

# Shared Service Initiative

High-quality, cost-effective  
corporate services



## Shared Service Initiative Service Management Framework

Supporting the Queensland Government's  
transition to shared corporate services

June 2007



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## About this document

The Queensland Government’s Shared Service Initiative (SSI), has a vision of delivering high-quality, cost-effective corporate services across the Queensland Government. This will be achieved through economies of scale and skill, and is underpinned by standardising business processes, consolidating technology, and pooling resources and expertise across Government.

The SSI Service Management Framework is designed as a guide for shared service providers, CorpTech and agencies and outlines the key service management roles and strategies required to achieve the SSI vision.

The service management framework was developed by the Shared Service Implementation Office in consultation with SSI partners including shared service providers, CorpTech and Queensland Government agencies.

The service management framework is one of the foundation frameworks that guide SSI implementation and support the Initiative’s objectives outlined below.

These frameworks cover funding, governance, implementation planning, workforce management, performance management, service management, communication and change management.

## Principles of service management

Effective service management underpins the SSI business objectives under the four balanced

scorecard key result areas:

- **Customers**—Corporate services are reliable and responsive to client needs and accountabilities. Quality services are designed and delivered collaboratively.
- **Improvement**—Cost-effective, standardised business processes and systems are innovative and improvement-focused. Corporate service performance is routinely measured and compared.
- **Capability**—People are skilled and motivated to deliver quality corporate services. Corporate service providers have the necessary infrastructure and resources to meet service demand. Corporate service delivery is effectively managed.
- **Benefits**—Benefits are realised that meet stakeholder requirements and savings are available to assist Government priorities. The sector model for corporate service delivery is self-sustaining.

These objectives inform some basic guiding principles for service management. Effective service delivery is:

- reliable and responsive to client needs and accountabilities
- designed and delivered collaboratively with clients
- developed using cost-effective, standardised business processes and systems that are innovative and improvement-focused
- routinely measured and compared
- delivered by skilled and motivated people
- managed and resourced effectively
- designed using self-sustaining models.

# SSI Service Management Framework

The service management framework outlines key service management roles and strategies required to achieve the SSI vision. It emphasises that cost-effective and quality corporate service can be achieved through sound management, standardised service delivery and strong relationships between providers and their cluster agencies.

Providers and agencies each have key roles to play through effectively integrating service management into their organisational structures, business processes and operating cultures.

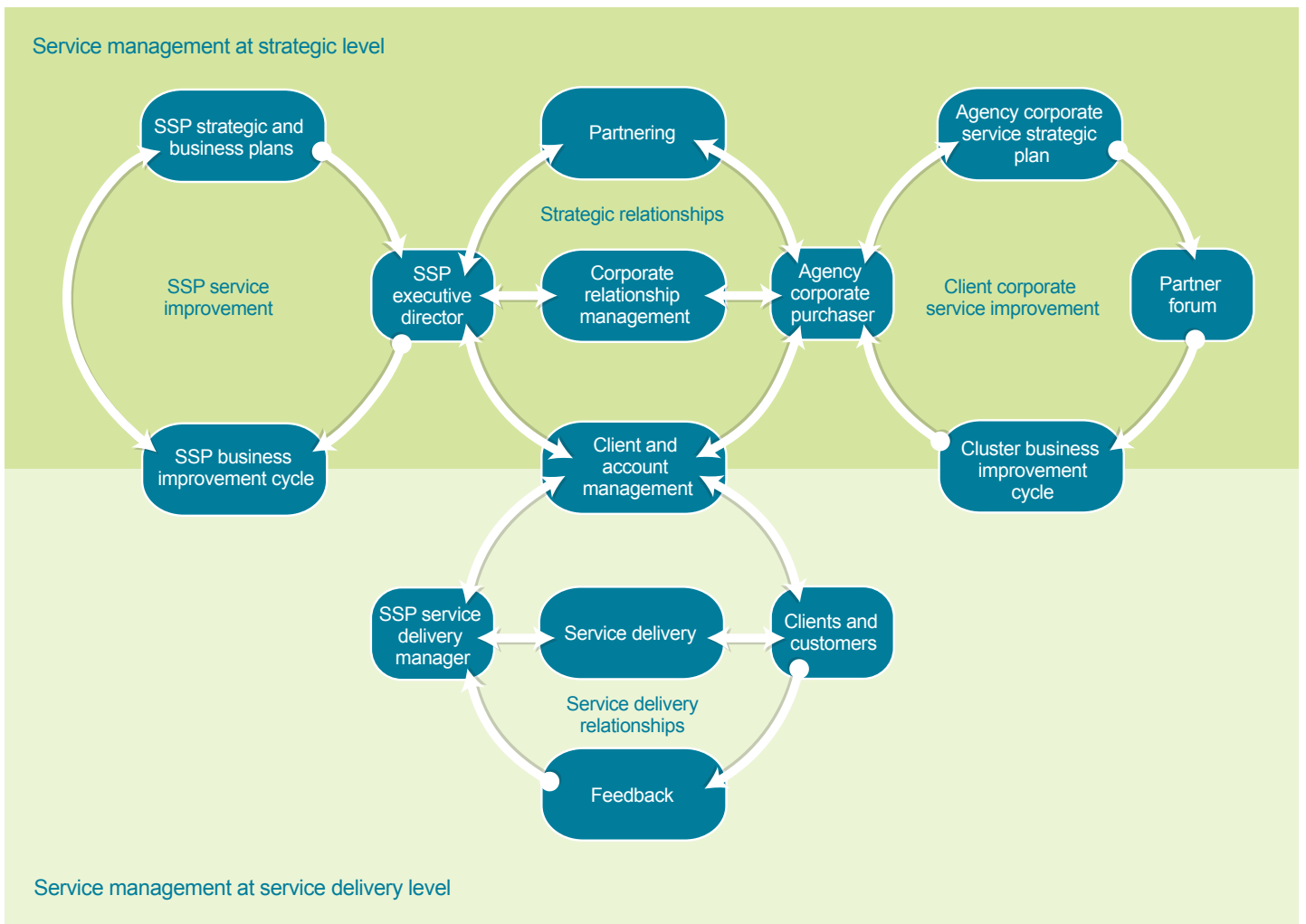
The SSI Performance Management Framework is closely linked to the service management framework and will be used to assess the performance of the Initiative including quality of customer service.

Figure 1 illustrates the key components involved in service management and its relationship to agency and provider service improvement cycles, client and customer relationship management and service delivery.

The diagram consists of four cycles within the two levels of service management (the strategic level and service delivery level). The four cycles are:

- strategic relationships
- service delivery relationships
- shared service provider (SSP) service improvement
- client corporate service improvement.

**Figure 1 – Service management components**



## Service management at the strategic level

At the Government level, the Shared Service Initiative can be viewed as a long-term business transformation process. The service management framework provides guidance to providers and agencies to progress the SSI agenda. Service management at the strategic level includes three cycles:

- strategic relationship management—including partnering and other executive level relationships
- shared service provider service improvements
- client corporate service improvements.

### Strategic relationship management

The main individual relationships are between:

- the agency corporate purchaser and provider executive director working on individual and collaborative approaches to service management in partnership
- the corporate purchaser and provider executive director working on negotiation and approval of operating level agreements and ensuring effective implementation.

The collective service management relationships at the strategic level are outlined in more detail below and include partnering and client account management.

## Partnering

The SSI is a partnership between providers, agencies, CorpTech and central agencies.

Partnering provides the framework for the development of successful, long-term strategic business relationships.

The benefits of partnering include:

- better coordination leading to improved service delivery
- the development of strong working relationships
- reciprocal understanding of cultures and goals
- relationships that are focused on issue resolution and creative problem solving
- the creation of more enjoyable working environments with reduced potential for conflict
- working collectively in a whole-of-Government joined-up approach.

Partnering results in a business relationship based on agreed shared purposes that values and respects the contribution of each party and builds an environment of cooperation and trust. Through the partnering process, providers and cluster agencies reach agreement on:

- what they want to achieve together
- known or potential obstacles
- the expectations of one another
- how they will resolve issues when they arise
- how they will monitor and review progress
- the principles and values by which they will work.

## Partnering and operating level agreements

The outcomes of partnering are documented in two agreements—the partnering agreement and the operating level agreement. Although not legally binding, these agreements set the parameters for the business relationship.

The partnering agreement is a high-level document signed by all cluster agencies, CorpTech and the shared service provider, which describes the way the business relationship will develop and operate. It affirms the commitment of the cluster to the business arrangements and supports a culture based on trust, respect and mutual benefit.

The operating level agreement is negotiated between individual agencies and the provider and serves to formalise the business relationship between the two parties. The operating level agreement is a tool to define the corporate services to be provided and documents specified arrangements for their delivery, for example details relating to price, reporting, standards and review of the business. Operating level agreements are negotiated and managed within a client and account management approach.

The SSI Guide to Partnering and Operating Level Agreements provides templates and further information on the purpose, nature and use of the agreements.

## Client and account management at the strategic level

A client and account management approach enables providers to understand and meet their clients' corporate service delivery needs and expectations. Client and account management approaches may differ between providers; however, the basis is aligning internal management structures, systems and processes to deploy resources to provide services that meet client expectations and enhance the relationship.

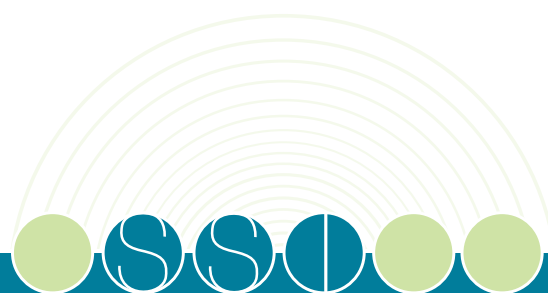
The high-level knowledge gained through a managed approach informs the provider's strategic business planning process and reaffirms the

importance of taking a long-term approach to the way clients are managed.

Provider and agency staff each have key roles to play in a client and account management approach. Overall responsibility for managing the provider/agency relationship predominantly rests with corporate purchasers and provider executive directors. They are supported by provider service directors and agency directors of corporate service functions with key roles and responsibilities for discussing, implementing and resolving strategic issues between the provider and agency and across the cluster. This is through networks such as functional (or expert) reference groups.

Account and business development managers and agency business managers support these relationships and have a crucial and active role in issue resolution and providing advice to provider executive directors and agency heads of corporate services to feed into strategic level business planning. Collectively, discussions at business and account manager forums can inform cluster partnering forum discussions which in turn, inform shared service provider governing boards. This crossover role between the strategic level and the service delivery level is most visible through the negotiation of operating level agreements which captures both strategic business relations and operational service delivery expectations. Within a client and account management approach, each of these roles play a key part in an effective issue resolution process.

A client and account management approach also ensures that strategic directions are incorporated into the day-to-day service delivery. Learning and experiences are fed back into strategic direction setting.



## Service management at the service delivery level

Service management at the service delivery level represents the more functional activities around service management including day-to-day delivery of corporate services and managing the relationship with customers and clients.

### Client and account management at the service delivery level

The client and account management approach provides the interface between the strategic and service delivery levels of service management. At the 'service delivery level', the approach supports the relationship between the provider, clients and customers. The approach includes:

- providers and clients working together and across the cluster to ensure service delivery meets client and customer expectations
- contact management with close communication channels that strengthen the relationship between partners and customers
- client and customer feedback mechanisms
- an issue resolution process (documented in the operating level agreement) for effectively resolving client and customer complaints or issues.

These avenues capture learnings and experiences which are fed into the business planning cycles for agencies and providers. They also inform strategic directions and help set priorities for whole-of-Initiative projects.

### Client and customer contact management

Customer contact mechanisms such as internet, phone or through locally-based service centres, allow providers to manage their client and customer interactions and ensure each customer interaction is captured, effectively handled and recorded for monitoring purposes.

As clients are more heavily involved in the service management relationship, additional contact mechanisms are established at all levels as outlined in Figure 2 on page 9. These contact mechanisms can include for example, client forums, service meetings and business manager forums.

### Client and customer feedback

Capturing feedback, both positive and negative, in a client and account management approach ensures providers actively listen to their clients and customers. Providers can then use this information to find opportunities for service delivery improvement.

Structured feedback (for example client and customer surveys) and unstructured feedback (such as through website, business manager forums, service meetings, complaints and client and customer forums) also provide qualitative and quantitative performance measurements for reporting under the SSI Performance Management Framework.

Feedback identifies issues in service delivery that are problematic or where service is not meeting the needs of the client or customer. This approach ensures that issues raised are captured and resolved through an issue resolution process. Outcomes are fed back into provider business planning to continuously improve service delivery and are fed into agency corporate service planning to help agencies become more informed purchasers. Key themes and unresolved high-level issues are reviewed at partnering forums, shared service provider governing boards and at the Shared Service CEO Governing Board.

### Staff capability

Strategies to improve staff capability in service management are informed by tools such as skills gap analysis, customer and client feedback, individual and team performance monitoring and review, staff surveys and forums. Personal and professional development programs to build staff capability include:

- training and development in areas of customer service
- on-the-job training including mobility options
- mentoring and networking programs to share corporate knowledge between staff
- team based approaches to planning, measuring and monitoring performance and progress in continuous improvement in service delivery.

## Shared service provider service improvement

Continuous improvement in delivering high-quality customer-focused services is achieved by providers utilising accurate and robust information on service delivery performance. Performance measurements, customer and client feedback, advice from account managers and partnering forum discussions provide the information necessary for providers to improve their service delivery. This may include:

- re-aligning the organisation to improve service delivery that meets the needs of their clients and customers
- redesigning processes and changing systems
- developing and publicly promoting their customer or service charter reflecting the customer service ethos of their organisation
- identifying workload demands and priorities to assign work flexibly across teams
- identifying service management priorities for the strategic plan business objectives
- identifying customer service capability issues to inform training and development strategies.

### Customer service charter

A provider's customer service charter sets the corporate aspirations and expectations for customers and clients. The charter publicly commits:

- a provider to excellence in customer service
- reflects the values of the organisation and its staff
- describes the services and standards that customers are entitled to expect.

Consulting with client agencies on the development of the charter and promoting it to client and provider staff ensures all are aware of a provider's commitment to high-quality service delivery standards.

## Performance measurement

Monitoring and reviewing service delivery performance identifies strengths and weaknesses and is a key component in driving the continuous improvement of a provider. Under the SSI Performance Management Framework, performance is monitored via scorecards and reviewed at the:

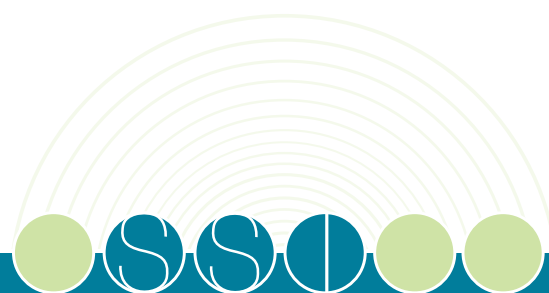
1. SSI level (whole-of-Government and cluster)
2. business level (shared service provider financial and operational performance)
3. service delivery level (client and customer)

Regular performance monitoring and review measures whether actual service delivery is in accordance with planned services (as documented in operating level agreements) and if service delivery is meeting the needs of clients and customers (through client and customer feedback). Providers utilise this information to incorporate service management priorities into the business improvement cycle. The SSI Performance Management Framework provides further information.

## Benchmarking

The performance management framework contains a core set of performance measures consistent across the SSI enabling service delivery comparisons (benchmarking) between shared service providers. Good practice is then shared across clusters and the Initiative to drive overall service management improvement in delivering high-quality cost-effective corporate services.

Benchmarking helps providers improve decision making at managerial, executive and operational levels with priorities reflected in the business improvement cycle. For example, the SSI Costing and Pricing project is implementing a full fee-for-service environment enabling provider performance to be price-benchmarked across the SSI.



## Reward and recognition

To reinforce positive behaviours that stimulate a strong customer focussed culture, providers support reward and recognition initiatives in service management targeted at an organisational, workgroup and individual level. Reward and recognition benefits both individuals and the organisation by motivating staff and creating supportive working environments that help individuals and teams improve service delivery and customer service. These initiatives include formal awards, internal announcements, mini-celebrations and individual recognition by peers and supervisors where service excellence is achieved.

## Service delivery demand and work prioritisation

Service improvement and organisational planning for service management includes having in place appropriate controls and processes to understand, prioritise and actively manage existing and incoming work. Understanding and prioritising service delivery for demand peaks and troughs allows providers to utilise their workforce flexibly to meet priorities, manage demand peaks, identify new service improvement initiatives and deliver better services.

## Client corporate service business cycles

Agency and cluster business planning is a necessary component of effective service management.

### Agency corporate service business planning

As partners, the key role of the corporate purchaser is knowing the agency's business and effectively describing the agency corporate service needs to the provider. Having the right information enables informed purchasers to identify innovative ways to make it easier for their provider to deliver their services.

To continuously improve their role as informed purchasers, agencies use the following information to inform the corporate service business planning cycle:

- benchmarking information on better practice from across the Initiative
- agency specific service needs
- evaluation of performance against operating level agreements
- feedback from provider account managers and agency business managers
- whole-of-Government and cluster-wide priorities agreed in partnering forums.

The service management roles and responsibilities outlined in Figure 2 (page 9) provide the supporting and governance arrangements to enable information exchange between partners to support agencies to continuously improve their role as informed purchasers of corporate services.

### Cluster corporate service business planning

Service management is guided at the cluster level by partnering forums. Each cluster has a regular partnering forum where the corporate purchasers from each agency and the executive director of the shared service provider and CorpTech meet to review strategic service delivery across the cluster. They also benchmark against other clusters and identify and agree on future priorities in service management and delivery. These forums can also act as a steering committee for business improvement. As a collective, the forum plans, resources and oversees the cluster's business improvement projects which are in turn reflected in the annual business plan of each partner.

Feeding into the partnering forum are issues, learnings and experiences gained by agency functional directors and business managers and provider service directors and account managers. At a cluster level, a business manager forum meets regularly to discuss:

- cluster-wide service delivery issues
- capacity constraints
- complimentary activities that enhance overall outcomes for the cluster
- strategic issues to raise at the partnering forum.

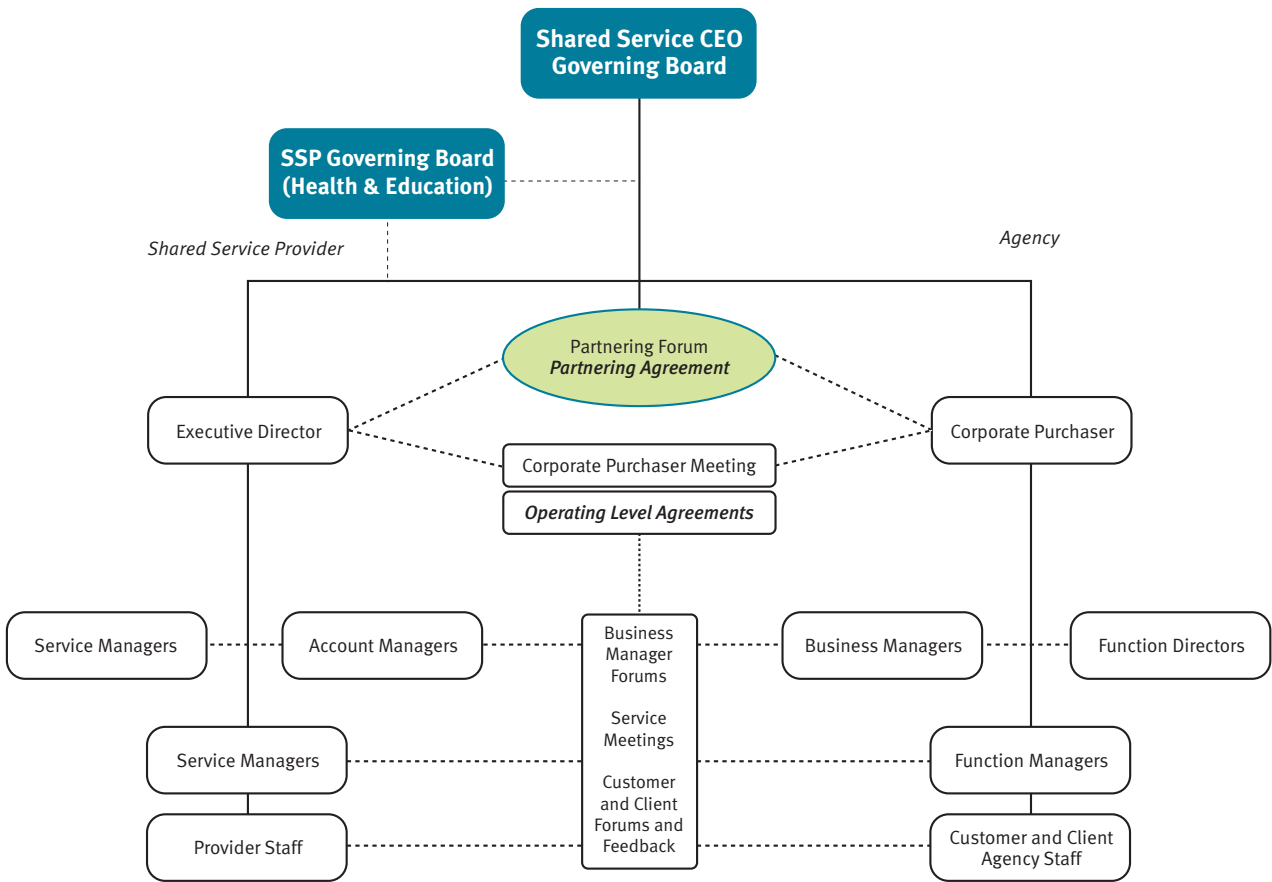
These forums help to provide an understanding of client and cluster-wide pressures.

# Service management roles and responsibilities

Under the SSI, providers and clients have both separate and shared responsibilities. The service management component diagram (Figure 1, page 3) is a holistic view of managing the functions and inter-relations of service delivery and embedding service management into agency and provider

business planning. Figure 2 below shows service management roles and responsibilities and provides guidance on developing and maintaining the relationships and governance arrangements for managing quality customer service. Definitions are on pages 10 and 11.

**Figure 2 – Service Management Roles and Responsibilities**

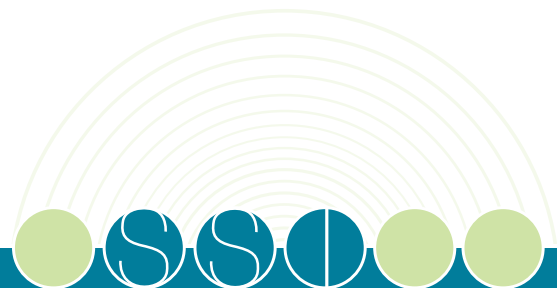


## Future directions

Service management is equally important in metropolitan areas as it is in regional areas. Understanding there are additional service management challenges affecting regions, the SSI Regional Service Delivery project developed a model that utilises service centres for regional service delivery and includes collocation of

providers in regions. Regional service directors will be responsible for regional service delivery under the SSI.

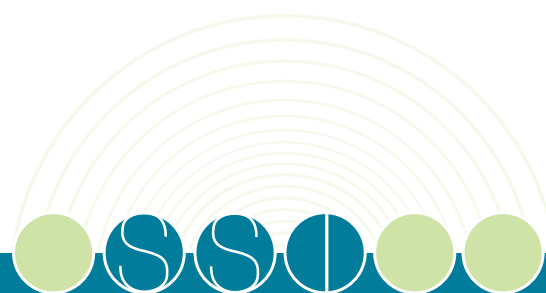
The service management framework will be regularly reviewed to reflect the changes and improvements in service management over time and to promote a shared understanding about each strategy within the framework.



## Definitions

Provider staff	Provider staff are the front line in service delivery and are typically the first point of interaction between the provider and customers. This is where the service culture of the provider is most evident.
Client	In the service management context, clients are agency representatives with a high-level of shared service knowledge working on service delivery such as monitoring the implementation of the operating level agreement or are high volume users of services provided under the SSI. Provider representatives are also clients as purchasers of CorpTech services.
Client forums	Shared service provider staff are supported by operational level client forums, which are generally facilitated by the account manager and organised along functional lines.
Customers	Customers are Queensland public servants who receive services (such as payroll) delivered through a provider, or members of the public seeking services from an agency which may be delivered through a provider (for example debt collection).
Customer forums	Customer forums provide the opportunity for shared service provider staff to gain feedback, comments and suggestions on performance and service delivery issues from their customers. Shared service providers arrange these forums, which can be organised across functional lines and regionally.
Agency function managers	Agency function managers (usually managers of individual corporate service functions for example finance and human resources) liaise and meet regularly with the provider service managers to ensure that the agency's requirements are met by the shared service provider. Function managers monitor the delivery of services under the operating level agreement and ensure that the agreed service standards are met for their function.
Shared service provider service managers	Shared service provider service managers manage the day-to-day delivery of services under the operating level agreement. There may be multiple service managers, representing a functional area/s such as human resources or finance. They can be involved in all aspects of service delivery, including performance, issue resolution, improvement processes and customer service management.
Service meetings	These forums aim to review performance by examining service delivery against agreed standards and devising process and service improvements.
Agency business managers	The agency business manager assists the corporate purchaser in the negotiation and maintenance of the operating level agreement and seeks to ensure the effective delivery of services to the agency through effective relationships with the shared service provider account and service managers. The business manager is involved in operational level issue resolution and whole-of-agreement service and cost monitoring. If not delegated, the functions of the business manager can be performed by the corporate purchaser.
Provider account managers	Provider account managers undertake a high-level customer management role focused on relationship building with senior service delivery managers. They liaise with the agency business manager and other key staff to ensure the smooth management of operations in the delivery of services. They project-manage, negotiate, oversee and maintain the operating level agreement, and take a lead role in issue resolution. Where CorpTech is the provider and an shared service provider is the client, account managers perform the role of business managers in this relationship.

Business manager forum	Business manager forum supports the overall service management framework including partnering and operating level agreements. This group provides support to ensure the cluster's operations align under the SSI objectives. The forum includes representatives from all cluster agencies and the shared service provider. CorpTech and Shared Service Initiative Policy and Program Office representatives attend by invitation.
Agency function director	Agency function directors (for example director of finance or HR) oversee function managers and have a key strategic and tactical role in service delivery and strategic-level relationships with other functional directors across the cluster and the SSI. Function directors are a senior level within the issue resolution process around function specific issues.
Shared service provider service directors	Shared service provider service directors are the counterpart to agency function directors (in their specific field such as finance) and have close strategic relationships with each partner and across the cluster generally. They oversee provider service managers and play a key role in function specific issue resolution.
Partnering forum	The partnering forum sets the overall parameters for the relationship between the shared service providers and the agencies in the cluster. It is a formal body comprised of all partners to the partnering agreement. The forum meets regularly to review strategic service delivery performance and discuss future priorities for the cluster, to develop practical solutions for service issues affecting all parties and to collaboratively plan service improvements.
Agency corporate purchaser	The corporate purchaser role is typically undertaken by the agency head of corporate services and is the executive responsible for the agency negotiation, monitoring and performance review of the operating level agreement with the shared service provider. Corporate purchasers participate in the partnering forum and work collaboratively with other cluster corporate purchasers and the shared service provider executive director to develop the business relationship, recognising the inter-dependencies across the cluster.
Shared service provider/ CorpTech executive director	The shared service provider/CorpTech executive director is responsible to the governing board for the management and operation of the shared service provider. The executive director takes lead responsibility for shared service provider service delivery and enters into a partnering agreement with all agencies in the cluster and is signatory to each client operating level agreement.
Shared service provider/ CorpTech Governing Board	The shared service provider/CorpTech governing board is generally comprised of CEOs from the agencies in the cluster and the provider/CorpTech executive director. The board sets the strategic direction, provides executive oversight and stewardship for service management initiatives and monitors the overall performance of the shared service provider. The board is accountable to the Shared Service CEO Governing Board.
Shared Service CEO Governing Board	The Shared Service CEO Governing Board oversees the implementation of the SSI from the whole-of-Government perspective.



## Further information

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