



## BUSINESS INNOVATIONS GROUP | BIG

*Advancing Common Business Operations*

### UPDATE 6 *28 June 2019*

In his December 2017 report (A/72/684), and in line with calls from Member States, the United Nations Secretary-General set a number of ambitious targets to reform the UN System. – The Business Innovations Strategic Results Group (BIG), co-chaired by UNHCR and WFP, has been tasked with delivering and building on the proposals envisioned to maximize programmatic gains through **efficient and high-quality back-office operations**.

In July 2018, the BIG established a designated inter-agency Project Team to design and pilot methodologies to deliver on **six of the Secretary-General's targets**, as outlined below. – This is the sixth update by the BIG Project Team; however, it is the *first update intended for wide circulation in the participating UN entities*. Hence, it seeks to introduce the aforementioned targets and the resulting seven workstreams, as well as to keep BIG member entities abreast of progress and collaboration necessary to deliver the envisioned benefits together.



# 1

#### **Business Operations Strategy (BOS)**

Adopt improved Business Operations Strategy by all UN country teams by 2021

#### **Definition and benefits**

The impact of UN programmes at country level is directly related to the effectiveness, efficiency and cost of the business operations that support them. BOS is a results-based framework aimed at eliminating duplication, leveraging collective bargaining power and maximizing economies of scale across UN entities.

#### **Approach proposed by BIG**

Jointly with the Development Coordination Office (DCO), and supported by the inter-agency BOS Working Group, the BIG Project Team has revised the BOS guidelines based on lessons learned from past implementations. The new BOS focuses on service lines with highest potential for efficiency gains, aims to reduce process time and complexity, and includes a new online tool to guide country-level Operations Management Teams (OMTs) through the five steps of developing a BOS: 1) kick-off; 2) stock-take of current collaborative services; 3) analysis of opportunities; 4) planning; and 5) sign-off. This new platform facilitates the cost-benefit analysis for a more streamlined approach to prioritization.

### Status of work

The testing of the revised BOS guidelines and a new online tool has officially commenced, and will run for one month, until mid-July, in seven countries: **Bhutan, Honduras, Indonesia, Papua New Guinea, Senegal, Serbia and Sri Lanka**. The purpose of this phase is to test and collect feedback for fine-tuning the guidelines and online tool before launching the process globally. Each test country has a designated BOS expert to support the testing phase. In addition to field testing, the new guidelines and tools will also be shared with participating UN entities for review at headquarters level.

### Next steps

Testing will continue over the coming weeks, and webinars will be organized to guide the process. After the testing closes, feedback will be consolidated into refined guidelines and online tool, before a global launch in the third quarter of 2019.



## 2

### Common Back Offices (CBO)

Establish common back offices for all UN country teams by 2022

#### Definition and benefits

A common back office refers to location-dependent, non-programmatic, back-office services at the country level. Depending on the risk profile of the country and the size of the operation, a common back office may encompass all or part of the following six functions: 1) administration (including facilities, fleet and travel management, among others); 2) finance; 3) human resources; 4) information & communication technology (ICT); 5) logistics; and 6) procurement.

The common back office workstream seeks several benefits, primarily efficiency gains and enhanced quality of service; further, defining location-dependent services may in turn also result in identifying location-independent processing and transactional work that can instead be handled by global shared service centres (see below).

#### Approach proposed by BIG

Creating a common back office is by far the most challenging among the six targets set by the Secretary-General. Hence, the BIG Project Team first developed a country typology based on a country's risk profile and operation size, and commenced consultations with UN entities in six selected countries – **Albania, Botswana, Jordan, Laos, Senegal and Vietnam** – representing these typological profiles. The objective is to understand costs by each function and activity across all entities within a country type, in order to identify potential consolidation opportunities within each typological profile.

The consultation is being carried out in two phases: 1) Quantitative baseline data and indicators relating to staff functions and time spent on back-office processes is gathered



from representative country offices; 2) field visits will be carried out to interview UN entities, to gather deeper insight and discuss potential consolidation opportunities.

#### **Status of work**

Phase 1, i.e., baseline data collection, is in progress. Six countries representing different typological groups were selected in May 2019 to take part in this review. With support from DCO, the Project Team hosted a webinar for participating countries to facilitate the process and is currently engaged in in-depth discussions to capture relevant and quality data. This data is being further analysed in preparation for the country visits which commenced in June 2019.

#### **Next steps**

Phase 2, i.e., field visits, will take place from June to August 2019, after which the BIG Project Team will work with UN entities to discuss the consolidated results, including qualitative aspects, to propose possible consolidation approaches for each country type. Based on agreement amongst participating entities that a clear business case exists, possible CBO configurations will be jointly identified and proposed by the end of 2019, and piloting these will be conducted in 2020.



## 3

### **Global Shared Service Centre (GSSC)**

Explore consolidation of location-independent business operations into a network of shared service centres

#### **Definition and benefits**

Transactional processes that are location-independent can be consolidated into shared service centres. The key drivers of the establishment of GSSCs are cost reduction, process standardization, efficiency optimization, risk reduction, and leveraging new technology.

#### **Approach proposed by BIG**

The proposed approach to implementing a network of GSSCs is to first create a 'marketplace' for the exchange of services between UN entities at the HQ level. Therefore, the first step is for UN entities to identify the services they are willing to provide or receive from other entities. Additionally, the options for consolidating location-independent services outside a given country and into a GSSC will also be informed by the planned CBO consultations (above).

#### **Status of work**

The BIG developed in June 2019 and is now ready to launch, through the High-Level Committee on Management (HLCM) Secretariat, a '**UN Services Marketplace Survey**' to map existing service needs as well as potential service offerings.

#### **Next steps**

The Survey forms will be circulated in July 2019 to all UN entities which are

kindly requested to indicate all the services they wish to offer or receive from other UN entities.



## 4

### Common Premises

Increase the proportion of UN common premises to 50 per cent by 2021

#### Definition and benefits

As of 2017, existing data suggests that approximately 16 percent of UN premises were being shared by two or more entities. Hence, meeting the ambitious target of 50 percent requires a culture shift, namely assuming **co-locating as the new norm**, unless there is a compelling security, financial or operational reason for an exception.

The ambitious target envisions multiple benefits, such as enhanced inter-agency collaboration, programmatic coherence and enhanced reputation as the UN is seen working as one, under shared premises and representation. Moreover, while savings from rental costs are generally likely to be limited, quantifiable financial gains can be made through improved and optimized shared occupancy rates as well as consolidation of shared facility services, e.g., cleaning, maintenance, printing, protocol, security and utilities. – This requires taking a full life-cycle approach to infrastructure management.

#### Approach proposed by BIG

While much focus has historically been placed on UN House projects in capital cities, the Task Team on Common Premises and Facilities Service (TTCP+FS) and BIG Project Team are working together to take a whole-country approach to review opportunities in both the capital city and subnational offices.

TTCP+FS and BIG Project Team are planning a series of pilots in eight countries – **Bolivia, Burundi, Colombia, Haiti, Kosovo, Pakistan, Sri Lanka** and **Sudan** – where existing data demonstrates the highest opportunity for premise consolidation. The aim of the pilot exercise, among others, is to jointly review premise capacity and lease terms, and propose possible consolidation options. Outcomes of the pilots will be: 1) a consolidation plan to be implemented by the UN Country Teams (UNCTs) in each pilot country; and 2) based on lessons learned from the pilots, a new set of guidelines and tools for all UNCTs to conduct a self-review and develop their own consolidation plans.

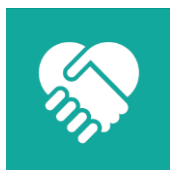
#### Status of work

TTCP+FS and BIG Project Team are reviewing existing guidelines, outlining requirements, and establishing a new inter-agency database of UN premises. Specifically, to prepare for the eight pilots, TTCP+FS and BIG Project Team are reviewing current data to map existing locations, creating a Business Case Tool, and consolidating a set of document templates to guide the discussions and process.



### Next steps

Engagement with the first pilot country, Kosovo, began in June 2019, initially to test the approach and material; this is to be followed by rollout to seven additional pilot countries in the third quarter of 2019. While the pilots are underway, UNCTs are encouraged to collaborate and proactively seek to consolidate premises with UN entities in the same city, especially so if a lease is due for renewal within the next 12 months.



## 5

### Mutual Recognition

Operate with the mutual recognition of best practices regarding policies and procedures

#### Definition and benefits

Mutual recognition is intended to readily enable an entity to use or rely on another entity's policies, procedures, system contracts, and related operational mechanisms. This is a significant departure from the historical barrier to collaborating through shared services, greatly increasing operational agility by removing the need to review other providers' different policies and procedures before entering into a service agreement.

#### Status of work

To date, the executives of 14 UN entities have signed the Mutual Recognition statement: the UN Secretariat, ILO, IOM, ITU, UN Women, UNAIDS, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNOPS, WFP and WHO.

### Next steps

The agreed principles will be further operationalized during the design of back office configurations, whether at country (location-dependent services within a CBO) or regional and global levels (location-independent services availed through Global Shared Service Centres). Hence, all UN entities are encouraged to participate by signing the statement, a process managed through the HLCM Secretariat.



## 6

### Customer Satisfaction Principles

Measure client satisfaction with regard to all back-office services

#### Definition and benefits

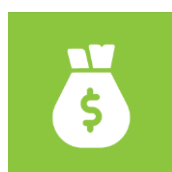
Much like with mutual recognition, the Secretary-General considers the principles of client satisfaction another key enabler, precursor as well as a desired outcome of reforming back-office operations. The BIG workstream seeks to establish an interagency agreement on the principles with a view to ensuring tracking of service indicators, transparency, accountability and satisfaction for both the service provider and client.

### Status of work

The BIG Project Team has developed the principles, and consultations with entities have been conducted.

### Next steps

The proposed principles will be finalized in June 2019, and the HLCM Secretariat will facilitate the signature process.



## 7

### Costing and Pricing Principles

Agree pricing principles to ensure fairness and transparency in service provision

### Definition and benefits

Though not explicitly set as a target in the Secretary-General's report, nonetheless implicit in the success of the six above-mentioned targets and workstreams is this third enabler: a set of core principles as to how one UN entity will cost and then price – i.e. recover the cost of – any service it provides to other UN entities. An agreement by all participating entities is critical to ensuring fairness, transparency and trust in the sharing and exchanging of services.

### Status of work

The BIG Project Team has developed the principles and entities have been consulted.

### Next steps

As above, the proposed principles will be finalized in June 2019 and the HLCM Secretariat will facilitate the signature process.

