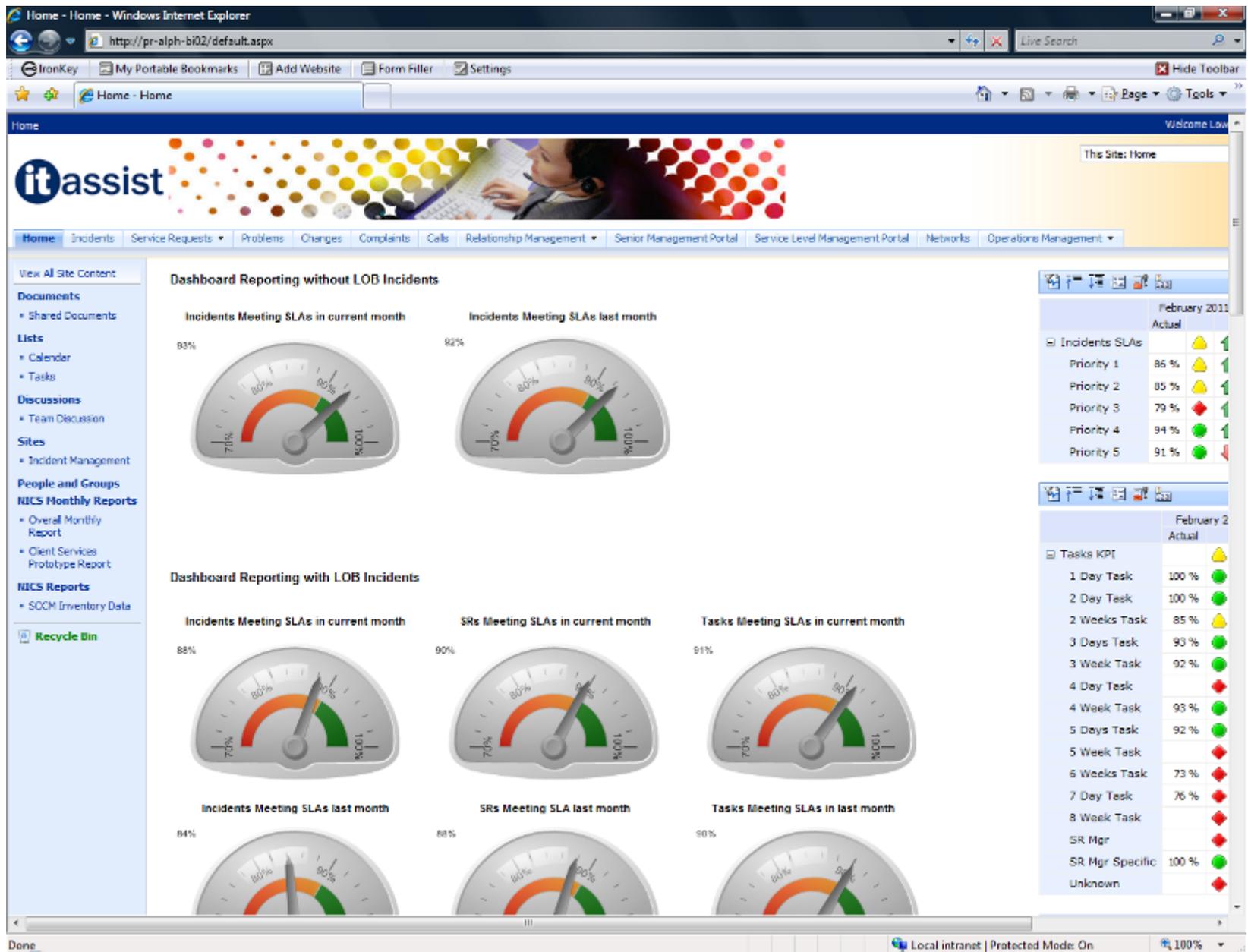
October 2011

• 90% calls made were taken

• 94% of incidents resolved within target

• 88% of service requests dealt with within target

September 2011

• 87% of our customers said the quality of our services were of a high standard.

• 90% said we dealt effectively with issues

• 86% said we were well informed and equipped to deal with their calls

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ESS Governance Arrangements


```
┌─────────────────────────┐        ┌─────────────────────────┐
│   Accounting Officer     │ ◄────► │  Permanent Secretaries  │
│   DFP Perm Secretary     │        │        Group            │
└─────────────────────────┘        └─────────────────────────┘

      ┌─────────────────────┐
      │  SSO Audit and Risk │
      │     Committee       │
      └─────────────────────┘

┌─────────────────────┐      ┌─────────────────────┐
│  Shared Services    │ ◄──► │   SSO Senior        │
│  Strategy Board     │      │  Management Team    │
└─────────────────────┘      └─────────────────────┘

┌──────────────────┐  ┌──────────────────┐  ┌──────────────────────┐
│  HR Service Board│  │ ICT Service Board│  │ Finance Service Board│
└──────────────────┘  └──────────────────┘  └──────────────────────┘
```

- -

Management of Operations and Service Delivery

Relationship / Account / Service Management	CHANGE	SERVICES	Operations Performance Management
	Strategy **Policy** **Needs** **Requirements** **Perception**	**SLAs** **KPIs** **Quality** **Finance** **VFM**	

Frontline Support

- Technicians role created and staff recruited
- Dealing directly with 40% of calls
- Excellent customer feedback
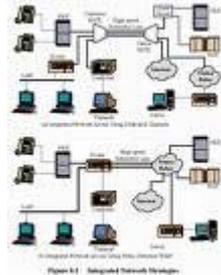- Single ITIL compliant Service Desk

Accommodation

People

Processes

Technology

Back Office

Front Office

Customers

People

Accommodation

People

- Merger/relocation of ISU staff
- ITIL-based organisation Chart
- Use of SFIA/Staff Skills Register
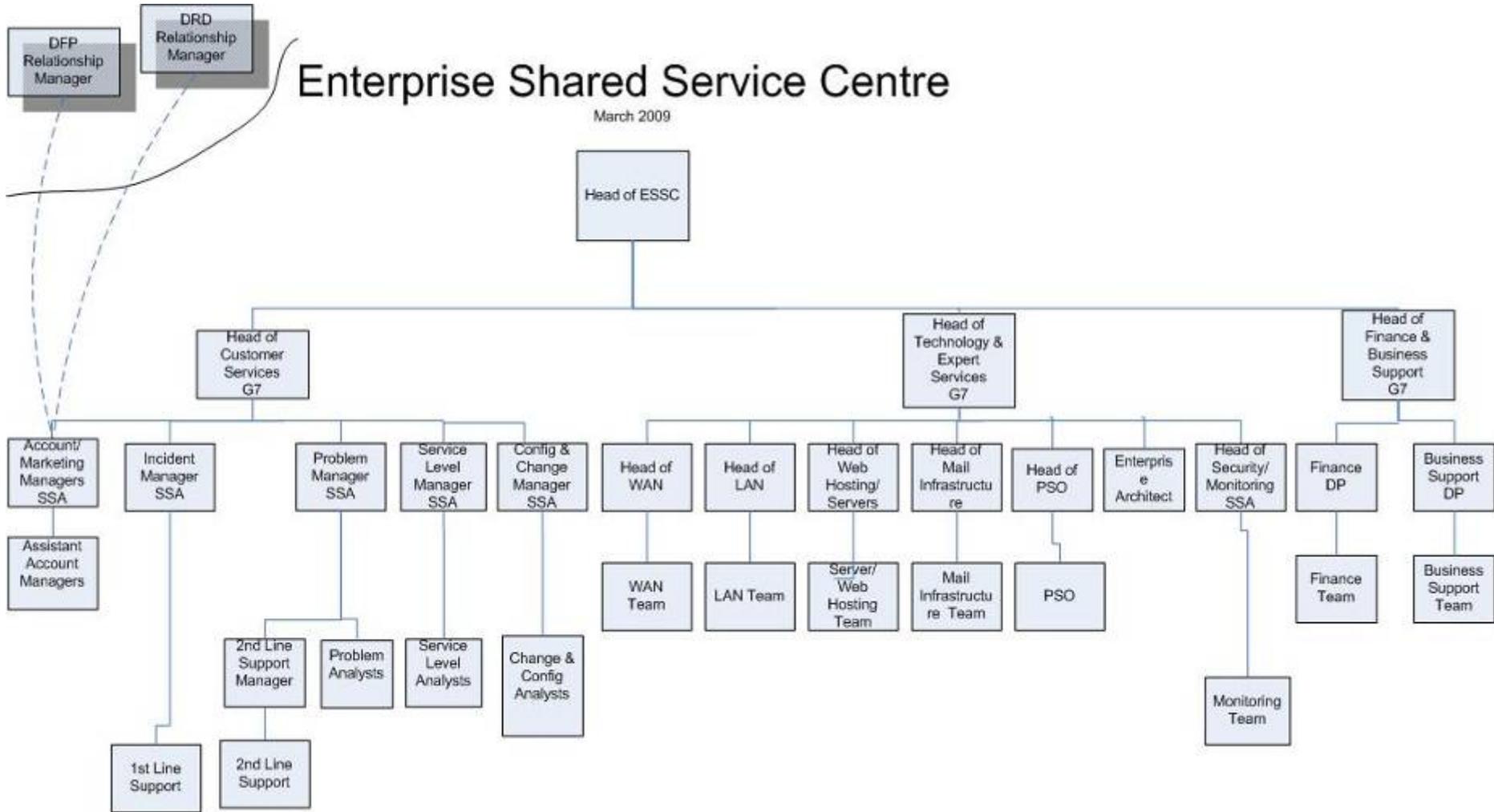- Staff satisfaction Review

Processes

Technology

Back Office

Front Office

**Customers**

Enterprise Shared Service Centre

March 2009

SSC Structure

IT Assist Reorganisation

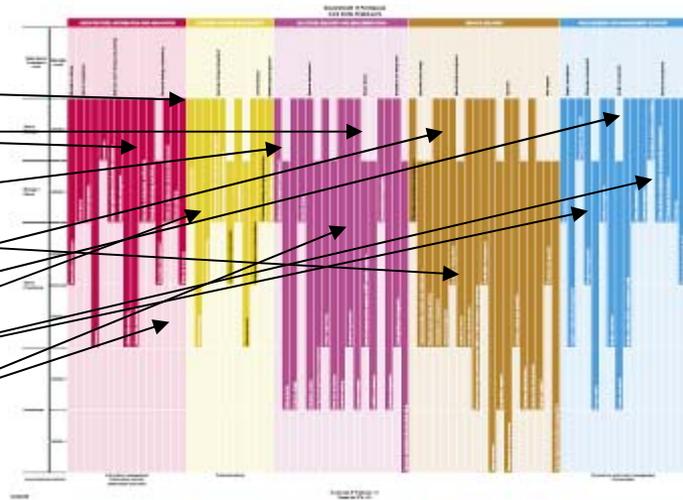| Service Planning	Customer Service & Service Control
Service Level/Improvement Plan Management	Service Request/Project Fulfilment
Service Catalogue Management	Service Desk
Information Security Management/Accreditation	1st line Support
Supplier Management	2nd Line Support
Portfolio Management	Problem Management
Account / Business Relationship Management	Knowledge Management
Architect	Event / Alert Management
Capacity Management	Change Management
Availability Management	Configuration Management
IT Service Continuity/Risk Management	Governance, Risk, Compliance
Demand and Request Management	Team
Access Management	Policy & Control
EDA Engagement	Project Support Office
Financial & Administrative Management	**Service Operations**
Procurement	System Admin
Fixed Assets	Security Monitoring & Admin
Charging	Service Monitoring & Control
Accounts	Directory Services
SMT Support	Network Admin
Governance Support	Storage Management
Conference Support	Release & Deployment Management
TQM	Transition Planning & Support
FM	Service Validation & Testing
Administration	Evaluation
	Print Services

Government Professional Competency Framework

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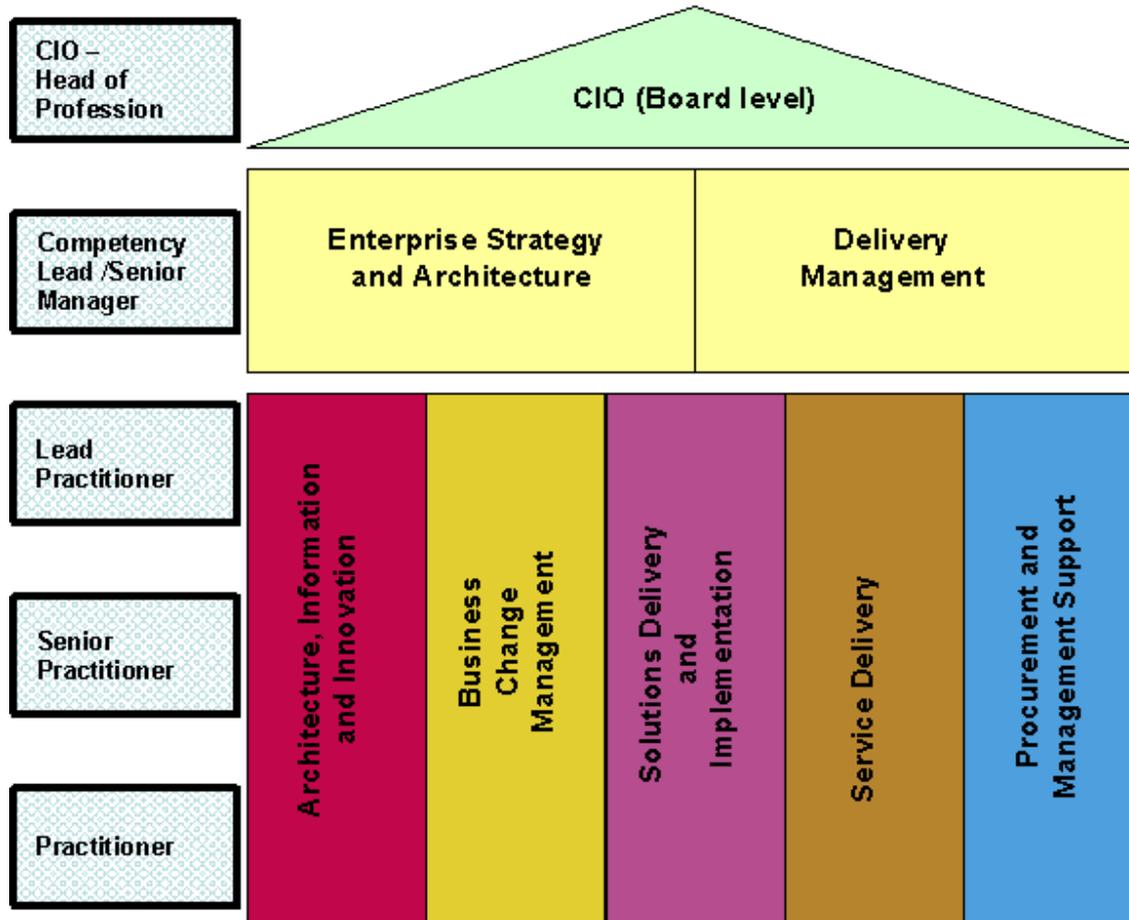
ICT Professionalism affects all Grades

e.g. Potential Grade 7
post in NICS:

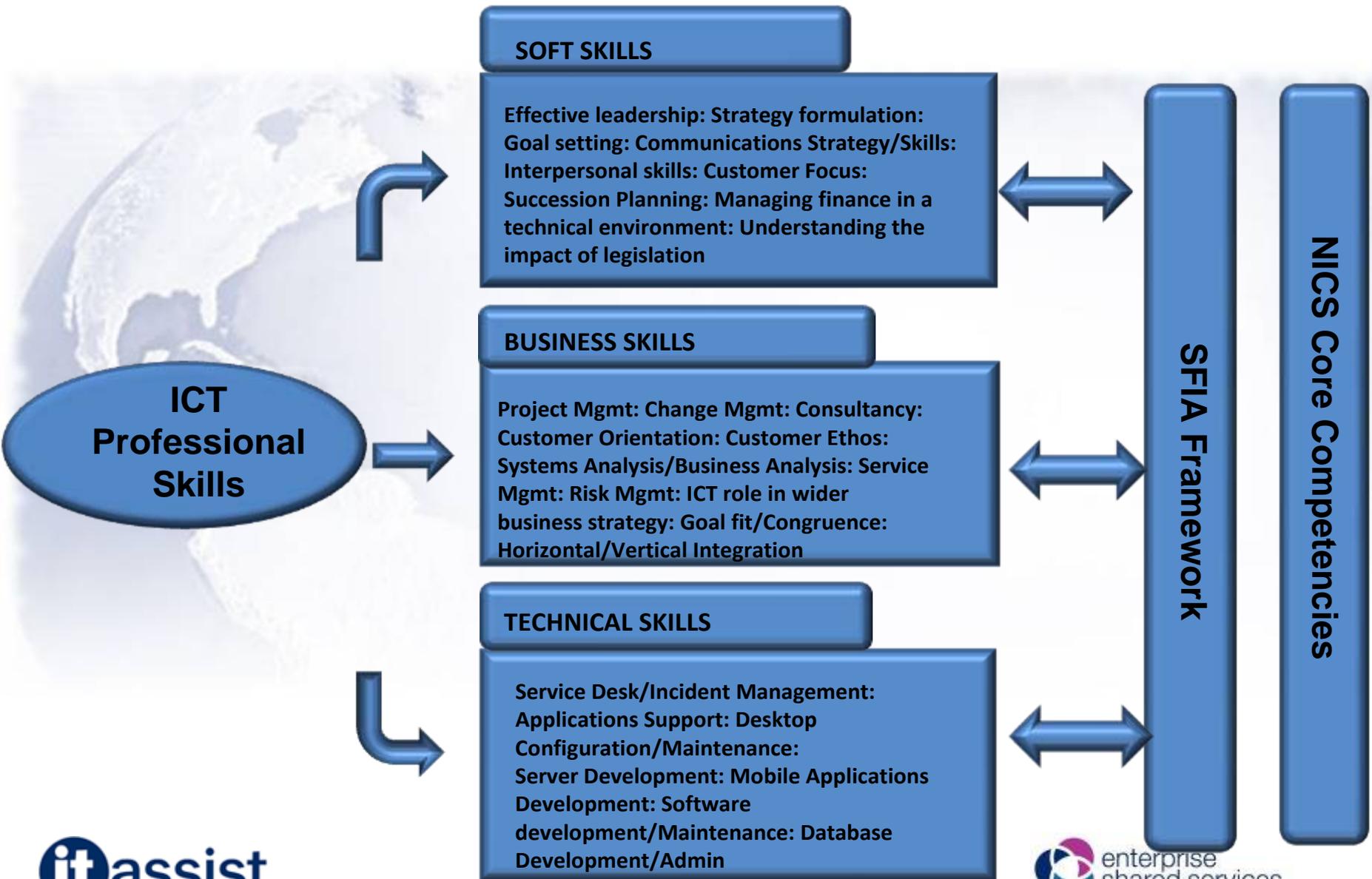- Head of ICT Service Provision

- Head of Information Services

- Chief Technician
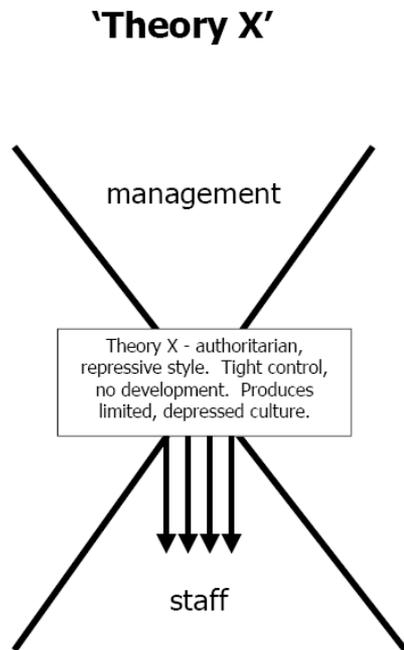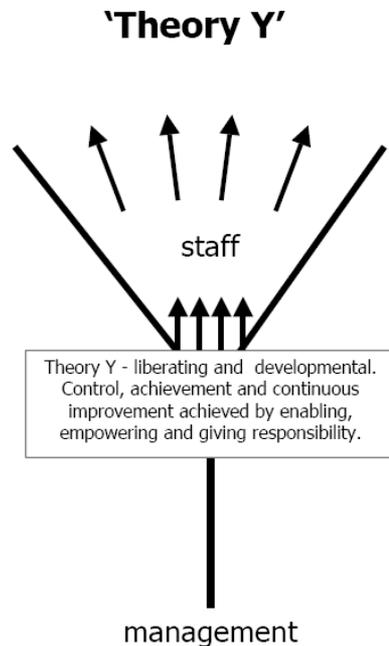
- Programme Manager

- Contract Management

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"Five Have Plenty of Fun"

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NICS ICT Skills Capability Framework

ICT Professional Skills

SOFT SKILLS

Effective leadership: Strategy formulation: Goal setting: Communications Strategy/Skills: Interpersonal skills: Customer Focus: Succession Planning: Managing finance in a technical environment: Understanding the impact of legislation

BUSINESS SKILLS

Project Mgmt: Change Mgmt: Consultancy: Customer Orientation: Customer Ethos: Systems Analysis/Business Analysis: Service Mgmt: Risk Mgmt: ICT role in wider business strategy: Goal fit/Congruence: Horizontal/Vertical Integration

TECHNICAL SKILLS

Service Desk/Incident Management: Applications Support: Desktop Configuration/Maintenance: Server Development: Mobile Applications Development: Software development/Maintenance: Database Development/Admin

SFIA Framework

NICS Core Competencies

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The Value of Empowerment

Employee Empowerment
Three Levels

Degree of Empowerment & Leadership

Enabling employees to make more and bigger decisions without having to refer to someone more senior

Involving employees in taking responsibility for improving the way that things are done

Encouraging employees to play a more active role in their work

- Getting closer to the customer
- Improving service delivery
- Innovating continuously
- Increasing productivity
- Gaining the competitive edge

Organizational Benefits

...pted from "Empowering People", Jane Smith   1000ventures.com

Smith 1996

'Theory X'

management

Theory X - authoritarian, repressive style. Tight control, no development. Produces limited, depressed culture.

staff

'Theory Y'

staff

Theory Y - liberating and developmental. Control, achievement and continuous improvement achieved by enabling, empowering and giving responsibility.

management

McGregor 1960

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when empowerment occurs at work, everyone benefits:

• The organisation – because individual talents are harnessed to the full;

• The department or team – because it becomes more enthusiastic, active and successful;

• Individuals – because they are stretched beyond what they previously thought they could achieve.

Jane Smith, 1996

Staff Attitude Survey Focus Group

"One to Watch" at first attempt in Sunday Times Best Companies to Work For Competition

- **Leadership** measures how people feel about the head of their organization, the senior
management team and organisational values
- **Well Being** measures stress, pressure, the balance between work and home life
and the impact of these factors on personal health and performance
- **My Manager** measures whether people feel supported, trusted and cared for by their
immediate manager
- **My Team** includes encouraging team spirit, feeling part of the organisation, having fun, and
belonging
- **My Company** focuses on how much people value their organisation, how proud they are to
work there, and whether they make a difference
- **Personal Growth** examines whether people feel challenged by their job, whether their skills
are being utilized and their perceived opportunities for advancement
- **Fair Deal** includes how well employees feel they are treated and how their pay
and benefits
compare to similar organisations
- **Giving Something Back** explores how much people think their organisation puts back into
society and whether they believe this effort is driven by profit motives

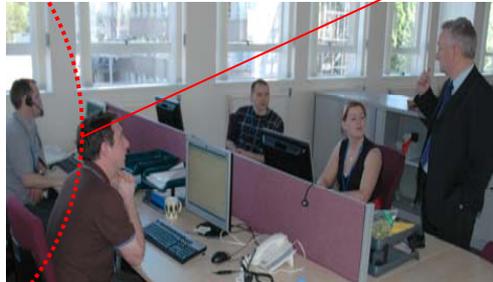BCS Presentation – Oct 2011

Accommodation

- Refurbishment of Craigantlet Buildings
- Developing a requirement for new premises
- Data Centre Contract Awarded to BT

Accommodation
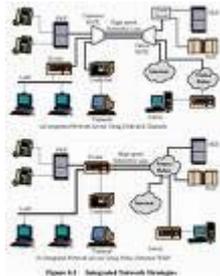
People

ITIL

Support	Delivery
Service Desk	Service-Level
Incident	Finance
Problem	Capacity
Configuration	Continuity
Change	Availability
Release	Security

Processes

Technology

Back Office

Front Office

Customers

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Processes

Accommodation

People

•Five processes in use

•Service Desk live

•Service Requests live

•Touchpaper Service Desk supporting all activity

Processes

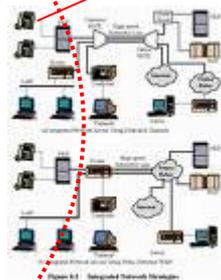Technology

Back Office
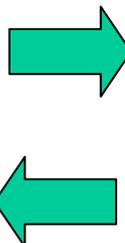
Front Office

Customers

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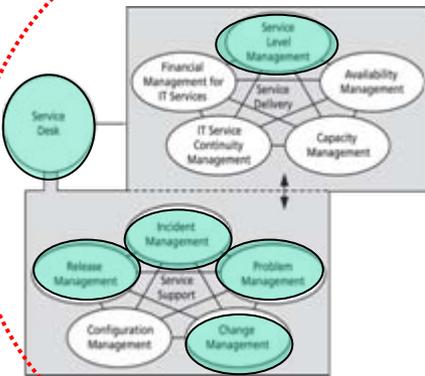
NICS ITIL Service Transformational Approach

Traditional IT Approach		ITSM Approach (Based on ITIL)
Technology focus		Process focus
Re-active (fire-fighting)		Pro-active
Users		Customers
Isolated, silos		Integrated service delivery team
Cost centre	**Becomes**	Profit centre (Valued business partner)
Informal/NO process		Best practice approach
Ad hoc delivery		Accountable Governance model
Internal IT perspective		Business perspective
Operational specific metrics		Service focused metrics

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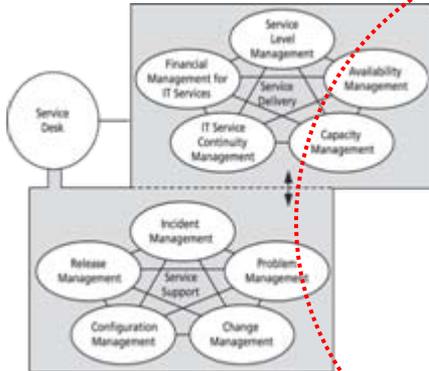better together

Technology

•Resilient E-Mail Contract Awarded

•NIGov Domain in place

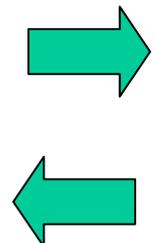•Major consolidation over next 3 months
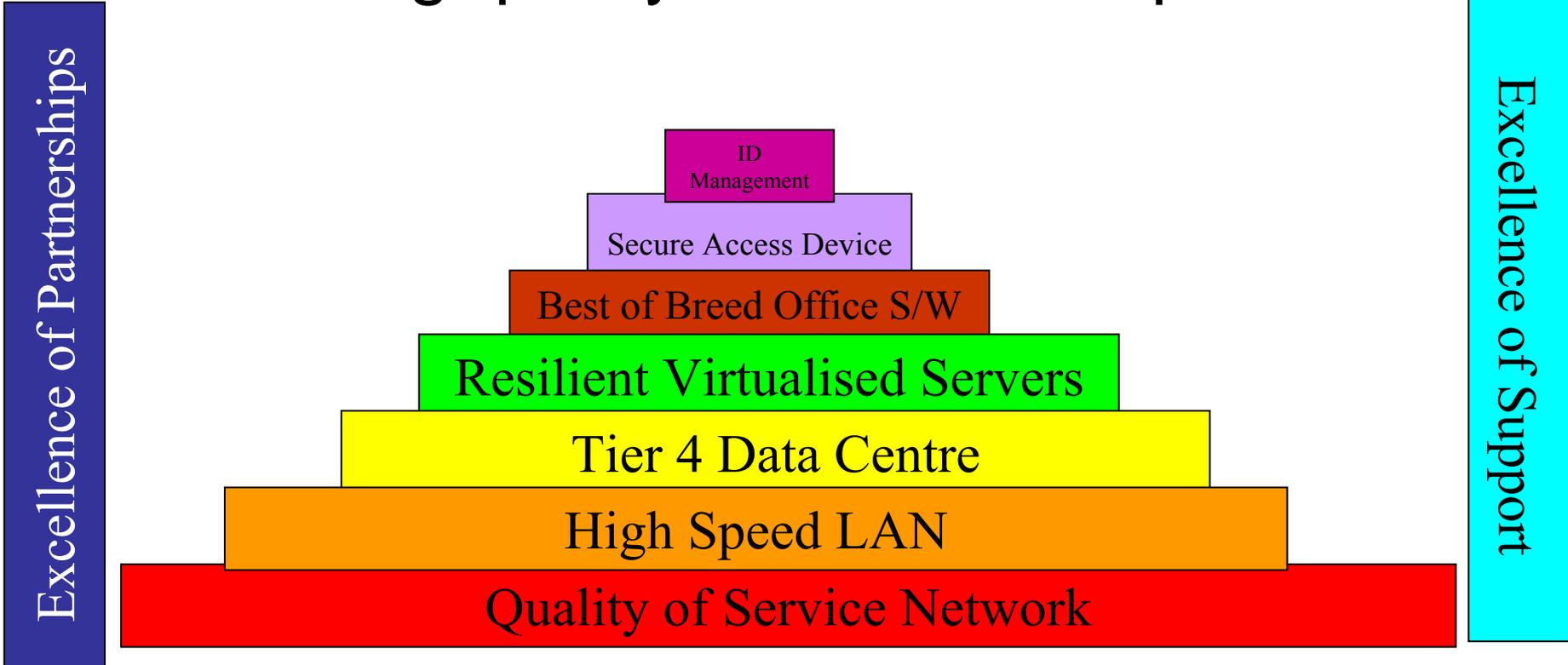
Accommodation

People

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Technology

Back Office

Front Office

Customers

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Building quality from bottom up ....

Excellence of Partnerships

Excellence of Support

ID Management

Secure Access Device

Best of Breed Office S/W

Resilient Virtualised Servers

Tier 4 Data Centre

High Speed LAN

Quality of Service Network

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IT Assist is judged on three Benefits ……

- Cost
- Customer Satisfaction
- Stakeholder Satisfaction

IT Assist Benefits Realisation

09/10   £1200

OBC Figure £1482
Gov (GB) £2362
CAFCASS (Flex) £1700

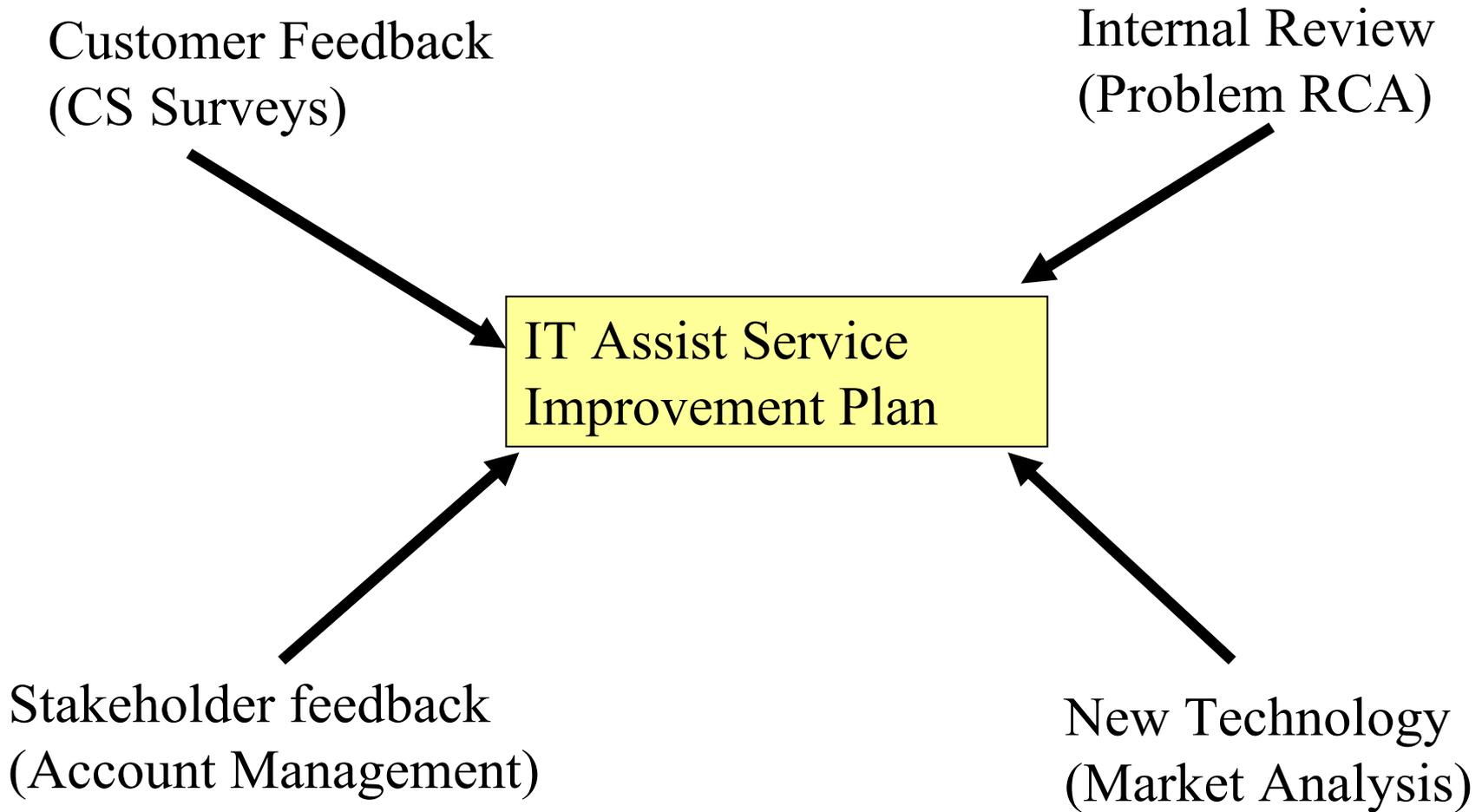| No	Benefit	Type
A	REDUCED COST OF ICT PROVISION	Cost
B	INCREASED END USER SATISFACTION WITH SUPPORT SERVICE	Satisfaction
C	GREATER ASSURANCE IN ALL ASPECTS OF THE GOVERNANCE OF THE SERVICE	Satisfaction

60% - Nov 08
65% - Nov 09
70% - Nov 10

Very Satisfied/Satisfied
(Current 85%)

70% - May 10

Very Satisfied/Satisfied

(survey completed in
Oct 10 – 100%)

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Service Improvement

Customer Feedback
(CS Surveys)

Internal Review
(Problem RCA)

IT Assist Service
Improvement Plan

Stakeholder feedback
(Account Management)

New Technology
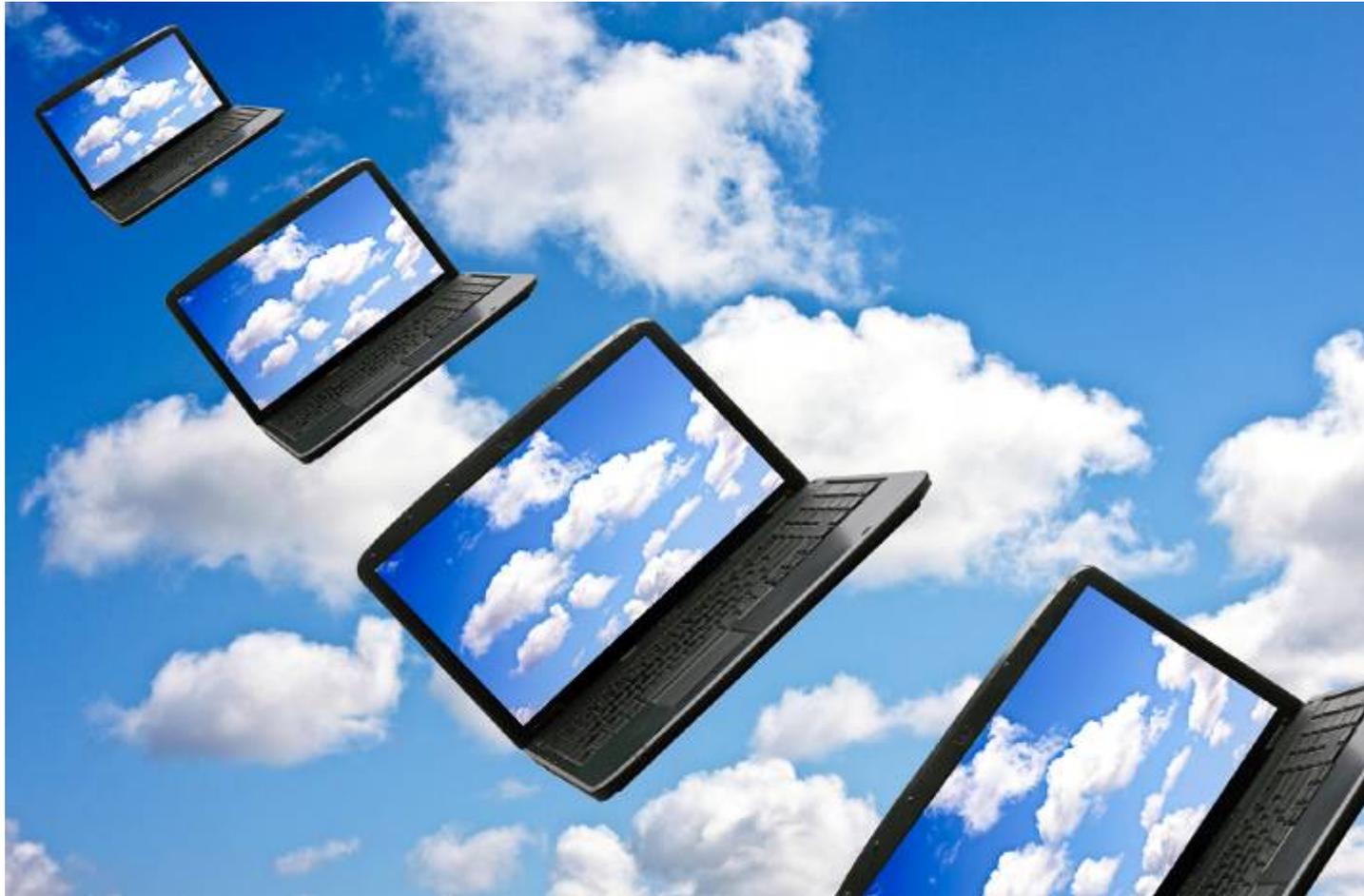(Market Analysis)

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Other Project Benefits

1. Service Catalogue now underpinned by highly robust infrastructure including data centres, fast, robust network and resilient messaging

2. Longer Help Desk Opening Hours

3. More services, e.g. Blackberry, home broadband

4. Management information

5. Single active directory hugely beneficial to Account NI & HR Connect

6. More flexible working opportunities

Time to Embrace the Cloud?

Questions?