



Discussion with TechAmerica on Financial Management Shared Services Blueprint

July 17, 2013

FIIT

FINANCIAL INNOVATION
AND TRANSFORMATION

Current Landscape

- Total financial management spend is ~**\$8.4 B** across 24 agencies, with almost **55,000 financial management FTEs**
- **Few agencies performing at scale** on transactional processing
- Agencies **configure systems to their own specific processes**, driving greater **upgrade and maintenance costs**
- Past upgrades and transitions have **resulted in significant cost** and time over-runs
- Many agencies are **unable to quickly provide data for government-wide efforts or make required enhancements**



Improving Financial Systems Through Shared Services

On March 25, 2013 the Office of Management and Budget (OMB) issued **Memorandum M-13-08, Improving Financial Systems Through Shared Services:**

*... “directs **all executive agencies to use, with limited exceptions, a shared service solution** for future modernizations of core accounting or mixed systems”*

*... “OMB’s guiding principle will be to support plans that offer the **best value for the Federal Government**”*

*... “FIT will work with OMB, federal shared service providers (FSSPs), and the broader Federal financial management community to design and implement improvements to the current FSSP framework, including **expansion of FSSPs’ capabilities and an enhanced governance model to ensure FSSP accountability**”*



Benefits to be Gained by Financial Management Shared Services

- ✓ Reduce risk of **failed systems implementations** (cost avoidance) through adoption of common processes
- ✓ Free up agency resources to focus on **mission-based programs**
- ✓ Ensure greater **standardization of data** which allows for more **transparency**
- ✓ Enable **better decision-making** by focusing resources on **improved data analytics**
- ✓ Make adoption of new **government-wide requirements easier**
- ✓ Deliver greater **efficiencies** and **cost savings for the federal government**



Shared Services Strategy

- Leverage SSPs for **systems**
 - Shift agency-hosted financial systems to SSP hosting and consolidate agency servers and data centers
 - Reduce number of unique instances through standardized SSP solutions
 - Leverage existing SSP O&M teams for system and infrastructure support
- Increase use of **strategic sourcing** through a more centralized procurement team with a government-wide view
- Shift day-to-day **transaction processing** to SSP (optional)



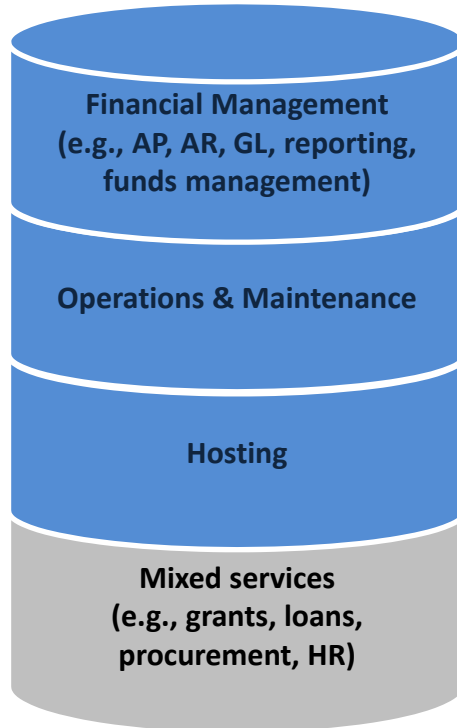
Marketplace Components

Agency chooses from service offerings

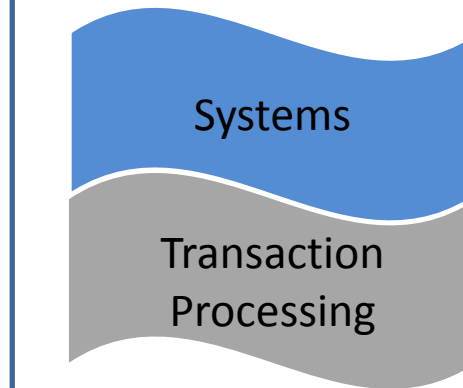
Agency chooses service delivery

Agency chooses SSP

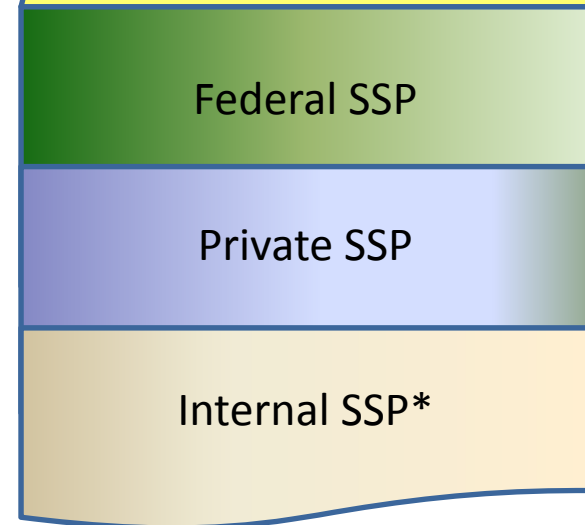
Service Offerings





Service Delivery



SSP Storefronts



 Mandatory Service

 Optional Service

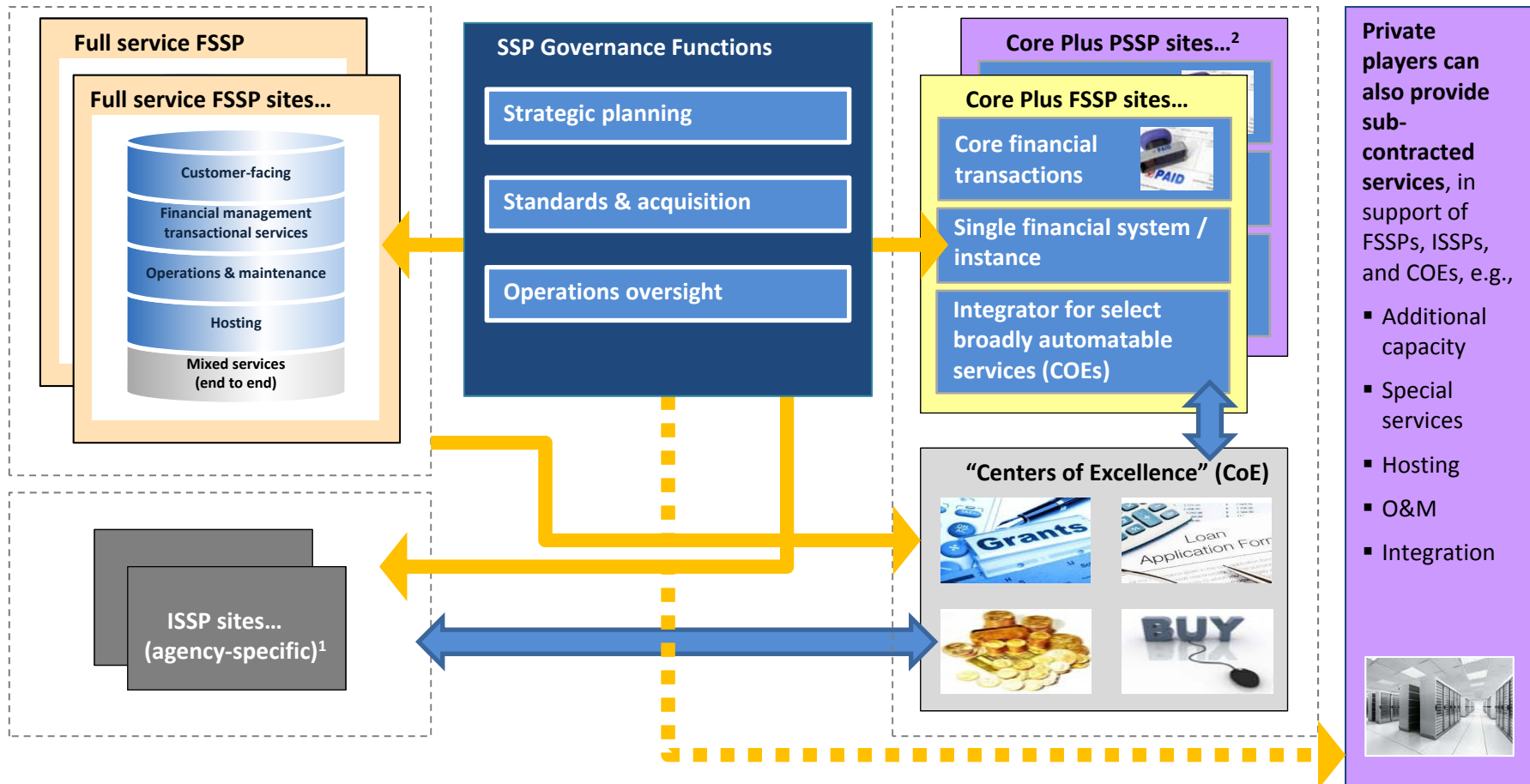


*Limited situations

Notional Financial Management SSP Blueprint

* Not representative of number of providers

FSSP – Federal Shared Service Provider
 ISSP – Internal Shared Service Provider
 PSSP – Private Shared Service Provider



1 At scale ISSPs qualified by SSP governance functions, based on key metrics

2 Portion of Core Plus services assumed to be provided by private players given Fed First approach; could be multiple players



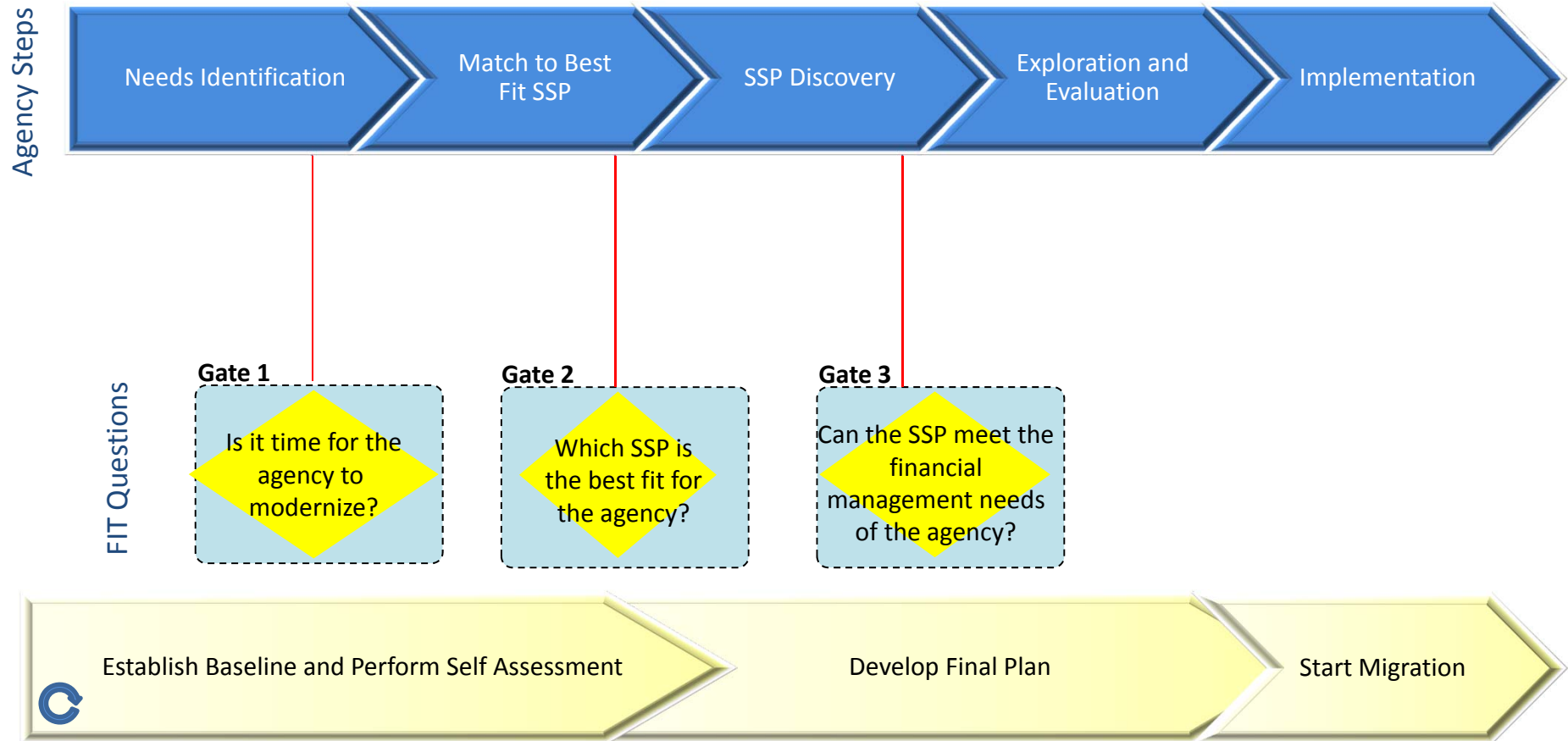
How to Get There: FIT Agency Modernization Evaluation (FAME)

... “FIT will play a significant role in evaluating agency financial system modernization investments when they are proposed and will provide recommendations to OMB”

- FIT will provide guidance to SSPs and agencies
- FIT is developing FAME to:
 - Promote common systems and transaction-processing needs rather than agency-specific preferences
 - Demonstrate that the provider meets the agency’s needs before engaging in a long-term agreement



FAME High-Level Process



Next Steps

Date (estimated)	Action
Week of 8/5	Hold in-person working group session(s) with subject matter experts from industry associations
End of August	Distribute qualifications to industry for final comments
End of September	Finalize “global” qualifications for interested industry and federal providers
Winter	Finalize private sector qualification approach
Spring 2014	Designate federal shared service providers
Spring-Early Summer 2014	Launch the Financial Management Product and Services Catalog

