

Guiding principles for shared services

Endorsed by the Victorian Secretaries Board

-
- The diagram consists of four vertical brackets on the left side, each grouping a set of numbered principles. The first bracket (orange) groups principles 1-3. The second bracket (teal) groups principles 4-6. The third bracket (purple) groups principles 7-8. The fourth bracket (blue) groups principles 9-10. Each principle includes a descriptive sentence and a bolded summary statement.
- Guiding principles that relate to **providers and departments** as customers
 - 1. The scope of a shared service will be defined by the desired outcomes, rather than by its technical systems or components.
Services will have an outcomes focus
 - 2. Secretaries will remain accountable for the overall quality of service to their staff, and for deciding if, when, and how they adopt a shared service.
Departments will remain accountable
 - 3. Government will adopt strategies, policies and standards to enable collective procurement decisions in the short term, and migration to shared services in the medium term.
We will pursue collective standards and policies
 - Guiding principles that relate to service **providers**
 - 4. Each shared service provider will regularly benchmark its cost, quality and customer satisfaction, and Government will consider outsourcing only those services for which there is contestability among a range of existing service providers.
Providers will regularly benchmark
 - 5. Shared service providers will plan for an upfront investment in the setup of the shared service, and a fee-for-service model for the delivery of the service to customers, with both reinvestment and accrued benefits reflected in the fee.
Providers will plan for upfront investment and a fee for service model
 - 6. Shared service providers will invest in leadership with expertise in evaluating, selecting, deploying and managing the ongoing operation of shared services, and educate existing teams to improve their skills.
Providers will invest in uplifting capability
 - Guiding principles that relate to departments as **customers**
 - 7. Departments will leverage existing shared services. For each new business support investment, they should ask 'why not' migrate to (or establish) a shared service, acknowledging that it will not always be appropriate.
Departments will adopt a 'Why not' approach
 - 8. Departments that choose to join a shared service will participate in the development of its strategy, business plan and scope of services in the ongoing assessment of its performance, and will only exit through a pre-agreed managed process.
Departments will provide active oversight
 - Guiding principles that relate to **governance**
 - 9. Departments hosting shared services will appoint a board with customer representation for each major new service to ensure the provider:
 - a. Invests in staff capability, adopts a customer-focused culture and maintains a relevant and attractive service; and
 - b. Develops, operates and reports in accordance with an agreed service catalogue and service levels to its customers.**Boards with customer representation will be appointed**
 - 10. Departments hosting shared services will establish a performance management framework and incentivise the participation of their department and agencies.
Hosting departments will establish a performance management framework