



**Stephen Butcher, CEO of Eduserv, the not-for-profit IT services group serving the public sector, looks at the promise of shared services and the barriers to adoption.**

Recent reports by the Economist Intelligence Unit (EIU) and the National Audit Office (NAO) have highlighted the potential bounty that can be delivered by the implementation of modern procurement processes in the public sector. The carrot is significant cost savings; the stick, efficiency targets and public pressure to shape up. The EIU survey of 127 International public sector respondents revealed that 54% use a shared service model to deliver efficiencies, with 16% expecting to introduce such a model within the next three years. It sounds promising, but it's worth bearing in mind this is a just a snapshot and an international one at that. The reality is somewhat different – there are beacons of best practice throughout the public sector, those that have embraced new ways of working, but there are also many organisations that have yet to make a dent in the targets. Why?

### **Inventing Wheels**

The first response to the shared service agenda is often to explore developing a service directly with like-minded organisations. Whilst there are some that have collaborated successfully, there is a danger of re-inventing the wheel. Organisations may not achieve critical mass and are likely to incur high development costs, particularly in management time. This can defeat the purpose of the exercise. And what is the organisation's core business, the distinctive offer? Is it to develop these services?

This response may be born of suspicions – sometimes quite justified – of commercial outsourced service providers. But investment in managing an effective relationship with third parties may deliver a better return than developing and managing such a service in cooperation with peer organisations. Instead peers can share ideas on how best to manage those service providers.

### **Health: Leading the Way?**

Ironically, given the ongoing NHS funding debate, the health service is a beacon for shared services. As its funding is constantly under the microscope, it is focused on innovative means to cut costs and deliver value to stakeholders. The National Library for Health is a perfect example. The NHS subscribes to a wide range of clinical data resources on behalf of the UK's GPs.



These resources are then made available as a shared service, with single sign-on via Athens, an Eduserv access management service. The level of use of this service is unparalleled worldwide, and this is reflected in the savings it delivers.

### **Someone's Got to Do It...**

Eduserv was born out of a shared service initiative – it's in our DNA – as is a real understanding of what it takes to develop a service that is secure, scalable and supported. The challenge for the public sector is how to juggle the varying demands of Government and stakeholder expectations with the very real need to deliver savings and efficiencies in the right areas. Shared services can deliver significant benefits, but the choice of whether to home-build from scratch or buy-in services from an experienced provider will have an impact on the speed and scale of adoption.

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