



Shared Services Journey for Victorian TAFE Institutes

South Pacific User Services Conference

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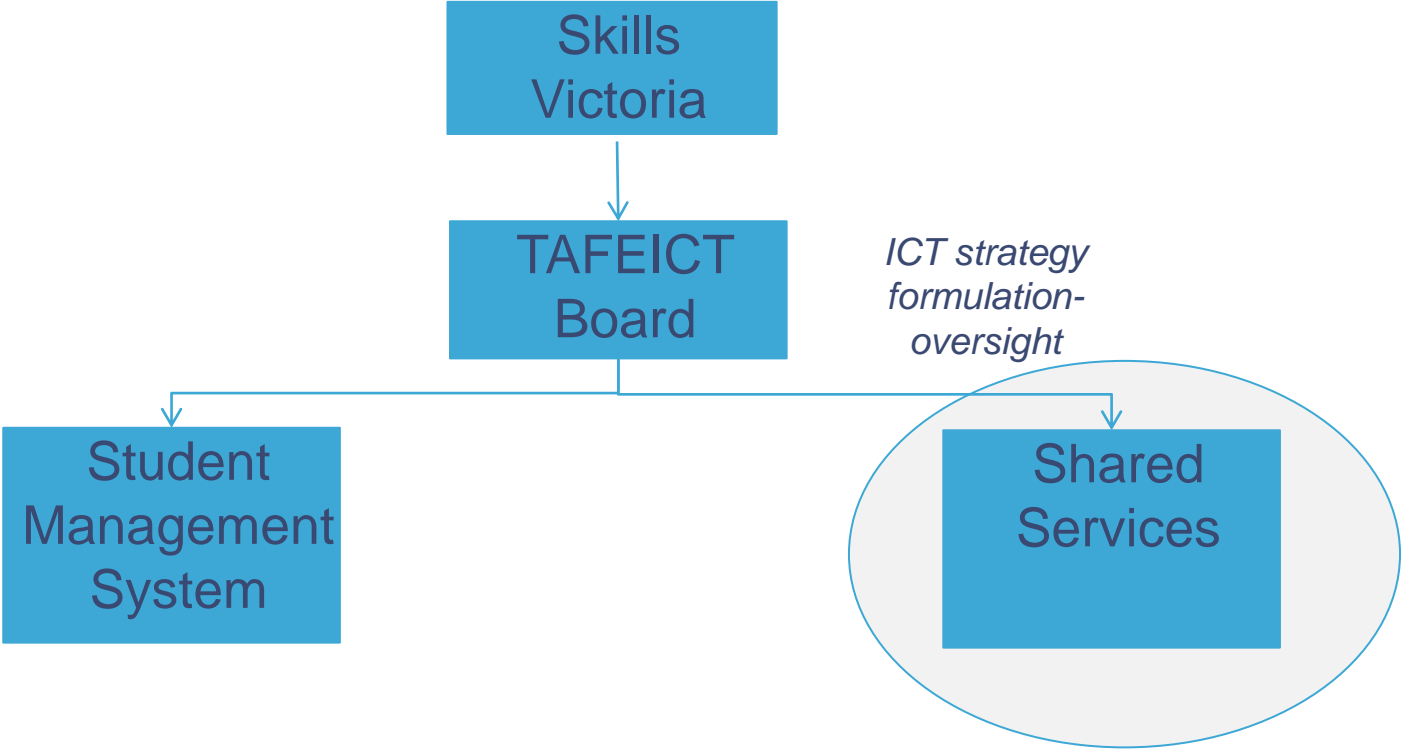
Outline of the Presentation

- Landscape Brief
- What is Shared Services? – A sector perspective
- Principles for establishing shared services
- The Journey thus far- A snapshot
- Victorian TAFE Shared Services Opportunities
- The Principal Hypothesis
- **Case Study: Shared Services Pilot- IaaS for a Shared Finance application**
- Successes and Challenges
- Managing the Challenges- “Walking the Talk”
- Achieving Excellence in Shared Services

Landscape Brief

- Skills Victoria is a division within the Department of Education and Early Childhood Development (State Government of Victoria)
- Skills Victoria supports and facilitates access to training and tertiary education opportunities so that Victorians can acquire higher skills that are utilised by, and contribute to the success of, Victorian businesses.
- There are 18 Technical and Further Education(TAFE) institutes (includes 4 dual sector institutes) in Victoria
- The TAFE sector caters to the Vocational Education needs of 500,000 students.

Landscape Brief



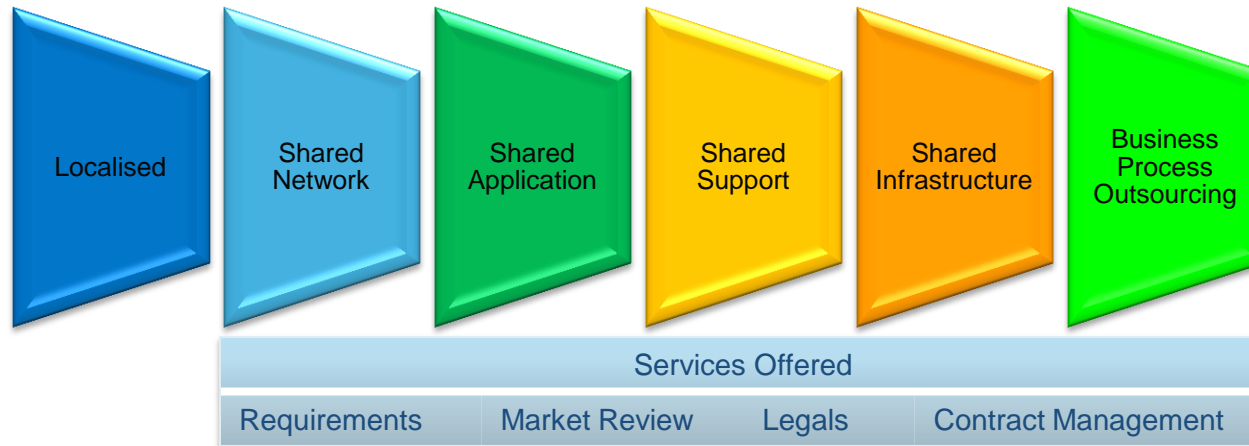
What is Shared Services? – A sector perspective

What is it?

The consolidation of non-core and non competitive ICT infrastructure, applications, data and business processes

Why do it?

- Build value
- Increase flexibility
- Improve services
- Increase operational efficiency
- Reduce cost



The Shared Services Continuum

Principles for establishing shared services

Not a Mandated model. Opt-in by choice.

Driven by:

- ability of the service provider to provide the same or similar service at a lower price
- attractiveness of the commercial terms provided by the service provider
- access to capability that not available internally; or
- Provision of a more flexible service delivery model to address volume variability that may exist within the TAFE operations
- Increased focus of staff on core business

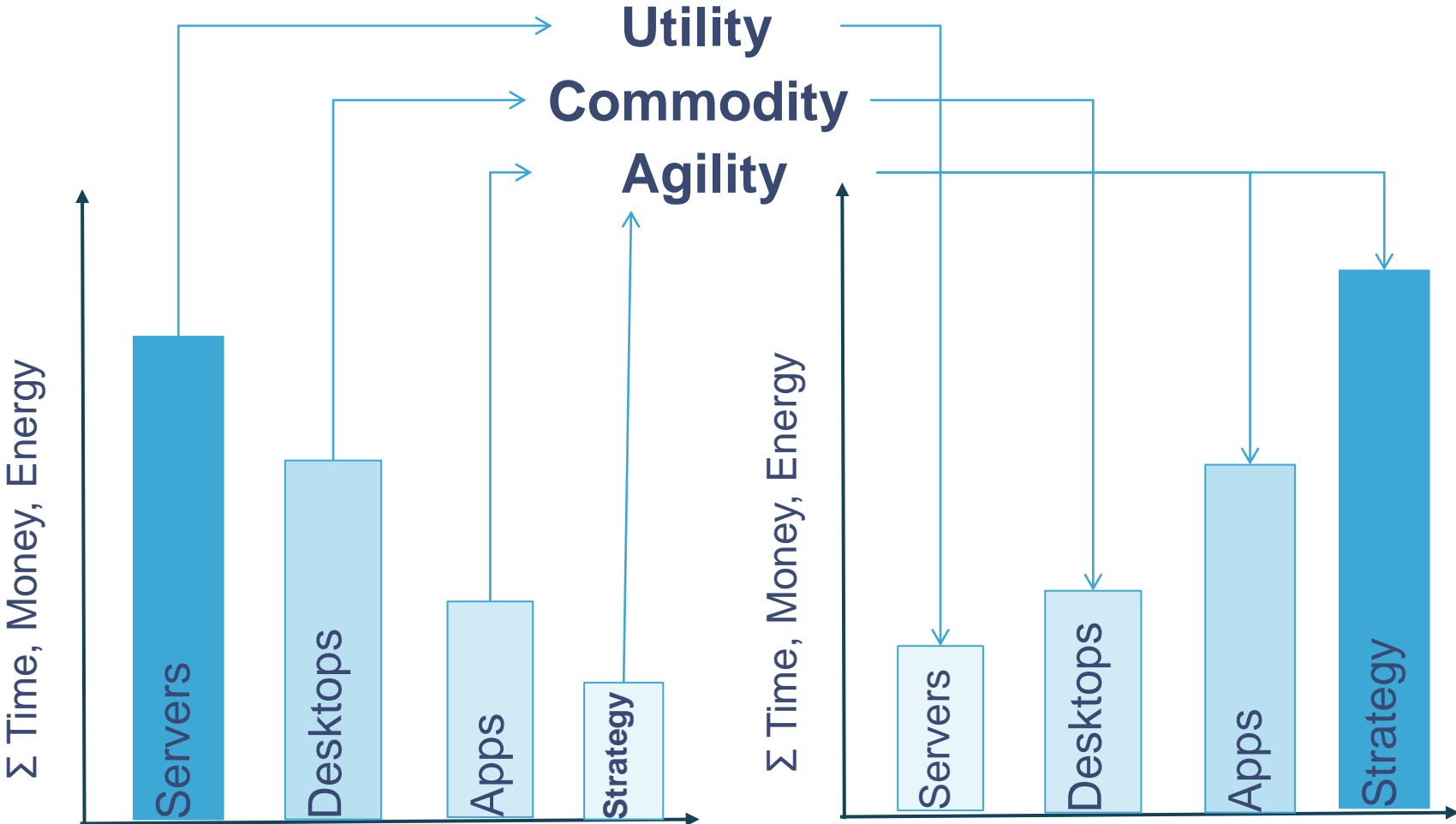
TAFE Shared Services-The Journey thus far

- The senior leadership at TAFEs identified Shared Services as a key to achieving efficiencies and improving business outcomes (Q3 2009)
- TAFE ICT Board initiated a discussion paper (Q4 2009)
- Discussion paper was socialised amongst the TAFEs (Q1 2010)
- Workshops were held at TAFEs to identify Shared Service candidates (Q1-Q2 2010)
- 28 Shared Services clusters identified (Q2 2010)
- 12 Clusters were shortlisted on the basis of :
 - Prioritisation by TAFEs
 - Complexity of cluster service
 - Dependencies to existing projects
- A Victorian TAFE round table held in June 2010 prioritised 6 clusters for further investigation

Victorian TAFE Shared Services Opportunities

Phase I Shared Services Investigation Candidates (0-2 years)	Phase II Shared Services Investigation Candidates (2-3 years)
Disaster Recovery - Infrastructure	Travel, Accommodation & Vehicle Rental
HR System with Payroll	Student Management System Support
Unified Collaboration	Regulatory Reporting
Finance System - Extension of Services	Management Report Development
IT Procurement & ICT Audits	Timetabling & Resource Planning
Learning Management	

The Principal Hypothesis

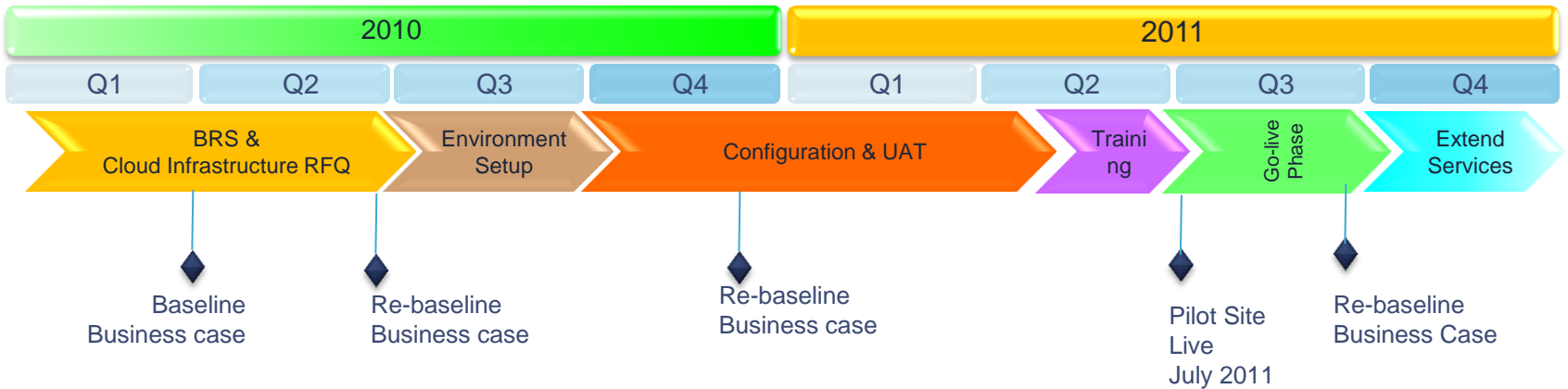
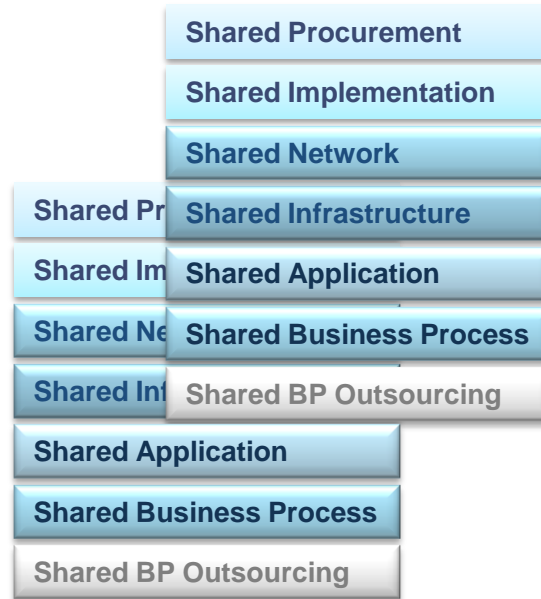


Current Shared Services Projects

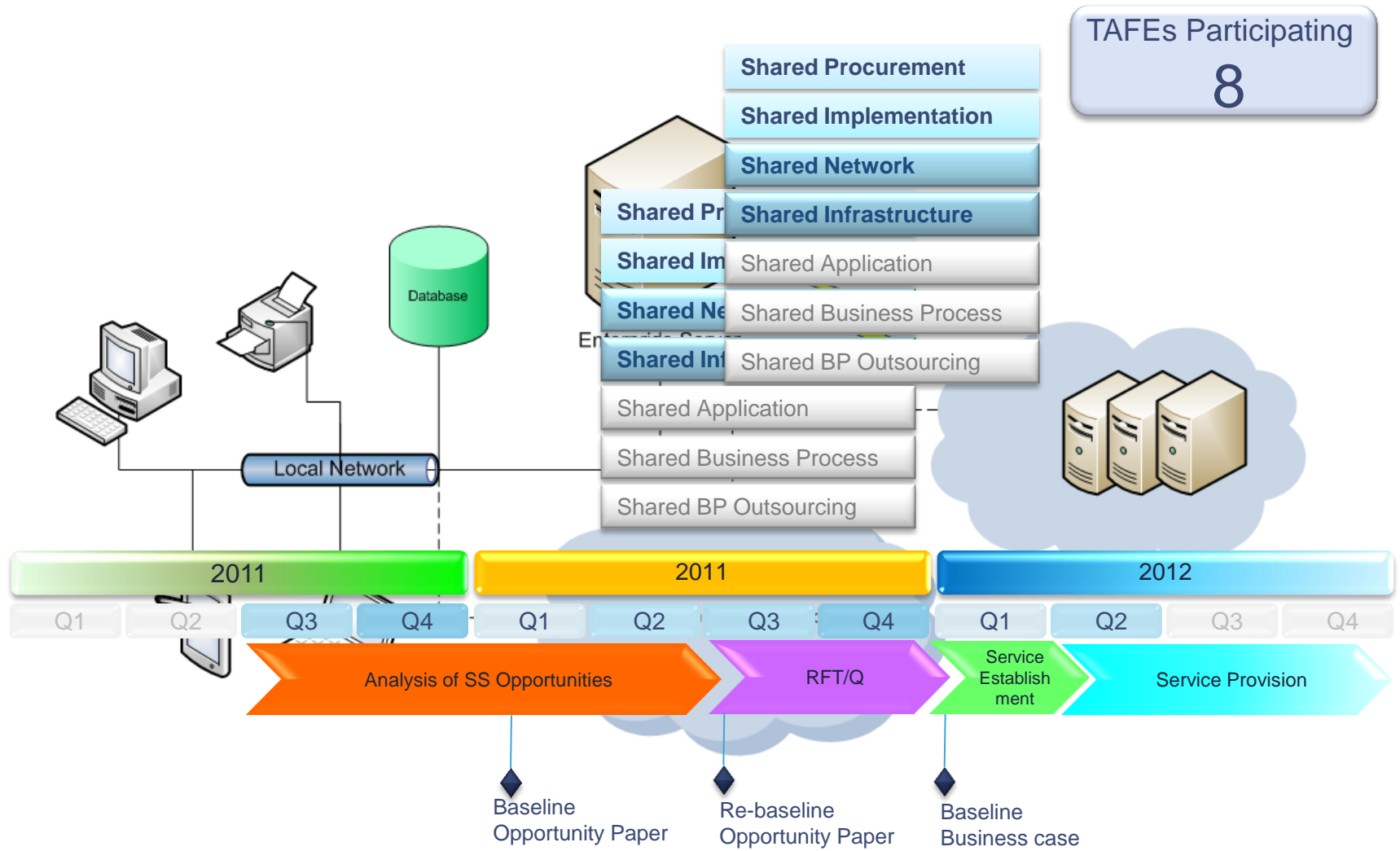
Finance System Pilot Shared services & Extension



TAFEs Participating
5



IT - Disaster Recovery



ICT Procurement



Case Study Brief-Shared Services Pilot

5 regional TAFE institutes formed a consortium to procure a common Finance system in Q4 2010.

The Shared Services Team provided the following Pilot services:

- Requirements Management
- Project Management
- Contract Management
- Project Assurance
- Infrastructure Management
- Business Case and Benefits Management

Case Study Brief-Shared Services Pilot

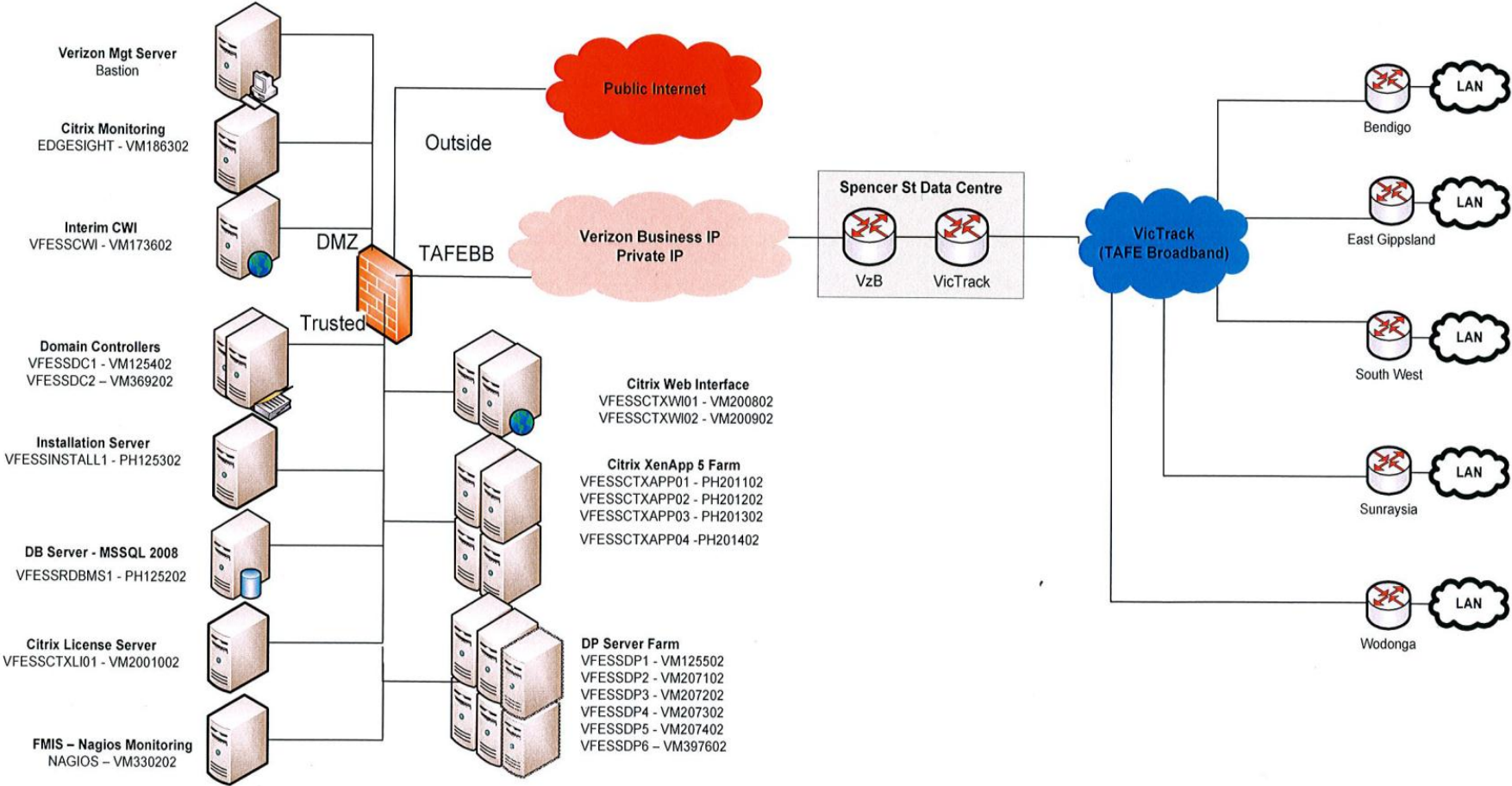
- 4 sites have gone-live as planned with the last one going live on 1 October 2011.
- Shared Project Management and Assurance provided a saving of up to 40% over traditional single instance implementation model.
 - Central skilled team-Efficiency
 - Repeatable skills-Reduced Duplication
 - Commonising Requirements- Business Processes- Best fit
 - Reuse configuration- Reduced time
 - Sharing cost and effort for any additional required functionalities- shared costs

Case Study Brief-Shared Services Pilot

- Shared Infrastructure provided an additional savings of 22% over a 6 year Total Cost of Ownership model.
 - Provider is Verizon (Computing as a Service-CaaS)- Data Centre located in Amsterdam, but relocating to Canberra, Australia (Q4-2011-Q12012)
 - Subscription based model with no CAPEX
 - Fully managed services on all components including hardware and OS.
 - Significant effort savings in spinning on/off servers (30-60 minutes)
 - Flexible environment to scale up and down in a matter of minutes
 - Single instance deployment providing savings in set-up, support, maintenance and upgrades
 - Savings in licensing required at DB and OS levels.

High Level Architecture

FMIS Infrastructure Environment - CaaS



Shared Services Pilot- Successes

- Realised almost 65% of the business case benefits as a result of the shared deployment on shared infrastructure
- First Enterprise system deployment in the Australian Victorian VET sector using a cloud Infrastructure as a Service
- Successfully managed the challenges of commonising Business processes (common chart of accounts- Student Receipting process etc.)
- Quality of Output was excellent- synergy
- Extensive testing team-shared load- after 2 go-lives we were dealing with only ONE defect!

Shared Services Pilot- Successes

- Extreme agility to spin on/off servers during performance tuning.
- Availability of CaaS has been close to 100% since the commencement of the contract.
- Launched the first Service Catalogue in July 2011.

Shared Services Pilot- Challenges and Lessons Learnt

- Managing communications and engagement
- Keeping the Governance tight
- Keeping the cost of the shared services team DOWN!
- Shared Services should provide more Assurance services as compared to management services
- Negotiate the user license, implementation and post go-live support agreements at the same time
- Penalty clauses in contracts just do not work. Include more service incentive clauses in the contract.
- Always get named-locked-in resources in the contract. Have a interview process and a probation period to make sure you get Value for Money.

Shared Services Pilot- Challenges and Lessons Learnt

- An Infrastructure as a Service offering is not the same as traditional hosted agreements. Beware of
 - Monitoring services
 - Performance Management
 - Details of the architecture or set-up (closed door audits)
 - 24 x 7 follow the globe service!
- There are no direct cost savings by subscribing to IaaS. However, what it lets you do is save on the support and maintenance over a 5 years TCO structure.
- Hence, has to be multi-tenancy and a Critical Mass Analysis is necessary before making the decision.
- Data Security and Privacy
- Facilities audit- evolving Standards

Managing the Challenge: “Walking the Talk”



\$650 per annum



FREE



FREE



\$100 per annum



\$100 per annum

Achieving Excellence in Shared Services

Excellence in Shared Services

Project Excellence



Questions Please



Thank you