NSW GOVERNMENT | HealthShare

EFSS Service Review

HealthShare NSW

April 2023

KPMG

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HealthShare NSW

Executive Summary

This report is accompanied by four key deliverables, including a current state assessment, recommendations to support the optimal service delivery model for Employee & Financial Shared Services (EFSS) and a roadmap of actions for implementation.

These deliverables support EFSS in designing a fit for purpose service model that delivers efficiencies for the NSW Health system.

Engagement Deliverables

01 **DM1:** Review of current state service delivery across business lines and gap analysis of service customisations for customers

02 **DM2**: Recommendations on best practice delivery model, including roles and responsibilities within teams and opportunities for optimal service provision across all services

03 **DM3:** Development of pricing models, including incentives and disincentives for optimised service delivery

04 **DM4:** Implementation and roll out plan for internal EFSS teams and for customers

05 **DM5:** Review and approval of final report by Senior Leaders and key stakeholders

The EFSS Service Review set out to identify opportunities to improve the level of standardisation and value provided to customers

HealthShare NSW has set a strategic direction to drive system-wide improvement and change. To support the achievement of this strategic direction, EFSS has commenced a number of improvement programs to re-design and standardise the services provided to customers with the overall objective to deliver seamless and valued services that provide efficiency savings and benefits for the NSW Health system.

Background & Objectives

- EFSS' strategic vision is to deliver connected, intuitive and valued services that leverage technology and data and specialist skills to deliver seamless and valued services to customers.

- EFSS has identified a number of opportunities to introduce standardisation across customers, reduce the level of variability in services, improve the efficiency and cost of service and enhance the overall benefit provided to customers.

- The objective of this engagement was to understand the level of business process variability to identify opportunities to improve the level of standardisation and enhance the overall efficiency of EFSS' services, including opportunities to incentivise and disincentivise customers.

- The service delivery model was assessed, including consideration of EFSS' customer relationship model, charging model and performance management framework.

Project Outcomes

In conducting the process variability assessment, a number of recommendations were identified to help improve the level of standardisation and value delivered to customers. The recommendations align to the following objectives:

- Customers are incentivised or disincentivised to follow a standardised process

- Process owners are established to strengthen 'end-to-end' service accountability

- Incoming requests and demand is managed consistently

- The customer relationship model is optimised to support enhanced service delivery

- Customers are charged transparently and there is traceability to the service delivered

- Service delivery is measured and monitored to improve transparency of service provision and value delivered to customers.

This report provides the outputs of the engagement across the following deliverables, including specific recommendations for EFSS to work towards in improving the level of standardisation and value delivered to customers. The engagement deliverables and the applicable report reference are as follows:

DM1 – Current State: A gap analysis was performed across EFSS' services and customers. Refer **Section 1: Current State Assessment**

DM2 – Service delivery model: A best practice model for shared services was considered in identifying recommendations for improvement. Refer **Section 2: Future State Service Delivery Model**

DM3 – Pricing models: Recommendations on business process and customers to incentivise and disincentivise were identified. Refer **Section 3: Implementation Plan**

DM4 – Implementation Plan: A high level roadmap over three horizons for implementation was developed. Refer **Section 3: Implementation Plan**

DM5 – Report: This report summarises the outputs of this engagement.

An iterative process was undertaken to define pragmatic recommendations for uplifting the current state

The approach below highlights the stages of work undertaken to identify recommendations to help improve the level of standardisation and value delivered to EFSS customers. To ensure practical and pragmatic recommendations were developed, an iterative process was taken which involved extensive stakeholder consultation to understand the current state and underlying drivers of process variability.

01 Current State Assessment

26 workshops were held with 50+ business process subject matter specialists to validate the process and **identify the key drivers for process variability** by Customer. 127 business processes were covered as part of the workshops.

EFSS service lines were prioritised and ranked using a defined criteria, including staff effort, volume of transactions and business criticality factors.

Interviews and focus groups were also conducted with key **transformation program leads, Directors of Workforce and Directors of Finance** to understand the impact of current programs of work and to obtain views on service delivery.

Insights were summarised in a heat map **highlighting the degree of variability across processes and customers.**


02 Defining the Service Delivery Model

EFSS Leadership were engaged in a workshop to agree on the key **design principles of the future state** service delivery model.

The elements of a **leading practice Service Management Framework** were used as a baseline to compare EFSS' service delivery model against.

Six areas of focus were identified to support EFSS in improving the value of services provided to customers. These include, governance and relationship management, service management, the service catalogue, performance management and the cost model.
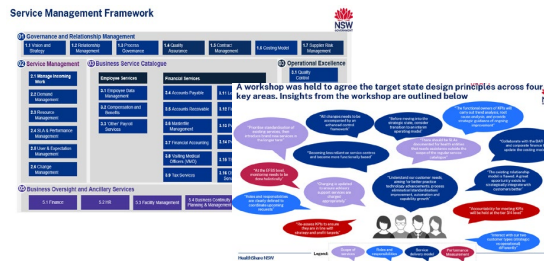

03 Implementation Plan

Across the six areas of focus, **18 recommendations have been developed** with a focus on the key practical considerations and critical actions to support EFSS in improving the level of standardisation across customers and uplifting the approach to service delivery.

The recommendations have been **allocated over three horizons** (6, 12 and 18+ months) to support EFSS with determining the priority for implementation.

The recommendations are accompanied by a detailed list of **business processes and customers requiring dis/incentivisation** for EFSS to consider in the future charge back model to achieve State-wide process standardisation.
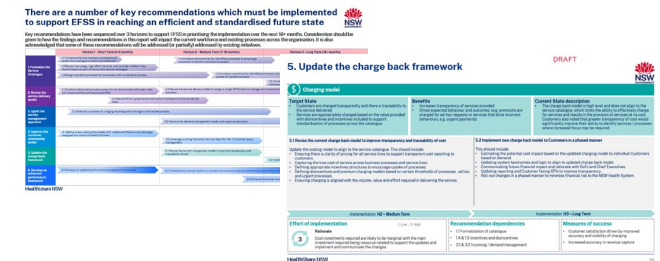
Stakeholder consultations and review of the service catalogue identified a number of key insights (refer Section 1: Current State Assessment for further detail on the process level variability).

15
Business processes in the service catalogue are not being utilised by a majority of customers.

19
Business process were classified as **high effort and low usage** (with <10 customers utilising the service).
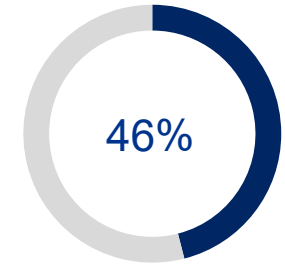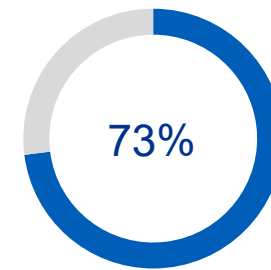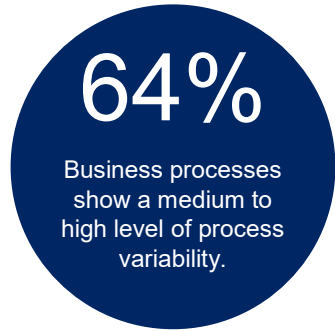
11
Business processes are **not captured as part of the service catalogue** and are not currently charged for.
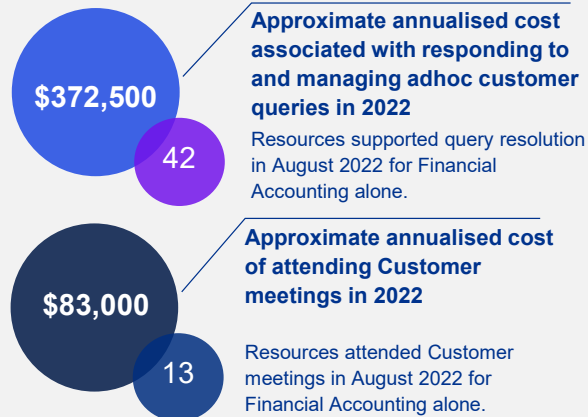
20
Business processes do not have a **standard process** and show significant process variability. The main root causes are:

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

64%
Business processes show a medium to high level of process variability.

39%
Business processes show process variability due to customer behaviour driven causes

73%
Service lines are **serviced across multiple service centres**

46%
Business processes are **completely manual** in nature

Financial Accounting Effort Insights

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

$372,500
42
Approximate annualised cost associated with responding to and managing adhoc customer queries in 2022
Resources supported query resolution in August 2022 for Financial Accounting alone.

$83,000
13
Approximate annualised cost of attending Customer meetings in 2022
Resources attended Customer meetings in August 2022 for Financial Accounting alone.

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.

- 23.7% HNELHD
- 22.5% SLHD
- 21.6% HS
- 21.4% SELHD
- 20.9% WSLHD
- 20.9% MNCLHD
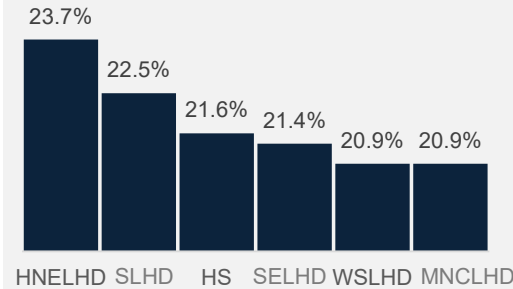
Service Centre Westmead

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.

- 41.7% HPCA
- 41.4% MHC
- 39.2% NSWA
- 36.0% MOH
- 27.8% HI

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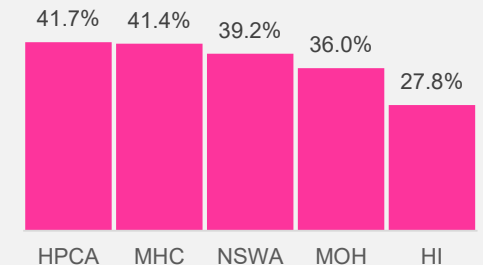
Six key observations were identified which require focus to enable EFSS to transition to a leading practice shared service function

EFSS has identified the need to focus on uplifting the current service delivery model to provide a more valuable, cost effective and efficient service to customers. The current approach to service delivery is inconsistent, relies on 1:1 relationships and does not align to EFSS' strategic vision to deliver connected, intuitive and valued services. Key observations from the review are outlined below.

Priority 1

Variable and inconsistent process delivery of core services

In performing the current state assessment of the service catalogue, 64% of business processes were highlighted as having either medium or high levels of process variability across customers, with the key drivers identified as relating to customer behaviour, standardising the process for managing requests in and the inconsistent customer relationship model. Additionally, several processes were identified to be provided to customers outside the current service catalogue and potentially at no cost.

There is opportunity to introduce incentives / disincentives and to revise the current scope of services to encourage standardisation across customers and support behavioural change.

Lack of process ownership to drive effective governance and service delivery

There is limited end to end process ownership across EFSS' core services with >73% of services currently being delivered by multiple service centres. This service delivery approach has created duplication of effort across teams, inconsistencies in customer service and an inability to efficiently implement process improvements.

There is opportunity to revise the current service delivery model and process governance structure to assign process owners, agnostic of service centre, customer and location, with accountability for ongoing process improvement, strategic planning, risk and control management and performance improvement in conjunction with customer relationship owners.

Priority 2

Inconsistent process to manage incoming work

Customers currently have the ability to make ad-hoc requests through various channels resulting in inconsistency in the way requests are prioritised, allocated and responded to and limiting the effectiveness of EFSS' demand and resource management processes.

There is opportunity to implement a centralised process for managing incoming work with a phased reduction of direct customer contact with service centre staff. Consideration should be given to the role of the HealthShare contact centres in triaging requests and managing baseline queries, including allocation to process owners. This will support the accuracy of EFSS' demand and resource management forecasting efforts.

Priority 3

No formal customer relationship model to drive consistency in service delivery

The current customer engagement model is relationship based and allows customers to have direct, 1:1 engagement with service centre staff via a number of communication channels, impacting the delivery of standard services and the ability to effectively triage and prioritise requests.

There is opportunity to elevate and formalise the customer relationship model and allocate dedicated relationship managers responsible for overseeing the services provided to customers, including performance and cost management.

Opportunity to expand the charging model to enable transparency of cost and value

The charge back model is high level and does not align to the service catalogue, which limits the ability to effectively charge for services and results in the provision of services at no cost. Customers also noted that greater transparency of cost would significantly improve their ability to identify services / processes where increased focus may be required.

In line with the current work underway, there is opportunity to update the costing model to align to the service catalogue, capture the true cost of service and define appropriate incentives and disincentives to encourage uptake of standard processes. Charging should be determined in line with the volume, value and effort required in delivering the service. Refer to Appendix B for further detail on the processes requiring incentives / disincentives.

Informal performance framework to measure, monitor and improve performance

Current performance measures are predominantly focused on internal, operational metrics (e.g. volume / time based targets) and are currently not routinely reported to customers to support improvement.

There is opportunity to define a performance framework which includes customer and internally focused Key Performance Indicators to support transparent reporting to customers on the performance and delivery of services. Consideration should also be given to introducing service agreements for Customers requiring bespoke support (e.g. Ministry of Health and NSW Ambulance) to drive expected behaviour and manage charging expectations as required.
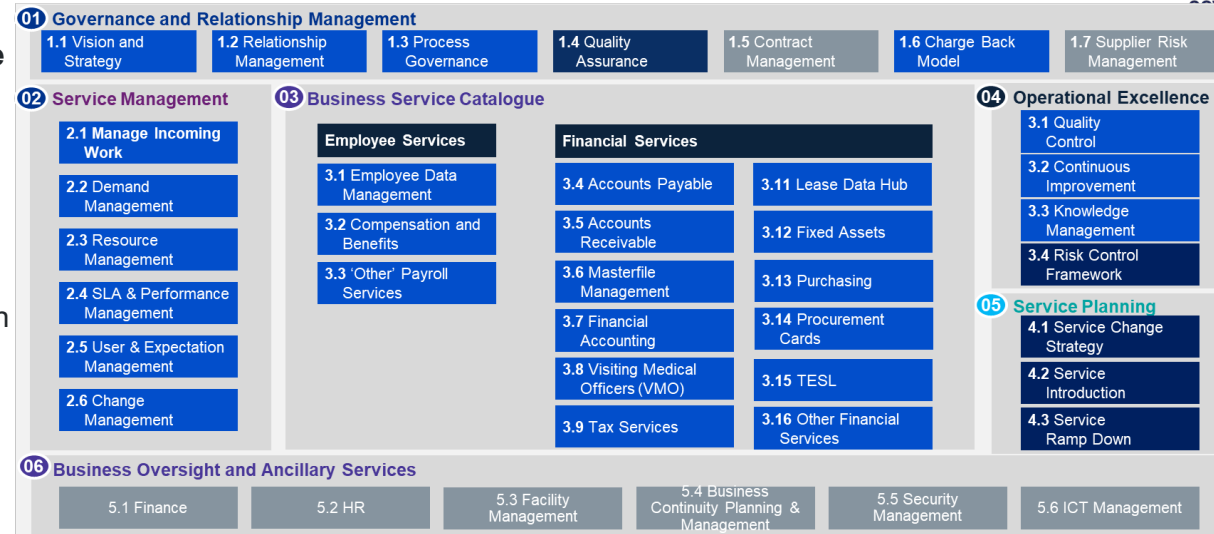
Priority   **Priority recommendations that will deliver the highest improvement**

The leading practice Service Management Framework provides a view of areas to prioritise

The recommendations identified as part of this review align to the elements of a leading practice Service Management Framework for shared services. The Service Management Framework has been used as a baseline for conducting the current state assessment and in defining the service delivery model.

Shared service organisations who display leading practice in service delivery generally have a robust governance and relationship management model, an approach to managing services and a focus on service improvement.

There are four key drivers that underpin the framework. These shifts were considered as part of developing the recommendations.

01 Governance and Relationship Management

| 1.1 Vision and Strategy | 1.2 Relationship Management | 1.3 Process Governance | 1.4 Quality Assurance | 1.5 Contract Management | 1.6 Charge Back Model | 1.7 Supplier Risk Management |

02 Service Management

- 2.1 Manage Incoming Work
- 2.2 Demand Management
- 2.3 Resource Management
- 2.4 SLA & Performance Management
- 2.5 User & Expectation Management
- 2.6 Change Management

03 Business Service Catalogue

Employee Services
- 3.1 Employee Data Management
- 3.2 Compensation and Benefits
- 3.3 'Other' Payroll Services

Financial Services
- 3.4 Accounts Payable
- 3.5 Accounts Receivable
- 3.6 Masterfile Management
- 3.7 Financial Accounting
- 3.8 Visiting Medical Officers (VMO)
- 3.9 Tax Services
- 3.11 Lease Data Hub
- 3.12 Fixed Assets
- 3.13 Purchasing
- 3.14 Procurement Cards
- 3.15 TESL
- 3.16 Other Financial Services

04 Operational Excellence
- 3.1 Quality Control
- 3.2 Continuous Improvement
- 3.3 Knowledge Management
- 3.4 Risk Control Framework

05 Service Planning
- 4.1 Service Change Strategy
- 4.2 Service Introduction
- 4.3 Service Ramp Down

06 Business Oversight and Ancillary Services

| 5.1 Finance | 5.2 HR | 5.3 Facility Management | 5.4 Business Continuity Planning & Management | 5.5 Security Management | 5.6 ICT Management |

Shift away from manual, transactional activities to a significantly automated centre of excellence

- The workforce of the future is a combination of People and RPA e.g. it is predicted that between 70% and 90% of finance roles will not exist in 10 years
- Shared services are a centre of expertise to support Customers
- Technology is used to eliminate non value-added process steps and drive out manual interventions through adoption of new technologies, enhanced integrations and process standardisation
- Performance insights are captured as analytics
- Data and insights are moving to a strategic focus as opposed to transactional performance metrics, e.g. what can customers do differently to improve business outcomes

Customer relationship management linked to the organisations vision and strategy

- There is full Executive and leadership oversight of the performance of the shared service function
- Shared Services provide specialist skills and advice to meet customer requirements involving a high degree of judgment – value based capabilities are being included in leading shared organisations
- The use of contingent workforce is important to enable flexibility in demand and resource management.
- There is transparency and traceability in the costs charged to customers
- Leading shared services dictate how their customers (internal and external) engage with the shared service centre.

Service delivery is enabled by consistent practice and streamlined approaches

- Strong link between process ownership and delivery of business outcomes
- End-to-end service delivery is critical as broader hybrid models evolve
- Each process is well defined with clear KPIs or SLAs
- Shared service are no longer centrally located however there is clarity and consistency of service being provided from each location.
- There is visibility and transparency of performance expectations and communication of performance outcomes
- High-level of standardisation and automation and adoption of Power BI reporting

Service delivery is supported by continuous improvement in line with Customer expectations

- Process owners are made accountable for quality control and continuous improvement of business processes
- Processes are being moved from the shared services to self service – the shared services becomes the custodian of capability to provide the automated or self service offerings
- Resource and demand management occurs on a quarterly basis
- Services are assessed routinely to decommission those that are not adding value
- Customers are provided with a level of detail that is clear, transparent and relevant for their business – customers need information on how they can influence their cost

To realise the benefits of improved standardisation, EFSS will need to prioritise the following recommendations

Outlined below are six key recommendations to support EFSS in improving the level of standardisation of services and value provided to customers. These recommendations align to the elements of a leading practice Service Management Framework for shared services and have been considered for implementation across an 18 month period so the benefits can be realised.

Key Recommendations

(1) Formalise the Service Catalogue, including introducing standard process taxonomies and formalising all services EFSS provides. This should also include a phased introduction of incentives / disincentives to encourage process standardisation as well as new services once an appropriate level of standardisation is achieved,

Priority 1

(2) Revise the service delivery model, including establishing dedicated process owners agnostic of service centre, customer and location, with accountability for ongoing process improvement, strategic planning, risk and control management and performance improvement in conjunction with customer relationship owners.

(3) Uplift the service management approach, including introducing a centralised process for managing incoming work and customer requests that leverages the central customer contact centres. This should also include a defined process for triaging incoming work for allocation to defined process owners.

Priority 2

(4) Improve the customer relationship model, including, assigning dedicated relationship managers responsible for overseeing the services provided to customers, managing performance and cost and acting as a point of escalation.

Priority 3

(5) Update the charge back framework to align to the service catalogue, capture the true cost of service and define appropriate incentives and disincentives to encourage uptake of standard processes. Charging should be determined in line with the volume, value and effort required in delivering the service.

(6) Develop an enhanced performance framework which includes customer and internally focused KPIs to support transparent reporting to customers on the performance and delivery of services. Consideration should also be given to introducing service agreements for Customers requiring bespoke support.

Benefits

- Driving standardisation is critical for the successful delivery of services and to track the actual service outcomes and standards, which in turn drives customer satisfaction.
- Customer satisfaction leading from a simplified, accurate service catalogue ensuring all Health Entities receive the same / similar support.

- Ensures greater consistency in delivery of services and enables identification of automation opportunities.
- Accountability of the services delivered is with a single person who has accountability to drive continuous improvement outcomes.

- Services are triaged in a consistent manner ensuring that the most appropriate team focus on client requests reducing the turnaround time to deliver the services.
- Planning for demand ensures that EFSS has the appropriate resources to deliver on client requirements.

- Customers will still have a single point of contact, however the focus is on understanding the client's requirements, driving continuous improvement and ensuring the customer is considered in HealthShare's internal planning and decisions.
- Ensures qualitative customer feedback is considered in the way HealthShare performs.

- Increases transparency of services provided.
- Drives expected behaviour and outcomes, (e.g. premiums are charged for ad-hoc requests or services that drive incorrect behaviours, e.g. urgent payments)

- Service outcomes are articulated in KPIs / SLAs and customers understand what the commitments are
- Non achievement of KPIs / SLAs can be monitored and tracked which will drive continuous improvement

There are a number of key recommendations which must be implemented to support EFSS in reaching an efficient and standardised future state

NSW GOVERNMENT

Key recommendations have been sequenced over 3 horizons to support EFSS in prioritising the implementation over the next 18+ months. Consideration should be given to how the findings and recommendations in this report will impact the current workforce and existing processes across the organisation. It is also acknowledged that some of these recommendations will be addressed (or partially) addressed by existing initiatives.

	Horizon 1 - Short Term (0-6 months)	Horizon 2 - Medium Term (7-18 months)	Horizon 3 - Long Term (18+ months)
1. Formalise the Service Catalogue **1**	1.1 Formalise informal business processes and update the catalogue to show true utilisation 1.2 Review low usage, high effort services, and consider whether they should remain as part of the current service catalogue 1.3 Design standard processes for processes with no standard process	1.4 Introduce disincentives for identified processes to encourage customers to follow a consistent process and increase uptake of services 1.5 Introduce incentives for identified processes and customers to encourage uptake of standard process	1.6 Introduce new business processes to be included in the service catalogue
2. Revise the service delivery model	2.1 Establish dedicated process owners for all service lines with clear roles and responsibilities and associated KPIs. 2.3 Revise EFSS's governance and control framework across all service lines.	2.2 Revise the service delivery model to assign a single EFSS team to manage end to end service provision	
3. Uplift the service management approach **2**	3.1 Establish a process for triaging incoming work through a centralised process	3.2 Improve the demand management model and resource allocation	
4. Improve the customer relationship model **3**	4.1 Define a new relationship model with a dedicated Relationship Manager assigned to a function/service line.	4.2 Leverage existing Customer Service Team for Tier 1 Customer query management.	
5. Update the charge back framework		5.1 Revise the current charge back model to improve transparency and traceability of cost.	5.2 Implement new charge back model to Customers in a phased manner
6. Develop an enhanced performance framework	6.1 Develop an updated performance management framework	6.2 Establish key internal metrics to monitor and measure internal performance and to drive continuous improvement 6.3 Enhance Customer facing KPIs to support transparent performance reporting	

HealthShare NSW

Section 1

Current State Assessment

DM1: Review of current state service delivery across business lines and gap analysis of service customisations for customers

HealthShare NSW

An iterative process was undertaken to assess the current state and identify the key drivers for service variability

The approach below highlights the stages of work undertaken to assess the current state service catalogue and service delivery model. The key objective of the current state assessment was to identify areas of variability and inconsistency to improve the level of standardisation and value delivered to EFSS customers.

01 Baselining and prioritisation	02 Heat map	03 Customer Engagement	04 Assessment against Framework

A workshop was conducted with the EFSS Leadership team to **prioritise and baseline the current suite of services** offered by EFSS.

EFSS services were **prioritised based on a defined criteria**, including staff effort per process, volume of transactions and business criticality, **to determine the highest priority areas for standardisation**.

Identified process SMEs were also interviewed to understand the **standard baseline process** in which to compare against to identify areas of variability.
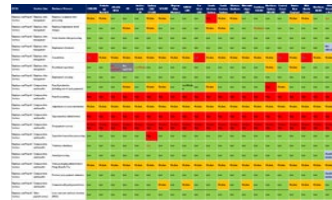
26 workshops were held with 50+ business process subject matter specialists to confirm the standard process across SCP, SCN and SCW.

This baseline was used to **identify the level of variability by customer** and document root causes / drivers for process variability. 127 business processes were covered as part of the workshops.
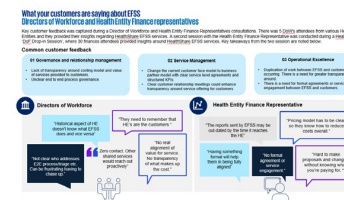
A heat map output was developed **highlighting customers and processes with low to high degrees of variability**, which supported a number of the recommendations outlined in this report.

Two workshops were held with a sample of Directors of Workforce and Directors of Finance **to determine perceived areas of value, duplication and areas for improvement** with respect to relationship management, service delivery and cost transparency.

The customer insights were used to support the prioritisation of recommendations for implementation.

The elements of a **leading practice Service Management Framework** were used as a baseline to compare EFSS' service delivery model against.

This assessment considered the areas of governance, service planning, cost management, reporting and vision & leadership.

The insights from the service delivery assessment were used to develop the **recommendations to support the future state service delivery model**.
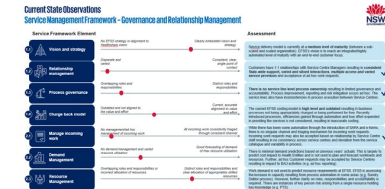
A number of key insights were identified across the Employee and Payroll Services

31 Employee and Payroll business processes across 3 service lines were assessed to capture the below key insights. Further detail of the service line variability is outlined over the page.

A large volume of transactions are processed by the ES teams

| SC Paramatta/Newcastle baseline volumes (July 21 to June 22)	
Total volume of transactions	9.64 m
Total charged to customers	$29.13 m

There is an opportunity for additional automation to further incentivise customers

77%

Business processes have a manual component with **58%** highlighted as being completely manual.

There is significant process variability

74%

Of business processes show *some* level of variability

42%
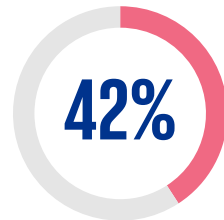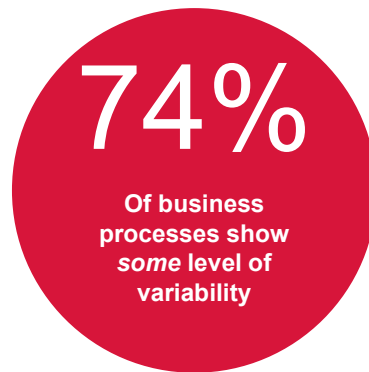
13 of the 31 business processes highlighted more than 30% of Customers with variability.

However, standardisation may be achieved by updating the charge back model and service offering

35%

Business processes show process variability due to customer behaviour driven causes

7
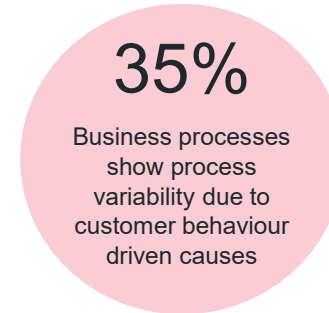
Business process which are classified as low usage, high effort and not utilised by >10 Customers

6

Business processes in the service catalogue are not being utilised by a majority of customers, including recruitment services which is only utilised for the Junior Medical recruitment.

There are no business processes that are being performed outside the service catalogue.

Some Customers have greater variability than others

Service Centre Paramatta/Newcastle

NS LHD	36.7%
WS LHD	36.7%
SES LHD	36.7%
HS	37.9%
SWS LHD	40.0%
SLHD	43.3%
HNELHD	43.3%
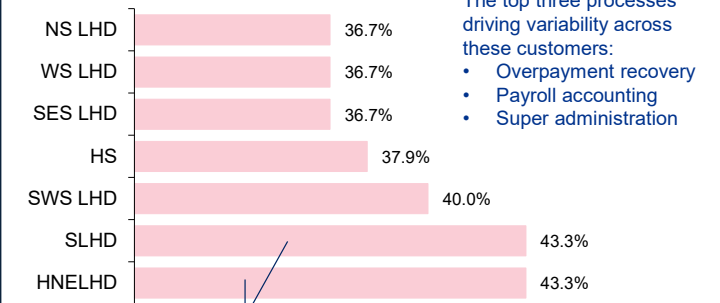
The top three processes driving variability across these customers:
• Overpayment recovery
• Payroll accounting
• Super administration

Has a tendency to request additional, ad hoc support from Service Centres resulting in variation from the standard

Service Centre Westmead

HETI	41.9%
ACI	41.9%
HI	41.9%
HSSG	45.2%
MOH	46.7%
NSWA	66.7%
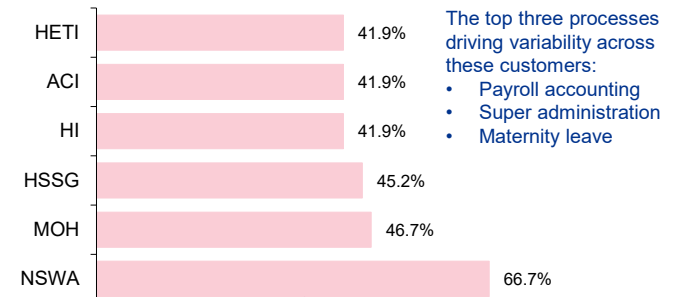
The top three processes driving variability across these customers:
• Payroll accounting
• Super administration
• Maternity leave

Staff members are on a separate award contract and do not use the centralised system, resulting in significant manual workarounds.

Service Line variability insights – Employee and Payroll Services (1/2)

Key service line insights have been listed below and were highlighted through detailed process walkthroughs with key SMEs to identify drivers for process variability. All three service lines show some level of variability with a number of opportunities to define a standard process, introduce automation and consider incentives for low utilisation services.

Service Line	Summary of variability	Overall Variability assessment	Standard process defined *	Process automation *	Recent automation	Low usage, high effort processes
Employee data management	• There is moderate variability with 4 of 7 processes showing some level of moderate to high customer level variability. It was noted through discussions that this variability was driven by a tendency of customers to revert to manual forms, request additional support and system issues (i.e. for NSWA). • Some automation has been introduced for requests in with the use of SARA and e-forms. • Recruitment operations are not utilised by all SCW Customers, excl HETI and NSWA, which presents an opportunity for EFSS to introduce incentives to increase uptake for applicable customers (e.g. bulk recruitment services for NSWA, Nursing and Midwifery (NaMo)).	Moderate	6/7	5/7	✓ SARA	N/A
Compensation and benefits	• There is high variability across compensation and benefits, with 9 of 11 processes showing some level of moderate to high customer level variability. It was noted through discussions that this variability was driven by SCW performing additional calculations for some customers and varied offboarding and debt recovery processes being performed for Customers. • Three business processes had a high degree of variability which was driven by no standard process being in place, including payroll accounting, salary packaging/FBT and superannuation administration. • Three business processes are automated, however additional automation and improvement of data quality is envisaged through cash transformation and auto reconciliation for the remaining eight processes. • Significant variability was highlighted for NSWA as a result of them being on separate employee contracts and systems.	High	8/11	6/11	✓ Cash transformation ✓ Automated data loading ✓ Auto-reconciliation	N/A

* Number of business processes

Service Line variability insights – Employee and Payroll Services (2/2)

Key service line insights have been listed below and were highlighted through detailed process walkthroughs with key SMEs to identify drivers for process variability. All three service lines show some level of variability with a number of opportunities to define a standard process, introduce automation and consider incentives for low utilisation services.

Service Line	Summary of variability	Overall Variability assessment	Standard process defined *	Process automation *	Recent automation	Low usage, high effort processes
Other payroll services	• 10 of 13 business processes show some level of moderate to high customer level variability due to the highly manual nature of the processes, extensive Customer consultation outside of standard process and use of varied systems. There is also no dedicated EFSS roles to support certain processes (e.g. subpoena and litigation). • Six business processes require the implementation of a standard process (payroll consultation, staff specialist increment elevation, leave reconciliation, reporting and analytics, subpoena and litigations). • 11 of 13 business processes are manual in nature highlighting opportunities for further efficiency. • End to end recruitment services is not utilised by any Customers, with the exception of Junior Medical recruitment. • Seven business processes were classified as being low usage, high effort, which presents an opportunity for EFSS to decide on whether a premium should be charged for these services or whether they should remain within the service offering.	High	7/13 5 require a standard 1 not utilised by anyone	2/13	✓ SARA ✓ Automated data upload to system ✓ Qlik sense dashboard	✓ Recruitment services ✓ Employee support payment scheme (ESPS) ✓ Staff specialist increment elevation ✓ Leave verification reconciliation ✓ Recognition of prior service ✓ Oracle time and labour administration ✓ Subpoena and Litigation

* Number of business processes

A number of key insights were identified across the Financial Services

106 Financial Services business processes, across 12 service lines, were assessed to capture the below key insights. Further detail of the service line variability is outlined over the page.

A large volume of transactions are processed by the FS teams

SC Paramatta/Newcastle baseline volumes (July 21 to June 22)	
Total volume of transactions	56.9m
Total charged to customers	$32.8m

There is an opportunity for additional automation to further incentivise customers

90%

Business processes have a manual component with **42%** highlighted as being completely manual

There is significant process variability

61%

Of business processes show *some* level of variability

19%
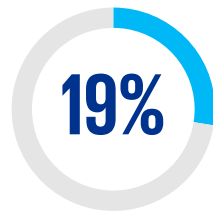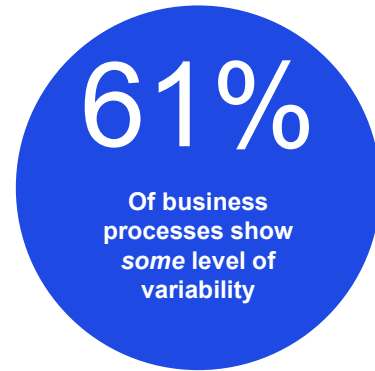
20 of the 106 business processes highlighted more than 30% of Customers with variability.

However, standardisation may be achieved by updating the charge back model and service offering

42%

Business processes show process variability due to customer behaviour driven causes

13
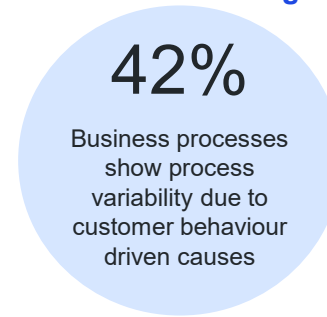
Business process which are classified as low usage, high effort and not utilised by >10 Customers

8

Business processes in the service catalogue are not being utilised by a majority of customers, including TESL which is not utilised by any customers.

11

Business processes are currently performed however not captured in the service catalogue

Some Customers have greater variability than others

Service Centre Paramatta/Newcastle

SES LHD	15.8%
MNC LHD	16.2%
SYD LHD	16.2%
HS	16.7%
HNE LHD	16.8%
PATH	17.3%
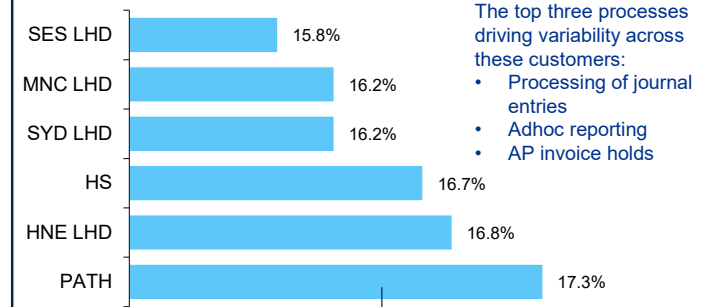
The top three processes driving variability across these customers:
- Processing of journal entries
- Adhoc reporting
- AP invoice holds

Uses a different interface and may require additional data quality assurance and support from the Service Centres.

Service Centre Westmead

HI	23.2%
NSWA	30.5%
MOH	32.6%
HPCA	42.3%
MHC	42.9%
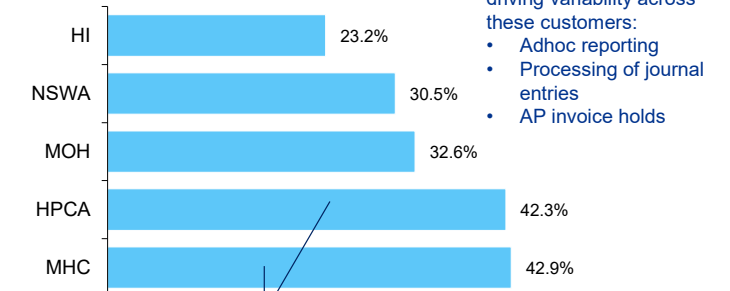
The top three processes driving variability across these customers:
- Adhoc reporting
- Processing of journal entries
- AP invoice holds

Customers are not on the central ledger, resulting in manual processing by SCW.

Service Line variability insights – Financial Services (1/3)

FS line insights have been listed below with a summary of key insights on the level of variability, standardisation and automation. Overall, there is further opportunity for standardisation and automation for further efficiency.

Service Line	Summary of variability	Overall Variability assessment	Standard process defined *	Process automation *	Recent automation	Low usage, high effort processes
Accounts payable	• There is moderate variability with 3 of 6 processes showing some level of moderate to high customer level variability. It was highlighted that for MHC, HPCA and SVH that the variability for three processes was driven by the customers being on a separate ledger, resulting in manual workarounds. • Accounts payable invoice holds management requires a standard process to be defined. • 5/6 business processes are semi-automated or completely manual in nature, presenting an opportunity to streamline.	Moderate	5/6	5/6	✓ E-invoicing ✓ SARA ✓ Satori	N/A
Accounts receivable	• There is moderate variability with 16 of 28 processes showing some level of moderate to high customer level variability. It was highlighted that this was driven by requests for bespoke reporting, different award conditions (NSWA), SCW performing additional activities for customers and customers not utilising existing dashboards. • Salary and wage loan minimisation and Accounts receivable ad hoc reporting requires standard processes to be defined and implemented to support standardisation. • Cash receipting services are currently being transitioned to Financial Shared Services as part of the Cash Transformation initiative to centralise bank accounts and the payment portal, which presents an opportunity to encourage uptake of the new process. • 18 processes are automated or semi-automated with ongoing focus through the cash transformation program to introduce additional efficiencies.	Moderate	26/28	18/28	✓ Cash transformation – payment platform ✓ SARA	✓ Cash receipting ✓ Cash receipting (intra health notional receipting) ✓ Accounts receivable reporting to MoH
Visiting medical officer (VMO)	• This service line is only applicable to SCP/N Customers (excl eHealth and HS) and SVH. • Some minor variability was noted due to the transition on to SARA and manual issue of reports (SVH), however the process at SCP/N is significantly standardised.	Low	2/2	2/2	✓ SARA ✓ V-pro ✓ V-money	N/A
Tax services	• Some variability was highlighted driven by FBT being performed by another HS tax team (i.e. not EFSS). • There is opportunity for further expansion of EFSS Tax support as 16 HE's are currently not utilising Annual Tax and FBT support. • All processes have components of semi-automation however, further opportunities for automation are being investigated by the team.	Low	3/3	3/3	✓ Self-service FBT tool	✓ Annual tax ✓ Fringe benefits tax

Service Line variability insights – Financial Services (2/3)

FS line insights have been listed below with a summary of key insights on the level of variability, standardisation and automation. Overall, there is further opportunity for standardisation and automation for further efficiency.

Service Line	Summary of variability	Overall Variability assessment	Standard process defined *	Process automation *	Recent automation	Low usage, high effort processes
Financial accounting	• There is moderate variability with 12 of 15 processes showing some level of variability, particularly in SCW. It was highlighted that this was predominantly driven by Service Centres performing some manual authorisations, postings, manual reconciliations or additional quality assurance over processes. • A standard process should be defined and implemented for Balance sheet GL reconciliation and processing of journal entries to support standardisation. • 13 processes are semi-automated (e.g. the auto reconciliation tool, SARA, cash forecasting tool), however there is opportunity for further automation to gain significant efficiency when considering the large volume of financial accounting transactions. • Reconciliation of subsidies is not provided to SCP/N Customers despite there being Customer appetite. There's an opportunity for further expansion once a standard process is defined.	Moderate	13/15	13/15	✓ Auto reconciliation	✓ Reconciliation of Subsidies
Lease data hub	• No process variability across the two business processes within this service line. • The services provided under this service line are not utilised by MHC, HPCA and SVH with potential for incentivisation. • The processes are currently manual with potential for further efficiency through auto-reconciliation.	No variability	3/3	0/3	✓ Auto-reconciliation	N/A
Fixed assets	• The fixed asset addition and deletion process has some variability due to the additional QA performed by the EFSS teams. • One (of 2) processes is semi automated, however majority of the process is still manual, which provides an opportunity to further introduce data analysis tools.	Low	2/2	1/2	✓ More4apps	N/A
Procurement cards	• No process variability was noted across the two business processes within this service line. • All three processes are automated or semi-automated and are efficiently delivered.	No variability	3/3	3/3	✓ SARA ✓ Qlik sense dashboards	N/A
Masterfile management	• No process variability was noted across the two business processes within this service line. • Both processes are semi-automated and performed by a central team (excl Patient Transport Service).	No variability	2/2	2/2	None	N/A

Service Line variability insights – Financial Services (3/3)

FS line insights have been listed below with a summary of key insights on the level of variability, standardisation and automation. Overall, there is further opportunity for standardisation and automation for further efficiency.

Service Line	Summary of variability	Overall Variability assessment	Standard process defined *	Process automation *	Recent automation	Low usage, high effort processes
Purchasing	• Medium to high levels of variability were noted across all business processes. It was noted that this is mainly driven by SCW Customers not having self service reporting capability and some Customers following outdated processes. • It was noted that the procurement data analysis process is not performed for HE's and should be considered to be removed from the catalogue. • It was noted that there was also opportunity to further centralise two processes (goods returned authorities for purchased goods and General purchasing agreement localised (GPAL)) for SCW Customers (excl NSWA) through incentives given these processes are already taken up by SCN/P customers. • Three (of 5) processes have some level of automation	Moderate	4/5	3/5	None	✓ General purchasing agreement localised (GPAL) ✓ Goods returned authorities for purchased goods ✓ Procurement data analysis
Training Education Study Leave (TESL)	• Not currently utilised by any Customers however, there is potential to centralise components of TESL by introducing incentives and leveraging SARA for requesting.	N/A	N/A	N/A	N/A	N/A
Other Financial Services	• A standard process should be defined and implemented for seven processes (Ad hoc reporting, Advisory services, Data analytics (finance related), FSG amendment and creation, General ledger (GL) reports, attendance at monthly finance meetings). It is also proposed that sub-module systems testing be removed from the catalogue given it is not a function that shared services should be performing. • Where standard processes are defined, customer variability is driven by Customers who are not on the central ledger or on different employee contracts (NSWA). Certain Customers may also request bespoke analysis and calculations to be applied which increases the level of variability. • Majority of processes are manual with only 10 processes being semi-automated or automated. Some efficiencies have been gained through the cash transformation program e.g. auto reconciliation. • Five processes are not applicable to a majority of Customers but remain in the catalogue (Cost allocation reversal and correction, Other Treasury reporting, Patient billing reporting system (PBRC) interface to general ledger, Treasury online entry system (TOES) reporting, Treasury reporting PRIME + budget upload) so a decision must be made whether to retain the services or charge a premium in line with effort expended	Moderate	28/35	10/35	✓ Cash transformation program ✓ Auto reconciliation	✓ Interfund journal between general fund (GF) and special purpose and trust (SP&T) ✓ Attendance at board/finance/audit meetings ✓ Attendance of monthly finance meeting plus survey completion ✓ Sub module systems testing

EFSS Customers were engaged to understand their perspectives and views on the value of services delivered

A selection of Directors of Workforce (5 stakeholders) and Finance representatives including Directors of Finance (30 stakeholders) were engaged to provide feedback regarding EFSS services, including views on the relationship and customer engagement model, the services provided and suggestions on what could improve. The key takeaways from the two sessions are outlined below.

Common customer feedback

01 Transparency of Charge Back Model

- Lack of transparency around costing model and value of services provided to customers.
- Unclear end to end process governance, and limited understanding of who to consult to clarify services.

02 Service and Relationship Management

- A partnership approach between EFSS and HE's is required.
- Consistent customer relationship meetings could enhance transparency around service offering and develop more meaningful Customer relationships.

03 Operational Excellence

- Duplication of work between EFSS and customers is occurring due to a limited understanding around the services provided by EFSS.
- There is a need for formal agreements or service arrangements between EFSS and customers.

Directors of Workforce

"Historical aspect of HE doesn't know what EFSS does and vice versa"

"They need to remember that HE's are the customers "

Zero contact. Other shared services would reach out proactively"

"No real alignment of value for service. No transparency of what makes up the cost."

"Not clear who addresses E2E process/triage etc. Can be frustrating having to chase up."

Directors of Finance and finance representatives

"The reports sent by EFSS may be out-dated by the time it reaches the HE"

"Pricing model has to be clear, so we know how to reduce costs overall."

"Having something formal will help them in being fully aligned"

"No formal agreement or service engagement."

"Hard to suggest changes without knowing what you're paying for. "

"Need a service agreement"

Customers had a broad range of perspectives on the services considered 'high' value and those considered 'low' value

The Directors of Workforce and Finance representatives including Directors of Finance listed the below processes to our questions on what is of high or low value to them. They also listed duplicated processes and additional processes the Health Entities would benefit from in the future.

What services are considered 'high' value?	What services are considered 'low' value?	What services are duplicated across EFSS and HEs and why?	What additional services would you like EFSS to provide?
• Overpayment recovery • LSL and leave advice • Payroll • Salary packaging for small businesses • Accounts payable • Cash forecasting and reporting • Debtors management • Journal upload and posting • Financial accounting • Tax • Invoice matching • Reporting and insight generation	• Long service leave • Electronic leave • P Card summary • Debtors management • Fixed asset accounting • Fleet management • Some financial accounting (e.g. balance sheet reconciliations) • Complex reconciliations that require operational knowledge	• Balance sheet reconciliation • Lease accounting • Aged debt management and follow up • P Card reporting • Fixed asset reconciliation • Accounts payable **Why?** • Poor quality • Timing • Hard to understand EFSS outputs • Local context may be required • Lack of communication between teams performing duplicative activities • No insight/value add to reconciliations • Debtors not being followed up	• End to end financial accounting incl statutory reporting • Stocktake • Automated journals • Fixed asset reconciliations • Debtors management for all HE's • Lease accounting • Transactional billing • More reporting and analytics • Initial preparation of workers compensation and Insurance declaration

■ Considered as part of current state assessment
■ Not in scope for review

The leading practice Service Management Framework was considered in assessing how EFSS delivers services to customers

The elements of a leading practice Service Management Framework, as outlined below, were used as a baseline to compare EFSS' service delivery model against. The key elements highlighted in blue were assessed as part of the current state, the details of which are outlined over the page.

01 Governance and Relationship Management

| 1.1 Vision and Strategy | 1.2 Relationship Management | 1.3 Process Governance | 1.4 Quality Assurance | 1.5 Contract Management | 1.6 Charge Back Model | 1.7 Supplier Risk Management |

02 Service Management

- 2.1 Manage Incoming Work
- 2.2 Demand Management
- 2.3 Resource Management
- 2.4 SLA & Performance Management
- 2.5 User & Expectation Management
- 2.6 Change Management

03 Business Service Catalogue

Employee Services
- 3.1 Employee Data Management
- 3.2 Compensation and Benefits
- 3.3 'Other' Payroll Services

Financial Services
- 3.4 Accounts Payable
- 3.5 Accounts Receivable
- 3.6 Masterfile Management
- 3.7 Financial Accounting
- 3.8 Visiting Medical Officers (VMO)
- 3.9 Tax Services
- 3.11 Lease Data Hub
- 3.12 Fixed Assets
- 3.13 Purchasing
- 3.14 Procurement Cards
- 3.15 TESL
- 3.16 Other Financial Services

04 Operational Excellence
- 4.1 Quality Control
- 4.2 Continuous Improvement
- 4.3 Knowledge Management
- 4.4 Risk Control Framework

05 Service Planning
- 5.1 Service Change Strategy
- 5.2 Service Introduction
- 5.3 Service Ramp Down

06 Business Oversight and Ancillary Services

| 6.1 Finance | 6.2 HR | 6.3 Facility Management | 6.4 Business Continuity Planning & Management | 6.5 Security Management | 6.6 ICT Management |

Overall, there is significant opportunity to improve the relationship management, process governance and management of incoming work

Service Framework Element		Assessment	Recomm Ref
1.1 Vision and strategy	No EFSS strategy or alignment to HealthShare vision ⟶ Clearly embedded vision and strategy	EFSS has a clear vision and strategy in place which aligns to the broader HealthShare strategy. EFSS's vision is to reach an integrated/highly automated level of maturity with an end-to-end customer and people capability focus.	
1.2 Relationship management	Disparate and varied ⟶ Consistent, clear, single point of contact	The customer relationship model for EFSS is generally based on local, 1:1 relationships with Health Entity staff which has resulted in inconsistent levels of support, varied and siloed interactions, multiple points of access, varied service provision and acceptance of ad hoc work requests. Although Employee Services has established relationship owners, it is inconsistent across EFSS.	**4.1**
1.3 Process governance	Overlapping and unclear process level roles and responsibilities ⟶ Defined roles and responsibilities	There is currently unclear service line level governance, ownership and handoff across business processes which has resulted in limited accountability and inconsistencies in process execution across service centres. This service delivery approach has created duplication of effort across teams, inconsistencies in customer service and an inability to efficiently implement process improvements.	**2.1, 2.2**
1.6 Charge back model	Outdated and not aligned to the value and effort delivered ⟶ Current, accurate and aligned to value and effort	The current EFSS costing model is high level and outdated resulting in business processes not being appropriately charged or being performed at no cost. Recently introduced processes, efficiencies gained through automation and true effort expended in providing the services is also not yet incorporated as part of the charging, potentially resulting in inaccurate costing.	**1.4, 5.1, 5.2**
2.1 Manage incoming work	No management/ad hoc management of incoming work ⟶ All incoming work consistently triaged through consistent channel	Incoming work is currently accepted based on 1:1 relationships by Service Centre staff which has resulted in ad hoc work being accepted and deviation from the service catalogue. While there has been some automation introduced with SARA and e-forms, there is no single channel and triaging process to manage incoming work requests.	**3.1, 4.2**
2.2 Demand Management	No demand management and varied resource utilisation ⟶ Good forecasting of demand and allocation of resources	There is minimal demand predictions based on previous years' actuals. The current demand planning process only considers cost impacts to Health Entities and is not used to plan and forecast workloads and resources. This limits EFSS ability to effectively allocate resources where demand is increased and re-allocate resources to focus on strategic initiatives.	**3.2**
2.3 Resource Management	Overlapping roles and responsibilities or incorrect allocation of resources ⟶ Distinct roles and responsibilities and clear allocation of appropriately skilled resources	Work demand is currently not used to predict resource requirements. It is noted that EFSS has started to assess the increase in staff capacity resulting from the introduction of process automation in some areas (e.g. Sundry Debtors). However, there is further opportunity to consider how demand forecasts will influence the resourcing model.	**3.2**

In addition, opportunity exists to enhance the framework and approach to measuring performance to support continuous improvement

Service Framework Element		Assessment	Recomm Ref
2.4 SLA and Performance management	No goal based measures and reporting. No SLAs resulting in varied service expectation from Customers. → Clear measures aligned to HS goals with appropriate corrective actions. SLAs set clear client expectations.	Current performance measures are predominantly focused on internal, operational metrics (e.g. volume / time based targets) and are currently not routinely reported to customers. Further, trend and root cause analysis is not performed to assist continuous improvement. There is also limited reporting or clarity of customer facing metrics due to no specific customer level SLAs being in place.	6.1, 6.2, 6.3
2.5 User and expectation management	No consideration of Customer feedback and service improvement → Open communication and improvement through Customer feedback	There is inconsistent formal client relationship meetings for customers to provide feedback on service offerings. As a result, customers may provide feedback to Service Centres directly through varying channels. There is also no central collation and assessment of feedback to support ongoing continuous improvement.	4.1
3.0 Service catalogue	Outdated, and variable catalogue that supports transparency → Accurate and up to date catalogue	The service catalogue is out-dated with out-of-scope services being provided by Service Centres. Services may be provided in an ad hoc manner with Customers not having consistent visibility of the service offering. Further, the catalogue is not aligned to the charge back model, causing confusion amongst Customers due to the lack of transparency of costs charged.	1.1, 1.2, 1.4
4.2 Continuous improvement	No planning, implementation or monitoring of improvement initiatives → Customer-centric strategic planning and implementation of continuous improvement initiatives	It was noted that continuous improvement is more mature within the Employee Services space with an allocated strategic team aimed at supporting this, however efforts of this team may be hampered due to the lack of process ownership to identify and implement improvement opportunities.	1.5
4.3 Knowledge management	Knowledge is siloed, hard to access or limited → Systematic acquiring, creating, sharing of knowledge and using insights to enable efficient service delivery	Documented process knowledge management is limited and outdated. Generally, process knowledge is limited to the Service centre or siloed within certain teams or individuals which has resulted in many processes not following a consistent process end to end.	1.3
4.4 Risk control framework	Lack of understanding of key process controls and risk management → Controls are understood, identified and monitored to enable effective risk management	Although control manuals are in place across key EFSS processes, they are outdated and do not consider end to end business processes or the process risks that may be present that require effective control.	2.3
5.0 Service planning	No service planning, leading to unplanned change impact. → Phased, effective service introduction or service ramp-down supported through appropriate impact assessments.	New services are currently not implemented in a structured, well documented way and there is no clear process for introducing or removing services from the service offering. Although new process changes are triaged through the Ideation Committee, there is further opportunity to formalise the process for introducing and 'ramping down' services.	1.1, 1.2, 1.6

Section 2

Future State Service Delivery Model

DM2: Recommendations on best practice delivery model, including roles and responsibilities within teams and opportunities for optimal service provision across all services

HealthShare NSW

Leading practice was considered to develop a target state for EFSS's service delivery model

The approach below highlights the stages of work undertaken to design the recommendations and key characteristics of the EFSS service delivery model.

01 Leadership Workshop	02 Leading Practice and Recommendation Development	03 Implementation Plan

A workshop was held with EFSS leadership, key Employee and Financial services SMEs and Change Manager to discuss **leading practice** and the priorities and drivers for EFSS's target state.

The workshop was structured around **design principles relating to the leading practice Service Management Framework** and aimed to obtain agreement around the scope of services, roles and responsibilities, governance structures, service delivery across multiple service centres and performance management.

The current state assessment was also discussed to determine appetite for standardisation of processes.

The leading practice Service Management Framework was used to **develop a set of recommendations** with a view of EFSS's current state and ambitions for the future.

The recommendations aim to bring **considerable standardisation** in the short term with the introduction of new processes scheduled for the long term. Additionally, the holistic service delivery model was considered to introduce **uplift to incoming work and query management, relationship model, charge back, process governance and performance management.**

Refer to Section 3 for details on the recommendations.

The recommendations were prioritised over a **short** (0 to 6 months), **medium** (7 to 18 months) **and long term** (18 months +) **implementation plan**.

It is acknowledged that EFSS have already commenced some of these recommendations and will iteratively achieve the target state over the next few years.

Refer to Section 3 for details on the recommendations and implementation plan.

EFSS's Leadership were engaged to determine the current level of maturity and target state in line with comparators

The maturity of EFSS was considered against other shared service organisations and is currently considered a 'scaled' organisation. It is EFSS's vision to reach an 'integrated' target state with coordinated processes, mature automation, holistic governance and Customer driven service offering .

Level 01

Level 02

Level 03

Current State

Level 04

Target State

Level 05

Fragmented	Sub-scaled	Scaled	Integrated	Strategic
— Decentralised service delivery model	— Consolidated delivery model	— Multiple function service delivery model that operates in siloes	— Enterprise wide multi-functional transactional and specialist business service model	— Multi-functional, multi-channel business service delivery synced end to end
— Duplicative functions, processes, and technology	— Leverage economies of scale for highly transactional services	— Variation around the inclusion and level of processes, technology, and governance standardization	— Coordinated processes, technology, governance, and multi-channel delivery for scale and adaptability	— Provides transactional, expert, and analytic services
— Little central control and governance over business support services	— Shared services typically on a single-function, regional basis			— Managed through integrated, outcome-oriented governance

A workshop was held to agree the target state design principles across four key areas. Insights from the workshop are outlined below

"Prioritise standardisation of existing services, then introduce brand new services in the longer term"

"All changes needs to be accompanied by an enhanced control framework"

"Before moving into the strategic state, consider transition to an interim operating model"

"The functional owners of KPIs will carry out trend analysis, root cause analysis, and provide strategic guidance of ongoing improvement"

"Becoming less reliant on service centres and become more functionally based"

"There should be SLAs documented for health entities that needs assistance outside the scope of the regular service catalogue"

"Collaborate with the BAR team and corporate finance to update the costing model"

"At the EFSS level, monitoring needs to be done holistically"

"Understand our customer needs, aiming for better practice technology advancements, process elimination/standardisation/ improvement, automation and capability growth"

"The existing relationship model is flawed. A great opportunity exists to strategically integrate with customers better"

"Charging is updated to ensure advisory support services are charged appropriately"

"Roles and responsibilities are clearly defined to coordinate upcoming requests"

"Accountability for meeting KPIs will be held at the tier 3/4 level"

"Re-assess KPIs to ensure they are in line with strategy and profit targets"

"Interact with our two customer types (strategic vs operational) differently"

Legend: Scope of services   Roles and responsibilities   Service delivery model   Performance Measurement

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28

Key design questions were considered to agree on the characteristics of the target state across four areas

Four key themes were discussed with EFSS Leadership and key SME's to obtain agreement on the target state.

1. Scope of services offered to customers

Agreed position

Recomm ref

- In the next 3 years - should EFSS focus on getting the current service catalogue standardised or introduce new services also?
- How should the scope of services change in the medium (5 years) and long term (7 years)?
- Should EFSS formalise the advisory and reporting services provided to Customers?
- How will in-flight strategic considerations/initiatives impact the scope of services?
- Do staff have the capacity and capability to manage the formalisation of value add tasks across all Health Entities? If not what challenges do you perceive?

- Standardise in the next 3 years with new services introduced in the long term.
- All 'value add' services must be formalised e.g. advisory and charged in line with the effort expended. Staff must be continuously upskilled if they are to be less transactional with EFSS's maturity.
- Further automation and analytics to be introduced over 5 years with a shift towards self-service reporting to Customers. This must be documented, charged and provided to all Customers consistently.
- Over 7 years, EFSS' growth and transformation will be supported by shifting skillsets from transactional to SME-type roles.
- Scope of transformational programs must be controlled with dedicated teams for delivery to minimise impact to BAU.

1, 5

2. Roles and responsibilities and governance structures within EFSS teams

- How should E2E process ownership and governance look like?
  - Level at which process should be owned
  - Who should own the processes?
  - How should oversight be provided? Incl. reporting required
- What are the roles and responsibilities for management of:
  - Performance
  - Costing model
  - Process management including optimisation
  - Customer Relationship
  - External relationships

- Intent is to achieve functional process ownership. A delegated owner (HM4) is required for knowledge management and process oversight.
- Roles and responsibilities for management of:
  - o Performance – Accountability with process owner, monitoring through dashboards across whole of EFSS.
  - o Costing model – EFSS in partnership with Corporate Finance and BAR
  - o Process management including optimisation – Process Owners and Continuous Improvement teams
  - o Customer Relationship – Relationship Managers
  - o External relationships – Further work must be done to streamline Accounts Receivable external relationships

2, 4

Key design questions were considered to agree on the characteristics of the target state across four areas

Four key themes were discussed with EFSS Leadership and key SME's to obtain agreement on the target state.

3. Service delivery model across Service Centre locations

Agreed position

Recomm ref

- What should the relationship between SCP/SCN and SCW look like?
- What is the view around the level of direct interaction between EFSS and Customers?
- How can we improve communication structures with Customers (E.g.: EFSS representative as single point of contact)
- How can we ensure that processes are supported by a single team agnostic of location? (i.e. no siloes)
- With the intent to have E2E process ownership, what level of change impact do you anticipate for EFSS?
- What is intent for Customer request demand management?

- The service centres must work as one functional team to limit duplications and siloed ways of working
- EFSS will work directly with strategic Customers (e.g. Directors of Workforce/Finance).
- There must be a strategic review of other Customer relationships with EFSS to stop direct interaction with Service Centre staff. Customers should leverage Customer Service Teams for query triaging and re-direction.
- The process owner will be accountable for ensuring teams are functional based through good governance and knowledge sharing.
- There will be significant structural change and people impact
- Request management has historically been very ad hoc. Customer requests must be assessed for value, criticality and priority to determine if BAU can fulfil it.
- Learnings must be taken for continuous improvement.

2, 3, 4

4. SLA and performance management framework

- What is the intent around measuring EFSS performance against KPIs?
- How can internal KPIs be shared with Customers for better transparency?
- Is there an intent to introduce SLAs for Customers?

- KPIs should be re-assessed to ensure alignment to strategy and profit targets.
- KPIs will be owned by the functional owners who will perform root cause analysis, trend analysis and provide strategic direction for continuous improvement.
- Accountability for meeting KPIs will be help at the tier 3/4 level.
- SLAs should be written for Health Entities who require support outside of the standard service catalogue. This must be agreed with the HE with any deviation charged at a premium price.
- Ensure there is clear visibility of EFSS performance to KPIs to instil confidence in the costing.

6

Section 3

Implementation Plan

DM3: Development of pricing models, including incentives and disincentives for optimised service delivery

DM4: Implementation and roll out plan for internal EFSS teams and for customers

HealthShare NSW

18 recommendations have been developed for EFSS to consider in uplifting the service delivery model

Outlined below are six key recommendations to support EFSS in improving the level of standardisation of services and value provided to customers. These recommendations align to the elements of a leading practice Service Management Framework for shared services and have been considered for implementation across an 18 month period so the benefits can be realised.

	Horizon 1 - Short Term (0-6 months)	Horizon 2 - Medium Term (7-18 months)	Horizon 3 - Long Term (18+ months)
1. Formalise the Service Catalogue	**1.1** Formalise informal business processes and update the catalogue to show true utilisation **1.2** Review low usage, high effort services, and consider whether they should remain as part of the current service catalogue **1.3** Design a standard process for processes with no standard process	**1.4** Introduce disincentives for identified processes to encourage customers to follow a consistent process **1.5** Introduce incentives for identified processes and customers to encourage uptake of standard process	**1.6** Introduce new business processes to be included in the service catalogue
2. Revise the service delivery model	**2.1** Establish dedicated process owners for all service lines with clear roles and responsibilities and associated KPIs **2.3** Revise EFSS's governance and control framework across all service lines	**2.2** Revise the service delivery model to assign a single EFSS team to manage end to end service provision	
3. Uplift the service management approach	**3.1** Establish a process for triaging incoming work through a centralised process	**3.2** Improve the demand management model and resource allocation	
4. Improve the customer relationship model	**4.1** Define a new relationship model with a dedicated Relationship Manager assigned to a cohort of Health Entities	**4.2** Leverage existing Customer Service Team for Tier 1 Customer Query management	
5. Update the charge back framework		**5.1** Revise the current charge back model to improve transparency and traceability of cost	**5.2** Implement a new charge back model to Customers in a phased manner
6. Develop an enhanced performance framework	**6.1** Develop an updated performance management framework	**6.2** Establish key internal metrics to drive and monitor workforce performance	**6.3** Enhance customer facing KPIs with input from Customer base

1. Formalise the Service Catalogue (1/2)

Service Catalogue Formalisation

Target State
- Formalised and updated service catalogue with an agreed set of high value business processes which are offered to all EFSS customers.
- Standard process taxonomies are in place to support consistency in service delivery.

Benefits
- Driving standardisation is critical for the successful delivery of services and to track the actual service outcomes and standards, which in turn drives customer satisfaction.
- Customer satisfaction is increased leading from a simplified, accurate service catalogue ensuring all Health Entities receive the same / similar support.

Current State description
- 64% of business processes were highlighted as having either medium or high levels of process variability across customers, with the key drivers identified as relating to customer behaviour, standardising the process for managing requests in and the inconsistent customer relationship model. Additionally, several processes were identified to be provided to customers outside the current service catalogue and potentially at no cost.

1.1 Formalise informal business processes and update the catalogue to show true utilisation
This should include:
- Formalising business processes which are not currently captured in the service catalogue.
- Consolidating and simplifying the 137 Financial Services business processes to a more consolidated level that supports charging.
- Introducing a formalised cyclical review process for reviewing the catalogue, including service usage, demand and revenue generation to identify services that may require introduction or removal.
- Updating the service catalogue following changes recommended as part of this report.
- Introducing an approach to onboard new services.

1.2 Review low usage, high effort services, and consider whether they should remain as part of the current service catalogue

A decision is required as to whether these business processes should remain as part of the current service catalogue. If the services are to remain within the scope of services, the following is recommended:
- Charge a premium cost for services which have low uptake and require high effort and specialist skills in line with the effort expended.
- Incentivise services which apply to the majority of customers (e.g. recruitment services) to encourage uptake
- Expand the suite of services offered under the business process.
Refer Appendix B for further detail on the processes requiring incentivisation / disincentives.

1.3 Design a standard processes for processes with no standard process
It s recommended that the business processes identified are formalised through the following:
- Formalise the process for receiving requests in, including making the channels of requesting consistent, introducing a triaging process, introducing a single point of interaction for requests in and revising the current relationship model to ensure direct interaction between service centre staff and customers is limited.
- Develop and implement a consistent end to end process where there is variability in how the process is executed, including allocation of process ownership.
- Expand the current suite of services offered under identified business processes to support more consistent charging of services.

Implementation: **H1 - Short Term**	Implementation: **H1 - Short Term**	Implementation: **H1 - Short Term**

Effort of implementation   *1: Low – 5: High*

2

Rationale

Cost investments required are likely to be limited with the main investment required being resource-related in developing standard processes.

Recommendation dependencies
- 1.4 & 1.5 disincentives / incentives
- 3.1 Incoming work management
- 4.1 Relationship model

Measures of success
- Decreased level of variability across customers
- Increased efficiency and decreased cost to serve
- Customer satisfaction

1. Formalise the Service Catalogue (2/2)

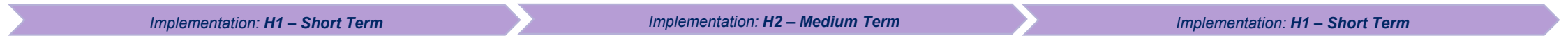## Service Catalogue Formalisation

Target State
- Customers are incentivised or disincentivised to follow a standardised process
- Any Customers who diverge from the standard are required to pay a premium which encapsulates the additional effort and skill required by EFSS to perform the activity.
- All Customers consistently utilise the processes offered through appropriate incentivisation.

Benefits
- Driving standardisation is critical for the successful delivery of services and to track the actual service outcomes and standards, which in turn drives customer satisfaction.
- Drives expected behaviour and outcomes, (e.g. premiums are charged for ad-hoc requests or services that drive incorrect behaviours, e.g. urgent payments)

Current State description
- Some business processes are being used by only a portion of Customers. This reduces the extent of scale benefits which can be achieved through complete centralisation of these processes.
- HS EFSS is currently undergoing significant process automation, however some Customers are hesitant to rely on EFSS support despite the increase in efficiency.

1.4 Introduce disincentives for identified processes to encourage customers to follow a consistent process
The EFSS charge back model should be expanded to include the following disincentives and incentives:
- Mandate certain processes to support consistency (e.g. the use of e-forms and the implementation of a standard request in process). This should be enforced over a three to six month period to support adoption.
- Where the variability is driven by system limitations within the NSW Health System a decision must be made whether to continue servicing the Customers on legacy systems or charge a premium.
- Where the process variability is driven by customer behaviour, thresholds should be defined and if the customer requests work over those limits, a premium cost should be charged (e.g. adjustments, overpayment recovery etc)

1.5 Introduce incentives for identified processes and customers to encourage uptake of standard process

For processes that have not been taken up by a majority of customers, EFSS should introduce incentives to support uptake and increase standardisation and efficiency. This should include:
- Introducing a discount structure for services that are fully automated to support customer uptake and drive increased efficiency of service delivery.
- Reducing the cost charged for services introduced as part of cash transformation.
- Educating customers on the cost benefits, speed of turn around and capacity benefits of centralising services to EFSS.

1.6 Introduce new business processes to be included in the service catalogue
It is recommended that EFSS consider expanding the scope of services once a level of process standardisation is achieved across the core catalogue. This should consider:
- The new team capabilities and resources that will be required to support these services.
- The value and feasibility of introducing/centralising the processes to EFSS.
- MoH and HealthShare NSW appetite for new services.
- System requirements for introducing the services efficiently.
Following this, a standard process should be developed for implementing the new services in a phased manner with concurrent update to the charge back model.
Refer Appendix B for further details on the processes to consider in expanding the scope of services.

Implementation: *H2 - Medium Term*	Implementation: *H2 – Medium Term*	Implementation: *H3 – Long Term*

Effort of implementation
1: Low – 5: High

4

Rationale

Intended change management required to implement incentives, disincentives and new business processes will be significant due to the dependency on the cost model.

Recommendation dependencies
- 1.1 Formalise the catalogue
- 3.1 Incoming work management
- 5.1 & 5.2 Cost model

Measures of success
- Increased accuracy in revenue capture
- Increased uptake of EFSS's processes by Customers

2. Revise the service delivery model

Process governance and ownership

Target State
- Process owners are established to strengthen 'end-to-end' service accountability, risk management and continuous improvement.
- NSW Health Entities receive consistent, high quality service regardless of the service centre staff / location servicing them.

Benefits
- Ensures greater consistency in delivery of services and enables identification of automation opportunities.
- Accountability of the services delivered is with a single person who has accountability to drive continuous improvement outcomes.

Current State description
- There is limited end to end process ownership across EFSS' core services with >73% of services currently being delivered by multiple service centres. This service delivery approach has created duplication of effort across teams, inconsistencies in customer service, lack of risk management and an inability to efficiently implement process improvements.

2.1 Establish dedicated process owners for all service lines with clear roles and responsibilities and associated KPIs.
This should include:
- Delineating and clarifying roles and responsibilities across the process areas to minimise duplicative activity across teams.
- In line with leading practice, process owners should be responsible for driving continuous improvement, supporting relationship managers with process / customer reporting and be ultimately accountable for meeting process performance metrics.
- Allocating process owners as key decision makers for the acceptance and prioritisation of incoming work, along with demand and resource management required.
- Allocate responsibility for embedding strong process, control and governance disciplines to support risk management.

2.2 Revise the service delivery model to assign a single EFSS team to manage end to end service provision

In line with the EFSS hybrid working strategy, evaluate the potential for consolidation / co-location of duplicative service line teams to drive scale benefits. This should aim to:
- Deliver as much of an end to end process from a single team to support increased clarity and consistency of service being provided from each service centre location and to increase the ability to track effort expended on service delivery.
- Have teams service processes rather than deliver to discrete customer groups.

2.3 Revise EFSS's governance and control framework across all service lines.

Following the introduction of service line process ownership, standardised processes, and formalisation of additional processes, EFSS' control framework should be revised across all service lines, including:
- Identifying all applicable process risks.
- Performing an assessment over value of existing controls and introducing new system and manual controls as required.
- Assessing how satori is leveraged for continuous control monitoring.
This will help ensure that the significant change that EFSS is undergoing is supported by an appropriate risk and control framework that enables risk management and mitigation.

Implementation: *H1 – Short Term* | Implementation: *H2 – Medium Term* | Implementation: *H1 – Short Term*

Effort of implementation   *1: Low – 5: High*

Rationale

4

Intended change management required to implement a revised service delivery model may result in changes in reporting lines, operating models and people structures.

Recommendation dependencies
- 3.1 Incoming work management
- 4.1 customer relationship model
- 6.1 & 6.2 performance measurement

Measures of success
- Reduced process risk
- Reduction in duplication and siloed working

3. Uplift the service management approach

Incoming work and demand management

Target State
- Incoming requests and demand is managed consistently
- A demand management approach allows EFSS to develop a forward-looking view of Customer demand, enabling further planning and analysis on the required capacity and skill.
- Following this, all incoming work requests from HE's is triaged through a single channel based on value and urgency.

Benefits
- Services are triaged in a consistent manner ensuring that the most appropriate team focus on client requests reducing the turnaround time to deliver the services.
- Planning for demand ensures that EFSS has the appropriate resources to deliver on client requirements.

Current State description
- Customers currently have the ability to make ad-hoc requests through various channels resulting in inconsistency in the way requests are prioritised, allocated and responded to and limiting the effectiveness of EFSS' demand and resource management processes.

3.1 Establish a process for triaging incoming work through a centralised process
This should include:
- Leveraging existing technology and automated processes (e.g. e-forms) to support the consistent capture of requests in.
- Establishing a dedicated team responsible for triaging and assessing initial requests / queries and allocating them to the dedicated process and service line owners for action.

This process should be introduced in a phased process across a three to six month period as follows:
- Month 1: Accept incoming work in line with current practice.
- Month 2: Accept all request via the various input channels and correspond with the respective customers that only the specific channels will be accepted to for requests moving forward.
- Month 3: Only accept requests that come through the approved channels.
Ensure there is appropriate governance and decision making to determine the premium charging and value of HS provisioning of service. If there is insufficient value, the Customer request should be rejected or a premium charged in line with the charging model.

3.2 Improve the demand management model and resource allocation
This should include:
- Periodically performing a service demand analysis to determine expected workload and optimal resource allocation based on allocated fixed/variable cost and time and effort for the service line team.
- Conducting quarterly customer relationship meetings to receive feedback on customer satisfaction and areas to improve services. This will allow for the collation of management information on Customer demand to inform future opportunities for growth and innovation.
- In areas of lower forecast demand, staff should be re-allocated and capability uplifting to support new service areas or new roles (e.g. relationship managers).
- Assessing the impact of recent transformational work on current processes and resources to ensure efficiency gains flow through to the resource model.

Implementation: **H1 – Short Term** | Implementation: **H2 – Medium Term**

Effort of implementation
1: Low – 5: High

5

Rationale

The implementation of a streamlined 'request in' process will require significant change management due to the current embedded relationship between Health Entities and Service Centre staff. This will also require cost investment

Recommendation dependencies
- 2.1 & 2.2 process governance
- 4.1 & 4.2 customer relationship model
- 5.1 change back model

Measures of success
- Rates of acceptance of ad hoc work requests outside triage process
- Accurate prediction of upcoming workloads and resourcing requirements

4. Improve the customer relationship model

Customer relationship management

Target State
- The customer relationship model is optimised to support enhanced service delivery
- Customer engagement is elevated and formalised, allowing for increased customer satisfaction.
- There are dedicated relationship managers in place responsible for overseeing the services provided to customers, including performance and cost management.

Benefits
- Customers will still have a single point of contact, however the focus is on understanding the client's requirements, driving continuous improvement and ensuring the customer is considered in HealthShare's internal planning and decisions.
- Ensures qualitative customer feedback is considered in the way HealthShare performs.

Current State description
- The current customer engagement model is relationship based and allows customers to have direct, 1:1 engagement with service centre staff via a number of communication channels, impacting the delivery of standard services and the ability to effectively triage and prioritise requests.

4.1 Define a new relationship model with a dedicated Relationship Manager assigned to a cohort of Health Entities.

This should include defining responsibilities for the Relationship Manager to hold accountability for the following:
- Acting as a business engagement partner to their allocated Customer base.
- Communicating with Customers at periodic Customer Relationship Meetings.
- Responding to feedback and supporting the identification of continuous improvement opportunities in collaboration with process owners.
- Agreeing the scope of services to be delivered to customers
- Facilitating the discussion and reporting of customer focused KPIs to support improved customer engagement and transparency of performance.

4.2 Leverage existing Customer Service Team for Tier 1 Customer query management.

In line with the work being delivered to consolidate customer contact centre activities across HealthShare, EFSS should work with the Customer Experience team to determine which customer queries can be managed and resolved by the central team to limit the touch point with Service Centre staff for level 1 query support.

EFSS process owners should be responsible for managing and actioning Level 2 queries which are process specific.

This recommendation should be addressed in parallel with the establishment of a process for managing incoming work.

Implementation: **H1 – Short Term**

Implementation: **H2 – Medium Term**

Effort of implementation
1: Low – 5: High

4

Rationale

The implementation of a dedicated customer relationship managers will require significant change management due to the current embedded relationship between Health Entities and Service Centre staff.

Recommendation dependencies
- 3.1 Incoming work management
- 6.1 & 6.2 performance measurement
- 2.2 process governance

Measures of success
- Customer satisfaction
- Increased staff capacity

5. Update the charge back framework

$ Charging model

Target State
- Customers are charged transparently and there is traceability to the service delivered
- Services are appropriately charged based on the value provided with disincentives and incentives included to support standardisation of processes across the catalogue.

Benefits
- Increases transparency of services provided.
- Drives expected behaviour and outcomes, (e.g. premiums are charged for ad-hoc requests or services that drive incorrect behaviours, e.g. urgent payments)

Current State description
- The charge back model is high level and does not align to the service catalogue, which limits the ability to effectively charge for services and results in the provision of services at no cost. Customers also noted that greater transparency of cost would significantly improve their ability to identify services / processes where increased focus may be required.

5.1 Revise the current charge back model to improve transparency and traceability of cost

Update the costing model to align to the service catalogue. This should include:
- Ensuring there is clarity of pricing for all service lines to support transparent cost reporting to customers.
- Capturing the true cost of service across business processes and service lines.
- Defining appropriate incentives structures to encourage uptake of processes.
- Defining disincentives and premium charging models based on certain thresholds of processes , ad hoc and urgent processes.
- Ensuring charging is aligned with the volume, value and effort required in delivering the service.

5.2 Implement new charge back model to Customers in a phased manner

This should include:
- Estimating the potential cost impact based on the updated charging model to individual Customers based on demand.
- Updating system taxonomies and logic to align to updated charge back model.
- Communicating future financial impact and rationale with DoFs and Chief Executives.
- Updating reporting and Customer facing KPIs to improve transparency.
- Roll-out changes in a phased manner to minimise financial risk to the NSW Health System.

Implementation: **H2 – Medium Term**　　　　　　Implementation: **H3 – Long Term**

Effort of implementation　　　　*1: Low – 5: High*

Rationale

3　Cost investments required are likely to be marginal with the main investment required being resource-related to support the updates and implement and communicate the changes.

Recommendation dependencies
- 1.1 Formalisation of catalogue
- 1.4 & 1.5 incentives and disincentives
- 3.1 & 3.2 Incoming / demand management

Measures of success
- Customer satisfaction driven by improved accuracy and visibility of charging
- Increased accuracy in revenue capture

6. Develop an enhanced performance framework

Performance management framework

Target State
- Service delivery is measured and monitored to improve transparency of service provision and value to customers.
- Performance measurement supports continuous improvement and strengthens Customer trust through improved transparency.
- Metrics are aligned to wider HS strategy providing the workforce with clarity in how their roles and responsibilities drive the wider agenda.

Benefits
- Service outcomes are articulated in KPIs / SLAs and customers understand what the commitments are
- Non achievement of KPIs / Service Level guidelines can be monitored and tracked which will drive continuous improvement

Current State description
- Current performance measures are predominantly focused on internal, operational metrics (e.g. volume / time based targets) and are currently not routinely reported to customers to support improvement.

6.1 Develop an updated performance management framework

This should include:
- Defining and developing relevant KPI's to drive short, medium, long term service line performance.
- Consider implementing a service memorandum that details the scope of service provided to certain customers who require additional, bespoke support (e.g. MoH, NSW Ambulance, HPCA, MHC and St Vincent's.).

6.2 Establish key internal metrics to monitor and measure internal performance and to drive continuous improvement

This may include the following:
- Workforce efficiency measured through service within SLAs.
- Capability uplift measured through training completion rates.
- Volume of positive/negative Customer feedback per quarter.
- % of re-work required due to EFSS driven causes.
- Alignment to service catalogue measured through incoming revenue alignment to demand analysis prediction.
- Compliance with policies
- Trend analysis of volume and effort measures.

Responsibility for overseeing the performance of these metrics should reside with the process owner with accountability for meeting metrics residing with team Managers.

6.3 Enhance Customer facing KPIs to support transparent performance reporting

This may include:
- Transaction volume.
- Time to serve.
- % of urgent payments vs normal payments with an aim to follow normal turnaround times.
- % volume of service within payment terms.
- Speed of ad hoc work request triaging/response.

With increasing maturity, Customer specific KPIs should also be developed and shared through Customer Relationship Meetings, including:
- Customer driven impacts on KPIs (e.g. PO reference not provided)
- Customer specific reporting for routine ad hoc requests.
- Improvement trends.

| Implementation: *H1 – Short Term* | Implementation: *H2 – Medium Term* | Implementation: *H2 – Medium Term* |

Effort of implementation
1: Low – 5: High

3

Rationale
The implementation of a revised performance framework will require resource related effort to develop the metrics and potentially significant initial data reporting and analytics effort to develop the performance dashboards.

Recommendation dependencies
- 2.1 process governance
- 4.1 & 5.2 customer relationship model

Measures of success
- Customer satisfaction driven by improved visibility of performance outcomes
- Improved accountability and cost to service within EFSS

Appendix A
Stakeholder engagement

HealthShare NSW

A. Stakeholders Engagement (1/3)

Leadership engagement		
Baselining and prioritisation (14th July 2022)	Employee and Financial Services	Peter Stralow
	Employee Services	Michael Tjiputra
	Financial Services	Clinton Green
	Employee Services	Beth Harrison
	Financial Services	Laura Collins
	Employee Services	Katrina Harkins
Future-State Leadership Workshop (26th August 2022)	Employee and Financial Services	Peter Stralow
	Employee Services	Michael Tjiputra
	Financial Services	Clinton Green
	Employee Services	Beth Harrison
	Change management	Angela Hudson

Process Walkthroughs / Heat Map – Employee Services	
Service Line	**Service Centre Stakeholders**
Other payroll services (25th July 2022)	Beth Harrison
	Katrina Harkins
	Kate Cardew
	Susy Unggul
Employee data management (25th July 2022)	Michael Tjiputra
	Katrina Harkins
	Glen Wilson
	Jesen Dsilva
	Susy Unggul
	Stacey Taylor
	Abbey Patrick
Compensation and Benefits (5th August)	Kate Cardew
	Katrina Harkins
	Susy Unggul
Compensation and Benefits (8th August)	Rakesh Shah
	Smita Hirani
	Kate Cardew
	Susy Unggul
	Katrina Harkin
	Tabassum Chow
	Danica Cosme

A. Stakeholders Engagement (2/3)

Process Walkthroughs / Heat Map – Financial Services	
Service Line	**Service Centre Stakeholders**
Masterfile Management (26th July 2022)	Emma Munns
Lease data hub (27th July 2022)	Grant Parr
	Siva Sivayogam
	Bakee Kandasamy
Financial Accounting (28th July 2022)	Emilia Muraro
	Gigi Duran
	Nirmala Gnanasundaram
	Rudy Tiaman
	Maila Benitez
	Janaka Chandrasekera
	Laura Collins
Procurement Cards (28th July 2022)	Raquel Mcmahon
	Carol Rickard
	Laura Collins
Accounts Receivable (29th July 2022)	Kerrieanne Kealy
	Danica Cosme
	Nikki Sheen
	Melissa Wareham
	Laura Collins
Accounts Receivable (11th August)	Kerrieanne Kealy
	Danica Cosme
Training Education Study Leave (TESL) (2nd August 2022)	Laura Collins

Process Walkthroughs / Heat Map – Financial Services	
Service Line	**Service Centre Stakeholders**
Tax Services (27th July 2022)	Neils Manio
Accounts Payable (29th July 2022)	Anne Eltakchi
	Steven Muraro
	Rachael Caldwell
Accounts Payable 2nd August 2022	Sindy Chou Hsin
Fixed Assets (1st August 2022)	Siva Sivayogam
	Emilia Muraro
	Marietta Villarey
	Nirmala Gnanasundaram
	Gigi Duran
Other Financial Services (1st August 2022)	Laura Collins
	Rudy Tiaman
	Nirmala Gnanasundara
	Gigi Duran
	Emilia Mararo
Visiting Medical Officers (VMO) (4th August 2022)	Jane Slater
	Alice Hawkins
Purchasing (10th August 2022)	Grant Oliver
Purchasing (15th August 2022)	Dharmesh Raval
Additional Support for Customers (17th August 2022)	Gigi Duran

A. Stakeholders Engagement (3/3)

Directors of Workforce	
District / Organisation	**Stakeholders**
South Western Sydney Local Health District	Larissa Selch
South Eastern Sydney Local Health District	Kelly Crawford
South Eastern Sydney Local Health District	Fiona Fahey - Director people and culture
Hunter New England	Kim Nguyen
Far West	David Green -Director
Justice an Forensic Health Network	Tracy-Lee Varga

Directors of Finance	
District / Organisation	**Stakeholders**
8th Sept 2022	All Directors of Finance

Appendix B
Business Process Detail

B. Business Process Detail (1/3)

Processes not utilised by majority

	Service Line	Customers not utilising services
1	AR – Cash receipting	All HE's excl eHealth and HS
2	FA - Reconciliation of subsidies	Not utilised by all SCP/N HE's, NSWA, MoH, MHC, HPCA, SVH
3	Recruitment services	All HEs
4	Employee data management - Recruitment operations	HI, HSSG, BHI, CEC, CI, ACI, MoH, MHC, HPCA
5	Employee support payment scheme (ESPS)	All HE's excluding NSWA
6	Staff specialist increment elevation	All HE's excluding NSWA
7	Leave verification reconciliation	All SCP/N HE's
8	Other payroll - Recognition of prior service	CHLDN, PATH, eHealth, HS, JH, SLHD, WSLHD, NBMLHD, WSNSW, FWLHD, SWLHD, ISLHD, MLHD, SOLHD, NSLHD, CCLHD, HNE LHD, SVH
9	Other FS - Interfund journal between general fund (GF) and special purpose and trust (SP&T)	CHLDN, eHealth, HS, JH, SLHD, WSLHD, NBMLHD, WSNSW, FWLHD, SWLHD, MLHD, SOLHD, AWH, HI, HSSG, NSWA, BHI, CEC, CI, MoH, MHC, HPCA, SVH
10	Annual Tax	All HEs, NSWA, HPCA, SVHA (excl NBMLHD, eHealth, HealthShare, CCLHD and remaining SCW customers)
11	Fringe Benefits Tax (FBT)	As above except HPCA
12	TESL - Training education study leave	All
13	Purchasing - Goods returned authorities for purchased goods	FW LHD, All SCW HE's excl NSWA
14	Purchasing - General purchasing agreement localised (GPAL)	All SCW HE's excluding NSWA
15	Procurement data analysis	All customers

Suggested new processes

Sustainability / ESG reporting	Workforce planning
Budgeting	Return to work and exit administration
Business case support	Performance / talent administration
Internal controls management	Labour relations services
Stocktake	Tax advice
Debtors management	Contract compliance / contract management
Patient Billing	Legal and regulatory support
Talent acquisition	Marketing and promotional support
Workers compensation support	Fleet management
Workforce advice (awards, restructures, turnover)	Facilities maintenance/management (e.g. Security services)
Learning & Development - Training and capability uplift	Transformation resourcing support (e.g. PM support)
Manage reward and recognition programs	Insight generation and strategic advice, including data analytics
Organisation design, workforce, talent and succession planning	Process mapping
Change and knowledge management services	Policies and procedure development

B. Business Process Detail (2/3)

High effort and low usage (i.e. <10 Customers)	Processes not captured in service catalogue	Processes with no standard process
1. Recruitment services 2. Employee support payment scheme (ESPS) 3. Staff specialist increment elevation 4. Leave verification reconciliation 5. Recognition of prior service 6. Oracle time and labour administration 7. Subpoena and Litigation 8. Cash Receipting 9. Reconciliation of Subsidies 10. Interfund journal between general fund (GF) and special purpose and trust (SP&T) 11. General purchasing agreement localised (GPAL) 12. Goods returned authorities for purchased goods 13. Annual tax 14. Procurement data analysis 15. Cash receipting (intra health notional receipting) 16. Accounts receivable reporting to MoH 17. Attendance at board/finance/audit meetings 18. Attendance of monthly finance meeting plus survey completion 19. Sub module systems testing	1. Pharmacy holds processing 2. ARC (Audit and Risk Committee) payroll 3. MoH specific tasks 4. Accounts receivable - Patient Transport Service (PTS) patient invoicing 5. Audit queries 6. Continuous controls monitoring 7. Procurement cards - Onboarding virtual suppliers 8. Purchasing - PO management 9. Weekly/fortnightly Tax reporting 10. VMO - Training 11. Fixed assets - Year-end rollovers	1. Payroll accounting 2. Salary packaging administration / Fringe Benefits Tax 3. Superannuation administration 4. Consultation 5. Payroll consultation 6. Reporting and analytics 7. Subpoena and litigations 8. Accounts payable invoice holds management 9. Accounts receivable ad hoc reporting 10. Salary and wage loan minimisation 11. Balance sheet GL reconciliation 12. Processing of journal entries 13. Ad hoc reporting 14. Advisory services 15. Data analytics (finance related) 16. FSG amendment and creation 17. General ledger (GL) reports 18. *Expand suite of services* - Fixed asset register (additions and disposal) 19. *Expand suite of services* - Month end process 20. *Expand suite of services* - Annual Tax

B. Business Process Detail (3/3)

Process variability heat map

Business process level detail recommendations

HealthShare NSW