



Shared Services: What, Why, and Where to Begin

Shared services has become one of the hottest topics in federal government. “By sharing common business functions and infrastructure across organizational boundaries, federal agencies are saving money, facilitating inter-agency collaboration, improving public safety, and freeing up resources to focus on their core business objectives: citizen services and national welfare,” says Gerald Charles, executive adviser, Public Sector, at Cisco®.

More Than an Internet “Veneer”

The good news is that developing and maintaining shared services has recently become much easier. “The first attempts were a rushed response to e-government initiatives to deliver services to citizens and businesses in a more holistic fashion,” says Chris Shenefiel, Federal Government industry solutions manager for Cisco Systems®. Many federal IT groups simply replicated their existing services and added a Web interface to provide access to citizens, businesses, and other agencies. Although this approach succeeded in making services available online, in many cases, it also forced federal IT groups to maintain two sets of systems and processes and ensure they remained in sync.

Today, a new style of programming helps eliminate duplicate systems by allowing agencies and applications to re-use each other’s business functions. In service-oriented architectures (SOAs), each business function that makes up a complete government service, such as displaying a citizen record, is implemented just once, and then can be reused in modular fashion by any agency or application that needs it. Therefore, an agency that provides access to a service either online or via interactive voice response can reuse the same functions for each service. The approach is called a service-oriented architecture, or SOA. “With SOAs, agencies don’t just create the appearance of services that are integrated across all agencies, they actually change their governance, processes, and systems to create unified government services,” says Carol Macia, Federal Government enterprise marketing manager for Cisco Systems. And if a business function changes, the federal agency can change it once and test it once – instead of once for maybe dozens of federal government applications.

Opportunities for Shared Services

A June 2005 study for Cisco Systems by ifour, which researches federal government IT topics, identifies four categories of shared services in use by federal agencies.

- *Intra-agency/interagency collaboration.* By sharing IP telephony and videoconferencing systems, agencies not only reduce capital and operational expense, they increase the ease of interagency collaboration with features such as four-digit call transferring, instant six-way conferencing, and voicemail forwarding. Interoperable radio systems avoid the communications snafus – and their cost to public safety – that plagued response on 9/11 and during recent hurricanes.
- *Infrastructure sharing.* Agencies can share information infrastructures just as they currently share physical infrastructure assets such as office space. Sharing and centrally managing networks, storage, voice, video, and data increases the utilization of tax dollars. And centralized management also tends to improve quality, security investments, and service levels. “When several agencies or departments share use of a single set of government disaster recovery sites, they improve continuity of operations (COOP) compliance at less cost,” says Shenefiel.

- *Information sharing.* Secure access to other agencies' information systems is especially compelling for agencies involved with homeland security – justice, public health, environmental protection, and even commerce. An example is Nlets, the international justice and public safety information-sharing network. Owned by the states, Nlets carries over 42 million messages each month to over 30,000 agencies and 500,000 devices at the local, state, and federal levels in the U.S. and Canada.
- *Services sharing.* Agencies free up resources to focus on their core missions when they share common lines of business that span federal government, such as financial management, human resources management, grants management, federal health architecture, case management, and IT security. For example, the Office of Management and Budget launched the Human Resource Line of Business (HR LoB) effort in April 2004 to build an interagency enterprise architecture for the human resources business function. Centralized IT services are also popular: the National Information Technology Center (NITC) offers centralized computing services for other USDA agencies. “Agencies that share services can distribute them in multiple locations to eliminate single points of failure,” says Charles.

How to Get There

Most agencies first deploy shared services for intra-agency business functions. Typical projects include management, collaboration, HR, payroll, and COOP. For example, the Department of Transportation has standardized financial management across all 14 agencies, which now share a single database. Although they manage their books somewhat differently, they can still roll up to one financial statement for the entire department.

After selecting business services to share, the next step is implementing a network architecture that provides the needed connectivity. These are known as service-oriented network architectures (SONAs). Contact your Cisco representative to find out how to get started.



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