



Financial Management Shared Services: How to Navigate the New Policy

Government Financial Management Conference

Date: August 21, 2013

FIT

**FINANCIAL INNOVATION
AND TRANSFORMATION**

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**



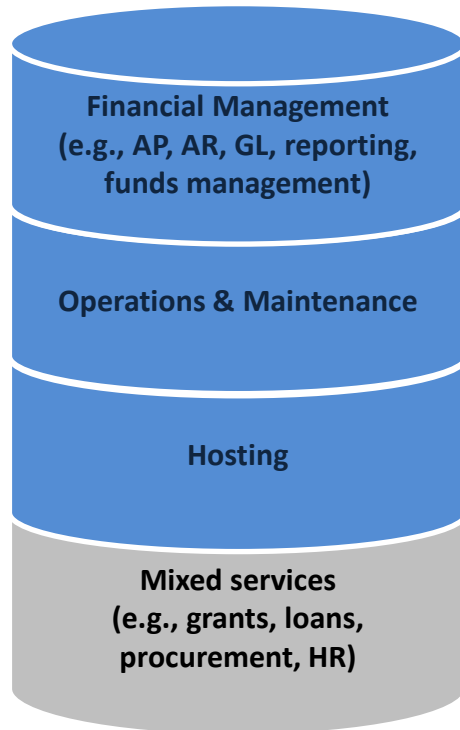
Financial Management Shared Service Marketplace Components

Agency chooses from service offerings

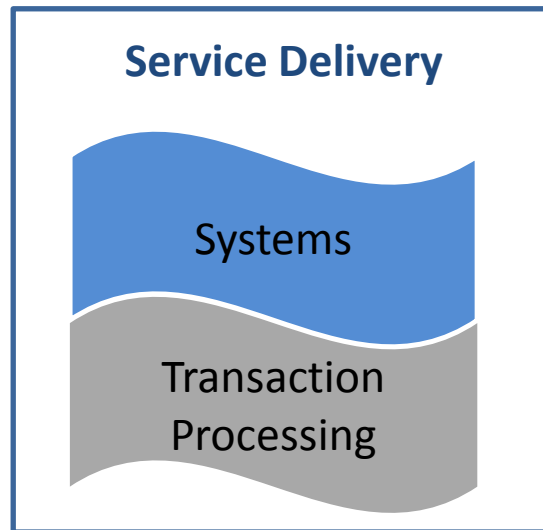
Agency chooses service delivery

Agency chooses SSP

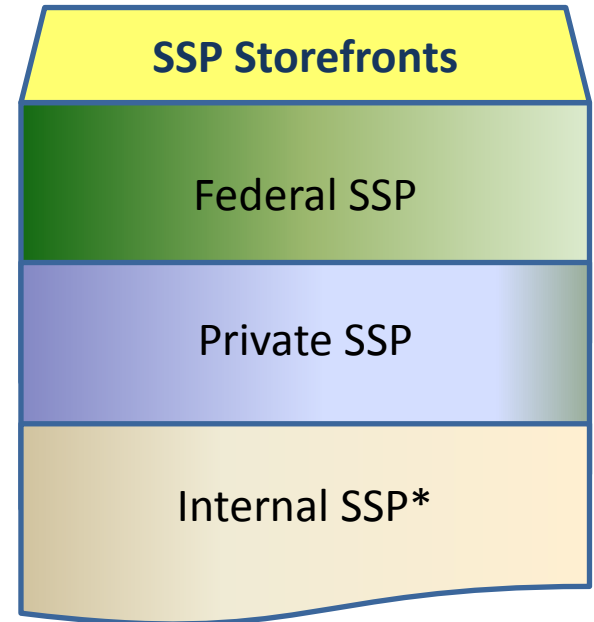
Service Offerings




Service Delivery



SSP Storefronts



 Mandatory Service

 Optional Service

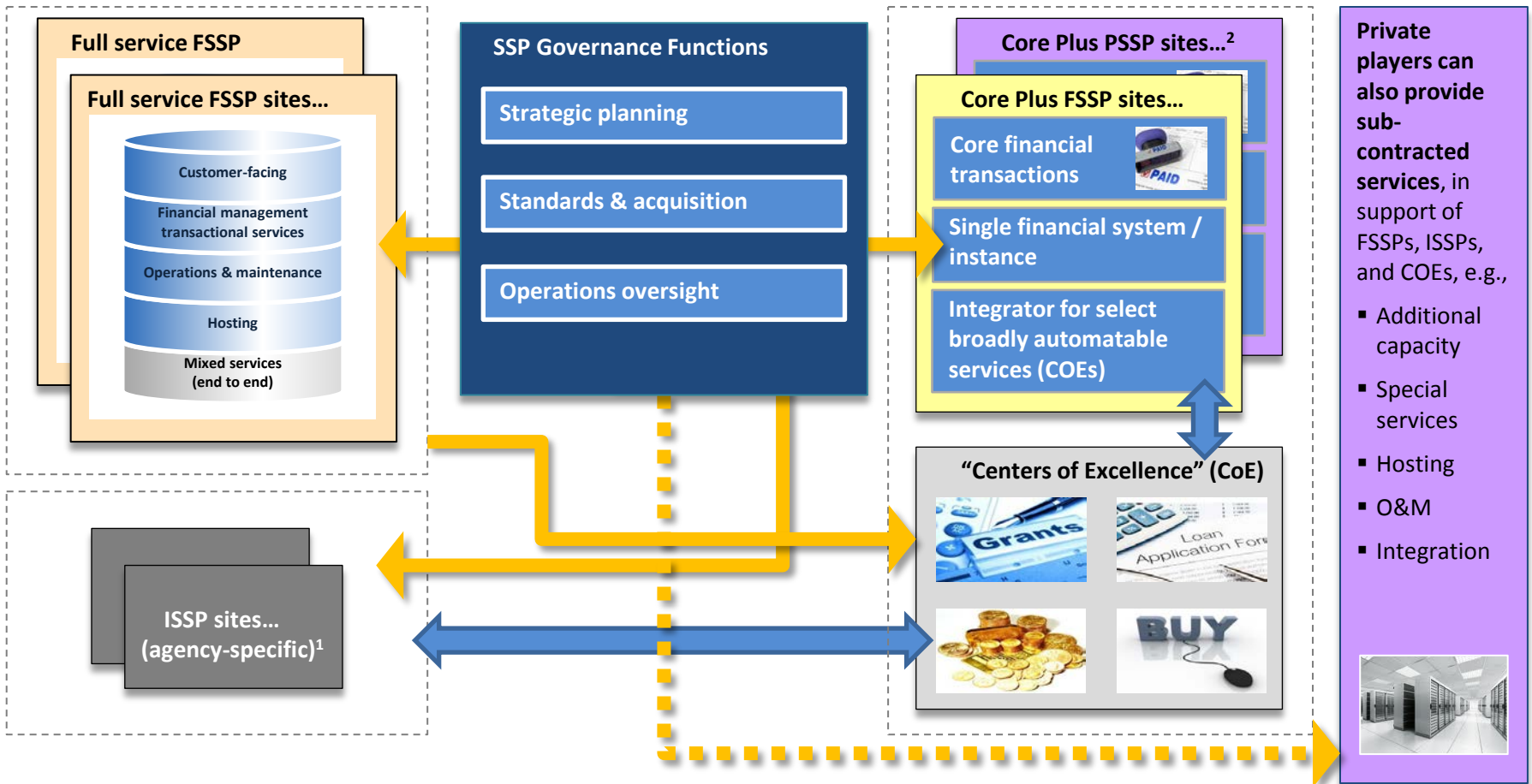
*Limited situations



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

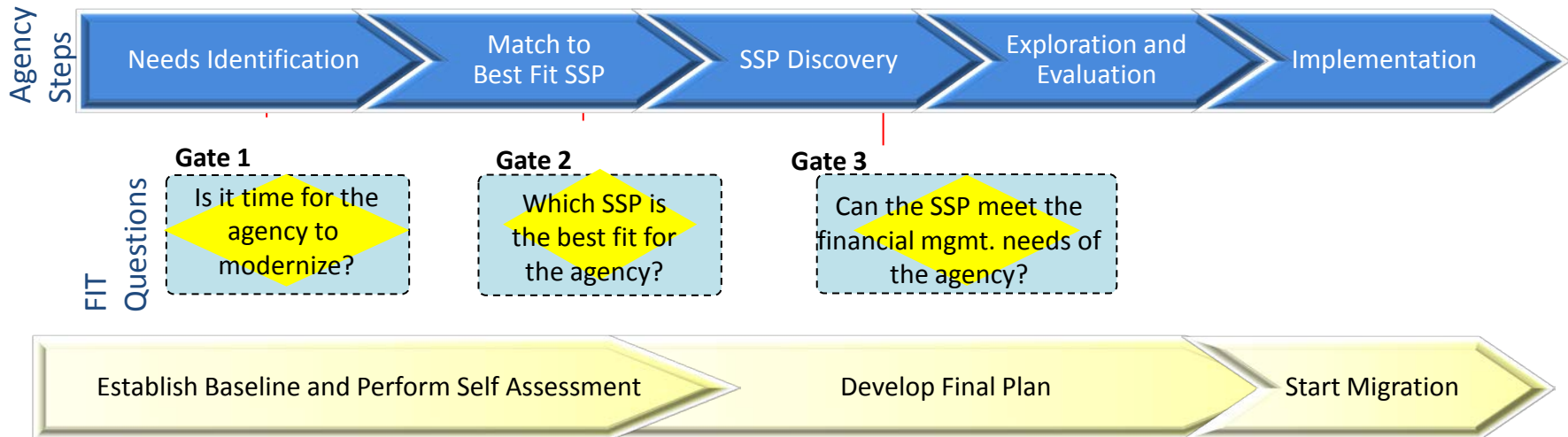


FIT Agency Modernization Evaluation (FAME)

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



Benchmarking Federal Financial Management

Vision

FIT will provide a web-based application that will allow agencies to input the cost and quality of their in-house financial management operations and compare them to similar processes performed by SSPs.

The screenshot displays the FIT website interface. At the top, it features the U.S. Department of the Treasury logo and navigation links for 'Home', 'Treasury For...', 'About', 'Resource Center', 'Services', 'Initiatives', 'Careers', and 'Connect with Us'. A search bar is located in the top right corner. The main content area is titled 'Federal Financial Management BENCHMARKING' and includes a central text box stating: 'The Federal Financial Management Benchmarking tool provides federal agencies with the capability to accurately compare the cost and performance of your financial management processes against designated Federal Shared Service Providers (SSP)'. Below this, a section titled 'SEE HOW YOU COMPARE TO SHARED SERVICE PROVIDERS' features a list of processes with circular icons: 'Budget Formulation to Execution', 'Simplified Acquisition', 'Complex Acquisition', 'Record to Report', 'Commercial Vendor Invoice Payments', 'Employee TDY Travel Voucher Payments', and 'Employee Relocation Payments'. A note indicates: 'Mouse over the processes on the left to see the metrics within.' On the right side, there are 'LOGIN' and 'REGISTER TO BENCHMARK' sections. The login section includes fields for 'Username' (seng@manhattanstrateg) and 'Password', with a 'LOGIN' button and links for 'Forgot Password' and 'Invalid Attempt, Try Again'. The registration section includes a 'REGISTER' button and text: 'For Federal Agencies, Commercial and Federal SSPs interested in benchmarking themselves against the shared services standard. Requires a valid email address, organization name and phone number. Allows you to save your data.'

In FY 2014 FIT will enhance the Benchmarking Tool to include:

- Additional business processes and performance measures
- SSP, Agency, and public view and access
- A Financial Management Products and Services Catalog



How to Contact FIT

General Questions Email:
fit@treasury.gov

