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## Nancy Desormeau, DG Enterprise Partnership Management, Information Technology Services Branch, Public Works and Government Services Canada **IT Shared Services**

*March PD Meeting Presentation, reported by Bill Hawken*

### *PD Presentation Report*

Ms. Desormeau greeted the audience and then explained her intention to provide a quick description of the IT Shared Services vision, put context to the numbers involved and then open the session to questions. Ms. Desormeau went on to outline her presentation, stating that she would review Information Technology (IT) in Government, explain the IT Shared Services Vision and Implementation Strategy, share her thoughts on effective governance and then review some of the lessons learned so far. She said that she would set the stage by positioning the IT Shared Services Initiative within the broader spectrum of the entire Shared Services Agenda.

She noted that in Fiscal Year 2004-2005, some \$5.1B had been spent on IT services overall. She then explained that IT Shared Services will impact more than one half of all federal government IT-related activities, excluding Information Management, corporate business applications, and a portion of security. All other areas, including Telecommunications Services, Data Centre Services, and Desktop Computing Services will be included, while Corporate Administrative Services will also be addressed as another element of the Shared Services Agenda.

Affected will be some 315,000 licensed desktops. She said that there are in excess of 100 data centres, each of which may be anything from a server farm (there are some 7,000 midrange servers) to one of many large-scale mainframe operations. There are seven different financial / materiel and 14 different HR applications in use. 15-20 different configurations of each major software system (SAP and PeopleSoft) are in use, and there are approximately 800 significant interfaces between Human Resources and Finance applications and other software systems. Therefore, it will be necessary to work with the

### Upcoming Events

#### Luncheons:

September 12<sup>th</sup>, 2006, Army Officers' Mess

**Speaker: Mary Flynn-McRae,  
DG Shared Services, PWGSC**

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entire federal government community to rationalize these many configurations over many hundreds of Government of Canada business lines.

She noted that there is a range of options for IT services from centralized, through shared to distributed, with the preferred model being shared services to meet service governance requirements while allowing departments to focus on their core business. She explained that several transformations are under way, and that one aim of the changes being introduced is to put a “single face” on government for the benefit of Canadian Taxpayers.

Ms. Desormeau went on to explain that the move to shared services is a lengthy, gradual process and described the strategy and approach being undertaken. She stated that the work to engage stakeholders had started with a Wave 1 “Proof of Concept” stage which now involves six departments.

She then explained that Shared Services transformation is being supported by partnerships between three different groups all having important leadership roles: Treasury Board Secretariat, dealing with the transformation of government services, Governance, and Enterprise Architecture; Departmental CIO’s who are responsible for transforming their own services, identifying services to be consolidated under the Shared Services Agenda, consuming the services offered by federal government Shared Services Providers, and forming partnerships to align their efforts; and the IT-SSO, responsible for achieving operational excellence in the delivery of IT Shared Services to the community, and driving take-up of Enterprise IT Solutions, and for managing the full service lifecycle of all IT Shared Services.

Information Technology Services Branch in partnership with Treasury Board Secretariat and selected program departments has a huge role to play in managing risks at both business and operational levels, and managing expectations for hundreds of government business lines. The single point of contact within program departments is through the Chief Information Officer (CIO) function, as is demonstrated by the six departments currently involved in the “proof of concept” exercise. Departments that participate in the process to consolidate IT Services within the IT-Shared Services Organization are doing so voluntarily, and that this is a group learning exercise through which participating departments are deciding collectively how best to manage IT Service transformation, while the IT-SSO is accumulating valuable lessons learned, validating the approach and methodology, and identifying and documenting best practices in preparation for future consolidation exercises.

She described the critical elements of the IT-SSO as three legs of a stool: a Client component focused on engaging stakeholders and responding to their needs; a Product component concentrating on the lifecycle management of IT Shared Services; and, Service Delivery responsible for operational excellence in IT Service Management as a means of delivering services that offer the best possible value for money to federal government departments and the Government of Canada Enterprise as a whole. These three main components are supported by a number of enabling functions, and are aligned with several major crown projects.

She then reviewed the IT-SSO Implementation Strategy, explaining that, while there are concurrent activities, four “efforts” are involved in moving toward Shared Services. First is Organic Growth, whereby IT Service Bureau services can be leveraged to improve services to new or current customers. Second is IQTT, with Waves of Departments transferring and merging services through a due diligence exercise to ensure that service requirements are well understood and that costs are accurately captured. Third is Adoption, a specific effort to get the community to adopt a specific product. The fourth effort is aimed at accelerating the transformation by partnering with key departments and leveraging critical business needs to create new Enterprise IT Solutions. Specific work being undertaken in this area is laying the foundation for a number of critical IT Shared Services, including Distributed Computing Services with the Department of National Defence who is the owner of 100,000 of a total of 315,000 desktops across the federal government, Data Centre Services with the Canada Revenue Agency and the Canadian Border Services Agency, and Network Services with Service Canada.

Ms. Desormeau then spoke of product visions and a “maturity roadmap” and reviewed some steps, which will be taken up front, to begin the transformation process. For example, agreement on aligning a specific version of existing products can be sought for current use. Once the alignment efforts are under way, transformation can continue with service development, migration and rationalization, while Service Management Improvement activities result in the certification of existing services such as Disaster Recovery Services, Shared Fibre Services and others, which can then be shared across the Enterprise. Meanwhile it is critical to have an effective governance structure in place to engage stakeholders, coordinate activities, and to manage risks across the Enterprise. An Enterprise approach to IT Shared Services Governance needs to operate at the Enterprise level to ensure careful alignment of IT Services with government programs and priorities, at the Strategic level to strengthen and support partnerships with federal government clients, and at the Operational level to ensure that resources and capacity are carefully coordinated and leveraged to produce continually increasing service quality.

Ms. Desormeau explained that a successful transformation entails effective leadership, a proper investment strategy, management of change, realistic targets, an operating model, management of technology and performance management, but that the best predictor of success is an effective governance structure. Through this and other means, the Shared Services Vision must be communicated and reinforced repeatedly to keep it in focus, and to ensure the ongoing engagement of stakeholders. She then reviewed elements of effective governance: collaboration with internal and external stakeholders; an enterprise-wide focus; a relationship-based framework; effective horizontal and vertical communications; and clearly defined accountabilities and

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responsibilities.

She also reviewed in more detail, the three tiers of governance accountabilities:

- Tier 1: Enterprise-Level Executive Oversight to: set the vision, direction and strategies for Enterprise-wide services; and provide direction, policy and standards applicable across GC departments and agencies.
- Tier 2: Strategic Partnerships to: champion the enterprise-wide view in decision-making to ensure effective horizontal coordination of IT activities; support a philosophy of inclusive, open, and shared discussions achieved through goodwill, collaboration and cooperative partnering; and aim to achieve a balance between proactive innovation, agile decision-making, and ensuring that risks are appropriately managed.
- Tier 3: Operational Accountabilities providing ongoing direction, management, and oversight for the delivery of IT Shared Services and to support relationships with all stakeholders.

She then reviewed the lessons that have been learned to date. Primarily, the team must own the transformation, i.e. they need to be engaged and brought to the same way of thinking. A core team of people must be fully dedicated to the transformation effort, and this team must be accountable for the success of the effort. Specifically to:

- Set the VISION, keep it simple, share it often, with everyone
- Communicate up, down, in & out of government
- Build a plan and “how-to” approaches that all can understand
- Keep ongoing operations on track
- Show how you are “improving” ongoing operations
- Deputize your leadership team to own the change
- Assign a portion of workforce to build/support the change
- Bring in top talent (from OGDs, outside GC...)
- Be visible as a leadership team
- Find partners that will play, prove it works
- Stop non-core, low value and redundant work
- Organize for accountability, clarity and to support new business



Ottawa Chapter Preseident Kelly Stewart-Belisle thanked Ms. Desormeau for her presentation

She concluded her talk and then took questions. Asked what was going on in this area at DND, she replied that DND had asked what can be done to reduce costs without compromising their program obligations. The effort will entail a memorandum of understanding regarding the desktop. However, she stressed that this is DND’s project with PWGSC in a supporting role, so that both partners achieve their goals.

Asked about the legal and financial framework for the Shared Services Agenda, given that funds are allocated by Parliament, she replied that there are various flexible vehicles and options and there need be no assumption that departments will have to transfer funds to PWGSC. In legal terms, PWGSC can treat Shared Services as a business.

Asked whether there is not a huge security vulnerability in moving part of the business out, she replied that government security and related policies must be followed, driven by the requirements of the Enterprise for physical security, protection of data, and other policy requirements.

To a question regarding how PWGSC would ensure fair outsourcing across the country if, for example, DND released an RFP for 100,000 desktops, she replied that the larger number of 315,000 should be used to illustrate the point that there is plenty of business to go around.

Finally, asked whether Shared Services will, in effect, place private companies in competition with PWGSC for the IT business, she replied that PWGSC cannot in-source all the work and reminded the audience that a large portion of government IT Services is already outsourced. The approach is to plan and stabilize, then look for options for a standardized solution. She said she sees a huge opportunity for the private sector, noting that a substantial part of Data Centre Services and the desktop environment is already outsourced, while networks are typically leased, and that opportunities for industry are likely to increase substantially.

She then concluded by thanking the audience for their attention and for the opportunity to speak to them.

*[Ms. Desormeau’s slides may be found on the AFCEA Ottawa website at*

### ***Reader Feedback and Newsletter Submissions***

In keeping with Chapter direction to bring more discussion to the areas of professional development and to broaden the scope of the AFCEAN newsletter, we would welcome your comments, articles and other contributions. All are encouraged to submit items of topical or general AFCEA interest (contracts and awards, promotions, upcoming events and courses) to the Editor for publication. Original articles which you the members may wish to submit or comment upon for publication are most welcome. Please take advantage of this opportunity to let AFCEANs worldwide know what you and your Chapter are doing. If you have any questions concerning the appropriateness of a submission please contact the AFCEAN Editor Bill Hawken at 841-2912 or [hawkenw@hotmail.com](mailto:hawkenw@hotmail.com)

## AFCEA Canada Executive Breakfast

NATO Military Transformation – a very interesting, complex and challenging endeavour, especially where consensus is required by all member nations. This was the topic of the presentation by LGen Mike Maisonneuve to the AFCEA Executive breakfast on 16 May. LGen Maisonneuve is a Canadian officer who is currently stationed at the NATO Allied Command Transformation (ACT) as the Chief of Staff. ACT is an organisation solely designed and permanently established by the alliance nations to explore, develop and implement the military transformation for the alliance.



From left to right:  
Marv Sywyk GM AFCEA Canada  
LGen Maisonneuve  
BGen (Ret'd CF Army) Robert Martineau, Allstream Inc, Chair  
AFCEA Canada Program Management Committee

He stated that a fundamental prerequisite for the successful transformation of NATO is an alliance-wide understanding of the principles underpinning transformation. We need to understand why NATO needs to transform, what areas transformation will address and how the transformation process will move forward. Allied Command Transformation has a key role to play in this education process.

To this end, he provided us with a brief, “understanding NATO military transformation”, which attempts to demystify transformation by using simple language to explain the “why”, “what” and “how” elements. The ACT staff consulted widely in producing this brief in an effort to capture the broad essentials of the endeavor we have embarked upon. We will continue to monitor feedback to this work, which will be used to inform future updates.

This brief forms the core of an ACT strategic engagement initiative in 2006. Flag and general officers from this headquarters are going out to alliance nations, partners and NATO institutions, as well as academia, industry and the media, to spread the message of NATO’s military transformation. This briefing has already been aired to the military committee, to favorable comment.

We offer our sincere thanks to LGen Maisonneuve for coming home to Ottawa to give this very interesting and informative briefing.

LGen Maisonneuve’s presentation will be posted on the AFCEA Canada web site [www.afcea.org](http://www.afcea.org)

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