Information Management in a Corporate Administrative Shared Services Environment

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Agenda

- About CASS

- About Information Management and CASS

- Context – Design follows data and information
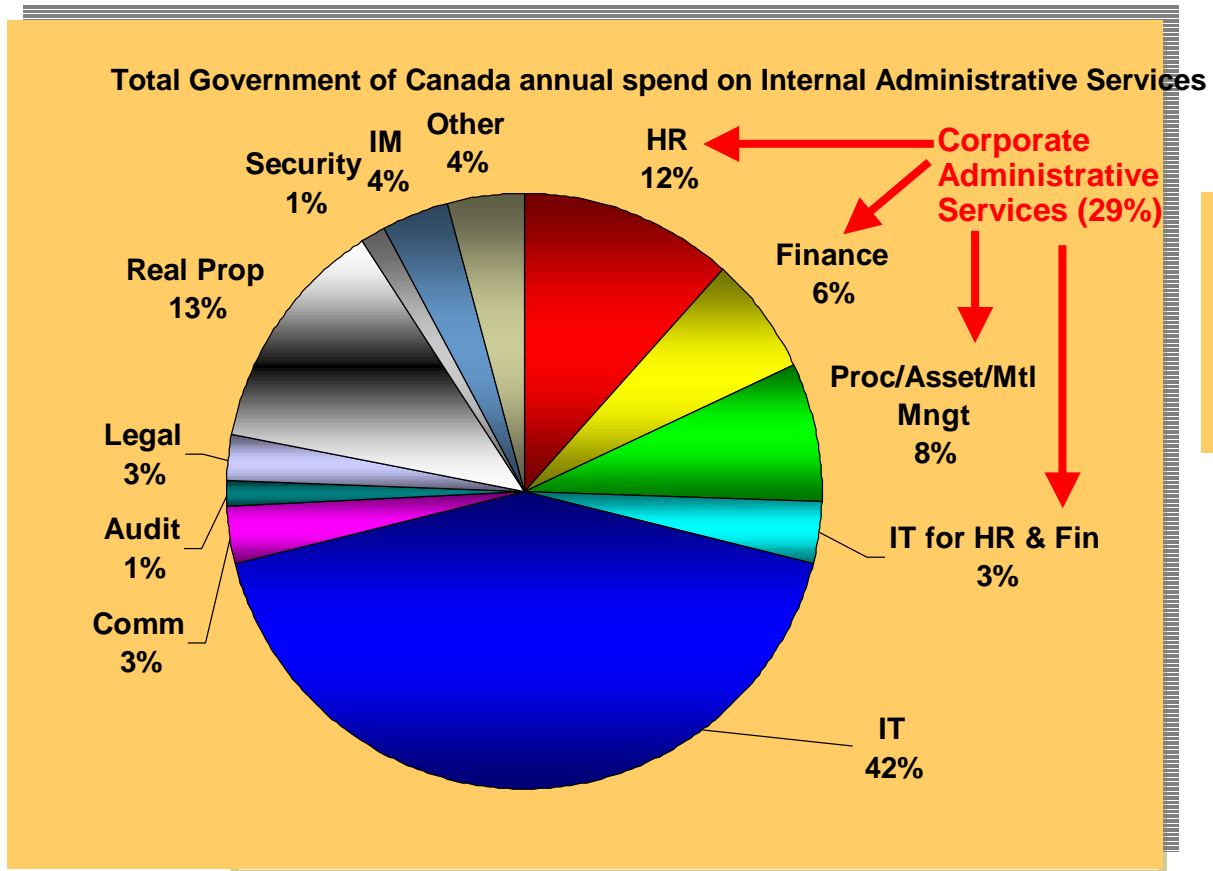
- Challenges and Response

About CASS

- Priority of the new Government of Canada (GC) transformation agenda and Policy renewal initiative

- Single configuration of Enterprise Resource Planning Systems for the GC: Oracle/Peoplesoft ver 8.9 and SAP Financials, ver. 4.7

- Information for better decision making

  - Multi-jurisdictional – Multi-resourced
  - Multi-stakeholder   – Multi-accountabilities

- Common Enterprise Approach

- Huge opportunity gain, risk mitigation and cost benefit/avoidance

- Services Outward/Inward

In 2004, TBS estimated that the GC spends approximately $11B annually on internal administrative services.

Total Government of Canada annual spend on Internal Administrative Services

Pie chart segments:
- HR 12%
- Finance 6%
- Proc/Asset/Mtl Mngt 8%
- IT for HR & Fin 3%
- IT 42%
- Comm 3%
- Audit 1%
- Legal 3%
- Real Prop 13%
- Security 1%
- IM 4%
- Other 4%

Corporate Administrative Services (29%)

Approximately 24,000 FTEs in HR, finance and materiel management services in the GC – 50% outside the NCR

Preliminary review data: 2004

... with major delivery pressures looming

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Our major GoC service transformation projects are targeted at external and internal service modernization.

External Service Transformation		Internal Administrative Service Transformation		
ERC	**Various Dept-Led**	**ERC**	**Corporate Admin**	**Information Technology**

• Service Canada (HRSD)	• My Account and other Gov't to B2C Initiatives (CRA)
	
	• Business "Storefront" (IC)
	
	• Various GoL projects
		• Real Property Reform
		
		• Procurement Reform
		  • Shared Travel
		  • GoC Marketplace
			• *Corporate Administrative Shared Services (TBS)*
			  • *Finance, HR, MM, Information, IT*
			
			• Pay Modernization
			
			• Pension Modernization
				• IT Shared Services
				  • Data Centre
				  • Desktop
				  • Secure Channel
				  • Telecomms

…and have evolved without much collective, enterprise-level planning.

* Many other service transformation projects not highlighted on this slide, e.g., GOL catalytic projects

The current environment suggests that the 'status quo' is not an option to meet future operational requirements and support management excellence.

Coordinated approach difficult in silos

- 100+ depts & agencies
- 24,000 FTEs in HR, finance and materiel management
- 50% of workforce in regions
- Internal services designed & delivered independently by depts
- Multiple horizontal and overlapping departmental initiatives
- No common business processes

Demographic realities

- Approx. 26% of corporate and admin staff eligible to retire over the next 5 years
- 500 HR specialist positions vacant in GoC
- 1-2 years to train new recruits

Investments looming

- Upwards of $1B anticipated for future administrative systems upgrades (including Pay Modernization, Pension Modernization, GoC Marketplace, etc.)
- Risk-averse climate

System fragmentation sustains silos

- 21 HR and finance/materiel management systems
- 15-20 different configurations of each major software system (SAP and PeopleSoft)
- Approx. 800 significant interfaces between HR/finance and other systems

Insufficient resources to manage changes dept-by-dept

- Myriad of administrative and operational changes result in significant capacity issues for departments (over 100 in one department alone)

Significant variation in economies of scale

- Small depts: $9K per employee
- Medium depts: $6,750 per employee (25% less)
- Large depts: $5,670 per employee (additional 16% less)

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The current environment suggests that the 'status quo' is not an option to meet future operational requirements and support management excellence.

Coordinated approach difficult in silos	**Demographic realities**	**Investments looming**
System fragmentation sustains silos	**Insufficient resources to manage changes dept-by-dept**	**Significant variation in economies of scale**

Much progress has been made since CASS was launched in Fall 2005.

Began Working with 12 Wave-1 departments and agencies (=20% of public service)

- **Identified potential service offerings and baselined current costs for Wave-1 departments**
- **Developed CASS business model, including governance, funding models and best practices**

Currently developing implementation options and business cases for Cabinet decision

Fall 2006: Memorandum to Cabinet Decision-Point

Start-up Implementation with 'Early Adopter' Departments

Currently the CASS team continues its analysis of implementation strategies and options.

- Currently completing a TB Submission (for late September) for in-year funding to continue analysis of implementation options and to develop the supporting business case.

- Considering a Memorandum to Cabinet later this year that will assess four separate end-state options to improve corporate administrative services.

  - **Option A:** Shared Systems with Fully Integrated Shared Services;
  - **Option B:** Shared Systems with Selected Shared Services;
  - **Option C:** Corporate Administrative Application Service Provider
  - **Option D:** Enhanced Policy and Control Framework

- One preferred option will be recommended (that has yet to be determined)

- We continue to work closely with key stakeholders (CASS Wave 1 departments, Policy Authorities, etc).

The four "End State" implementation options will all contribute to improved corporate administrative operations, but in varying degrees.

Option A
Shared Systems with Integrated Shared Services

Aggressively pushes shared services approaches, with common 'greenfield' enabling systems and administrative processes.

- Adopts a 'single-instance' commonly configured shared system based on standardized business processes and master data.

- Provides comprehensive, fully integrated service offerings in Finance, Material Management, Human Resources and Information Services Technology.

- Promotes a "Greenfield" approach (building from scratch) based on implementation of many best practices.

- Designed/costed for initial 12 departments, starting with 3-4 then assesses next steps.

Option B
Shared Systems with 'Selected' Shared Service

Selected high-impact shared services, with common 'brownfield' enabling systems and administrative processes.

- Adopts a 'single-instance' commonly configured shared system based on standardized business processes and master data.

- Provides selected services offerings with limited integration, targeted on "burning platform" and/or high impact/benefit areas:

- Human Resources: Pay and Benefits Services and Org and Classification.

- Finance and Material: Accounts Payable processing services including acquisition card management.

- IST: Application Management Services and selected enterprise master data maintenance.

- Leverages existing systems wherever possible (brownfield approach) and evolves to 'targeted' system solution through a "release strategy"

- Designed/costed for initial 12 departments, starting with 3-4, and then assesses next steps.

Option C
Shared Systems with Application Mgmt Services

Shared Administrative Systems with Application Management Services

- Adopts a 'single-instance' commonly configured shared system based on standardized business processes and master data.

- No value-add HR, Finance, or MM administrative shared services provided.

- Provides Application Management Services with some Master Data Maintenance Services;

- Leverages existing systems wherever possible (Brownfield approach) and evolves to 'targeted' system solution through a "release strategy"

- Designed/costed for initial 12 departments starting with 3-4 and then assesses next steps

Option D
Enhanced Policy and Control Framework

Enhanced Status Quo - leveraging policy framework to promote consistent administrative practices

- Current state situation where CAS improvements and operations remain decentralized within departments and agencies

- Central policy authorities are providing specific CAS delivery standards, performance metrics and, operate a Government wide CAS compliance mgmt framework

- DMs would be accountable for achieving service and cost targets without the benefit of a shared services or shared systems regime.

- Government wide in scope (as much as possible under policy framework).

The four "End State" implementation options will all contribute to improved corporate administrative operations, but in varying degrees.

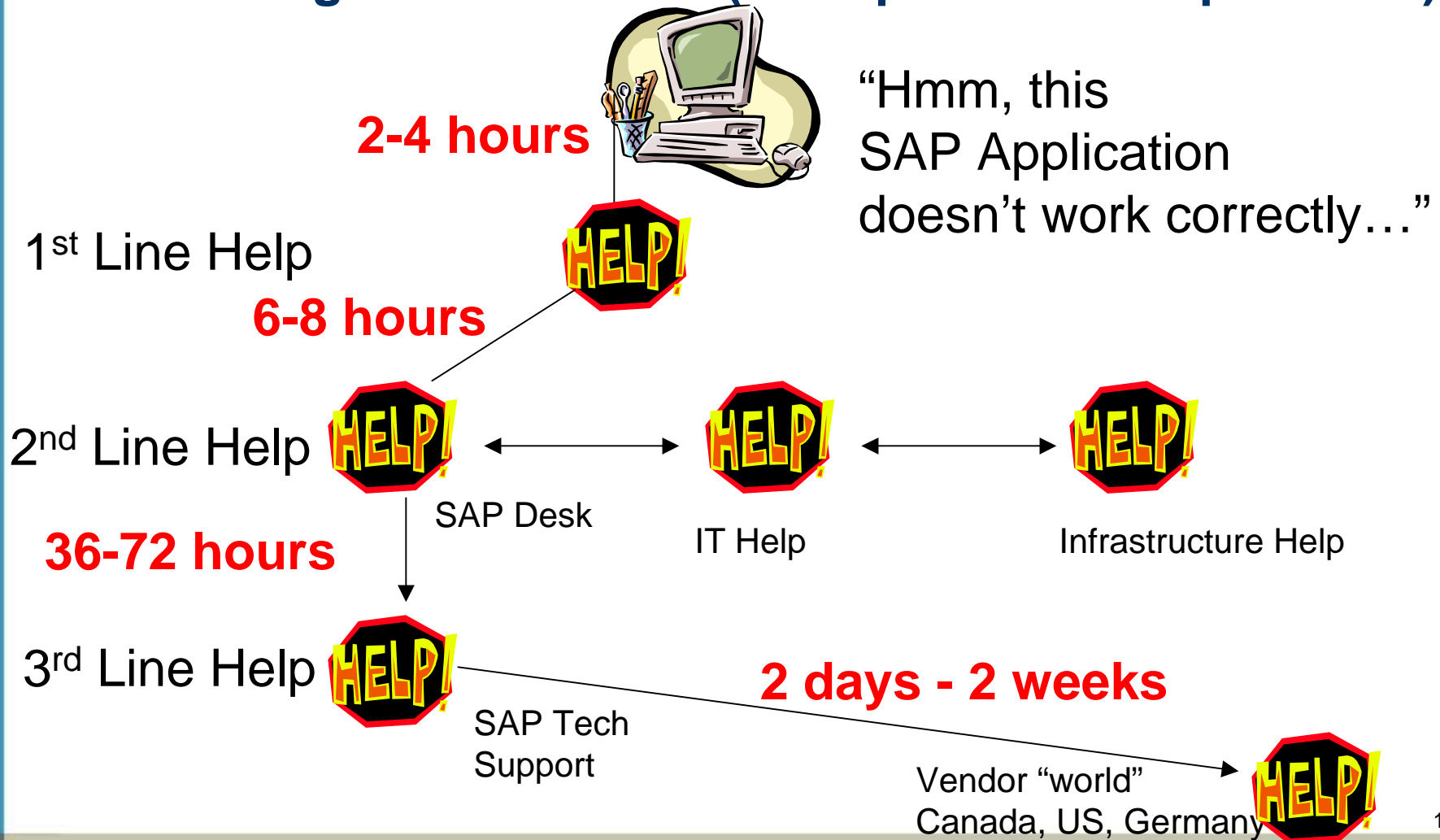| Option A	Option B	Option C	Option D
Shared Systems **Integrated Shared** **Services**	**Shared Systems** **'Selected' Shared** **Service**	**Shared Systems Application Service Provider**	**Enhanced Policy and Control Framework**
Comprehensive services as aggressively as possible	**Focus – "burning platforms", high impact services, high benefit services**	"Apps on Tap"	"Policy on Steroids"
Significant change/high risk	**Leverage existing**		
Highest potential for achieving benefits	**Build for 12 departments, start with (3) early adopters assess, expand.**		

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Products/Services Bundling Concepts
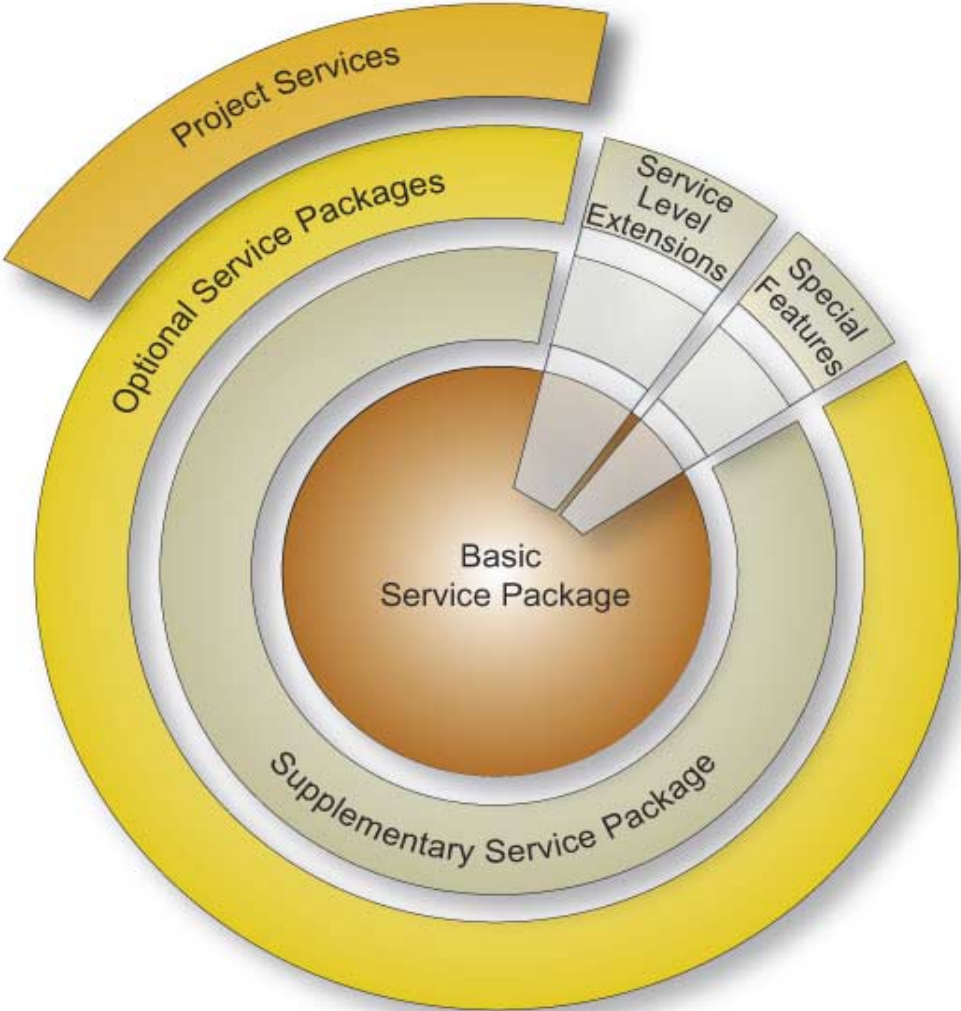
How could service to clients improve?

Value Proposition Realized
(Service Desk Example)
Existing Service Desks (example from 1 department)

"Hmm, this SAP Application doesn't work correctly…"

2-4 hours

1st Line Help

6-8 hours

2nd Line Help

SAP Desk

IT Help

Infrastructure Help

36-72 hours

3rd Line Help

2 days - 2 weeks

SAP Tech Support

Vendor "world" Canada, US, Germany

Value Proposition Realized (Service Desk Example)

…Important Tip….
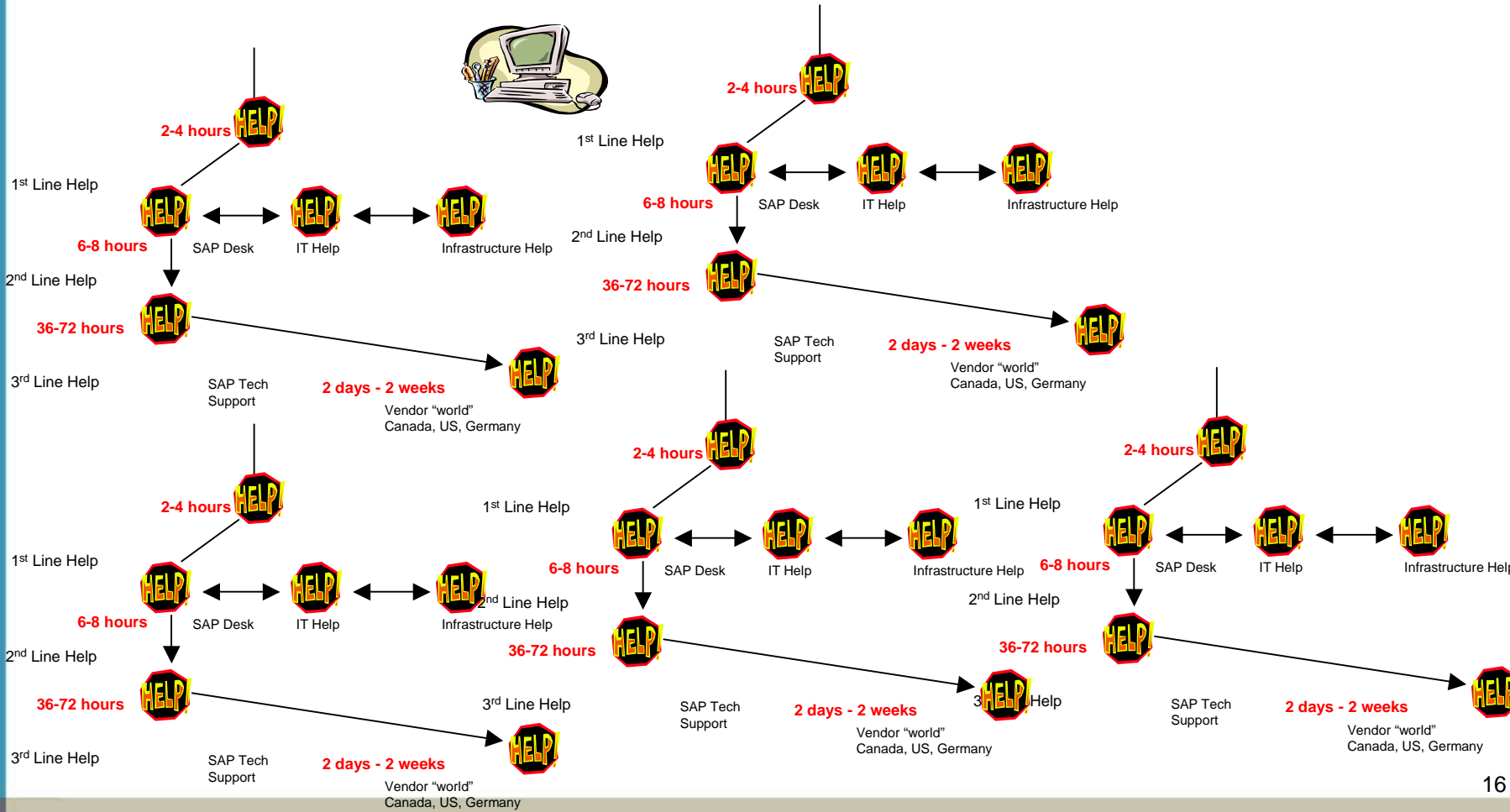
"Hmm, this SAP Application doesn't work correctly…"

- Different Departments have different service desk levels
- Different Departments have different response times
- Different Departments have different levels of training for their staff
- Different departments have different arrangements with the Vendors

This gives rise to …………

Value Proposition Realized (Service Desk Example)

…..Multiple Problems, multiple departments…..

"Hmm, this SAP Application doesn't work correctly…"

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Value Proposition Realized (Service Desk Example)

… after CA-SSO…(illustrative)

"Hmm, this SAP Application doesn't work correctly…"

2 hours

1st Line Help

2-4 hours

2nd Line Help

SAP Desk   IT Help   Infrastructure Help

24 hours

3rd Line Help

2 days

SAP Tech Support   Vendor "world"
                           Canada, US, Germany

Improved Client service ………………… so….when one or more department ask…

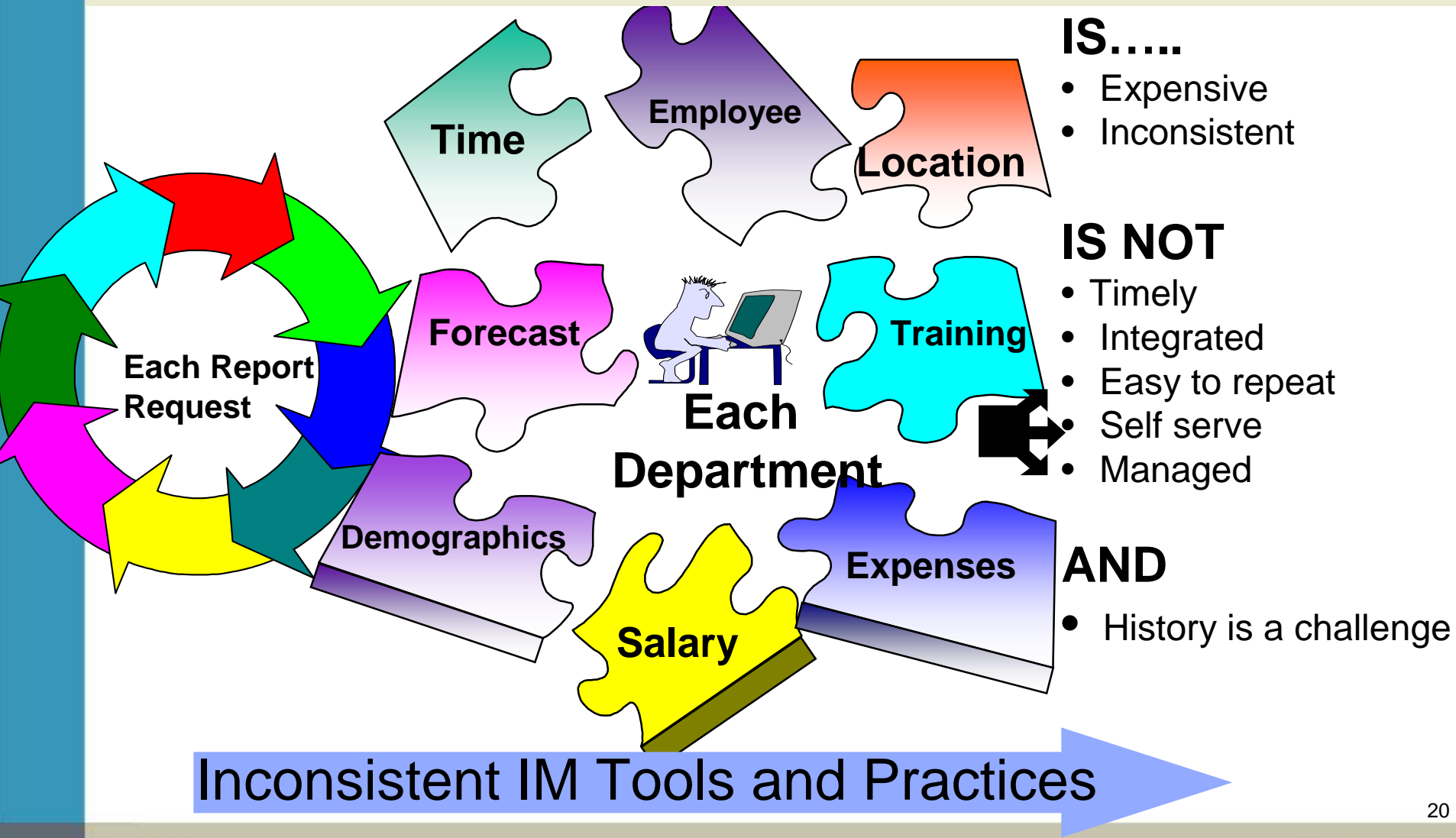"Hmm, this SAP Application doesn't work correctly…"

1st Line Help

"We've seen this before, the answer is …."

Total time: a couple of minutes

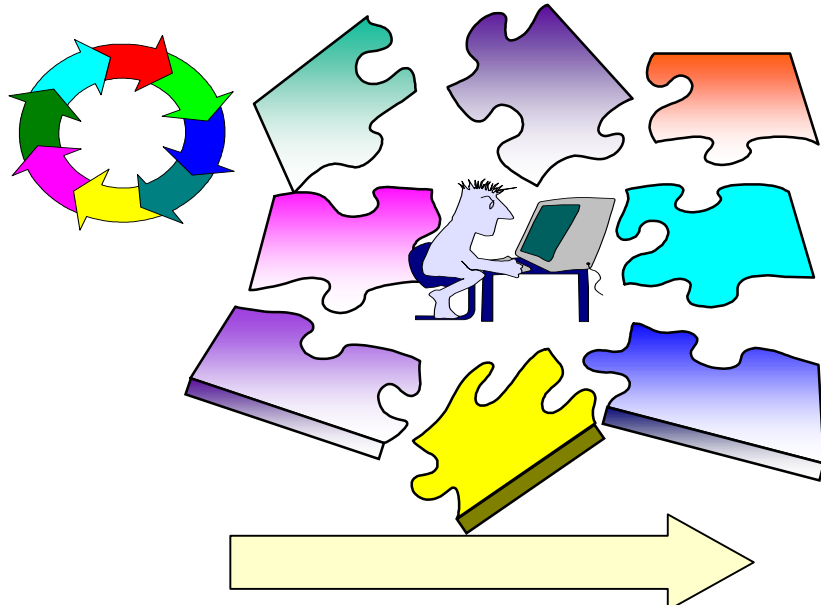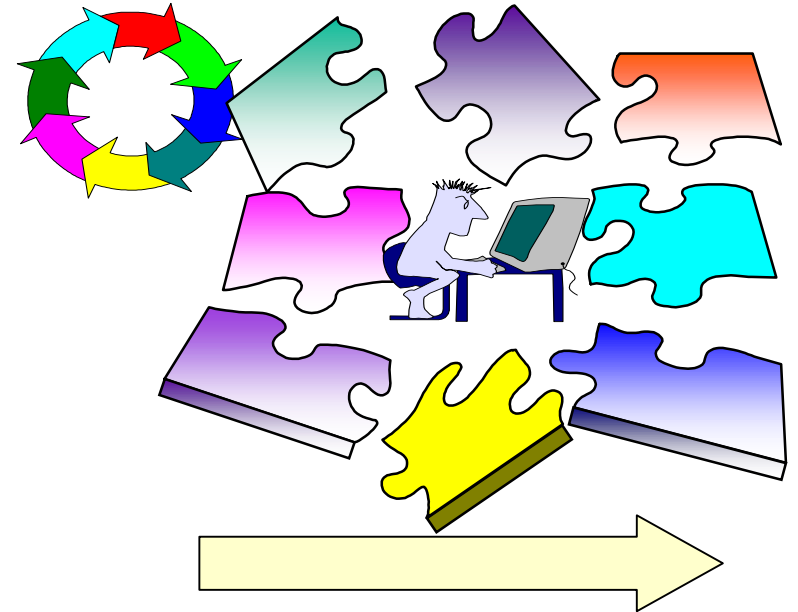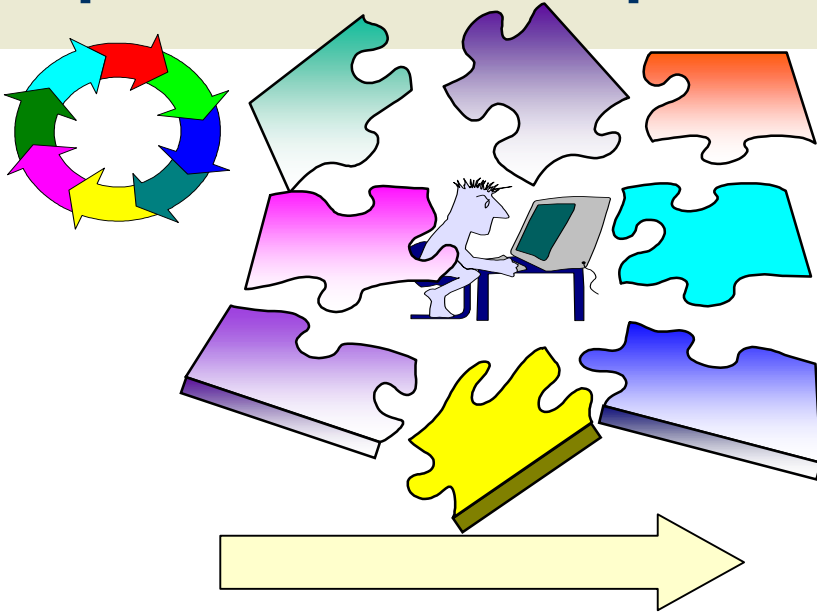# What could consistent IM Tools and Practices offer?

IS…..
- Expensive
- Inconsistent

Time

Employee

Location

IS NOT
- Timely
- Integrated
- Easy to repeat
- Self serve
- Managed

Each Report Request

Forecast

Each Department

Training

Demographics

Salary

Expenses

AND
- History is a challenge

Inconsistent IM Tools and Practices

Information Management challenges is enormous!
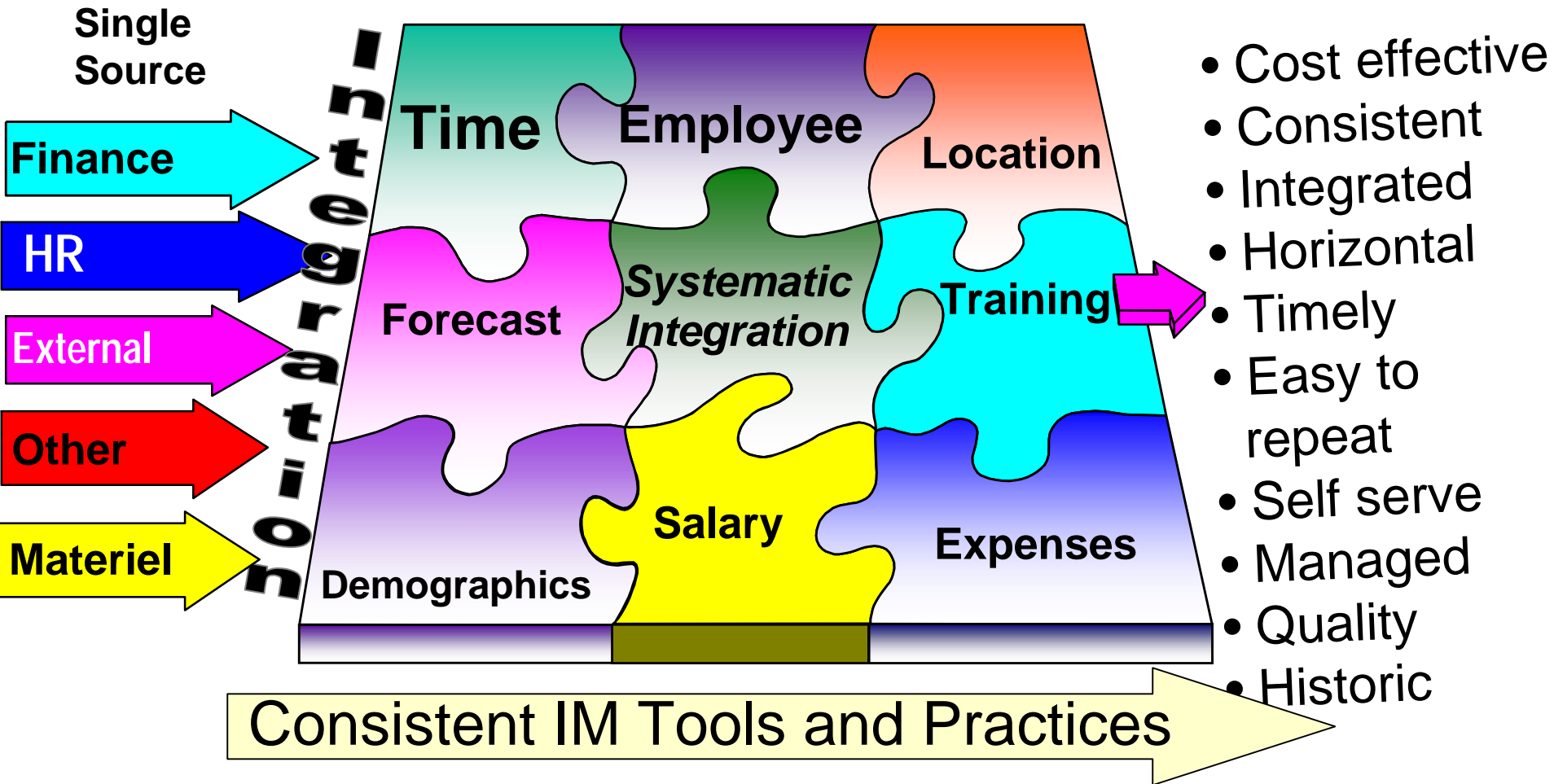
About Information Management and CASS

- Unique Opportunity

- Services Based Organization

- Manage information to drive technological response

- Design follows data/information

- Data/Information/business requirements in a enterprise data integration function

  - Life cycle management (creation, evolves, sunset)

- Requirements are iterative (not a waterfall)

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Context

Information is managed as it is enabled by common:

- Data and processes provided by policy authorities and functional communities, and

- Systems rules and protocols for managing the data and processes

- Understanding and agreement on ownership and accountability and service provision

- Configuration of the ERP's and the capacity of the technical environments

- Departmental and GC requirements

Challenges

- People

- Technology

- Information

- Management

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Challenges

- No single policy centre or horizontal authority

- Program and departmental accountabilities

- Not a panacea

- Response and Engagement

- Cross-initiative interaction (e.g. RDIMS, LAC, Architecture, GSRM, Services Definition and more!)

- People and Culture

- Change Management

- New policies, legislation?

- Sustainability in light of political change **……and more**

Response

- Educate in new Project management, new process management

- Implement common information and data sources

- Focus on communities, people and teamwork

- Develop consistent IM Tools and Practices across information management silos

- Design follows data/information

- Communication and support are paramount

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Questions (and answers!!...)

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Questions (and answers!!…)

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