

2017 IPAC Award for Innovative Management

The Delivery of Effective and Sustainable
Shared Services in Nova Scotia



Executive Summary

30+ ways to pay a bill. 14 different IT help desks. Decentralized transactional purchasing. These are findings from a 2012/13 review that started the Province of Nova Scotia on a multi-year, cross-sector path to transform and re-design how it delivers internal administrative and support services. The result has been increased savings and efficiencies, resulting in re-energizing government to create and reward a culture of service excellence, quality, and innovation.

The power of continuous improvement will drive future success and financial sustainability.

Project Relevance

Nova Scotia is a small province with a declining tax base (aging population) and fiscal challenges resulting in successive deficits. It has over 100+ provincial government reporting entities, many of which perform administrative/non-core services separately and in different ways. At the same time, costs and demands for frontline services have increased at a higher rate than revenue.

A review of internal administrative and support services conducted in 2012/13 focused on common services across the Health, Government, School Board and Crown (corporation) sectors. Findings indicated streamlined, standardized processes would result in enhanced administrative efficiencies.

Procurement savings could also be gained through volume consolidations, multiple-sector collaboration, standardizing products, and improving contract management. These changes were anticipated to bring savings as high as \$50 Million over 5 years, and topping out at just over \$70 Million. Further, these dollars could be re-deployed to frontline healthcare, the classroom, and a myriad of government programs.

Clearly, a new focus on continuous improvement was required – one that is client-centric and delivers innovative solutions to meet client needs.

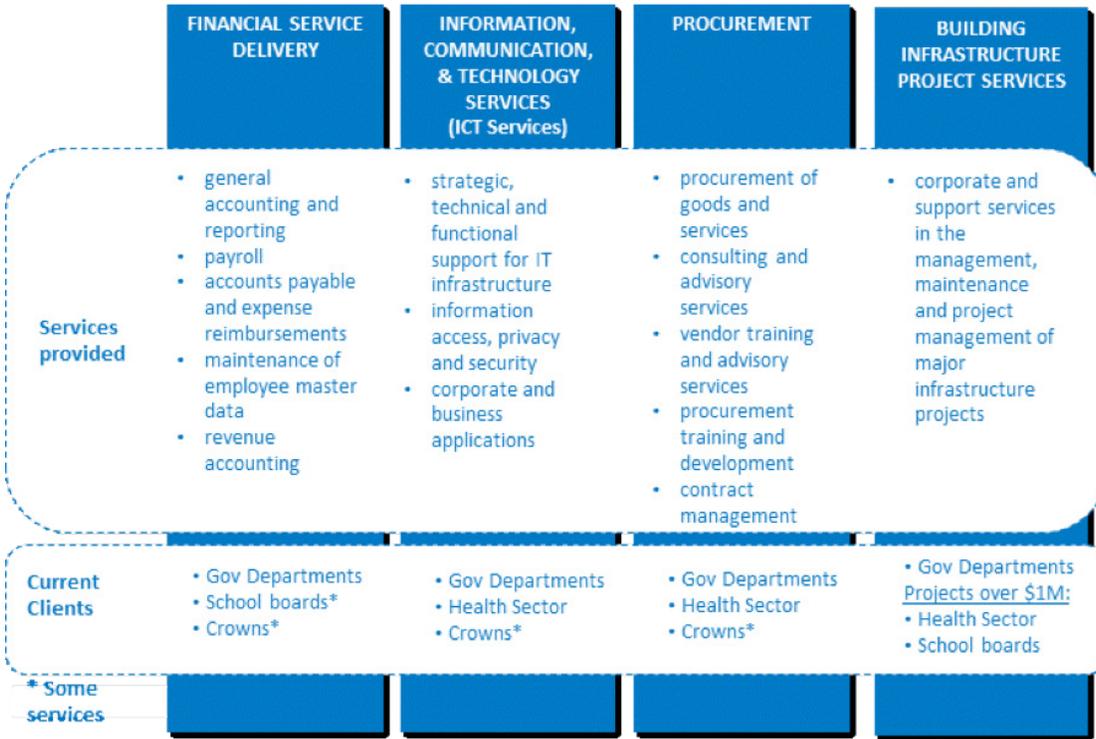
In March 2014, Executive Council approved the implementation of shared services, and the Department of Internal Services (ISD) was created to fulfill that purpose.

Project Innovation

What sets Nova Scotia’s approach apart from other jurisdictions is the unprecedented collaboration and sponsorship across multiple sectors including Government, Health, School Boards, and Crown Corporations. The project drivers were costs savings, and developing and delivering innovative client services.

The shared services project followed a phased-in implementation approach to allow for the creation of a more sustainable system over the long term to deliver quality client service. This involved building in time to forge relationships and build confidence, which were considered key success factors for future phases.

The initiative has resulted in the following cross-sector implementation:



The shared services initiative offered a unique opportunity to centralize other internal services under one department. The Internal Audit Centre, Queens Printer, Information Access and Privacy (IAP), the NS Geomatics Centre, and Postal Services all found a strategic home under ISD. This ensured a common focus to improve client service delivery and continuous operational improvement.

Significance

Nova Scotia entities use technology, procure goods and services, pay invoices, and do payroll. However, there is no compelling reason for each entity to deliver its common services independently. As there is only one taxpayer footing the bill, it makes sense to centralize these shared services to realize savings, efficiencies and improvements.

Below are some examples of the benefits and initiatives made possible due to a cross-sector approach to shared services. They provide an excellent demonstration of the impact and significance of this initiative on sustainable service delivery.

Procurement

- Cumulative procurement savings of approximately \$50 Million since 2014/15, with an estimated total life savings of the contracts awarded of over \$70 Million
- Advanced sourcing and contract management software, that will provide users from all client groups a more streamlined and efficient experience, incorporating, among other things, e-bidding, and a complete procure-to-pay system
- Significant overhaul of the Nova Scotia Procurement Policy resulting in several key policy decisions that enhance the client experience and provide greater flexibility and turnaround time on low-dollar/low-risk purchases

Information and Communication Technology

- New service desk technology reduced service desk tools from six to one; introduced common processes for over 750 service providers serving over 60,000 clients; deployed client self-service (40 % of service desk requests now done via online self-service portal)
- Re-negotiated an enterprise licensing agreement by including Nova Scotia Health Authority and the IWK Health Centre, which resulted in cost savings of \$1.2M
- New mobility and landline contracts for the government and health sectors negotiated that save over \$2.7 million annually
- Consolidated servers and networks, which reduced duplication and storage space and saves more than \$400,000 from reduced maintenance costs annually

Financial Services

- Amalgamated human resources resulting in significant process improvement, including the extensive use of digitization of material, and allowing for a more flexible and responsive workforce (e.g., The Winter 2016 saw staff use distance technology to process government payroll and client payment requirements during an office closure caused by a major snowstorm)

Effectiveness

The key objectives for implementing shared services included:

- delivering financial savings
- improving service quality
- reduced duplication and increased standardization
- enhanced risk management

Delivering Financial Savings

As of March 31, 2017, cumulative savings realized are \$61M. This includes \$50M in procurement savings. Once project and technology costs are removed, the total net cumulative benefit is \$43.7M. In addition, as of March 31, 2017, the number of full-time equivalent (FTE) positions within ISD have been reduced by 51.

Improving Service Quality

ISD is focusing recent efforts on client service and organizational excellence, working with Excellence Canada to obtain certification in the “Excellence, Innovation and Wellness” standard. This certification is a blueprint for building a culture of continuous improvement by transforming the workplace culture and focusing on quality at every level. In April 2017, ISD received the Bronze certification, and is currently pursuing Silver.

A Client Service policy will be introduced in 2017/18 to further enable commitment to services, standards, metrics, accountability, and reporting in the coming 12-24 months.

Reduced Duplication and Increased Standardization

ISD recently replaced six IT service desk tools with one, and will soon deliver a cross-sector, single tool for the recruitment and onboarding of new staff. There is also a significant undertaking underway to rationalize IT applications.

Enhanced Risk Management

Risk reduction benefits have been realized. FTE savings were used to re-deploy two FTEs to create an internal audit function to monitor compliance with procurement policies and contracts.

As well, new shared services partners have been moved into a more secure cyber environment. Work in this area will continue to evolve.

Conclusion

The shared services initiative is an innovative example of the changing face of public service in Canada. The program operates under four guiding principles:

- Meeting client needs and expectations
- Focus on long-term service delivery
- Supporting clients with proven technology
- Recognizing innovation and continuous improvement

These principles lay a strong foundation for a sustainable, affordable future.

