



What makes an ideal shared service?

- By Karen D. Schwartz
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The Department of Interior's Business Center (IBC), which manages financial systems for 17 separate federal agencies, maintains an exhaustive [set of tests](#) to ensure those systems meet performance standards related to quality, accuracy and timeliness. A scorecard helps evaluate how each line of business is progressing.

A primary lesson for IBC and similar organizations that manage large shared services operations is that not every application is a good candidate for a sharing, according to IT services experts. For a shared service to work, they say, it should be something that most agencies need yet isn't a core competency of any of them – functions like human resources, payroll, financial management and procurement.

Although there may be slight differences in the way agencies run these services, there are enough similarities that it makes sense to standardize on one process throughout one or more agencies and to supply a common instance of an application to them. These utility-type services are also good candidates because it can be difficult to find enough skilled workers for service continuity on an agency-by-agency basis.

While these services are the most popular shared services offerings in the federal government, there are others that may also make sense, said Carlos Otal, managing partner for the global public sector at Grant Thornton, an independent advisory firm. Otal has spent much of the past 25 years implementing and advising agencies on shared services.

"Take grants management," he said. "Not every agency does grants, but enough do that there is no reason for them not to be looking at how they can share in solutions and reduce the overall cost to the government and to themselves."

Otal also sees departmental management and data analytics as ripe candidates for shared services. "When you look at the big picture of shared services beyond financial management, you can have an agency that has USDA's National Finance Center as the payroll provider, Treasury HRConnect as the HR provider and DOI as the financial systems provider," Otal said.

In fact, the scenario may set up a new role for shared services altogether, he suggested. With their data in different places, agencies may require new services to perform the management analytics to understand their costs and their spend across multiple departments. "There is a real opportunity in the enterprise data warehousing management area for more common solution," Otal said.

About the Author

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