



CabinetOffice

Central Government Shared Services

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Guidance for Customers and Providers

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Service Offering

Introduction

In order for a customer to assess the suitability of a shared service to meet their requirement, it is vital that they first define that requirement through consultation with their users, and then compare how well that requirement matches with a clearly articulated definition of the services the provider is able to offer. This definition of available services is what is termed the “service offering” and its contents are discussed in this section.

The service offering may vary widely from one shared service provider to another. Some will offer a standardised, all-encompassing “one size fits all” offering. This approach has the considerable advantage of simplicity for the provider, and is also likely to facilitate greater long term efficiencies and economies of scale for all customers of that shared service. On the other hand, the transition effort required to move to this model is likely to be considerable.

Other shared service providers may choose to offer a “pick and mix” approach where each customer can choose from an extensive menu of individual services. They may even have the ability to customise these services in order to allow them to accommodate existing processes and essential local variances. Others still will fall in between these ends of the spectrum, with the customer expected to commit to taking a “core shared service” and then being able to choose from a number of additional optional services.

This section describes what should be incorporated in such a service offering in order that customers can easily evaluate it against both their needs and the service offerings of alternative providers.

Contents of the Service Offering

The Service Offering should comprise a number of elements including:

- The service catalogue, describing which services are available and whether they are standard or optional for each customer;
- Clearly defined processes associated with each element on the service catalogue;
- The delivery platform, describing the technology for delivery of the shared services and the channels which are used to do so;
- A set of Key Performance Indicators (KPIs) which will be used to monitor the overall performance of the service as well as appropriate reporting mechanisms used to indicate the level of performance of the service against these KPIs;
- The service roadmap, detailing planned enhancements and extensions to the service.

These elements will form the Service Level Agreement (SLA) which details the basis of the agreement to provide and consume services between a particular customer and provider. It will help ensure that both parties understand their responsibilities, the customer has a clear picture of what services they can expect to receive, that performance is measured and communicated and that any issues arising can be resolved

promptly to the satisfaction of both parties.

Equally, providers will have a clear picture of the expectations of their customers, and should be motivated by the terms of the SLA to meet those expectations.

Service Catalogue

The Service Catalogue should provide a detailed description of all products and services currently provided to existing and potential customers.

This document should be updated on a regular basis by the provider as the service evolves

A Service Catalogue for Shared Corporate Services is likely to include some or all of the following service elements:

Finance

- General Ledger maintenance
- Cash management
- Production of sales Invoices
- Fixed Asset Accounting
- VAT Processing
- BACS payment
- Management of financial ledgers
- Production and submission of statutory accounts
- Debt management
- Staff expenses processing

HR

- Provision of advice and support in recruitment of staff
- Professional skills development, administration of training courses, provision of e-learning

- Administration and maintenance of employee records, terms and conditions
- Provision of service desk for HR queries
- Provision of self-service tools to allow employees to maintain their own records and on-line
- Management of the interface with payroll systems
- Logging of time for temporary and agency staff
- Employee onboarding and exit management
- Performance management
- Discipline and grievance management

Payroll

- Payroll processing
- Pensions administration

Purchase-to-pay

- Sourcing of products and services
- Maintenance of catalogues of standard goods and services available
- Provision of electronic procurement solutions allowing self-service raising of requisitions
- Approval and payment of purchase invoices
- Management and processing of purchasing cards and associated transactions
- Credit note handling

Management Information

- Generation of standard and bespoke reports in connection with any of the above services
- Automated distribution of reports on a scheduled basis

Support

- Provision of end user support in connection with any of the above services

In order to provide greater clarity of the division of responsibilities between provider and customer, it is also recommended that the service catalogue should detail which tasks are not within the scope of the shared service, and which are expected to be performed by the retained function within the customer organisation.

Service Availability

The Service Catalogue should also describe, for each service, what the

hours of both operation and support are. In a self-service environment, it is highly likely that services will be available around the clock, but the service desk for example may well be available during business hours only.

Processes

For each of the available service elements, a process should be detailed which describes precisely what tasks will be performed, who will perform them and to what agreed service level.

E.g. for an Invoice Processing and Payment service, the process description might be as follows:

Process Element	Responsibility
Complete goods receipt note (GRN)	End User
Process, load and validate invoice (reject where no purchase order number)	Shared Services Centre
Match invoice against purchase order and GRN	Shared Services Centre
Identify mismatches and send for resolution	Shared Services Centre
Resolve mismatches	End User/Supplier
Post accruals	Shared Services Centre
Pay supplier within agreed term	Shared Services Centre
Send remittance advice	Shared Services Centre
Conduct check for duplicate payments	Shared Services Centre

Examples of process maps can be found in the Shared Services Toolkit at: http://www.cio.gov.uk/shared_services/toolkit/

Service level:

- Invoices checked and loaded on day of receipt into Shared Services Centre
- Supplier paid within 30 days for 95% of transactions

Delivery Platform

A move to shared corporate service will in all probability also entail a move to greater automation of those services, using browser access channels and employee self-service. This approach is intended to maximise the efficiency of the services offered, and can also help enhance employee satisfaction.

The Service Offering should include details of the delivery platform used by the shared service (typically an Oracle or SAP ERP system). A single

technology platform may offer a variety of different access channels for a customer's use. Browser access will be particularly useful for customers with a highly mobile workforce. For permanently office-based staff, a standard application platform may suffice. Other access channels used by the solution are likely to include email for notification of required actions, and a fallback to telephone for any transactions which cannot be completed online.

Where the shared service encompasses multiple areas of corporate services, a single sign-on approach will also be beneficial, allowing customers to access all functions with a single user name and password, possibly automatically linked to their network logon details.

The Service Offering should also include detail of any business continuity and disaster recovery provisions which are in place for the service, and which can be used in the event of problems with continuity of service at either the provider's or the customer's sites.

Data Security

Providers should clearly set out the day to day controls and audit arrangements in place over the security of customer data, for example, employee, financial and third party data. This should include the controls over the physical transfer of data and system controls over user access, segregation of activities between roles which would be reflected in the system roles and associated access, system audit controls and reports.

Key Performance Indicators (KPIs)

Providers of shared services should develop and lay out in their Service Offering a clear set of KPIs to judge the success of the solution. Without this, it will be impossible for the provider to know whether or not they are achieving their customer's expectations, and the customer will have no ability to judge the quality of the service they are receiving. The critical factor here is to define the most important things to measure.

While service levels are likely to be defined against each process as detailed above, the chosen KPIs should be few in number, simple, easy-to-measure, and most importantly have a clear alignment to business goals. Ideally these KPIs will also facilitate easy comparison with other providers of similar services, and periodic benchmarking against industry standards. Measurement should be done regularly and the results widely disseminated to provide wide visibility of the performance of the service, promote successes and help motivate improvements in both customer and provider organisations.

As well as the "hard" measures which are likely to be automatically produced by the technology solution, it will also be important to gain subjective feedback. Customer satisfaction surveys are likely to be a key means of collecting such data.

Example KPIs might include:

- **Procure-to-pay:** 95% end-to-end transactions completed within 30 business days
- **Service desk:** 80% of calls resolved at first contact

- **Portal:** 99.9% application availability within business hours. Average page load time <2 seconds.
- **Payroll:** On time completion of transaction processing each month. 99.5% payroll accuracy
- **Customer satisfaction:** 80% of surveyed users scoring 1 or 2 (“delighted” or “happy”) on a scale of 1 to 5.

Effective reporting will be a key method of communication of performance against service measures to the customer. A set of reports should be offered which are prepared by the provider and which demonstrate the performance of the shared service to each customer

Service Roadmap

The Service Roadmap will be an importance document in helping customers to decide whether a shared service matches with their own future plans as well as their current requirement.

The Service Roadmap should include details of:

- what new service elements are planned for introduction into the shared service in the future
- what enhancements to existing service elements are planned
- a timetable showing when these changes will be made and any dependencies

In addition, it would be helpful to provide detail in this document as to the procedure for making defining [?] the roadmap and introducing change. It is recommended that a user group

comprising representatives of all customers should be able to feed into this process, although the final sign-off of the roadmap and development plans is likely to be the responsibility of the Shared Service Business Design Authority (see section on Governance).

Service Level Agreement (SLA)

The elements described above and which make up the Service Offering, will come together to form the Service Level Agreement, the heart of the “contract” between the provider and customer of the shared service.

Bringing all of the above elements together, the SLA will detail:

- Scope of services to be provided
- measures of service effectiveness which are directly aligned with the business goals of the customer
- the basis of two-way accountability of the service, as agreed between the two parties
- the basis for continuous improvement of the service over time
- Key principles for the service relationship between the shared services organisation and customer organisations;
- Responsibilities of both the shared services organisation and customer organisations;
- Definition of how issues regarding service performance are escalated by either the shared services organisation or customer organisations.

DWP Approach

The DWP Shared Services offering is based on the Oracle (Finance and HR) suite, and offers the following services as part of their shared services offering.

Accounting Services

- Financial accounting
- Financial reporting
- Cash forecasting
- Financial processing
- Business development
- Analysis and Management Information support

Employee Services

- Integrated HR & Payroll services
- Pensions administration
- Expenses processing
- Services delivered through self-service where possible
- Recruitment
- Employee Contact Centre
- HR Advisory Service

Purchase to pay

- Administration of payment
- Transactional purchasing
- Accounts payable control

Customer Payments

- Making and facilitating payments
- Correcting payment errors

Debt management

- Recovery of overpayments
- Compensation Recovery
- Bulk Letter Forwarding

The offering is a standard one, with the intention to maximise efficiency and effectiveness of the service by avoiding the need to customise it for individual customers wherever possible.

The initial service specification will be capable of future enhancement to allow for continuous improvement of the services and thus support the achievement of longer-term benefits contributing to better management of people and resources

Other Examples of Good Practice

Defra

The Defra Shared Services Offering (SSO) includes:

- the full Estates function providing strategic development, advisory and transactional services reporting to a small retained informed client function;
- HR, Finance and Procurement transactional services and some advisory services. The expanding employee and manager self-service capability currently includes personnel administration, staff appraisal, learning and development, expenses and procurement.
- A customer-facing online portal used to access information and perform transactions.

Defra's ambition is to continuously improve and extend the shared services capability to other support functions and potentially front-line services depending on the needs of customers and the business case for transformation.

The SSO expects to provide a wide range of advisory services with transactional services which will be entirely delivered through self-service and the SSO.

Toolkit

Supporting tools and examples including Service Design documents can be found in Cabinet Office Shared Services Toolkit at:

http://www.cio.gov.uk/shared_services/toolkit/tools/design.asp

The example documents include the Defra shared service blueprint and the HMPS shared service vision and roadmap.

The information and opinions which this guide contains are not intended to be a comprehensive study and should not be relied upon or treated as a substitute for specific legal or policy advice concerning individual situations.