



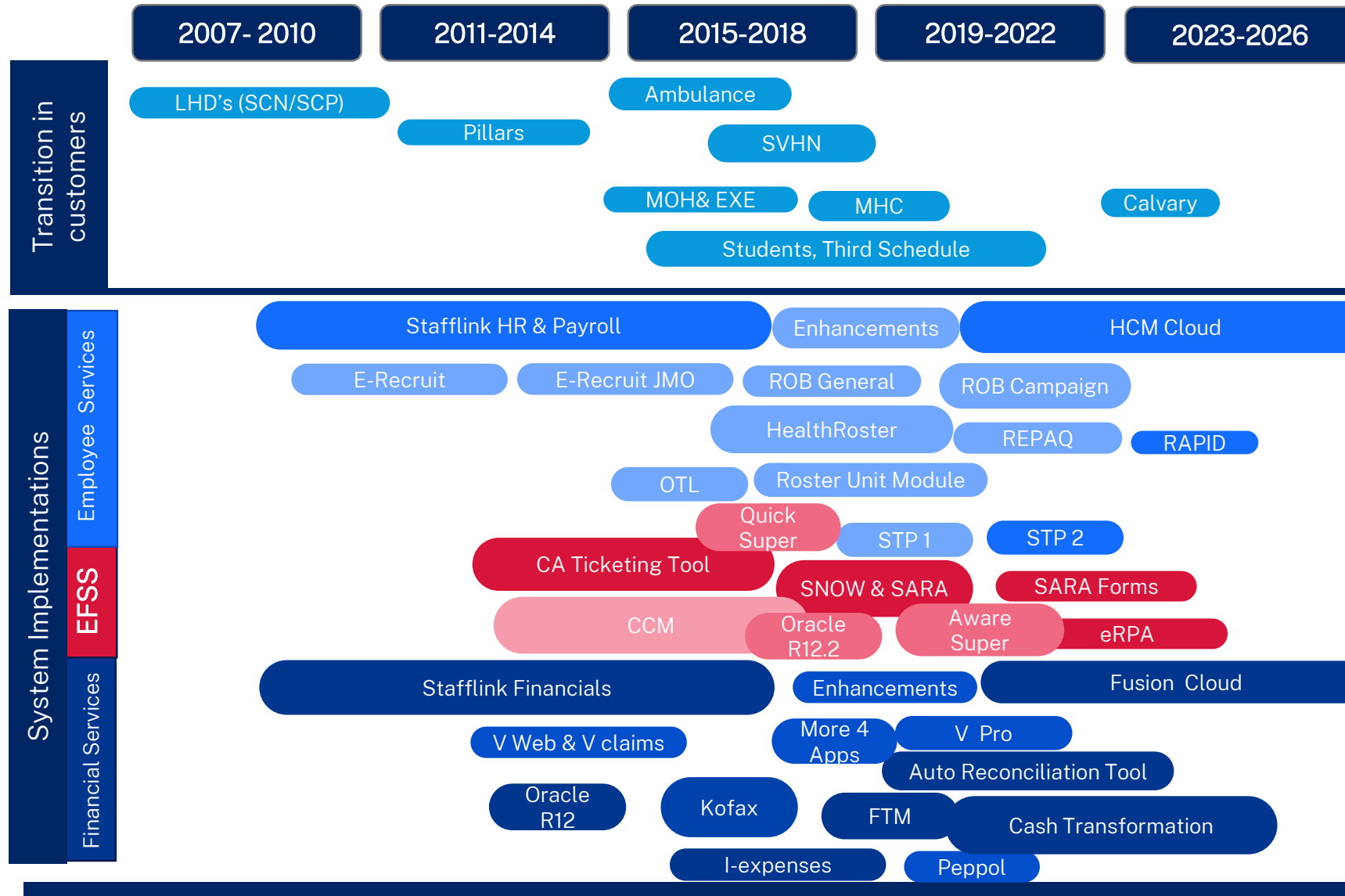
HealthShare NSW

Employee & Financial Shared Services (EFSS) Evolution

Response to review

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EFSS Journey - Why there is a need for the EFSS Service to Evolve



2007-2023

EFSS has spent

- 16 years transitioning
- 30 customers and
- over 35 Employee and Financial related state-wide systems.
- MOH and eHealth driver for most of the systems

Challenges

- Customers inconsistently use systems and services
- Difficulty to automate
- Lack of transparency
- Time and cost to enhance MVP delivered systems

Actions

A review was completed to advise our shared service maturity and develop a plan on where to focus Continuous Improvements with the goal to transition in new services



Stakeholder consultations and review of the service catalogue identified a number of key insights (refer Section 1: Current State Assessment for further detail on the process level variability).



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Business processes in the service catalogue are not being utilised by a majority of customers.



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Business process were classified as **high effort and low usage** (with <10 customers utilising the service).



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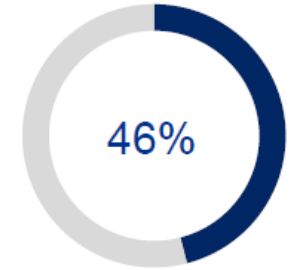
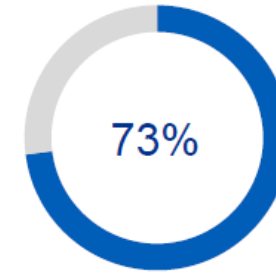
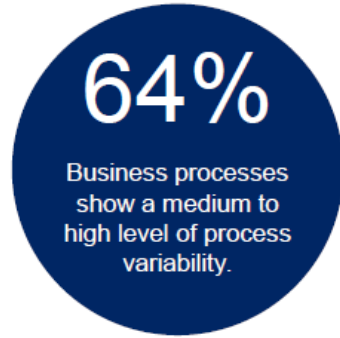
Business processes are **not captured as part of the service catalogue** and are not currently charged for.



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Business processes do not have a **standard process** and show significant process variability. The main root causes are:

- No process for triaging incoming work
- Ad hoc management of Customer queries
- Some transactions require highly manual processing



Financial Accounting Effort Insights

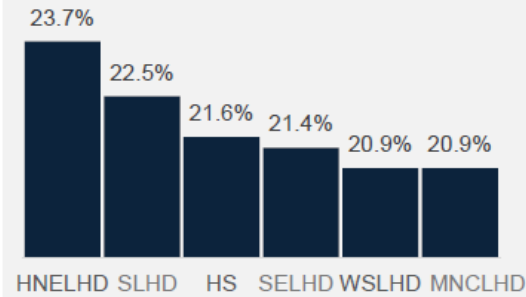
HSNSW completed an effort analysis for Financial Accounting for the period of August 2022. The following was highlighted:



Customer variability

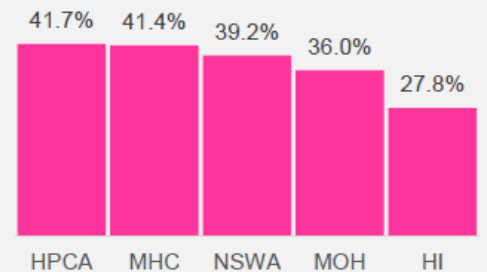
Service Centre Newcastle/Paramatta

Process variability is generally due to behavioural drivers and the current EFSS's service delivery model which allows multiple request in channels.



Service Centre Westmead

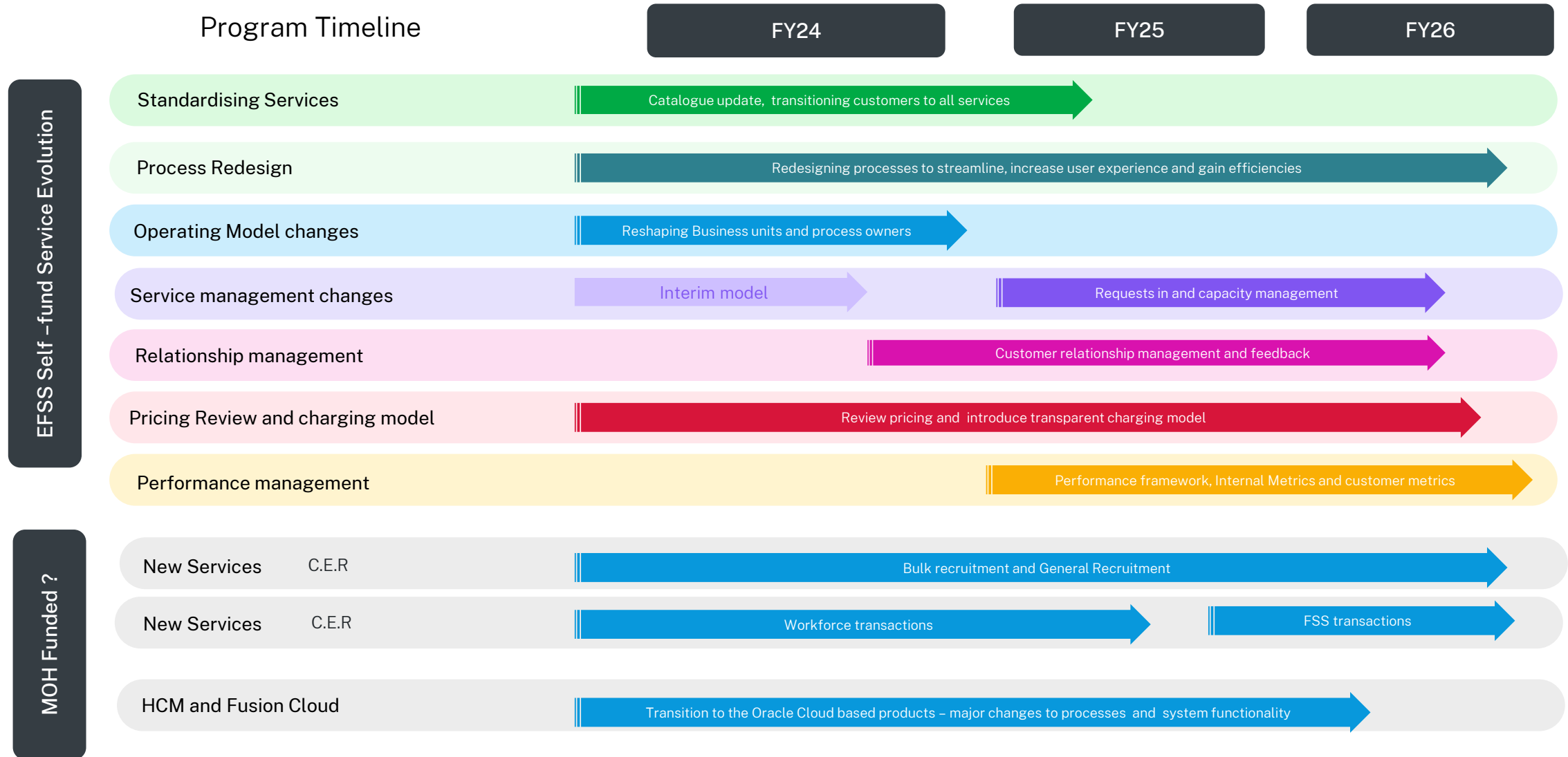
Process variability is generally due to the 1:1 relationship model, acceptance of ad hoc requests in and customers being on legacy systems / not on the central GL.





EFSS Services Evolution Program – Recommended Projects from Review

The overall service evolution program includes new services. Standardisation, process ownership and redesign, as well as service management will enable EFSS to utilise technology to drive down material costs for state-wide services.



Service Evolution Program – review recommended key priority areas – formed into 7 projects

Project	Service Catalogue	Process Redesign	Service Delivery model	Service Management approach	Customer Relationship Model	Charging Model	Performance Reporting
Objective	Formalised catalogue All customers consistently utilise all services offered	Redesign identified processes for increased digitalisation, automation and customer satisfaction	Dedicated process owners to drive accountability Enhance governance and controls	Centralise requests in for new and varied services Demand and capacity planning and analysis	Is optimised and elevated to support enhanced service delivery and increase satisfaction	Transparency and traceability to services delivered Charged based on value provided with incentives and disincentives	Service delivery is measured to improve transparency of service provision and value to customers
Actions	Service baseline Process standardisation * Service Catalogue update Incentives and disincentives Expansion	Remove touchpoints, duplication and administrative tasks Automate processes Educate customers and users	Single process owners End to end services Org restructure Assessment of controls Expand CCM services	Centralise requests in Triage assessment team Monitor and analyse demand and capacity Plan and forecast workloads	Relationship managers Governance Effective reporting, feedback and CRM Engagement in Continuous Improvement	Capture true cost to serve Clarity to pricing Align charges to volume, value and effort to deliver Form incentive and disincentives for use of services	Develop updated performance management framework Key internal metrics to measure Enhance customer facing KPIs
Benefits	Customers are incentivised or disincentivised to follow the standard process All HE access and receive the same level of services and service	Efficient processes Full utilisation of technology and systems Reduced costs to serve through removal of duplication across system	End to end accountability Ongoing accountability to drive continuous improvements Greater consistency in delivery of services	Service requests are triaged consistently and thoroughly Removes potential future variation Appropriate resources to match demand	Increased satisfaction Dedicated relationship managers for overseeing the services provided including performance and cost management	Increase customer satisfaction by improved accuracy and visibility Drive expected behaviours and outcomes Accuracy in revenue capture	Service outcomes are articulated Improved accountability and cost to service within EFSS Monitoring drives continuous improvement Transparency



Service Evolution Program

Was formulated to be the enabler to deliver financial benefits through process redesign, automation and expanding our service offering

Opportunities /Enablers / Benefits

- + Increased **transparency** through a clear defined and standardised service catalogue
- + Increase **customer satisfaction** and **confidence** in service, and optimise partnerships
- + **Incentivise** customers through pricing to use standard process
- + Increase process **ownership** to drive continuous improvements in process and technology
- + Enable further **digitalisation** and **automation** to occur which will bring further \$ benefits
- + **Partner** more effectively on system transitions, changes and enhancements
- + Charging can be allocated and **charged appropriately** for service demand changes
- + Lift our maturity rating to **integrated** and benchmark world class across the directorate

HealthShare NSW

Risks of not completing service evolution

- Difficult to continually meet our **statement of service** priorities due to non standard processes, and inconsistency driven from customers
- Remaining scaled in maturity and risk a **drop in customer confidence** when we take on new services
- Increase **non standardisation** as HE continue pick and choose services and how they use them
- Incorrect charging, not charging for services, and **limited transparency**
- Limited opportunities to **automate** processes without standardisation
- Risk to our continued **relevance** as will miss opportunities with skills and technology to drive efficiencies.

The main financial benefits will come from :

- ✓ Transitioning in new state wide services on critical mass will create efficiency
- ✓ Operating model changes
- ✓ Redesigning state-wide processes to remove duplication and add in automation.
- ✓ Allowing for material drop in costs of state-wide process

Due to variability across the service, financial benefit discovery will need to be undertaken within each project of the program.

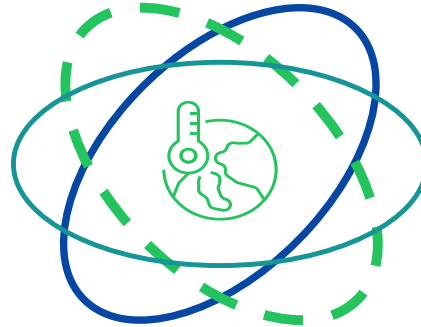
3-year Plan to fund the program

**Original Plan
2022-23**

Request MOH Funding

- Worked with MOH on the review and intent was for MOH to fund the Program as system wide benefit to increase the utilisation of EFSS Shared Services.
- Service Evolution Program is seen as an enabler to increase utilisation and services
- Full EFSS surplus available for self funding enhancements and HS Savings targets.
- Risk: Climate has changed since review was initiated and completed

\$4.7 m (MOH)



Change Drivers

- ⊙ **Change of government**
- ⊙ **C.E.R**
- ⊙ **Identified New Services are now part of CER**

**New Plan
Aug 2023**

EFSS Fund All Roles

- EFSS would fund from EFSS wages surplus
- ~\$2M p/a surplus from recruitment delays
- Allows P&P resources to be used for other initiatives within EFSS
- Would use HS internal expertise for some roles, e.g., customer relations, pricing and performance
- Risk-costs maybe more than surplus
- Risk-limit use of surplus to self fund system enhancements

\$ 4.3 m (EFSS)*

* Analysis to be completed on what costs can reduce as some tasks will be completed as part of other programs like transition in new services and HCM and Fusion Cloud programs



Service Evolution Costing Options we considered

Option 1 = use \$4.35m of expected surplus to fund program - \$ likely to reduce if services transition in earlier

Option 2 = use \$2.975m of expected surplus and \$1.375m of existing allocated resources

Option 3 = request \$4.74m in funding

recommended

Option 1 : All EFSS (incl. 17.5% oncost)

~ \$ M	Year 1		Year 2		Year 3		Total
	FTE	\$	FTE	\$	FTE	\$	\$ M
EFSS	7.05	1.218	10.7	1.792	8	1.337	4.35
P&P	-	-	-	-	-	-	-
Total	7.05	1.218	10.7	1.792	8	1.337	

Option 2 : EFSS and P&P resources (incl. 17.5% oncost)

~ \$ M	Year 1		Year 2		Year 3		Total
	FTE	\$	FTE	\$	FTE	\$	\$
EFSS	3.8	.656	8.2	1.349	6	.970	2.975
P & P	3.25	.56	2.5	.445	2	.368	1.375
Total	7.05	2.1	10.7	1.6	8	1.3	4.35

Option 3: MOH (incl. 28% oncost)

~ \$ M	Year 1		Year 2		Year 3		Total
	FTE	\$	FTE	\$	FTE	\$	\$
EFSS	-	-	-	-	-	-	
MOH	7.05	1.327	10.7	1.952	8	1.457	4.74
Total	7.05	1.327	10.7	1.952	8	1.457	4.74

Summary of all options

~ \$ M	Year 1		Year 2		Year 3		Total
	Option	FTE	\$	FTE	\$	FTE	\$
1	7.05	1.218	10.7	1.792	8	1.337	4.35
2	3.8	.656	8.2	1.349	6	.970	2.975
3	7.05	1.327	10.7	1.952	8	1.457	4.74

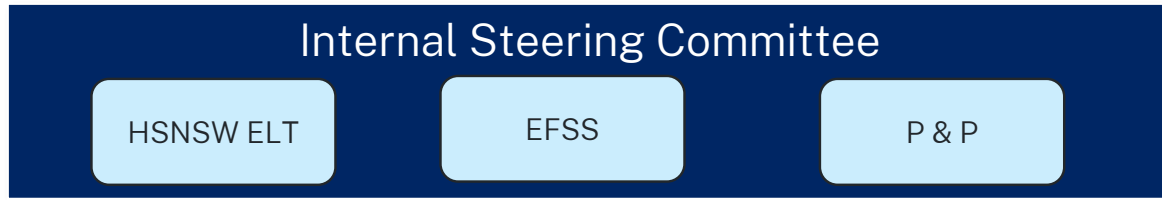
See slide 13 in appendix for option reasons



EFSS Evolution : Governance



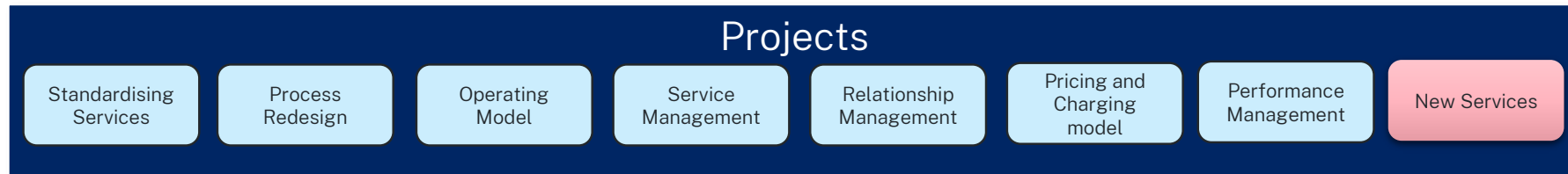
A Sponsor's role is to provide strategic leadership, support, and advocacy for a project. They ensure that the project is aligned with the organisation's goals and guide decision-making to ensure the project's success.



The Steering Committee provides high-level oversight, strategic direction, and decision-making authority for the project. It consists of key stakeholders and leaders from relevant departments or areas.



The primary role of a Program Delivery Group is to execute the project plan and drive the project from initiation to completion.



Project groups are cross-functional teams responsible for executing specific aspects of the project. They focus on detailed tasks, contribute expertise, and report progress to the program managers