# 2nd European CIO meeting

IDABC European eGovernment Services

## Directorate-General for Informatics

June 2008

EUROPEAN COMMISSION


This paper can be downloaded from the IDABC website:

http://ec.europa.eu/idabc/
http://ec.europa.eu/idabc/en/document/7708/6023

Additional information about this 2nd European CIO meeting can be found at:

http://ec.europa.eu/idabc/en/document/7686

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# Executive Summary

The second European CIO meeting took place on 13th June 2008 at the Berlaymont building of the European Commission in Brussels. 25 countries were represented and 51 participants attended. Countries were represented by one or more delegates (CIO's and national representatives).

It was agreed at the CIO meeting to develop a European Interoperability Strategy and CIOs to steer its preparation.

Vice President Kallas whilst delivering a keynote speech at lunch stressed the vital importance of agreeing on the European Interoperability Strategy and encouraged CIOs to continue their common efforts.

The French Presidency also supported the European Interoperability Strategy as a priority for their mandate starting on 1st July.

The objectives of the meeting were:

- to share experiences among European CIOs and
- to discuss

i) their challenges;

ii) the role of the European Interoperability Strategy (EIS);

iii) the steps and priorities to make the EIS happen and

iv) the contribution of the new ISA programme.

Following the presentation of Ms. Pedroso summarising the discussions of the "extended CIO Troika meeting" held in April, there were supportive comments:

- welcoming the CIO coordination;
- supporting the development of the European Interoperability Strategy and
- the steering role which CIOs shall play.

As proposed by the Director General, Mr. García Morán, CIOs agreed to:

- Working together to develop a European Interoperability Strategy (supported by a group of strategy experts)
- Steering the EIS and deciding strategic priorities
- Using the EIS as key driving force for the new programme

The next steps are the following:

- CIOs to nominate their strategy experts (CIO representatives) to start developing the EIS.
- Launch the development of the EIS.
- Propose priorities and drafts of the EIS to CIOs in their steering role.
- Endorsement of the EIS in the Ministerial Declaration in Malmo during the Swedish Presidency 2009

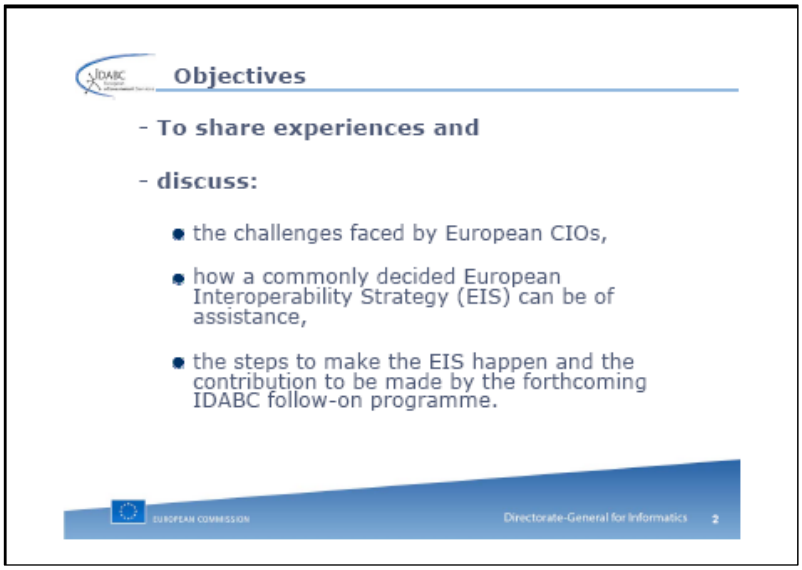
The discussions held at the meeting raised a number of interesting points. Using the Web 2.0 analogy, the "cloud of concepts" below tries to illustrate the key concepts discussed and how frequently they have been mentioned (the size is proportional to frequency and in many cases related to importance but not necessarily in all cases).

Catalysts (to spread the results)
Concrete examples (illustrating what otherwise is the abstract concept of interoperability).
Cooperation
Cross-border
**Delivery**
eIdentification
eDocuments
eDossiers
Empowerment at home
eProcurement
eSignature
Exchange experiences
**Focus** (on strategic priorities)

**Impact**
Influence legislation
Infrastructure (cross-border)
Legal issues
Open Source
Open standards
Processes
Sharing and reuse
**Support political priorities**
Services Directive
Security
**User satisfaction**
**Strategic priorities**

# Welcome and objectives

Francisco García Morán. Director General for Informatics. European Commission


# Priorities of the Slovenian Presidency

Dušan Kričej. Slovenian Presidency

Mr. Kričej (Slovenian CIO) presented the priorities of the Slovenian Presidency which are: Interoperability, eParticipation & eInclusion and Reduction of administrative burden

He also described the interoperability initiatives in Slovenia, introduced his views about future priorities and wished success to the French Presidency.


# European CIOs facing the cross-border challenges

Anabela Pedroso. President AMA (Portugal)

The presentation summarised the main conclusion of the Extended CIO Troika meeting which took place in April.

Ms. Pedroso started by making the link to the Lisbon Ministerial Declaration which identifies *"Cross-border Interoperability as the first policy priority action"*. She then presented the main conclusions of the Extended Troika meeting as follows:

- The European Interoperability Strategy (EIS) is necessary in order to steer cross-border interoperability activities.
- The EIS shall serve political priorities, be closely linked to real life needs and add value to national efforts.
- A sound governance where strategic priorities are agreed and steered by CIOs is essential.
- At the operational level specialised groups of experts shall be in charge of the implementation aspects and report back to the CIOs.

We should be able to show the political need and get political support by showing concrete examples illustrating the real life impact of the abstract concept of interoperability.

The EIS should have a formal status (it was suggested to be part of a Ministerial declaration or a Commission Communication).

She added that the EIS shall contribute to provide answers to the following:

- How to **influence legislation** at an early stage?
- How to **influence sectors**? (avoid reinventing the wheel)
- How to **communicate the benefits and need for cross-boundary interoperability**?

Ms. Pedroso concluded that it is essential to focus on strategic priorities and to illustrate them with practical examples (the Services Directive and the one on eProcurement are good examples). Practical cases showing benefits for citizens and business should contribute to raise the priority in the **political agendas**.

# The Challenges of Cross-Boundary Governance, a worldwide analysis

Andrea di Maio. Vice President Gartner

Annex II reports specifically on this session and the discussions which took place afterwards.


# Keynote address

Vice President Kallas. European Commissioner.

Vice President Kallas stressed the importance of interoperability and added that addressing interoperability at the European level and agreeing on the European Interoperability Strategy is vital.

"It is essential that political priorities are supported by an interoperability strategy", he stated, whilst thanking CIOs for their commitment to:

→ set priorities,
→ work together on finding common solutions,
→ and implementing the agreements made.

He also expressed his support to the proposed ISA programme and the key role that the European Interoperability Strategy and CIOs shall play.

In his toast, he wished success to these common efforts on cross-border interoperability.

# Developing the EIS: CIOs in the driving seat

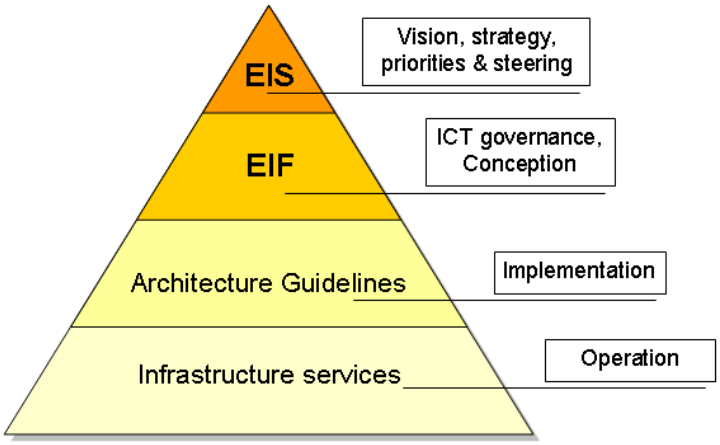
Francisco García Morán. Director General of Informatics. European Commission.

Mr Garcìa Moràn introduced the European Interoperability Strategy (EIS) which he defined as:

> *A plan of action to address cross-boundary interoperability in order to facilitate the implementation of EU policies and initiatives*

The term *"cross-boundary"* interoperability refers to cross-border, cross-sectoral interoperability and multilingualism.

The EIS shall steer the work on cross-boundary interoperability and be at the top of the governance pyramid as depicted in the adjacent figure.




The steps proposed to build the EIS were:

1. Ensure correct understanding of the political priorities
2. Derive and agree on the ICT/interoperability related goals
3. Agree priorities (max 5-7) at EU level
4. Agree objectives for each priority and define work to be done (gap analysis)
5. Define for each priority 2-3 scenarios, evaluate these, and agree scenario for implementation (assumes agreed evaluation criteria)
6. Define the organisational and operational framework
7. Define high level plans for coordinated actions as well as the associated funding
8. Define a governance model with an appropriate dashboard

CIOs are expected to play a steering role and their involvement was requested to:

- Agree on goals
- Agree on priorities
- Discuss and endorse the elaborated EIS
- Ensure commitment to implement the EIS
- Ensure follow-up of EIS implementation

CIOs should be represented by strategy experts at the regular working meetings to contribute to the elaboration of the EIS.
The most immediate action after the meeting shall be the nomination by each CIO of the strategic expert(s) who will represent him/her. The Commission expects to **receive the nominations by early July**.


# Setting strategic priorities: lessons learnt from the pan-European pilot and needs for high impact services

Karel de Vriendt. Head of Unit IDABC. European Commission
Davorka Šel. Ministry of Public Administration. Slovenia

Mr. De Vriendt stated that setting the strategic priorities is the first step to start developing the EIS. He stressed the need to align political priorities and the strategic priorities for the EIS and the importance of showing the benefits in concrete cases.

A good illustration of real life needs are the pan-European pilots undertaken by the Slovenian Presidency and gave the floor to Ms. Šel who was going to present the experience gained through the pilots.

## - Lessons learnt from the pan-European pilot. Davorka Šel.

The pilots were developed in cooperation among Austria, Estonia, Finland, Portugal and Slovenia covering two cross-border services:

- Residence permits
- Registration of a company

The lessons learned are extremely useful. They can be summarised as follows:


- All the interoperability layers of the EIF had to be addressed (normally the most difficult layer is not the technical one)
- Solving Organisational & Legal issues is a prerequisite.
- An ideal situation would be to have cross-border access to registers (respecting data protection regulation and following strict access control policies).
- At the technical interoperability level the pilot faced a wide range of different eIDs (cards, certificates, user/password) and eSignatures interoperability problems.
- Semantic Level: different authentication policies.

IDABC was requested to provide support in this regard concerning in particular: Common Specifications, Authentication Policy, PEPS, Legal Study, Mutual recognition of eSignatures.

## - Setting strategic priorities for the EIS. Karel De Vriendt.

The presentation of Mr. De Vriendt focused on "how to set the priorities for the EIS".

He stated that priorities will need to be set very early in the process. This is necessary in order to provide focus and make the most efficient use of limited resources.

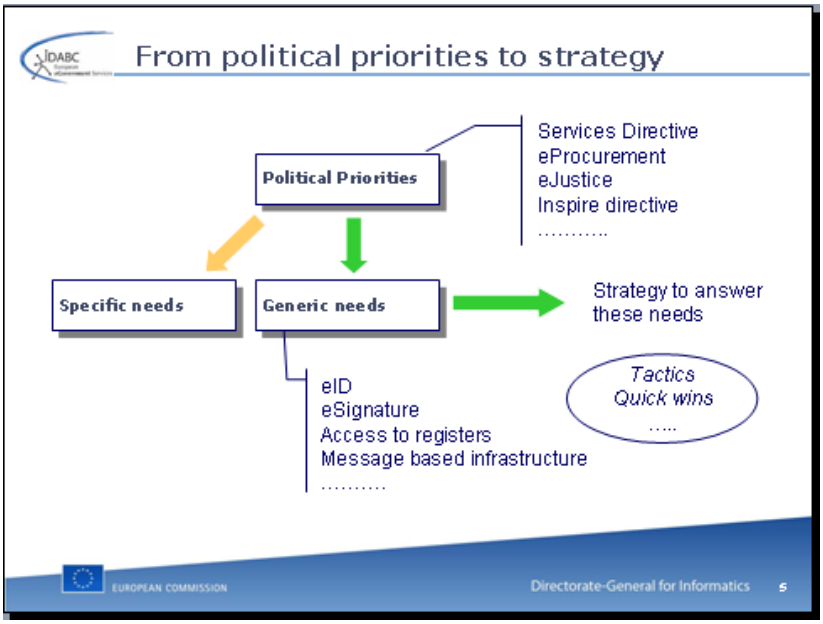
The starting point are the priorities proposed through the CIO survey and provided to the participants as background documentation in a set of slides summarising the results of the survey.

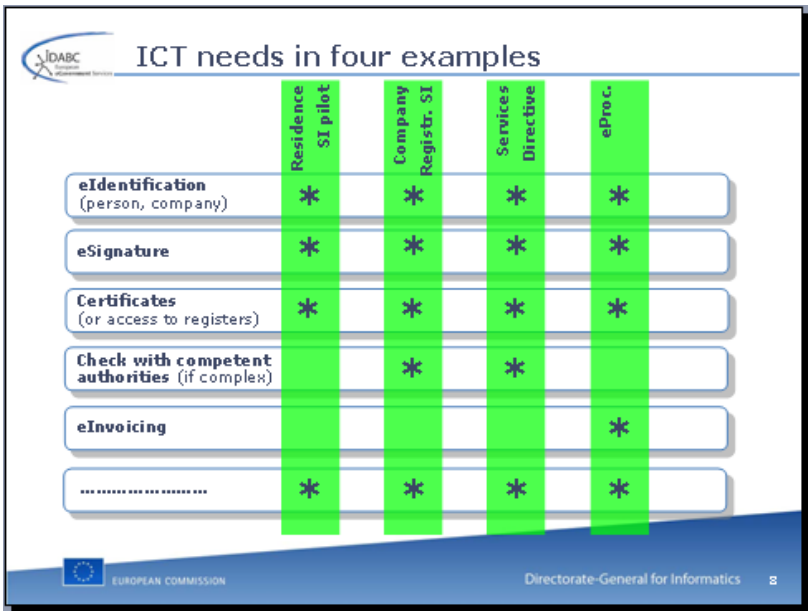
The method proposed to continue making progress was to look at both:

- Political input: EU and Member States political priorities lead to ICT priorities
- ICT professional input: Technology evolution and infrastructural considerations leading to ICT priorities

And then rank priorities based on considerations related to: Impact, readiness, time, cost, quick wins, …..

Mr. De Vriendt used one of the slides from Gartner's presentation to show that the process proposed followed a similar approach and how it was adapted to the specific case of the EIS (see figure: "from political priorities to strategy").




He then gave four examples illustrating the generic needs in those four cases (the 2 pan-European pilots of the Slovenian Presidency, the Services Directive and eProcurement).

He encouraged CIOs to appoint their experts so as to start working as soon as possible.

# Keynote speech from the forthcoming French Presidency

François-Daniel Migeon. Director General DGME (France)

France is giving a high political priority to consolidating a solid digital economy in which the digital administrations shall also play an important role.

Significant progress has already been made in France deploying a large number of online services (900 teleprocedures).

User centricity will be masterpiece for the new eGoverment strategy in France. "We have to move from online administration to online public service". Actions underway include: a unified vision; a common branding; "dematerialzation and mutualisation".

The French Presidency will face the challenge of working in a transition period which involves both:

- progressing towards the 2010 objectives and
- start building the strategy for 2015

A priority will of course be putting in practice the decisions taken in 2005 and 2007 by ministers in Manchester and Lisbon Ministerial Declarations so as to be ready to deliver by 2010.

Mr. Migeon found essential the transformation of administrations and the provision of innovative services.

He outlined the strategy of the presidency in this domain and prompted all CIOs to give him their opinions (see discussions section below). The main axes are:

- Support the development of the European Interoperability Strategy.
- Participate in the CIP PSP pilots.
- Facilitate the Services Directive pilot which is in preparation.
- Make progress on administrative cooperation
- Prepare the strategy for 2015

# Conclusions

Francisco Garcia Morán. Director General of Informatics. European Commission.

As proposed by Mr. García Morán, CIOs agreed to:

- Working together to develop a European Interoperability Strategy (supported by specialised group of experts)
- Steering the EIS and deciding strategic priorities
- Using the EIS as key driving force for the new programme

The next steps are the following:

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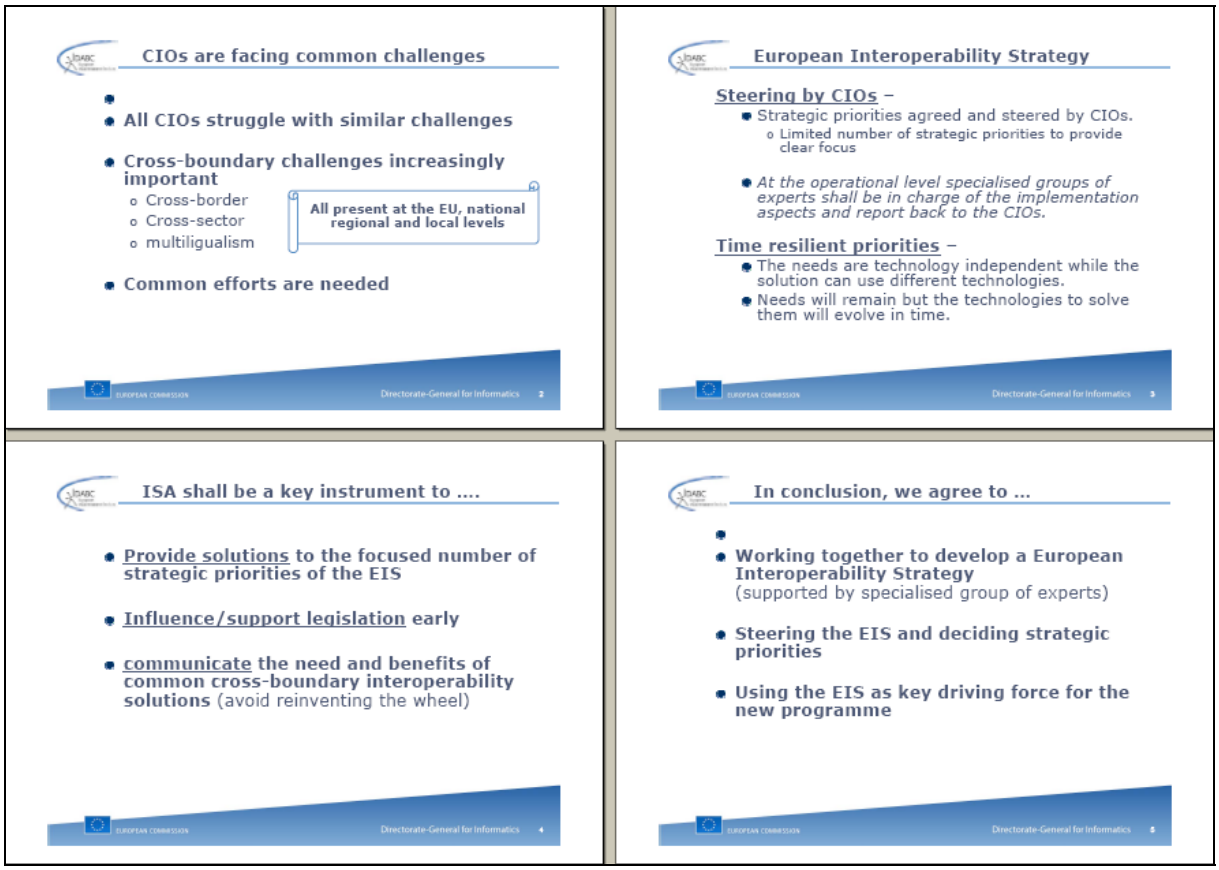

# Summary of inputs and remarks from CIOs

Discussions held at the meeting

The discussions held at the meeting raised a number of interesting points. Using the Web 2.0 analogy, the "cloud of concepts" below tries to illustrate the main concepts discussed and how frequently they have been mentioned.

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The first point to highlight is the positive feedback received about the organisation of CIO meetings as a good coordination initiative.

CIOs concurred that these meetings are a good opportunity to exchange experiences, learn from each other, discuss and cooperate as appropriate on cross-border issues of common interest. The possibility of having the CIO meetings complemented by a network of CIOs was mentioned for reflection.

The proposal of developing the European Interoperability Strategy (EIS) was also welcomed. CIOs felt that it was important for them to steer the development of the EIS.


As the "cloud of concepts" above suggests, the considerations which were more strongly made were the need to focus on a limited number of strategic priorities which:

- support political priorities,
- have impact and
- we manage to deliver

Key principles are "customer centricity" and increasing user satisfaction.

The focus is indeed on the cross-border dimension where it is important to:

- Share and reuse (avoid reinventing the rule or going in different directions)
- Exchange experiences (good and bad ones)
- Cooperate as appropriate

In terms of topics, some of the priority ones addressed were:

- the need to influence new legislation early
- support key priorities (such as the Services Directive in this moment in time)
- eSignature. Speaking the language of those who are not eSignature experts was mentioned as being also essential to progress.
- Security
- eIdentification
- eDocuments. It is urgent to move into it as it was considered that we are late
- Cross-border infrastructures (more generically)

Several other topics were addressed such as open standards, open source software, eDossiers, eProcurement, …..


The importance of working on "non-technical" interoperability was also stressed. For example, the interoperability of processes or the legal issues are essential. Both processes and legal aspects were mentioned as being underestimated.

Pan-European eGovernment services are not high in the agenda today. This reinforces the need to

support political priorities as well as:

- Working on concrete examples to be able to illustrate "interoperability working in practice". Otherwise interoperability is too broad and too abstract.
- Developing business cases.
- The need to join efforts when CIOs are requested to deliver more with less, faster, etc.

The 3 comments above were consistently repeated.


Several interventions reminded that an important consideration to bear in mind is the different roles and governance structures in different countries (regardless of whether the function is formally called CIO).

A useful added value of working together, mentioned a couple of times was the so called "empowerment at home". If CIO's decide together to adopt certain principles or approach or do common work, this helps to go in a common direction (even at "home"). An additional suggestion was to reflect about the possibility of having a kind of common label certifying that a commonly agreed approach was used.

From a different perspective, another added value mentioned was the possibility of stimulating the market, competition and innovation. If several countries agree –for example- on a common specification, the market becomes wider and more attractive for industry and the offer of "compliant solutions" shall increase. It strengthens both the European Industry and public administrations. Competition should also stimulate innovation.

An important suggestion made -which is linked to maximising impact- was engaging so called "catalysts" who would proactively promote and monitor the use of solutions (frameworks, tools, specifications, ..). This seems to be working well in Germany.

An additional consideration put on the table was how

cooperation can also help smaller States.

As mentioned above, the approach proposed by Mr. Migeon for the French Presidency and the fact that he wanted to listen the opinions of all CIOs was commended. Mr. Migeon underlined that there is a strong consensus on the need to focus but –at the same time- this will be a challenge as the number of topics mentioned was already long.

Concerning the issue of focus, a complementary point was the need of consolidating what has already been started.

# Advancing the action plan for IPv6

Detlef Eckert. DG information society and media.

There are two options to deal with IPv6:

- Continue with IPv4
- Introduce IPv6 proactively

In the first case, continuing with IPv4 would mean managing scarcity and introducing IPv6 only when IPv4 becomes truly unsustainable. There are arguments in favour and against for both options.

The European Commission has set as a strategic objective that the EU should have made a significant step introducing IPv6 by 2010.

The steps planned now are:

- Discussion and agreement on common actions in Council (Member States) by end 2008
- Establish cooperation between CIOs of Member States on IPv6
- Launch of studies and projects under way
- Measurement of IPv6 deployment
- Two implementation tests in 2009 and 2010 to measure 25% target
- Stock taking in 2010

Further information can be found at http://ec.europa.eu/information_society/policy/ipv6

# ANNEX I - Agenda

## SECOND EUROPEAN CIO MEETING

### 13TH JUNE 2008 - 10:00 TO 16:00

**VENUE: BERLAYMONT BUILDING. RUE DE LA LOI 200, BRUSSELS. MEETING ROOM: R. SCHUMAN**

| | | |
|---|---|---|
| 10:00 | Welcome and objectives<br><br>Adoption of the agenda | F. García Morán *Director General, European Commission* |
| 10:15 | Priorities of the Slovenian Presidency | Dušan Kričej<br>*Slovenian Presidency* |
| 10:25 | European CIOs facing the cross-border challenges.<br><br>*What is the role of CIOs and CTOs?*<br>*How best to cooperate?*<br>*What support shall the new programme provide?* | A. Pedroso<br>*President of AMA, Portugal*<br><br>*CIO discussion* |
| 10:55 | *Coffee break* | |
| 11:15 | The CIO function, a worldwide analysis.<br>Trends and successful experiences worldwide<br><br>*Followed by questions and open discussion* | A. di Maio, *Vice President Gartner Group* |
| 12:15 | *Lunch at Berlaymont's restaurant*<br><br>Keynote address by Vice President Kallas | |
| 13:45 | Developing the European Interoperability Strategy:<br>CIOs in the driving seat | F. García Morán<br><br>*CIO discussion* |
| 14:30 | Setting strategic priorities: lessons learnt from the pan-European pilot and needs for high impact services. | Karel De Vriendt<br>Davorka Šel<br>*CIO's views on strategic priorities* |
| 15:05 | Moving forward with a new programme: *Overview and status of preparation of the legal basis of the new IDABC follow-on programme*<br><br>Conclusions | F. García Morán |
| 15:35 | Keynote speech from the forthcoming French Presidency | François-Daniel Migeon<br><br>*Director General DGME* |
| 15:50 | Any Other Business:<br>- Advancing the Internet action plan for the deployment of Internet Protocol version 6 (IPv6) in Europe | D. Eckert (DG INFSO) |

# ANNEX II
# The Challenges of Cross-Boundary Governance

Andrea di Maio. Vice President Gartner

## 1 Executive summary

*The aim of the session was to provide some inspiration about possible approaches for governance addressing interoperability challenges in a cross border context.*

**Governance**

IT Governance should **align the political agenda and business strategic plans with IT investments**.

The ultimate goal of a cross-boundary governance model should be **putting a governance in place which will be sustainable over time**. To this end, it has to be ensured that parties involved are committed to comply with agreed positions.

Design of cross boundary governance processes requires to:

- define objectives, structure, scope and authority of the governance body(ies).
- identify and prioritise the initiatives based on stakeholder's commitment and according to a risk and benefit assessment.
- manage and resource the initiatives as well as putting in place a monitoring mechanism to continuously measure projects' performance, identify risks and indicate possible need of adjustments.

Looking at the current situation of CIOs worldwide, their functions and powers vary strongly among different countries and types of jurisdictions (States, regions, provinces).

More powerful CIOs (e.g. Ontario government) have control over key processes, such as the strategic planning and ICT operations and tend to report to Finance. On the other hand, there are other states, such as Australia, where CIO duties are mostly limited to an advisory role or to overseeing compliance with enterprise standards.

**Shared services**

Shared services are a good example of non permanent cross jurisdictional structures.

The term **"service"** is interpreted in a broad sense including **processes, assets** as well as **enabling capabilities**.

Shared services are put in place when different jurisdictions/departments agree to operate something together. Administrations themselves act as "customers" while keeping a degree of ownership and being able to control the types of services and service levels to be provided.

Shared services include both:

- **Processes** (domain specific processes, supply processes, etc.)
- **Enabling capabilities** (infrastructure, reusable components, data, etc.)

From a European cross-boundary perspective, enabling capabilities are largely relevant and processes could be relevant if they have commonalities having a cross-boundary dimension which could be generalised.

**Approaches**

The various approaches to the implementation of shared services may be classified into 4 categories by using two dimensions:

- the scope of the initiatives

  **broad scale** ←versus→ **limited scale**

- the form of participation

  **voluntary ←versus→ mandatory**

Using Gartner's terminology, the 4 categories of shared services approaches are the following:

- The **"Whole-of-Government"**:
  **broad scale** initiatives with **mandatory participation**.

- The **"Domain or Cluster"**:
  **limited scope** and **mandatory participation**

- The **"Joint Initiative"** approach:
  **large scale** initiatives with **voluntary participation**.

- The **"Limited Partnership"**:
  **small number of participants** on a **voluntary** basis.

When choosing an approach, we have to realise that this is the correct decision for a particular moment in time. A solution will not last forever and the model we use may change over time. We have to make "dynamics" part of the process.

In addition, the discussion showed that a combination of approaches and models could coexist in different domains and the situation can be different (a solution "doesn't fit all").

**Lessons learned**

There are several lessons learned based on the experience already gathered by the Public Sector:

Implementation of shared services requires a clear view on the services portfolio, service level agreements, etc. However, the greatest **emphasis should be placed on the feasibility** of their joint governance. Additional services details and fine-tuning may be further elaborated, after the governance process is put in place.

In public administrations, an essential element for success is to thoroughly address how best to introduce the **cultural change**. Important facilitators for a change towards shared services are a **strong business case** and achieving **consensus**, especially between stakeholders.

Regarding project **funding**, experience shows that it is often very hard to ensure adequate budgets for the expected outcomes. Another important success factor is getting **the best staff** committed to and engaged in the initiatives. Those people are also the best placed to keep pushing innovation.

A shared service can either be a final solution or one step towards a more centralized solution. Shared services should make it possible to implement core functionalities while allowing some differences among stakeholders if necessary.

Finally, when the market provides commodity solutions, shared services may be of no (or little) use.

A more detailed summary of the main issues emerging from this session follows. It covers both the presentation made and the discussion and remarks made by European CIOs and national representatives.

# 2 IT Governance and possible structures

A. di Maio started his presentation on '*The Challenges of Cross-Boundary Governance*' with general remarks on the role of IT Governance for government organisations and its relation to key processes/ governance elements, such as Business strategy, Budget and Prioritization of Investment.

IT Governance should align the political agenda and business strategic plans with IT investments. The same applies also in a cross-boundary context. However, the degree of complexity may increase in a cross-boundary environment due to the diverse political agendas, budget priorities and strategic objectives.

Similar challenges are faced in different parts of the World and A. di Maio gave at the meeting several examples of administrations introducing a shared services approach. As an anecdote he mentioned a case of the consolidation of 14 email systems in the U.S.

The different constitutional structures of States (federal States, regions, cities, inter-institutional structures etc.) have strong impact on governance models. Constitutional structures are mainly categorized into the following major types:

- Structures featuring a Strong Executive (e.g. States in the US);
- Parliamentary or Cabinet Structures (e.g. many European countries);
- Board Administered Structures (e.g. US counties); and
- Structures administered by a series of "commissions".

Strongly depending on the underlying Constitutional Structure, three governance models are identified as follows:

- the Autocratic model, characterised by a strong linkage between the Chief Executive Officer (CEO), Chief Finance Officer (CFO) and the Chief Information Officer (CIO);
- the Cabinet Model; and
- the "Headless Monster" Model (governed by a number of committees).

# 3 Cross-boundary governance

When applying governance, a variety of decisions have to be taken, often involving numerous authorities at different levels. In that regard, there are a number of questions to be answered such as: What are the decisions to be taken? Who has decision and input rights? How are decisions formed and made?

Often, and in particular in a cross boundary context, different jurisdictions are involved, most of the times featuring different IT decisions processes. This fact raises different issues for different jurisdictions, while decisions may have to be taken at different levels. In such cases, jurisdictional accountability is especially difficult to be determined.

The ultimate goal should be to put a governance model in place, which will be sustainable over time. To this end, it has to be ensured that parties involved comply with agreed positions.

**The governance process**: Design of cross boundary governance processes requires specifying pertinent body(ies) to deliver one single or even a set of initiatives.

In a first step, goals, objectives, structure, scope and authority of the governance body are to be defined.

As next, the initiatives -*'this body will be responsible for……'*- have to be identified and analysed, among other things in terms of funding and of political support.

In a next step, identified initiatives have to be prioritized based on stakeholder's commitment and according to a risk and benefit assessment.

A project management team has to be established in order to undertake the general oversight over the initiatives. An initiative may be realised as one single large scale project or alternatively as many smaller scale related ones.

Finally a monitoring mechanism has to be established in order to continuously measure projects' performance, identify risks and indicate possible need of adjustments.

As long as CIOs functions and powers are concerned, there are strong variations among different types of jurisdictions (States, Member States, provinces).

More powerful CIOs (e.g. Ontario government) have control over key processes, such as the strategic planning and ICT operations and tend to report to Finance. On the other hand, there are other states, such as Australia, where CIO duties are mostly limited to an advisory role or to overseeing compliance with enterprise standards.

# 4 Shared services in cross-boundary environments

Shared services constitute a good example of non permanent cross jurisdictional structures.

The term “service” is interpreted in a broad sense including processes, assets as well as enabling capabilities.

Shared services are put in place when different jurisdictions/departments agree to operate something together. To this end, a service provider is established as a separate entity, in order to offer services to the originating departments. From one point of view, the departments/jurisdictions themselves act as “customers” of the established provider, as they will take advantage of the services offered. However, having a degree of ownership on this provider, departments also are at the same time stakeholders, being able to control the types of services and service levels to be provided.

The traditional approach of sharing services mainly focuses on processes. Processes which can be considered as relevant for sharing are:

- supply processes (e.g. selection of suppliers, procurement processes and inventory management),
- enterprise processes (e.g. finance and accounting / human resources related) and
- processes associated to particular domains (e.g. social and justice relevant services).
- transactional processes (e.g. processing of payment/billing and claims) and constituent interaction process (e.g. direct/indirect contact channels) are also suitable for sharing.

However, beyond processes, enabling capabilities are also suitable to be shared; e.g.: IT infrastructure, reusable components, data and information.

In a European Union context, some services suggested for possible sharing are:

- Supply processes and in particular common or coordinated procurement.
- Transactional processes: processing documents, forms, ….
- IT infrastructure: Assets (networks, equipment, …) and other resources
- Intelectiual assets: Architecture, standards, security, interoperability, good practices, etc.
- Reusable components: software, specifications, ontologies, etc.
- Data and information: Directories, databases and repositories.

Keeping room for innovation should be an important consideration when designing shared services. For example, if several countries work together in a shared service

and make public the specifications, industry will have to compete to provide the service and be stimulated to innovate in order to have a more competitive offer.

# 5 Approaches to the implementation of shared services

The various approaches to the implementation of shared services may be classified into 4 categories by using two dimensions:

- the scope of the initiatives (

  **broad scale** ←versus→ **limited scale**

- the form of participation

  **voluntary** ←versus→ **mandatory**

Using Gartner's terminology, the 4 categories of shared services approaches are the following:

I - The so called **"Whole-of-Government"** approach describes:
**broad scale** initiatives with **mandatory participation**.
For its success, strong top down governance is essential to addresses at once the whole of relevant participants.
This approach is often associated with initiatives having a long duration and high risks.

II- The **"Domain or Cluster"** approach:
**limited scope** and **mandatory participation**
It is suitable for the implementation of shared services in domains such as Health or Justice. Participants amount usually to five to ten departments and the risks are moderate.

III- The **"Joint Initiative"** approach:
**large scale** initiatives, however **participation is voluntary**.
In this approach, the number of participants is moderate to high, and a variety of processes and capabilities may be involved.

IV- The **"Limited Partnership"** is characterised by:
a **small number of participants** on a **voluntary** basis.
This approach is usually initiated, to address a specific common problem ("pain point").

In general, initiatives of smaller scale and on voluntary basis tend to be more successful.

When choosing an approach, we have to realise that this is the correct decision for a particular moment in time. A solution will not last forever and the model we use may change over time. We have to make "dynamics" part of the process.

# 6 Examples of shared services introduced in different jurisdictions

## I - "Whole-of-Government" [broad scale; mandatory participation]

Examples:Queensland, Australia and Ontario, Canada

### Queensland's shared-service initiative, Australia

A large scale project involves over 100 agencies and aims to deliver various services (e.g. those related to Human Resources, Procurement and document management) to clusters of governmental agencies. The initiative started in the year 2002, with an initial vision of six shared-service providers and planned for a 5-year overall time frame. In the following years, however, the amount of providers has been consolidated to four. The envisaged $100 million of annual savings, expected through economies of scale effects as well as business standardisation, still have to be achieved. The initiative, being already beyond the initial 5-year planning time frame, is still ongoing and faces now its biggest challenge.

### Ontario cluster model, Canada

This is a successful model of "Whole of Government" shared service approach taken by the government of Ontario, Canada.

In this model the corporate CIO has been granted extensive powers and the government agencies are organised around eight clusters, each one with a dedicated cluster CIO. Clusters CIOs dually report to both the corporate CIO as well as to the deputy ministers, responsible for the agencies in their clusters. The corporate CIO itself reports to the Ministry of Government Services.

Cluster CIOs have the power of decision for projects below the $1 million threshold. More expensive projects are transferred to the Office of the Corporate Chief Strategist who is responsible for elaborating recommendations on projects' approval and funding and address them to the Cabinet.

The Ontario model constitutes an example of effective cross boundary governance. Even though essential precondition for this model to work are the exceptional powers granted at CIO level, this model could still prove inspiring.

## II - “Domain or cluster aproach” example: [limited scale; mandatory participation]
Example: U.S. Federal Government, USA

### U.S. Federal Government line of business initiatives

The ultimate goal is the provision of high quality Public Administration eServices. To this end, nine Line of Business (LOB) initiatives have been put in place, in order to provide services commonly found in numerous agencies in a more efficient manner. At the same time the initiatives aim to allocate resources to agencies for enabling them to better focus an their core missions. Thereby, different LOBs have taken different approaches.

While some of them focus on common solutions (e.g. case management) other initiatives aim to identify providers of choice (e.g. HR, Financial Management) or to develop a shared IT infrastructure.

The U.S. approach clearly demonstrates that different arrangements are appropriate for different types of shared services.

## III - “Joint initiative approach” example: [broad scale; voluntary participation]
Example: Canada

### BizPal Canada

BizPal is an online service, aiming to provide businesses with one-stop access to information on permits, licences and other compliance regulation processes for all levels of government. Participants to the system include two Federal Organisations (Industry Canada and Natural Resources Canada), 7 provinces/territories and 53 local governments (municipalities and regional municipalities).

The service is steered by a committee, comprised of representatives of all partners, which has the responsibility for the project’s long term vision, management framework, funding policy and budget matters. Every participating organization has a vote in the committee, and decision is based on majority.

This approach constitutes an example for a model, where all partners have an equal weight, including the budget owner and project sponsor (Industry Canada). This model could be another source of inspiration.

# IV - “Limited partnership” example: [limited scale; voluntary participation]
Example: Nova Scotia, Canada

## Nova Scotia ERP – Multi-jurisdictional shared services

The shared services approach of the Canadian province Nova Scotia constitutes an example for Multi-Jurisdictional Shared Services. Initiated by a common need of the provincial government and two municipalities to procure an ERP solution, the model was extended to include all municipalities, school boards, academia and health care providers.

The agreement includes the purchase of an expanded ERP suite with applications for human resources, business intelligence and portal software, enabling user organisations to share common business processes. Thereby, Nova Scotia provides the software licences, a computing and infrastructure centre as well as help desk support to participating organizations/agencies.

An interesting aspect of the model is its two-tear participation approach. Participation in the system for local government agencies/organisations is optional as long as their provincial funding does not exceed 50 %. Participation for organisations above the aforementioned threshold becomes mandatory.

# 7 Lessons learned

There are several lessons learned based on the experience already gathered by the Public Sector:

Implementation of shared services requires a clear view on the services portfolio, service level agreements and pricing models to be used. However, the greatest **emphasis should be placed on the feasibility** of their implementation under the joint governance point of view. There is namely no use drafting excellent services descriptions, if there is no way to put services work. Thus, putting emphasis to feasibility rather to accuracy should be preferred. Additional services details and fine-tuning may be further elaborated, after the governance process is put in place.

In public administrations, an essential element for success is to thoroughly address how best to introduce the **cultural change**. It is important to keep in mind that shared services are not technology projects but business change ones. Important facilitators for a change towards shared services are a **strong business case** and achieving **consensus**, especially between stakeholders, is essential for the outcomes.

Regarding project **funding**, experience shows that it is often very hard to ensure adequate budgets for the expected outcomes.

Finally, one of the most important factors for the successful implementation of shared services is getting **the best staff** committed to and engaged in the initiatives. Is also these

A shared service can either be a final solution or one step towards a more centralized solution.

Shared services should make it possible to implement core functionalities while allowing some differences among stakeholders if necessary.

In the case where the shared services approach is a final solution, a joint governance approach shall ensure sufficient consistency among the provided services while stakeholders retain their independence.

Shared services may also constitute transient solutions as a first step towards a consolidated "single shared service". In this case, only small differences (if any) exist in the service levels needed by the different stakeholders. In this case joint governance is the enabler for realising similarities and exploiting the potential for greater centralisation making it possible to go to the final step where consolidates services are provided.

Finally, when the market provides commodity solutions, shared services may be of little (or no) use.


http://ec.europa.eu/idabc/
http://ec.europa.eu/idabc/en/document/7708/6023

Additional information about this 2nd European CIO meeting can be found at:

http://ec.europa.eu/idabc/en/document/7686