INTRODUCTION & OBJECTIVES

Government Technology magazine recently conducted a survey on the topic of shared services across its state and local subscriber base. The survey was intended to give a baseline understanding as to where state and local technology decision-makers sit on the topic of shared services, including the perceived benefits and challenges and subsequently, the functionality they would like to see implemented in order to help run their agency and/or department's operations more efficiently.

The findings will be shared with the public over a 6-month time period via a shared services microsite on www.govtech.com.

SURVEY METHODOLOGY & PARTICIPANTS

Over a period of approximately two weeks, the survey garnered 220 completed responses from representation across all levels of government — the state level reporting the majority at 34%. The universe for the study was a representative sample of Government Technology’s subscriber base. The targeted population received two emails (one initial blast and then a follow-up reminder) to direct them to the online questionnaire.

All aspects of this survey including hosting, sorting, editing, tabulation and report preparation were completed by Government Technology magazine.

Total Number of Emails Sent........................................................................... 16,710
Attempted Surveys........................................................................................... 552
Qualified Respondents.................................................................................... 381
Surveys Completed............................................................................................ 220
EXECUTIVE SUMMARY

Shared Services as Defined by the National Association of State Chief Information Officers (NASCIO):

Focuses on the delivery of a particular service or services in the most efficient and effective way, as a way of gaining economies of scale and other benefits. The centralization of specific IT activities that function as everyone’s vendor choice: usually implies voluntary participation involving service level agreements (SLAs).

1. Has your organization considered implementing shared services?

Level of Activity

- 31% Don’t know what it is
- 17.8% Interested, but no planning has begun
- 4.4% Complete — all planned functions implemented
- 5.4% Planned, but not implemented
- 22.6% Implemented some functions
- 18% Not Considered

32% of those surveyed are in some stage of shared services planning and/or implementation. Coupled with the 18% that are in the “interest” stage, 50% of state and local executives are beginning to embrace shared services as a facilitator for improving operational efficiencies, optimal service delivery and reduced costs.

2. If you have implemented some shared services, who is the service provider? (Please check all that apply.)

Service Provider

- My central IT organization: 54.2%
- An outside contractor (outsourced): 19.9%
- Another central function within my organization: 19.9%
- Other levels of government: 19.4%
- Other agencies within my jurisdiction: 14.9%

1/2 of those with shared services implementations utilize their central IT organization as the service provider.
3. Which of the following functions does your organization perform on a shared services basis? (Please check all that apply.)

**Functionality Performed**

<table>
<thead>
<tr>
<th>Functionality</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>47.6%</td>
</tr>
<tr>
<td>Portal, Web Applications, Web Services</td>
<td>47.6%</td>
</tr>
<tr>
<td>Help Desk</td>
<td>33.1%</td>
</tr>
<tr>
<td>Server Management</td>
<td>29.7%</td>
</tr>
<tr>
<td>Data Center Management</td>
<td>28.4%</td>
</tr>
<tr>
<td>None</td>
<td>28.4%</td>
</tr>
<tr>
<td>Directory Services</td>
<td>25.7%</td>
</tr>
<tr>
<td>Voice, Data and Video Network Capacity</td>
<td>25%</td>
</tr>
<tr>
<td>Geographic Information System</td>
<td>20.6%</td>
</tr>
<tr>
<td>Identity Management</td>
<td>13.5%</td>
</tr>
<tr>
<td>Enterprise Resource Planning</td>
<td>11.8%</td>
</tr>
<tr>
<td>Other</td>
<td>11.2%</td>
</tr>
</tbody>
</table>

4. If you selected Enterprise Resource Planning in the previous question, please select the following areas of shared services within the ERP functionality in your organization: (Please check all that apply.)

**Shared Services within Enterprise Resource Planning**

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>59.3%</td>
</tr>
<tr>
<td>Financial Management</td>
<td>51.7%</td>
</tr>
<tr>
<td>Procurement</td>
<td>50.6%</td>
</tr>
<tr>
<td>Project Management</td>
<td>36.3%</td>
</tr>
<tr>
<td>Travel and Expense Management</td>
<td>34.1%</td>
</tr>
<tr>
<td>Asset Management</td>
<td>31.9%</td>
</tr>
<tr>
<td>Case and Eligibility Management</td>
<td>19.8%</td>
</tr>
<tr>
<td>Constituent Contact Center/Call Center</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

Payroll is the top-ranked area of shared service within the ERP functionality.
5. Which of the following functions would your organization like to perform on a shared services basis? (Please check all that apply.)

**Functionality Objectives**

- None: 33.5%
- Portal, Web Applications, Web Services: 26.7%
- Help Desk: 26.7%
- Data Center Management: 26.3%
- Email: 25.6%
- Geographic Information Systems: 24.8%
- Voice, Data and Video Network Capacity: 24.8%
- Server Management: 22.9%
- Enterprise Resource Planning: 22.6%
- Directory Services: 21.8%
- Identity Management: 20.3%
- Other: 12%

*Functionality objectives are similar across the board for shared service delivery.*

6. Which factors are most likely to influence your organization's decision to pursue or expand its adoption of shared services? (Please check all that apply.)

**Influential Factors for Shared Services Consideration**

- Cost Savings: 69.1%
- Improved Services: 39%
- Desire to Collaborate Across Organizational Lines: 33.3%
- Improved Security: 30.9%
- Improved Disaster Recovery/Backup: 30.9%
- Enforce Standards/Policies: 27.3%
- Ability to Focus on Core Competencies: 25.3%
- Improved Controls: 22.9%
- Current Systems Not Meeting Needs: 16.9%
- None: 15.3%
- Revenue Generation: 13.7%
- Inability to Support Current Systems: 10.4%

*Cost savings is the major influencer for consideration of shared service initiatives.*
7. Which factors are most likely to retard your organization’s decision to pursue or expand its adoption of shared services? (Please check all that apply.)

**Barriers to Shared Services Initiatives**

- Cost/Funding to continue to invest in infrastructure that would be better as a shared service: 41%
- Resistant to change: 35.7%
- Governance: 31.3%
- Service level reliability: 22.9%
- Lack of leadership/champion: 22.5%

*Cost/funding is the principle hurdle to overcome for implementing shared services initiatives.*

8. Please share any benefits you have realized from shared services: (See Addendum)

9. Who is responsible for planning/implementing shared services in your organization? (Please check all that apply.)

**Change Agent for Organization’s Shared Services**

- IT Management: 48.9%
- CIO: 38.3%
- Department Director: 27.8%
- Program Director/Management: 21.6%
- Other: 13.2%
- Empowering Legislation: 12.3%
- Special Task Force: 7.0%

*1/2 of shared services initiatives are initiated and managed by the organization’s IT Management, with the title of CIO following at 38%.*
10. How have you funded or plan to fund shared services initiatives? (Please check all that apply.)

**Funding Sources for Shared Services Initiatives**

- Direct Appropriation 62.0%
- Chargeback (e.g. usage-based) 34.3%
- Allocation (e.g. headcount or budget based) 29.2%
- User Fee 12.4%
- Initial Seed Funding 8.0%
- Bond 2.9%

**#1 source of funding for shared services initiatives is by direct appropriation.**

11. Please select your level of government:

**Level of Government**

- 34.4% State
- 22.5% City
- 6.2% Public Higher Education
- 14.3% County
- 2.5% Special District
- 3.3% K-12 District
- 16.8% Other

**#1 Majority or respondents were at the state level (34%).**
12. What is the population of the jurisdiction you serve?

**Jurisdiction Population**

- 27.1% Less than 75,000
- 15.1% 75,000 - 249,000
- 7.8% 250,000 - 499,000
- 17.9% More than 10 Million
- 6.0% 5 Million - 10 Million
- 26.2% 500,000 - 5 Million

13. What is the size of the student population you serve?

**Student Population Served**

- 31.8% 600 - 2,499
- 9.1% 2,500 - 9,999
- 4.6% 1 - 599
- 54.6% More than 9,999

*jurisdiction population segments showed significant response: less than 75,000 (27.1%) and 500,000 - 5 million (26.2%)*

*The top reporting student population served is more than 9,999.*
Improvement in all sectors to achieve the organization’s goal
2. Faster implementation and less training
3. Greater effectiveness
4. Able to expand our ability to do certain tasks beyond that of the skills in our office
5. Facilitates working with a large group by pooling information for general retrieval and use.
6. Compatibility of services across diverse department applications
7. Reduced Cost. All State agencies on the same page.
8. Cost reductions and standardized systems and processes
9. Collaborations that are self-generated by constituents
10. Moving from working in a vacuum to working as an enterprise
11. Short term cost reductions, released high value accommodation space (staff, computer rooms), more commonality with other gov’t departments
12. Progress on learning curve toward SOA
13. Accessibility
14. Information availability; quicker approval processes
15. Flexibility with change and interoperability
16. Accountability
17. Paper reduction, communication, increased information and notification
18. Lower cost from less redundancy. Improved service from unified solutions.
19. System is more robust and reliable since shared services began.
20. Increased data for similar needs with other agencies has decreased research time needed to recover information.
22. Expanded use of personnel with scarce skills.
23. Economies of scale
24. Increased ROI

Note: This is only a snapshot of the verbatim comments.