Chapter 11
Transitioning to Government Shared Services Centres:
A Systems View

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ABSTRACT

Services are fundamental to the provisioning of business activities. Enterprise Architecture (EA) is maintaining the relationship between strategy, business, and technology. A clear definition and agreed understanding of services is critical to realising information technology artefacts. Services, however, tend to be more complex than the mere act of interaction or working processes, and should be seen out of the cultural, organisational, and managerial factors surrounding them. This chapter uses a service model consisting of execution, context, and intention with an underlying claim that all three elements must be present to make services meaningful. EA must be seen in the light of this. This chapter addresses the issues related to combined transformation of organisations, service systems, and consequently, EA. The transformation changes loosely coupled, distributed organisations into Shared Service Centres (SSCs). A case study of a far-reaching SSC transformation from Denmark is presented where eGovernment services are moved from local government level into a national SSC structure referred to as Udbetaling Danmark (lit. PayDK). Major findings include: (1) When eGovernment reaches a certain level of maturity, it dissolves its original reason and no longer follows a progressive maturity model. Instead, it leads to a more radical reorganisation emphasising operational efficiency. (2) Development and management of complexities and uncertainties in governmental administrative services are closely associated with the development of eGovernment through ongoing refinement of EA and service frameworks. (3) The policy-driven reshaping of governmental services, originally themselves being SSCs, can lead to itera

tive SSC formations, each seeking to establish a professional logic of its own. (4) The systemic perception connected to EA and service science provides valuable insight into service transformation before, during, and after the transformation. This chapter aims at a deeper understanding and discussion of services in developing eGovernment policies and architectures, but findings are readily applicable in general business environments.

INTRODUCTION

Administrative and information processing work is increasingly viewed as services when enterprises search for operational effectiveness and development (Bardhan et al., 2010; Alter, 2010; Goldkuhl, 2006). Enterprise architecture (Bernard, 2005; Lankhorst et al., 2009; Ross et al, 2008) has to convert these services into systems and structures. Services are being developed and maintained within specific disciplines of service science and service design (Bækgaard, 2009; Maglio et al., 2006; Cherbakov & Galambos, 2005). Well-defined services can better be routinised and undergo decision-making process of organisational restructuring, outsourcing or redundancy (O'Sullivan et al., 2002). Enterprises working on adapting offerings to markets also need to structure and adapt direct or underlying services to be aligned with market expectations. Many enterprises consider organising well-defined services as shared services (Bergeron, 2003; Deloitte, 2011; Forst, 1997; Seal & Herbert, 2009) and establish or contract Shared Service Centres (SSCs) (Schulz & Brenner, 2010; Janssen & Joha, 2006; PWC, 2008; Rothwell et al., 2011). Until now, governmental services have needed a degree of vicinity to citizens to retain justification and relevance and to avoid perceived unjust barriers; widespread implementation of eGovernment changes the interaction form and suggests reorganising services (Birkmeier et al., 2012; Janssen & Wagenaar, 2004). In such changes, Enterprise Architecture (EA) plays a critical role in continuous aligning strategic and operational objectives (GAO, 2010; Hjort-Madsen, 2009). However, where EA generally supports management and technology transition well, it is interesting to review the completeness of the services transition implications for both the ceding and receiving organisational contexts.

Since Zachmann (1987), EA has dealt with capturing, documenting, planning and changing services (Hausman, 2011). By approaching services directly and basing EA analytics on design of services, complexity is assumed to be better managed. Formation of SSCs in the industry tentatively dissolves Zachmann's notions of "where," "who," and "when" into a global cloud of service providers; even "why" is often seen as separated from the original organisational context and into routinised delivery structures. A challenge to this is services as an abstraction of intention and the lack of guarantee of usefulness of services.

The processes in question relate to the moving of the executing organisation from an existing organisation and the re-assembly of services as shared services in SSCs. This creates issues of precision in the distinction and isolation of the service, the character and role of the ceding organisation as well as the qualitative and quantitative performance of the receiving organisation. Services are generally not only regarded as processes, but require environments rendering the service meaningful. In a broader perspective, a service is performed within a line of relationships, expectations and agreements. Overall service design and service architecture policies should be formulated in shared service centre formations as both the new established services provided,

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