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Feds Can Save \$27.9 Billion Annually With IT Shared Services

72 Percent Say Shared Services Is a Strategic Initiative For 2014

Alexandria, Va., March 10, 2014 – [MeriTalk](#), a public-private partnership focused on improving the outcomes of government IT, today announced the results of its new report, “[Shared Services: Ready or Not?](#)” The study, underwritten by [ServiceNow](#), found that shared services could cut Federal IT costs by \$27.9 billion annually – more than a third of the Federal government’s total IT budget.

The study found that 87 percent of Feds believe cloud computing has transformed their view of shared services, but just 53 percent use shared services today. Fewer – 44 percent – say their agency currently offers IT services to other agencies.

“Federal missions are evolving faster than legacy technology, IT resources, and acquisition strategies and cycles can support. Shared service initiatives drive innovation and transformation of service delivery models,” said Steve Alfieri, vice president of Federal Solutions, [ServiceNow](#). “In addition, government user expectations and demands are being driven by their personal experiences as consumers. The good news is that centralized and standardized processes across all service domains drive true economies of scale and an intuitive and unified user experience across the agency.”

Despite the potential savings and stated strategic importance, many agencies are not taking key first steps to prepare. Less than half (40 percent) have defined goals and objectives, just 32 percent have established Service Level Agreements (SLAs), and even fewer – 16 percent – have

developed the financial model and chargeback system to position their IT department as a “broker of services.”

Agency culture (82 percent) and security (68 percent) have slowed implementation, even though 72 percent of respondents say their CIOs have identified shared services as a strategic initiative for 2014. Respondents also struggle with split leadership, estimating CIOs control just 44 percent of their annual IT budget.

“Here’s some statistical insight for FITARA,” said Steve O’Keeffe, founder, MeriTalk. “Less than half of Fed CIOs own their IT budgets. Shared services is the key to centralizing control, accountability, and efficiency.”

Nearly three out of four respondents believe agencies need government-wide shared service brokers to realize shared service goals. To enable government-wide shared services, agencies call for senior leadership support (81 percent), SLAs (75 percent), and a governance process for IT services (66 percent).

Support from leadership and team communications are vital to successfully leveraging shared services. Feds map out key recommendations for agencies:

- Educate and energize senior leadership on the benefits of shared services
- Build a strong foundation for long-term success, including defined goals, SLAs, and chargeback systems
- Leverage cloud to unlock savings
- Define your services; invest in innovation to deliver
- Ensure support from executive level is strong

“[Shared Services: Ready or Not?](#)” is based on in-person surveys of 138 Federal government IT professionals in January 2014. The report has a margin of error of +/- 8.31 percent at a 95 percent confidence level. To download the full study, please visit www.meritalk.com/shared-services.

About MeriTalk

The voice of tomorrow's government today, MeriTalk is a public-private partnership focused on improving the outcomes of government IT. Focusing on government's hot-button issues, MeriTalk hosts [Big Data Exchange](#), [Cloud Computing Exchange](#), [Cyber Security Exchange](#), and [Data Center Exchange](#) – platforms dedicated to supporting public-private dialogue and collaboration. MeriTalk connects with an audience of 85,000 government community contacts. For more information, visit www.meritalk.com or follow us on Twitter, [@meritalk](#).

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