BUSINESS INNOVATIONS GROUP | BIG
Advancing Common Business Operations

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In [December 2017](#), the UN Secretary-General set a number of ambitious targets to reform the UN System; of these, the Business Innovations Group (BIG)[1] is tasked with delivering and building on the proposals aimed at maximizing 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 the Secretary-General's targets, resulting in the below seven workstreams. – This Update is provided to keep **UN staff and leadership** abreast of progress and next steps towards delivering the envisioned benefits together.

Latest highlights:

- *The 2019 **Business Operations Strategy** (BOS 2.0) has been launched and handed over to DCO for global roll-out across 131 UN country teams.*

- *Following a six-country consultation process, a concept note on the design of **Common Back Office** models will be presented on 8 November 2019 to the BIG leadership.*

- *Survey insights will guide the establishing of a **global 'marketplace' for UN support services.***

- *A new, **transformative fleet services concept** explores optimizing vehicle utilization and safety.*

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1 Business Operations Strategy (BOS)
Adopt improved Business Operations Strategy by all UN country teams by 2021

Definition and benefits
The BOS is a results-based framework that encourages UN entities to collaborate at the country level to reduce duplication, leverage collective purchasing power, and maximize economies of scale.

Approach proposed by BIG
Working closely with UN entities, particularly the Development Coordination Office (DCO) and the Development Programme (UNDP), the BIG Project Team has significantly streamlined the BOS guidelines based on past lessons learned. The new BOS 2.0 (2019) focuses on service lines with the 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 steps of developing a BOS. This new platform also facilitates a cost-benefit analysis for easier prioritization and provides a global repository for all BOS frameworks. This will reinforce the UN System's ability to track impact, as well as monitor and report on how UN entities are collaborating at the country level.

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[1] The [Business Innovations Strategic Results Group (BIG)](#) of the United Nations Sustainable Development Group (UNSDG), currently co-chaired by UNHCR and WFP, comprises some [40 UN entities](#), listed at https://unsdg.un.org/about/who-we-are

Update on work

The new BOS 2.0 was approved by the UNSDG and, having graduated to implementation phase, was officially handed over from the BIG Project Team to DCO in late October 2019 for global roll out.

BOS 2.0 Guidance[2], including next steps in the roll out plan, country prioritization, capacity development and support, has been communicated to Resident Coordinators (RCs) and UNCTs and can be found online[3].

A series of *regional workshops* are being organized to create core capacity – virtual BOS teams and peer groups – to assist countries with the development and quality assurance of their respective BOS exercises.

Significant progress has been made on improving the functionalities of the new BOS *online platform*, and work is ongoing to finalize it.

Next steps

With the *BOS 2.0* Guidance issued and the country rollout in motion, the focus is on finalizing the functionalities of the online platform. A user acceptance test was conducted in late October 2019, specifically targeting the primary users, i.e. UNCTs, OMTs and RCOs at the country level as well as Regional DCOs. The *launch of the BOS online platform* is expected in Q4 2019.

The global roll out of the *BOS 2.0,* implemented by DCO, will be supported by *video tutorials* and *global webinars* that will provide virtual training to staff as well as latest updates on the status of the BOS rollout and implementation globally. *Training of Trainer workshops* for Europe, Central Asia and the Middle East are scheduled to take place in November 2019 to support the global rollout. *Practitioner Trainings*, aimed at a more general group of staff engaged in the development and implementation of the BOS in their particular countries will be organized in 2020.

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2 Common Back Offices (CBO)
Establish common back offices for all UN country teams by 2022

Definition and benefits
The Common Back-Office (CBO) workstream seeks efficiency gains and enhanced quality of service through the consolidation of location-dependent back-office services at the country level, encompassing all or part of the following six functions: 1) administration, 2) finance, 3) HR, 4) ICT, 5) logistics, and 6) procurement.

Approach proposed by BIG
In order to identify potential consolidation opportunities across UN entities within a given country, the BIG Project Team undertook consultations with UN entities in six selected countries – **Albania, Botswana, Jordan, Laos, Senegal** *and* **Vietnam** *– to understand costs and activities in each function.*

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[2] *BOS 2.0 Guidance* is found at https://unsdg.un.org/resources/business-operations-strategy-bos-20-guidance
[3] Documentation for implementation and rollout of BOS 2.0 is found at: https://unsdg.un.org/2030-agenda/business-operations

Status of work

Baseline data on personnel functions and time spent on back-office processes was gathered, and field visits to the countries were completed in June and July 2019. The six country reports have been finalized and shared with the respective UNCTs. Further, a *Synthesis Report* summarizing these conclusions has been prepared and shared with consultation countries.

Based on insights gathered from consultations with countries and entities, a *CBO proposal* has been drafted. The proposed CBO builds on the newly revised *BOS 2.0*, with the objective to establish a system that allows UN entities at country level to evaluate and consolidate business operations.

The insights from the country consultations, both qualitative and quantitative, indicated that back-office activities can be categorized as either location-*in*dependent or location-dependent activities, and optimized through a *range of global and local initiatives*.

The consultations and entities' internal studies point to larger savings opportunities from organizations centralizing their **location-independent** business processes into a central location, such as a Shared Service Centre (see *Workstream 3: GSSC,* below) or cross-entity global initiatives (see *What is New: Fleet Services concept,* below). – However, consolidation of **location-dependent** into a CBO at country-level will nonetheless significantly complement the global initiatives and can add value through quality improvement.

The proposed CBO includes a *cost-benefit analysis tool* to identify functions with high return on investment for consolidation. It also includes a *standardized Service Level Agreement* (*SLA),* that defines roles and responsibilities as well as agreed performance metrics, with a focus on client satisfaction and transparent costing. Together as a package, the proposed CBO model aims to enable all UNCTs to meet the 2022 target.

Next steps

The CBO concept will be presented to the BIG on 8 November 2019. Thereafter, based on the agreed direction, the decided approach will be further detailed, specifically regarding cost-benefit analysis methodology and prioritization of activities. In addition, a proposed standardized SLA draft to be used for intra-UN service delivery has been developed and is currently being reviewed by legal teams at the co-chair entities of BIG, i.e. UNHCR and WFP.

3 **Global Shared Service Centre (GSSC)**
Explore consolidation of location-independent business operations into a network of shared service centres

Definition and benefits
*For transactional processes that are location-*in*dependent, the BIG Project Team has been tasked with exploring their consolidation into a network of Global Shared Service Centres (GSSC) to reduce cost, standardize processes, optimize efficiency, reduce risk, and leverage new technology.*

Approach proposed by BIG
The proposed approach to implementing a network of service centres started with developing the existing 'marketplace' for the exchange of services between UN entities. Within the existing back-office services marketplace, there are already examples of UN entities supporting one another by providing shared back-office services, both in-country and from an offshore office. An extensive survey was conducted to assess the level of activity in the current marketplace as well as the potential to expand it and the envisioned benefits.

Update on work

The '*UN Service Marketplace Survey*' was launched in July and shared with [HLCM Member entities](#), who were requested to indicate: 1) which back-office activities they are currently proving to others; 2) which activities they would be willing to start providing now or in the future; and 3) which activities they would like to receive from others. In total, 163 back-office functional activities were surveyed across the six process areas of administration, finance, HR, ICT, logistics and procurement.

Submissions have been received from 21 entities to date, and survey results show that most of the responding entities are willing to engage in the marketplace, and that the level of services supplied between entities has the potential to expand. It also shows that all activities are requested and offered by more than one entity.

Next Steps

Results of the Marketplace Survey have been reviewed, and customized reports for each participating entity have been developed and shared with the respective entity. A *Summary Report* will be shared with all participating entities.

Additionally, a follow-up request will be issued in Q4 2019 to seek clarification on the scope and scale of services offered, as well as getting the inputs from the entities which did not respond to the previous survey.

What is new? – Introducing the **Fleet Services** concept

During the *CBO* and *GSSC* consultations in Q3 2019 (above), ***significant consolidation potential*** was identified with regard to fleet services.

Following workshops attended by senior fleet experts from FAO, UNDP, UNHCR, UNICEF, UNOPS, WFP and WHO, the Project Team is submitting to the BIG a ***transformative, inter-agency fleet services concept note***, outlining the potential benefits and challenges over the course of a phased timeline.

To date, the ***business case appears to be very strong***, however further development is needed to propose: a strong governance framework; an appropriate management structure at global and country-office levels; an environment equipped with appropriate technology tools; an efficient supply chain; and an agreed, self-sustaining, financial model that applies costs equitably in return for flexible and highly effective service delivery.

Next steps: Based on feedback, the Project Team will develop a revised concept note focusing on the above areas, as well as a detailed project plan, for endorsement.

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4 **Common Premises**
Increase the proportion of UN common premises to 50 per cent by 2021

Definition and benefits
The ambitious target of 50 per cent refers to any two or more entities co-locating in the same premise in any location and is not solely focused on setting up UN Houses in capital cities. The target envisions enhanced inter-agency collaboration as well as programmatic and operational coherence. Hence, compelling security, financial or operational reasons notwithstanding, reaching this target will also require a notable culture shift, with **co-locating becoming the norm.**

Approach proposed by BIG
The immediate focus of implementing this target remains on consolidation into existing UN-owned, government-provided, or leased premises with capacity available to host other entities, rather than constructing or identifying new structures.

The Task Team on Common Premises and Facilities Service (TTCP+FS) and BIG Project Team are undertaking pilots to test consolidation planning tools and processes, taking a whole-of-country approach to review opportunities in both the capital city and sub-national offices. Outcomes of the pilots will be: 1) a consolidation plan to be implemented by the UNCT 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.

In parallel, TTCP+FS and BIG Project Team together with DCO are establishing a new inter-agency database of UN premises, building on the Department of Safety and Security (UNDSS) database.

Update on work

The BIG Project team continues to test the consolidation planning tools and processes in the six pilot countries. At present, based on the lessons learned from three completed missions, i.e. **Kosovo** [1]**, Sri Lanka** and **Burundi**, the initial approach and the tools are being modified to maximize UN *country teams' ability to proceed with the consolidation process independently* and with minimal external facilitation.

Next steps

The pilot in **Pakistan** commenced in October, and premise data validation and preparation for an in-country workshop in **Colombia** is under way. In **Bolivia,** the process will be completed remotely to test a self-managed approach to consolidation planning and implementation, intended to minimize the need for external facilitation.

All pilots are expected to be completed in Q1 2020. Subsequently, the modified and improved consolidation tools will be rolled out to **all UNCT in Q2 2020**.

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[1] References to Kosovo in this document shall be understood to be in the context of Security Council Resolution 1244 (1999).

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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 UN entities to use or rely on other entities' 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.

Update on work

To date, the principals of 16 UN entities have signed the Mutual Recognition statement, with, most recently, **FAO** and **UNRWA** joining the UN Secretariat, ILO, IOM, ITU, UN Women, UNAIDS, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNOPS, WFP, and WHO as committed signatory entities.

Next steps

Some signatory entities have initiated *internal workshops and discussions* on Mutual Recognition, aimed at clarifying and creating a common understanding on its application, and identifying additional operationalisation opportunities. The Project Team will support this effort with discussion materials and briefings. Additionally, Mutual Recognition will be further operationalized through the Project Team's work, such as the design of the Common Back Office and the UN Marketplace. All remaining UN entities are encouraged to participate by signing the statement[4].

6 Customer Satisfaction Principles
Measure client satisfaction with regard to all back-office services

Definition and benefits

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

Update on work

The proposed principles have been finalized by the BIG Project Team. The document was shared with the member entities for signature on 16 September 2019. The High Commissioner for Refugees, on behalf of UNHCR, and the Executive Director, on behalf of WFP, have signed and thus endorsed the principles.

Next steps

With UNHCR and WFP in the lead, other entities are encouraged to follow suit and commit to the principles.

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[4] Resources on Mutual Recognition can be found at https://www.unsystem.org/content/mutual-recognition

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
As above, the proposed principles have been finalized by the BIG Project Team and shared with the member entities for signature on 16 September 2019. The High Commissioner for Refugees, on behalf of UNHCR, and the Executive Director, on behalf of WFP, have signed and thus endorsed the principles.

Next steps
With UNHCR and WFP in the lead, other entities are encouraged to follow suit and commit to the principles.

1 Business Operations Strategy	2 Common Back Offices	3 Global Shared Service Centres	4 Common Premises	5 Mutual Recognition	6 Client Satisfaction Principles	7 Costing & Pricing Principles

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