Shared Services Canada – An Enterprise Approach

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Purpose

- Provide background on the establishment of Shared Services Canada (SSC)
  - Outline the Government of Canada information technology (IT) transformation agenda
  - Complexity of environment
    - People
    - Infrastructure
    - Stakeholders
- Highlight success and challenges
- Share current context
- Offer CFO’s observations
- Identify priorities going forward
SSC’s mandate to transform IT infrastructure will improve security, stability, and services for the Government of Canada.

Each component of SSC’s plan for transformation ...

- Purpose-built data centres
- Single email system
- Streamlined networks
- Modernized telecom services
- Centralized procurement for workplace technology devices

...will deliver tangible benefits...

- Fewer system failures
- Improved security
- Increased bandwidth
- More storage
- Improved videoconferencing
- Greater efficiency

... and improve departments’ ability to:

- Handle Big Data
- Support mission-critical operations
- Protect sensitive information
- Share data remotely
- Scale up or down

Aligning with government-wide priorities
Digital Service Delivery, Efficiency in Internal Services, Modern and Mobile Public Service
Complexity of environment

- **Creation of SSC announced**
  - Order-in-Council (OIC) transfer of IT infrastructure services and resources from then Public Services and Procurement Canada (PSPC)

- **November 15, 2011**
  - OIC transfer of IT infrastructure services and resources from 42 departments

- **June 29, 2012**
  - Royal Assent of Shared Services Canada Act
  - OICs defining core services of SSC and transferring procurement resources from PSPC

- **April 1, 2013**
  - OICs adding procurement of workplace technology hardware and software to SSC’s mandate and transferring related resources from PSPC

- **September 1, 2015**
  - OIC requiring small departments to procure through SSC and opening SSC’s procurement instruments to non-federal organizations

- **SSC inherited:**
  - a diverse group of personnel, funding, contracts, and roles and responsibilities from 42 separate and unique organizations, and
  - a fragmented IT infrastructure with high costs, significant complexity, and security risks as departments managed their IT infrastructure independently, with approximately $2 billion per year spent on an unstructured and uncoordinated web of IT infrastructure and services.

- **SSC operates in close collaboration with Treasury Board of Canada Secretariat, PSPC, security agencies and partner departments.**
SSC has made progress in IT transformation, but not as rapidly as planned

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<tr>
<th>Data Centre Consolidation</th>
<th>Telecommunications and Networks</th>
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<td>• 62 legacy data centres closed</td>
<td>• 97,718 phones deployed with Voice-over-Internet-Protocol (VoIP) technology</td>
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<td>• 3 Enterprise Data Centres (EDC) - Gatineau, Borden &amp; Barrie - now open and fully operational</td>
<td>• 25,631 unused telephone lines eliminated</td>
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<td>• 304 applications migrated to EDC Gatineau; 4,023 physical servers decommissioned</td>
<td>• Wi-Fi access provided to approx.30,700 public service employees</td>
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<td>• Expansion of EDC Borden through a P3 contract currently underway</td>
<td>• All 43 partner departments now transitioned to the enterprise videoconference system</td>
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<th>Service Management</th>
<th>Cyber and IT Security</th>
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<td>• Enhanced and formalized a Service Authorization process and governance structure, to enhance Service Lifecycle Management</td>
<td>• Established Security Operations Centers</td>
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<td>• Launched the procurement process for a new, more sophisticated IT Service Management tool</td>
<td>• Established a Cyber Intelligence Analytics and Reporting service within the Security Operations Centre</td>
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<td>• Released re-structured Service Catalogue and updated content, including financial information, for priority services</td>
<td>• Completed Security Operations Centre Construction Phase II</td>
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<td>• Completed trusted equipment supply chain reviews</td>
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<td>• Over 52,000 mailboxes migrated to the enterprise email system</td>
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<td>• Migrations have been completed for 12 partners</td>
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Current context

- Office of the Auditor General – Fall Audit 2015 – Chapter 4
  - 9 recommendations – key observations
    - Service orientation
    - Performance concern
    - Financial considerations

- Public Accounts Committee
  - 8 recommendations

- Transformation plan re-set

- Third Party Review
Departmental perspective (RCMP – CFO perspective)

Observations

• High level formulae have unintended consequences – a single formula would not capture departmental unique circumstances, resulting in inequitable appropriations transfers

• Confusion and uncertainty resulting from an abrupt transition – while departments required continued services, the new organization was ill equipped to meet requirements at start up

• Culture shift – loss of control over IT personnel, priorities and expenditures – departmental priorities versus enterprise priorities

• Other levels of government who pay for services lose control over services and access to detailed information required to substantiate billings impacting federal/provincial/municipal relations

• Independence in mandate – at what point does the lack of control over IT infrastructure impact deputy head’s independence
Enterprise service provider (SSC - CFO perspective)

Initial observations

• Back office operations struggle to meet demands for services, have little time to dedicate to improving their immature business processes and systems solutions

• Early stages – design and testing of internal controls from two view points – SSC as a department and as an enterprise service provider

• CFO community was not engaged – the organization operated in isolation, not leveraging a community of experts with insight and interest

• Unsustainable financial model – insufficient funding to meet expectations, heavy administrative overhead

• Competing views – should SSC have its own procurement organization
Early steps toward solutions (SSC - CFO perspective)

• Engage central agencies, political level and CFO / CIO communities – frank discussions revealing SSC’s capabilities and resource constraints

• Significant emphasize on the people and communications strategies – focused teams during turbulent times

• Develop a detailed multi-year expenditure profile, setting out service cost, growth, transformation projects, evergreening, departmental projects, and integrity gaps
  – Expenditure review to inform the strategy
  – Benchmarking information is available from the private sector, but productivity metrics require attention

• Funding model options development – collaborative approach with the CIO/CFO communities. Principle-based option set to inform recommendations to Ministers

• Business case to stabilize internal services – core mandate enablers
  • Procurement
  • Finance
  • Human Resources
  • CIO
Key success factors (SSC - CFO perspective)

• Effective change management and people strategies, including extensive engagement and collaboration with bargaining units

• A multi-year plan in the context of a rapidly changing technology environment will require updates and refresh at set intervals

• The plan must be executable – a sustainable cadence, adequately resourced, targeting reasonably achievable and measurable outcomes

• Mature, effective and efficient internal services enable the delivery of core mandate operations

• A sustainable, predictable and sufficient funding model

• The value proposition is anticipated, understood and demonstrated over time through evidence-based performance measures
SSC is proposing a renewed business model to improve service and deliver on its plans for IT transformation and modernization.

SSC’s Business Model

**Inputs**
- Government of Canada Priorities
- Departmental IT Plans
- Office of the Auditor General Report
- Customer Satisfaction Survey

**People Strategy**
- People management
- Culture change
- Communication and engagement

**Service Strategy**
- Service inventory
- Service-level expectations
- Roles and responsibilities
- Cloud brokering

**Project Strategy**
- Enterprise governance
- Benefits realization framework
- Integrated IT planning
- Capacity management

**Financial Strategy**
- Budget 2016
- Pricing strategies
- Financial models for evergreening

**Outcomes**
- Improved service and day-to-day operations
- Reliable support to partners’ IT-enabled projects
- Successful delivery of enterprise-wide transformation projects

**Strategies**
- SSC’s Business Model
- Service Strategy
- Financial Strategy
- Project Strategy
- People Strategy