A “One Agency” Approach to Enhanced Mission Enabling Services

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**INTRODUCTION**

For over two decades, the federal government has sought to advance shared services policy and business practices within agencies and across the executive branch. Yet limited progress has been made on both fronts because this policy-centric approach skips past the foundations of design, structure, and funding. Agencies should take a step back for a more holistic approach to consider mission enablement functions and their funding. By doing so, agencies can manage these functions through a more rational, transparent, accountable, and consolidated approach, linked to mission outcomes. Once successful at the agency level, the government can enable future broader enterprisewide applications.

This chapter examines NASA's approach to mission enablement services, illustrating a proven example of the “one firm” mindset and approach, and discusses new research findings underscoring the benefits of operating as “one firm.”¹ It offers recommendations and considerations for agencies, the Office of Management and Budget, and Congress to move shared services forward in the federal government in a different, and hopefully more successful, way than has been tried over the past two decades.

**From Parts to a Whole: A Proven Model for Agency Mission Accomplishment**

“Mission support” functions, including financial management (FM), human resources (HR), information technology (IT), procurement, and business support services, have been deemed administrative matters in agencies and are not always positioned as mission-essential. Outside of the IT realm, Congress often lacks visibility into the spending and investments in functions like HR.² Congress does not recognize functions like HR as mission-enabling functions that cannot be separated from mission or program delivery, as has been the case in the past.³

The current approach devalues, even ignores, mission-enabling functions. In large departments, each bureau or component agency maintains its own FM, HR, IT, and procurement shops. Agencies usually justify this arrangement due to “unique mission requirements.” This design is extremely costly and inefficient, and has led to inconsistent results. Further, employees working at bureau-level shops may not necessarily see themselves as depart-
mental employees, and their career opportunities are likely attenuated based on their organization, rather than as part of a broader departmental talent ecosystem. Many of these employees may see their functional mission as their primary responsibility and focus.

The Consolidated Business Services Organization (CBSO) model is a proven model for mission enablement services. It enables a one-agency mindset and operating behaviors, with improved effectiveness, efficiency, and outcomes. With a one-agency mindset, success of the whole is prioritized over any of the individual parts. “Unique mission requirements” cannot continue to be an excuse for programs or agencies persisting with inefficient mission support functions. Government leaders can succeed by focusing on long-term management reforms to drive transformational change that enables a one-agency mindset and yields improved performance.

**NASA's Shared Service Center: An Example of Enterprise Mission Enablement Services**

NASA's Shared Services Center (NSSC), is a CBSO established in 2006 that operates under a Working Capital Fund. In 2018 the agency realigned mission enabling functions to report centrally, and in 2021 the agency realigned budget from individual Centers to NASA-wide enterprise organizations. Prior to the NSSC, Congress funded each of the 10 NASA space centers and headquarters at differing levels, with different levels of mission support funding. This created “haves” and “have nots” among local mission enabling organizations, and inconsistent results for customers and employees. Imagine potentially receiving 12 different answers to an HR question across the agency, and the frustration, ineffectiveness, risk, and waste associated.

NASA's NSSC has a single mission to achieve operational efficiencies through consolidation, standardization, and automation. Its leaders foster an organizational culture that promotes customer experience, problem solving, collaboration, and responsiveness. Today the NSSC services over 60 business activities in the areas of financial management, human resources, procurement, enterprise services, and agency business support.
Core tenets of NSSC service delivery model include the following:

- Formal governance structure
- Flexible workforce model
- Pricing model and chargeback mechanism
- Structured management of customer interactions
- Transparency in performance, costs, and reporting
- Business intelligence and data-driven decisions
- Innovation and continuous improvement
- Strong central management, through use of service level agreements (SLAs)

The NSSC has proven successful over the past nearly 20 years in achieving five objectives:

1. Improve operations—timeliness, accuracy, consistency of information
2. Normalize service levels agencywide
3. Achieve service excellence
4. Achieve critical mass of “core” expertise
5. Lower costs

Since its opening, the NSSC has met or exceeded over 92 percent of its metrics.

NASA paid off its $42 million investment to stand up the NSSC in four years. NSSC enables cost avoidance of approximately $30 million per year, a figure that steadily increased through the first decade.7

Centralizing the management and administration of most mission enablement services within the NSSC enabled NASA to focus more resources
and attention on its mission. Using a blended workforce model with both civil servants and contractors, NASA employees can devote more time to strategic activities rather than transactional/administrative tasks, which are handled by contractors. NASA employees realize increased overall satisfaction through efficient, cost-effective delivery of high-quality services.

Top Performing Organizations Operate as ‘One Firm’

New research from McKinsey & Company, which “analyzed employee data from 2,000 organizations across 100 countries regarding 37 discrete management practices and nine effectiveness outcomes,” identifies significant organizational performance benefits from operating as ‘one firm.’

Many large organizations tend to operate in siloed manners, fostering an ‘us versus them’ mindset among divisions and staff. Executives have been incentivized to optimize their P&L and grow their own domain, with significant implications for organizational culture, expected behaviors, and company performance. Government leaders can learn from organizations—such as Ford, Microsoft, and IBM—which have transitioned successfully to a ‘one firm’ mindset and operating posture, shifting incentives, behavior, and culture.
The McKinsey report recommends putting “a purposefully interdependent organization structure in place,” and then reinforcing this with formal mechanisms. To do so, leadership should align the organization’s mission against at least three co-equal axes that serve to integrate siloed interests across the organization and optimize the whole over any part:

1. Accountability for integrating clients/customers
2. Building products and capabilities
3. Optimizing shared services and business enablement

The NSSC offers a clear example of these principles being operationalized in government and yielding positive results.

One-firm targets and incentives require organizations to redefine and elevate their financial management and human resources roles. The one-firm vision requires FM functions to transition from a compliance-oriented mindset towards a forward-leaning, anticipatory, and advisory posture. Rather than focusing on balance sheets as the basis of accountability, FM insights should inform peer-led accountability in service of the entire firm’s mission success. Similarly, HR functions must focus on reinforcing incentives and behaviors that drive the one-firm mindset. Core to this is a focus on talent development across and through the organization’s talent ecosystem and “ensuring that the behavioral aspects of target setting and evaluation are well calibrated and consistent across” the organization.

Too often in government, local organizational equities are prioritized over broader organizational effectiveness and cultivation of an improvement-oriented mindset. The NSSC has made notable progress in overcoming these barriers. More than 75 percent of fortune 500 companies use a shared service model to improve service and cost savings. NASA’s journey reflects the challenges and realities of overcoming entrenched cultural and behavioral norms, and the limits of efficiencies alone to drive change in government absent a hard financial bottom line.

Finally, agencies should invest time in bringing people together from different parts of the organization to socialize, build connections, and enhance appreciation that reinforce commitments to a one-firm mindset aligned with an agency’s core mission.
Beyond Budget: Making the Change Happen

As missions continue to expand, most federal agencies are not getting more resources in a post-COVID-19 era. Agencies cannot expect significant infusions of new resources for their mission enablement functions outside IT and cyber. This is especially true when many agencies cannot properly account for the costs, effectiveness, and efficiency of their mission enablement functions, and when the government presently lacks a mechanism to compare the relative performance and costs of these functions across agencies and against industry benchmarks.

There is a checkered history of federal agencies seeking to operate better as “one agency.” For example, almost every secretary of the Department of Homeland Security (DHS) has sought to promote a “One DHS” culture and business practice.13 For 20 years, these efforts have had one key ingredient: leadership focus. But this quickly became the only ingredient. Every other aspect of DHS—from its compilation of previously-independent components to its scattered congressional oversight and appropriations authorities—was entirely disparate.14 Absent close coordination and cooperation with Congress to understand how DHS and its components could more rationally fund and operate their mission enabling functions, DHS central management efforts have been unable to overcome the inertia of bureau and programmatic operations. Without incentives and benefits for leaders and component organizations to embrace “One DHS” coming from Congress, leadership from the top could only go so far.

During the Trump administration, there was an explicit focus on agency mission enablement services as part of its President’s Management Agenda PMA.15 GSA and OMB led a multiyear benchmarking initiative of CFO Act agencies and published data16 about the quality of services and support that agencies receive in the domains of HCM, FM, IT, and procurement. This data was used to drive discussions among the President’s Management Council, as well as the functional C-Suite Councils for leaders in HR, FM, IT, and procurement, and offered a level of transparency such that agency and administration officials could see relative performance and results. The Biden administration’s PMA does not address shared service in any specific way. Goal 3 does focus on improvements to financial management, grants, and procurement as core to “the business of government.”

Two decades of a White House-driven, waterfall approach to expanding shared services at the agency level and across the federal enterprise has not moved the needle. Instead, agencies should first look inward through a
one-firm mindset and design lens to consolidate and rationalize their mission enabling functions into a CBSO, following the NASA model. Doing so will enhance the capability and quality of those functions, reduce costs, and offer new opportunities for employees to grow professionally.

Minute focus on discrete parts and programs of agencies has obscured the more important bigger picture, perpetuated inefficiencies, and reinforced siloed behaviors and culture. Little focus has been given to how an entire agency is working. The one-firm model and mindset presents an alternative lens for agency leaders, the White House, and Congress to consider how agencies are structured, funded, enabled, and nudged to achieve their missions better through shared services.

**LOOKING FORWARD**

**Recommendations and Insights**

Leaders can focus on cultivating certain skills to enable a one-firm mindset and culture. Change is a difficult process, especially when both individuals and organizations are asked to shift their behaviors and mindsets. To be successful, leaders should identify small wins to see how these contribute toward a greater whole. Celebrating these stories reinforces behaviors to build confidence in the workforce and promote benefits across the enterprise.

Fostering organizations focused on learning and growth comes next, along with a recommendation to “invest in equipping colleagues to work through conflict constructively.” While advances in shared services across an agency may not always be successful, the answer to failures should not be “this won’t work” but rather should reflect lessons for “how it can work better next time.”

The NSSC and the ‘one firm’ mindset offer important lessons and pose questions for lawmakers, the administration, and agency leaders.
Recommendations for Agencies

- Ensure alignment between the right level of funding of mission enabling services to overall agency budget for mission execution.

- Ensure the agency has the right metrics with supporting data to track mission enabling functions performance, benchmarked against best in class (internal and external to government).

- Research the opportunity for cost savings and improved services within an agency by using common mission-enabling functions centrally managed or through shared service providers.

- Explore the feasibility and potential benefits of establishing a CBSO within the agency.

- Ensure leadership visibility for primary mission support systems in FM, HR, IT, acquisition, and grants identifying the following:
  - Year of initial implementation
  - Estimated year of end of life
  - Annual cost of operating, including all associated IT and labor costs
  - Total cost of ownership from beginning to end

Assessment Questions

- How is leadership, from the agency head, through the career SES and down, working to align budget, culture, incentives, and behavior towards achieving the agency’s mission and goals?

- How much is spent providing mission-enablement functions including FM, HR, IT, Procurement, facilities, etc. within components and across the entire organization?

- Has GAO or the agency IG identified management challenges or mission risks related to mission enablement functions? What are the broader lessons for the agency from these cumulative reports, when read through a one-firm mindset?
Recommendations for OMB

• Reboot the mission enablement services benchmark and customer satisfaction initiatives and expand to all agencies.

• Establish a cadre of crosscutting analysts for mission enabling services across the federal government.

• Articulate how budget offices track mission support funding and their linkages to mission outcomes and performance.

• Identify shared services ripe for enterprisewide adoption.

• Identify commodity transactional services that industry may be best positioned to deliver.

• Develop a framework and criteria to assist agencies and Congress in advancing appropriate consolidation of mission enabling functions—and other common functions—at the agency-level and at the government-wide level.

• Clarify where shared services fit within the President’s Management Agenda

Assessment Questions

• How could improving the effectiveness and efficiency of mission-enablement services be made part of the President’s Management Agenda, and could the one-firm mindset fit into Priority Goal 3 Managing the Business of Government?\(^{17}\)

• How might competition be fostered within the CXO Councils to identify and promote service excellence and increase adoption of improved practices within discrete management functions and within agencies?

Recommendations for Congress

• Assess the extent of duplication and redundancy in mission support services that exists at the “corporate” and “operating unit” levels throughout departments or agencies.

• Strengthen oversight focus on agency management challenges, as well as the President’s Management Agenda.
• Push agency heads for answers about the costs and effectiveness of their mission-enabling services, and their plans to modernize them.

• Understand limitations or constraints that could enable agencies to operate more rationally and better with less funding. Ask what functions could or should be consolidated to the agency level, or more broadly to the federal enterprise level.

• Ask agencies if they have considered eliminating duplicative services by consolidating them internally into a shared service within the agency.

• Adopt lessons from the FITARA Scorecard that could inform a diagnostic for all agency mission enablement functions, to be used in oversight and agency funding decisions.

• Resolve multi-committee jurisdiction oversight issues, exemplified by DHS.

The NASA example demonstrates the potential and real benefits to federal agencies from consolidating mission enablement functions. The one-firm organizations identified in the McKinsey study referenced in this chapter illustrate what can be done by government agencies in adopting a one-firm mindset, culture, and operating model. The recommendations and questions outlined above can help government agency leaders chart a path forward.

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Endnotes
1 “One firm means hearing “we, us, and our” language versus “me, mine, and theirs.” It means there is one brand identity and a “firm way” of doing things,” according to a new McKinsey Company paper discussed in this article.

2 Congress has deemed IT as worthy of regular oversight, investment tracking, and spending review. For example, Congress passed Clinger-Cohen Act of 1996 and Federal Information Technology Acquisition Reform Act (FITARA).


NASA WCF, authorized by Congress in 2003, is a type of revolving fund used to promote total cost visibility and full cost recovery of support services, with a goal to break-even. Efficiency-driven savings are reinvested in the NSSC’s ongoing modernization efforts, and can also be applied to the mission directly. Contractor support to the NSSC enables ongoing investments in modern technology capabilities.


“It is hard to break down organizational silos if the organization is designed around them. Most firms have a dominant organizing axis, be it product, geography, function, or client segment. Results are driven by the sum of P&Ls from the dominant axis. To become a one-firm firm, a shift needs to be made so that no axis matters more than another; instead, each axis should have a clearly defined yet interdependent role in delivering the P&L of the whole firm.”

“Client/customer integrators have nothing to take to market without the product and capability developers, and product and capability developers cannot get to market without going through the client/customer integrators. Both client/customer integrators and product and capability developers will draw on the shared-services and business-enablement functions, whose mandate is to support them. Ultimately, in a one-firm firm, the individual mandate of all three becomes subservient to the collective mandate to optimize for the whole versus maximizing for any individual part.”


Researcher Michael Arena has also highlighted the importance of social networks and connections for organizational culture and performance.


