Shared Services in NSW
Are we going fast enough?

29 March 2012
About this presentation

- This presentation was developed for the Institute of Public Administration Australia (IPAA) Special Interest Group (SIG) event hosted by Deloitte.

- The purpose of this event was to provide a forum for discussion by interested IPAA Members and their guests on Corporate and Shared Services Reform in NSW Government.

- This joint presentation contains materials prepared by the Department of Finance & Services (DFS), Family & Community Services (FaCS) and Deloitte.

- The contents of this presentation are intended for discussion purposes only, are general in nature and do not constitute advice. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified adviser. DFS, FaCS and Deloitte will not be responsible for any loss sustained by any person who relies on this publication.
IPAA Special Interest Group (SIG)

- Inaugural meeting – new IPAA SIG
- To provide a forum for discussion and innovation in shared services across the public sector
- Present leaders and case studies which contribute to high performance and innovative cultures
- Discuss successful implementation/change strategies
- Recognise and use member capacity to build passionate high performing public sector cultures
- Express your interest by emailing Craig Boaden at IPAA or convenor Peter-Paul Steenbergen from CSSRP/DFS
Contents

Plans for CSSRP and achievements to date

How FaCS is going about Shared Services reform

Are we going fast enough?
Blueprint for Corporate and Shared Services in NSW Government – July 2010

• Blueprint (estimated $2.3 billion total CSS salaries bill NSW)
• Business case Corporate and Shared Services Reform Program
  – ERC approved five year investment in CSSRP (14/15)
• State of Play (O’Connor/Marsden) Review December 2011
  – Identified recent machinery of government changes impacted timing and delivery of CSSRP
• Additional Benefits Review December 2011
  – Identified opportunities for greater economies of scale (13 to 9 clusters)
  – Identified synergies between a number of Whole of Government (WoG) reform programs
1. The Whole of Government services are provided by central Departments such as Services and Administration.
Departmental engagement

Corporate and Shared Services Reform Program

ENABLE AND SUPPORT

NSW Government Standards
- Process Standards - Finance, HR, Procurement
- Process Modelling Standards and ARIS Technology
- Standards Governance
- Knowledge Portal

Benchmarking and Performance Management
- Performance Improvement
- Benchmarks – Finance, HR, Procurement, IT

Governance and Program Management
- Central Programs – departmental support and coordination
- Benefits realisation and risk management

Engagement and Change
- Capability and Training
- Workforce Transition, Change and Relations
- Communications and Stakeholder Management

© 2012 Deloitte Touche Tohmatsu
The focus to date has been on building the CSSRP offering

- Version 4 of NSW Government Standards to be released April 2012
- Benchmark reports to be released April / May 2012
- Performance improvement offering in design – aiming to open for business October 2012
- Refining sector-wide program and design governance processes
- Engagement and change offering in design - aiming to open for business May / June 2012
- Service catalogue near completion
- Piloting implementation with Family & Community Services (FACS)
The focus is shifting to implementation

- Increasing CSSRP engagement with Department clusters:
  - FaCS entering build stage (CSSRP pilot)
  - ServiceFirst and its clients (Treasury, Premier & Cabinet, DFS) in design stage
  - ServiceFirst and Businesslink developing joint blueprint strategy
  - Transport in start up stage - business completed and submitted to ERC
  - DTIRIS and DAGJ in start-up stage, business cases in development
  - Investigating opportunities with DEC

- Collaboration with FEO/NSW Treasury to streamline Departmental cluster reporting (greater focus on benefits realisation)

- Sector-wide Benefits Realisation Strategy & Guidelines developed

- Greater focus on change management in departments and workforce transitioning

- Completion of remaining Department business cases
Greater benefits realisation focus

- Increase understanding and practice of BRM by developing BR Register
- Developing better quality business cases by developing BR Plan/FEO Roadmap
- Improving benefit tracking and reporting by developing BRM toolkit
- Establishing a standard BRM approach by developing BR Training
- Change to a more benefit focussed culture by establishing network of BR professionals
- Creating & maintaining optimum project portfolio
- Increase ROI CSSRP
- Reduce Corporate Services expenses reduce by 2014/15
- Provide improved career paths for CSS staff
- Improve service delivery across NSW public sector
- Provide a performance management capability that drives continuous improvement
- Greater benefits realisation focus
Contents

Plans for CSSRP and achievements to date

How FaCS is going about Shared Services reform

Are we going fast enough?
About the Family & Community Services Cluster

FaCS Cluster

| FaCS Central Office | Ageing, Disability and Home Care | Community Services | HNSW & AHO | Businesslink |

Major Reform Initiatives

- **Stronger Together 2**: Investment of $2B in disability services over 5 years
- **Out of Home Care**: New contract arrangements with NGO’s
- **Home & Community Care**: New NP for the transfer of services for people over 65 to Australian Government
- **Reforms to the NGO Sector**: Building capacity of the NGO sector and building improved outcome services for vulnerable people
- **Corporate & Shared Services Reform**: Single ERP, infrastructure consolidation & single CoA

**Budget for the Cluster**: $5.8B recurrent, with over $3.4B provided in grant funding predominantly to the NGO sector, and $253M capital investment

**Employees**: 21,791 (76% women)

**Service deliverables**:

- 7,800 individuals living in group home accommodation
- 1,400 clients in large residential centres
- 17,896 children in Out of Home Care
- 38,000 crisis accommodation placements
- 141,000 tenants in residing in social housing
- 125,000 properties managed by Housing NSW
FaCS has completed design and is preparing to start building the solution

- Business case developed
- Business case refreshed
- V3 process design completed
- Start build


### Approach
- Inclusion of complementary and dependent projects in FaCS’s scope for CSSR to focus more on the **overall user experience**
- Working towards a **more formal customer/supplier working environment** between FaCS and Businesslink, including realigning the governance model to have much more “customer” involvement in the design process
- Disciplined approach to **using ARIS** for process mapping and re-mapping

### Opportunities
- Adoption of best practice and common processes
- Consolidated technology solution & improved operational processes
- Enhance information management and reporting
- Enhance process scope and integration of SAP solution
- Drive broader business consolidation
- Scalable and future proofed solution
Contents

Plans for CSSRP and achievements to date

How FaCS is going about Shared Services reform

Are we going fast enough?
Reforms of these size encounter events that lead to changes in pace and typically lead to slower delivery of benefits

**Departmental Amalgamations**

Departmental amalgamations and re-clustering in April 2011 following change of government
- Significant replanning and delivery realignment was required to adjust to the new landscape
- Loss of momentum attributable to substantial rework and analysis of CSSR activities

**Alignment and Coordination**

Central reform program moving from mobilise to operate with greater external focus
- Business Case timelines remain a key area of focus
- Limited visibility of aggregated program status and sequencing of implementation across the sector

**Competing Priorities**

CSSR programs are one of many programs competing for priority within Departments
- Adds an additional layer of coordination complexity for some Departments and across CSSRP
- Dilutes stakeholder messaging and buy-in

**Maturity and Readiness**

Departments are at different stages of CSSR maturity and readiness
- Finding appropriate resourcing of programs across PMO, change management, and deployment
- Support is needed to bring Departments to reform readiness
Central to a successful reform program is the relentless drive of strong leadership supported by a practical governance framework.
Momentum can be developed by adopting common sense principles to each and standing by them – even if it means significant business change.

- **Strong leadership and governance**
  - Executive commitment to drive reform – not just sponsoring it
  - Integrating coordination and planning across each of the Programs

- **Commitment to standardisation and automation**
  - Standardise as much as possible – resist the urge to tinker

- **Attracting and retaining a talented delivery team**
  - Enthusiasm for reform is just as important as technical competence

- **Shared IT strategy and staged rollout**
  - Adopt a shared technology architecture to support standardisation

- **Supportive stakeholders and engagement**
  - Continue to engage stakeholders and invest in change management

- **Transparent measurement and benchmarking**
  - Mandate business case development to drive benefits realisation

- **Fostering a continuous improvement culture**
  - Understand deployment is just the beginning – not the end

© 2012 Deloitte Touche Tohmatsu
Deloitte was able to draw insights from a global survey and interviews of 270 executives representing 718 Shared Service centres

- Managing culture and change is even harder than people think
- The sequence of change can affect the effectiveness of change
- Governance mechanisms should complement organisational structure
- Global deployment models are on the rise
- Tax adds more value early
- Shared services offers multiple internal control improvement opportunities
- Managing shared services talent is an art unto itself
### CSSR is an evolutionary journey to continuously improve

<table>
<thead>
<tr>
<th></th>
<th>Establishment</th>
<th>Self Sufficiency</th>
<th>Continuous Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establishing an operational Shared Services</td>
<td>Achieving a self-sufficient and effective Shared Services</td>
<td>Continuously improving service delivery</td>
</tr>
<tr>
<td></td>
<td>Learning to deliver services effectively</td>
<td>Delivering to service level agreements through good service level management</td>
<td>Applying knowledge and experience to further improve service levels</td>
</tr>
<tr>
<td></td>
<td>Establishing a customer/supplier approach to service delivery</td>
<td>Working together to improve service delivery standards</td>
<td>Nurturing a symbiotic approach to service delivery</td>
</tr>
<tr>
<td></td>
<td>Implementing metrics and benchmarking against best practice</td>
<td>Redesigning metrics to better align with customer service objectives</td>
<td>Applying analytics to identify ‘hidden’ improvement opportunities</td>
</tr>
</tbody>
</table>
CSSR in NSW Government is heading in the right direction and building speed as the first wave of Departments move to build and operate

- Continued commitment amongst Departments to CSSR
- CSSR becoming a driving force behind Departmental engagement within clusters for the first time
- Departments leveraging insight and guidance from central CSSRP
- Renewed focus on benefits realisation – and not reforming for the sake of reforming
Questions
General information only
This presentation contains general information only, and none of Deloitte Touche Tohmatsu Limited, Deloitte Global Services Limited, Deloitte Global Services Holdings Limited, the Deloitte Touche Tohmatsu Verein, any of their member firms, or any of the foregoing’s affiliates (collectively the “Deloitte Network”) are, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.
Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 140 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte’s approximately 169,000 professionals are committed to becoming the standard of excellence.

About Deloitte Australia
In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia’s leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 4,500 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at www.deloitte.com.au.
Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited