Federal government agencies have long shared functions, such as human resources and procurement, to lower costs and provide better service. But until recently, they did not share IT services such as voice, collaboration, and infrastructure.

"Reduced funding is the new normal, and sharing IT services is a way to lower costs without decreasing service levels to citizens and the workforce," says Carrie Everett-Vaughan, with the Cisco® public sector team. "It eliminates redundant expenditures that result when multiple agencies all pay to buy, manage, and maintain their own infrastructure for the same programs."

The agency IT department that provides the shared service charges a fee, based on the number of users or resources used. Fees, performance, and availability are comparable to those available from external IT service providers, making shared services a good business decision for the government teams that use them.

That’s why shared services are catching on: In a 2013 Center for Digital Government (CDG) survey of 100 state and local government chief information officers and other IT executives, 93 percent of respondents said they already had or were planning to implement shared services. About half of respondents said their primary motivation was cost savings, while about one quarter cited improved services.

**State of Alaska Improved Operational Efficiency**

The state of Alaska showcases the business value of shared services for federal government, as well. Previously, offices in different locations each needed their own infrastructure. Implementing new services took months, or even years. That’s changing since the state built a centralized data center and began offering shared services, including a statewide messaging solution.

"Time to delivery has been the biggest benefit," says Carey Kos, enterprise architect for the State of Alaska. "Before, the time from when we spec’d the hardware until it was in production was three to six months. Now we can bring several servers a day online." Consolidating servers also reduced server costs and data center space, power, and cooling costs. "We were also able to drop the rate we charge internally for services by nearly 50 percent," Kos says.

Summing up the value of shared services, Everett-Vaughan says, "Organizations that deliver shared services can quickly pay back their investment from chargebacks or fees. And organizations that use shared services convert upfront capital costs for servers, networking, storage, and applications to a predictable operational cost."


To learn more about the business value of shared services in government, visit: [http://www.cisco.com/web/strategy/docs/gov/cis13064_shared_services_bdm_aag.pdf](http://www.cisco.com/web/strategy/docs/gov/cis13064_shared_services_bdm_aag.pdf)