

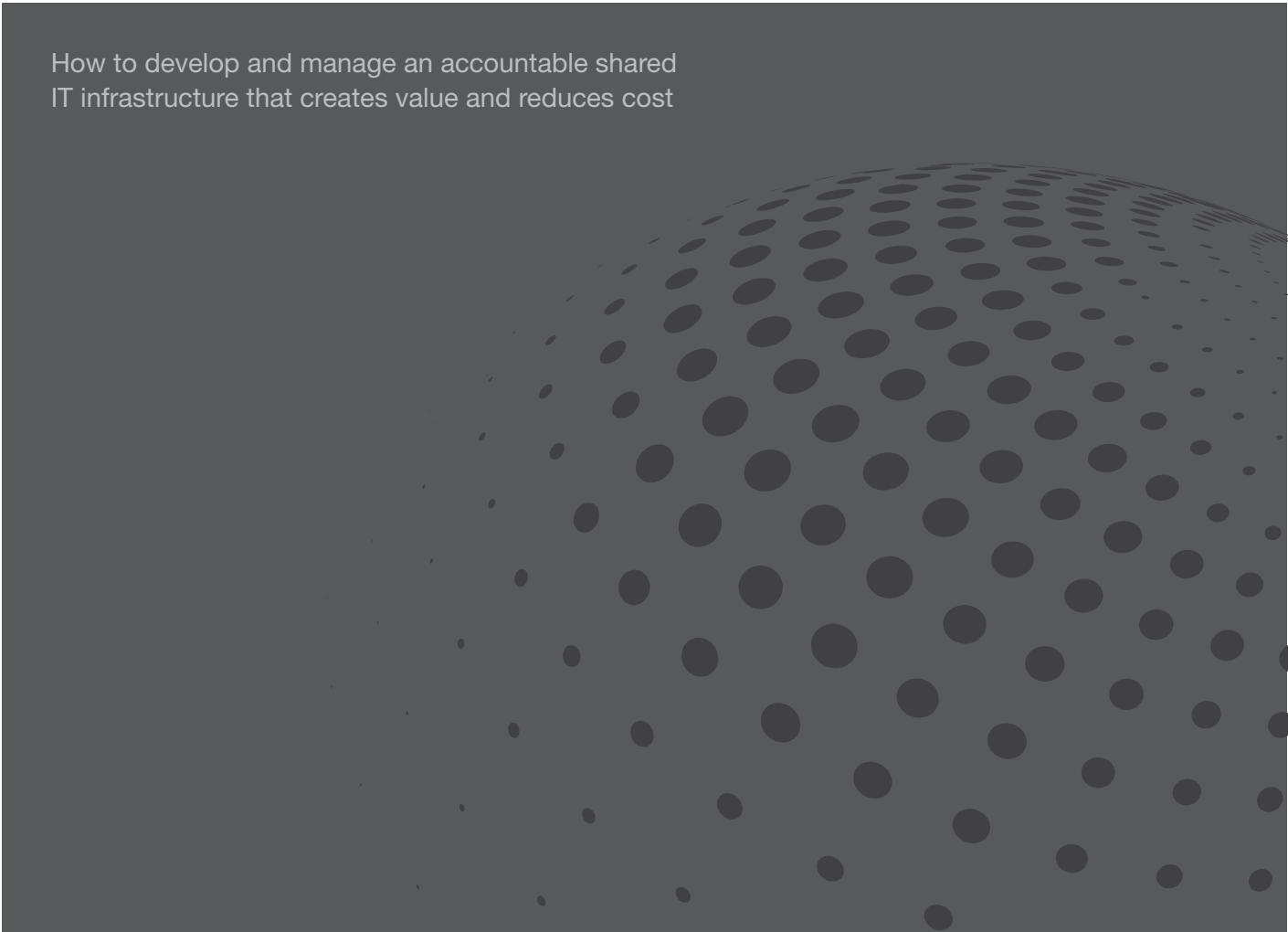


Centrix Software

Unified end-user computing

Developing Shared Services in The Public Sector

How to develop and manage an accountable shared
IT infrastructure that creates value and reduces cost



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Introduction

Shared Services is a common method to both cut costs and improve service delivery in the private and public sector.

In “Austerity Britain” the public sector is embracing Shared Services more than ever, as more efficient customer-oriented services are expected from the public sector against a back-drop of resource and budgets constraints.

A Shared Service is more than just centralisation or consolidation of similar activities based on organisation, processes and underlying technology. It is the on-going convergence and streamlining of similar functions to ensure they are delivered as effectively as possible. In its optimum use it focuses resource on developing and delivering

accountable, best-in-class services that benefit a collective group of organisations, teams and departments at a competitive cost.

Where opportunities exist to implement Information Systems (IS) Shared Services the public sector is, or should be, jumping on them. This paper provides guidance on how those opportunities can be identified and outlines key steps for creating a well-managed and structured Shared Services strategy.

1. Focus on value creation

For a Shared Service to be a success, the focus of the project must move from administrative cost reduction to value creation.

Value creation is about delivering a better level of service to the user population – across the organisations involved – than any one component could achieve by working by itself.

The fundamental outcomes of a successful IS Shared Services organisation should be:

- An agile organisation
- Processes and capabilities enabled for growth
- A partnership culture among the end users and the Shared Services organisation
- A knowledge-based and performance oriented organisation based on standardised technology

By adopting an approach focussing on organisation, processes, collaborative working and the underlying technology, cost reduction becomes a natural by-product (figure 1).

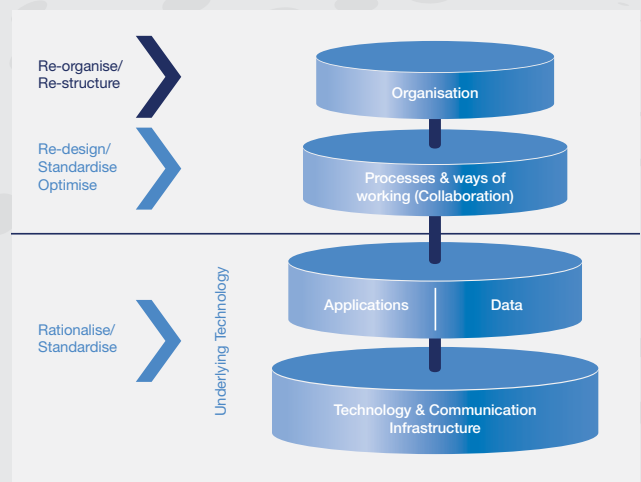


Figure 1. Shared Services Implementation Considerations

2. Have a clear picture of how your IT resources and assets are currently being used

One thing that is key to a successful IS Shared Services implementation is that the user environment is fully understood.

Collecting the information to understand what can be shared in the first instance is essential during the design phase. Data that should be collected in the planning stage includes:

- How current systems, application and services are being used
- What software and hardware assets are being used by each user
- How much those assets are being used
- And for how long

This information will allow you to see where you can drive efficiency gains, improve business processes, enhance collaborative working and drive economies-of-scale through rationalising and standardising underlying technology services.

By doing this, non-value activities and assets that are idle or overprovisioned, such as application licenses and hardware devices, can also be eliminated or rationalised, providing immediate cost savings.

How to get this information quickly

Information on how existing services are actually being used can be gathered by performing end-point discovery across an IS estate. There are a large number of tools and techniques available, which can be used to pull information from an IS/service estate – Centrix WorkSpace Discovery is one of the easiest and quickest to use and offers extensive initial audit capabilities.

It is free to download at:

www.centrixsoftware.com/discovery

3. Identify the best candidates for Shared Services

Once you have done an initial audit of your end-user environment, the next step is to analyse more closely how services are being used.

This will allow you to build demand profiles of the services and applications installed and identify services that are appropriate to be moved to a shared infrastructure. The business case can then be built to support project investment, hugely simplifying, streamlining and de-risking the transformation. This data can also help with the scoping of individual technology changes, such as where to apply virtualisation technologies or manage the introduction of new software platforms such as Windows 7.

How to get this information quickly

This granular level of information gathering can be done with monitoring and metering solutions provided by IT intelligence and asset management products, such as Centrix WorkSpace iQ. Centrix WorkSpace iQ captures how resources and assets are being used across server, application and devices in place for organisational groups or individual users.

It then presents meaningful reports and dashboards for easy analysis. This solution has been proven to be a great resource in existing Shared Services organisations, demonstrating efficiency improvements and savings in the tens of millions of pounds, an example of which can be found [here](#).

4. Create an IT-as-a-Service framework to manage service delivery

The change from disparate to 'shared' services often requires a range of technology delivery solutions to deliver what the end user really needs. Examples may include virtual desktops, managed or Software-as-a-Service (SaaS) applications, web content and Windows applications.

However, delivering a blended environment can introduce IS usability, manageability and productivity issues. Creating a platform that can support existing assets and allow the organisation to keep pace with innovation is essential. Changing IS trends and various types of access requirements will become increasingly common across Shared Services. Any changes in the way services are offered will need to be accepted by both the end-users and the organisations the services impact.

Creating an IT-as-a-Service framework for application delivery can support secure on-demand access from any device or location. It can also protect the user experience when back-office changes are made or new technology services are introduced. It also enables the accountable team to track and meter application and service delivery to control efficiency and cost, and create internal billing and 'show-back' service cost modelling.

How to achieve this quickly and in a secure and governed way

Delivering an IS Shared Service through an aggregated access platform or application portal such as provided by Centrix WorkSpace Universal, can enable this and drive adoption and user satisfaction, while increasing flexibility for IT.

Such aggregation platforms are designed to provide a seamless user interface for the shared service applications and enable the Shared Service IT team to create a central application store and inventory. This greatly simplifies the management and provisioning of services. Service levels can be managed against consumption and the cost of provisioning and supporting the service.

5. Define a clear management strategy for the Shared Services initiative

Where Shared Services already exist, local and central Government is looking for sustainable and, in some cases, increased efficiencies.

Evidence of successful public sector IS Shared Service implementations can be seen from the [e-Government National Awards](#) [26 January 2011] which included:

- The Welsh Assembly Government's Public Sector Broadband Aggregation network (PSBA) is the UK's first public multi-sector shared services network with an aim to eventually link all 350,000 public sector workers in Wales. Average network savings over five years are expected to reach 20% coupled with significantly greater levels of collaboration.
- The University Hospitals of Leicester NHS Trust use a Shared Services model for HR Payroll and Pension resulting in measurable success in response times; Over 98% of calls are now answered within 15 seconds, 100% of calls are answered within 60 seconds and logged emails are responded to within one hour.
- The Scottish Police Services Authority implemented a virtual National Service Desk. Money has been saved through the common tools and processes, unified standards and increased productivity. The National Service Desk now has 500 ICT analysts using a single virtual service desk system, and supports over 1,300 applications and 18,000 PCs for police officers, civilian support staff and management.
- The NHS PECOS Consortium Project (A group of seven health boards) implemented a Shared eProcurement solution for NHS National Services Scotland. The range of benefits included a reduction in paper-based transactions and transaction costs, a reduction in so-called 'maverick' spend, a reduction in duplicate data entry, and the establishment of NHS NSS Consortium-wide common business processes for eProcurement.

- The Department of Work and Pensions (DWP) ran a Single Shared Services umbrella project encompassing HR, procurement, financial services, and debt management services to over 150,000 users at DWP, Child Maintenance Commission, the Cabinet Office, and the Department for Education. The project is estimated to generate over £500,000 savings annually.
- The Department for Education's Employee Authentication Service (EAS) together with a number of local authorities, implemented a Shared Services platform providing strong authentication for local government employees. This provided access to a number of government applications through a single authentication process, delivering significant benefits across the UK's public sector.
- Northern Ireland's Department of Justice launched the Causeway Data Sharing Mechanism, as a joint initiative, with the six main criminal justice organisations in the country. Causeway handles over 1.25 million case messages each month and over the lifetime of the decade-long contract, is expected to deliver savings of £68 million.
- The Home Office's Adelphi Services unit progressively implemented a series of Shared Services features for over 32,000 users, delivering £4 million in net savings annually. Partners include various ICT suppliers, and the Ministry of Justice, HMRC and the Foreign & Commonwealth Office.

Sound businesses regularly review their strategies and measure their operational efficiency. So too should Shared Service organisations.

Maintaining and, in some cases, enhancing service levels whilst reducing cost is often required on an on-going basis to prevent a trend back to de-centralisation, driven by, say, a need for greater local control or autonomy. There are a number of common business-oriented management practices exhibited by Shared Services organisations that sustain their efficiency gains. These include:

- A clearly defined IS strategy, aligned to the business strategy and priorities, underpinning the Shared Services on offer
- Continued focus on operational effectiveness, whilst supporting the changing needs of internal and external customers
- Clarity around responsibility and accountability for decision making – a sound governance structure
- Customers should be enabled to better meet their business needs through a catalogue of IS products and services
- Close and regular communication with customers.

These practices have helped Shared Services organisations achieve dramatic results, often supporting growing organisations whilst sustaining increasing benefits.

Developing a framework that supports self-service

By creating a central app store, IS Shared Services teams can provision applications and desktop services to end-users as and when they are needed. Centrix WorkSpace Universal provides a platform to support this, enabling any technology service to be governed and centrally provisioned. It also provides a universal front-end or workspace to a shared infrastructure, giving users one place from which to gain secure access to essential services, from any device or location.

For more information see www.centrixsoftware.com/products/workspace-universal/

6. Specify and measure against key performance metrics

Perhaps the most important management practice for driving on-going improvements is regular and appropriate performance measurement.

Many IS Shared Services organisations fail to specify key performance metrics and to report on these. Performance metrics are critical to communicate success back to the departments or organisations involved, which in turn will drive a greater adoption of Shared Services.

Successful IS Shared Services organisations typically establish key metrics early in their lifecycle and align these key metrics with the following strategic goals:

- Contribution to the organisations, as measured by sponsor satisfaction, customer satisfaction, public image and/or other quantifiable business benefit
- IS operational excellence, evaluated by such measures as IT cost as a percent of total revenue, IT workforce as a percent of total employees, and IT expense per person
- Best-in-class workplace and services, assessed by tracking such metrics as employee and citizen engagement, employee attrition, attrition of top performers and percent of training budget spent

IS Shared Services that are good at performance measurement tend to build a strategic IS performance scorecard that reports on the above key measures on a regular basis. This guides day-to-day activities, providing the Shared Services executive team with timely information for decision-making.

How to build a measurable service framework

Shared Services organisations need to continuously monitor their resources and ensure these are optimised. Centrix Software solutions provide IT intelligence, visibility and reporting that accelerates key IT and organisational decision-making around hardware and software assets.

Given IT assets typically sit at the heart of an IS Shared Services organisation, clarity and transparency around these has been shown to result in significant on-going saving opportunities, control and oversight.

With Centrix WorkSpace, Shared Services organisations have a platform for reporting on the shared infrastructure and can measure where the service is delivering value.

7. Make the right choices now to deliver value today and in the future

As public sector IT cuts remain on the agenda, finding opportunities to decrease costs while improving service levels is a key priority.

Where technology investments are directed towards efficiency and cost savings, public sector cuts may not be as deep as feared. Public sector analysts [Kable](#) predict future IT investments are likely to be around mobility and technology that aids consolidation, as Whitehall continues to cut duplication across departments and leverage IS Shared Services further.

The slight decline in IT spend, from the current level of £17.75bn, over the next couple of years is likely to be followed by a rise of 1.5% to £18.27bn by 2015. We would suggest the technology increase in spend should be aligned with a focus on the management practices and technology approaches outlined in this white paper.

Overall, while IS Shared Services are making strides towards efficiency gains, there are a number of examples of Shared Service organisations not realising the full available benefits.

Successful IS Shared Service organisations ensure savings are both sustainable and optimised into the future by adopting a common set of management practices including:

- A clearly defined IS strategy
- Continued focus on operational effectiveness
- A sound governance structure
- Flexibility
- Regular communication
- Regular and appropriate performance measurement
- Business value, operational excellence and best-in-class workplace

In addition, Shared Services should maintain a view of current and future technology trends/future opportunities for service level improvement and/or cost reduction. Centrix Software suggests the smart money is on both reporting and delivering a service through an open platform that is designed to create immediate and lasting value.

About Centrix Software

Centrix Software provides award winning IT Intelligence solutions that optimise the way IT infrastructures deliver applications and content provisioned from physical, virtual, hosted or web platforms.

Headquartered in Newbury, UK, Centrix Software solutions are designed for organisations operating large-scale application environments. Customers include leading organisations in banking and securities, insurance, telecommunications, retail, manufacturing, pharmaceutical, energy and utilities, and the public sector.

Centrix Software solutions are available through a network of value-add partners. For more information please visit **www.centrixsoftware.com**

To find out more about Centrix WorkSpace or to arrange a proof of concept please contact **sales@centrixsoftware.com**

For a free copy of Centrix WorkSpace *Discovery* please go to **www.centrixsoftware.com/discovery**



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