



# BUSINESS INNOVATIONS GROUP | BIG

*Advancing Common Business Operations*

## UPDATE 7 *26 September 2019*



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)<sup>1</sup> is tasked with delivering and building on the proposals aimed at maximizing programmatic gains through **efficient and high-quality back-office operations**. This Update is to keep UN leadership and staff abreast of progress and the 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

BOS is a results-based framework which encourages UN entities to work together at the country level, reduces duplication, leverages collective purchasing power and maximizes economies of scale across UN entities.

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

Working closely with UN entities, particularly UNDP and the Development Coordination Office (DCO), the BIG Project Team has significantly streamlined BOS guidelines based on past lessons learned. The new BOS 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 five steps of developing a BOS. This new platform also facilitates a cost-benefit analysis for a more streamlined approach to prioritization. One of the main advantages of the new BOS is that there will now be global and real-time visibility on how UN entities are collaborating at the country level, as well as regular monitoring and reporting of progress.

<sup>1</sup> The Business Innovations Strategic Results Group (BIG) of the United Nations Sustainable Development Group (UNSDG) comprises some [40 UN entities](#) and is currently co-chaired by UNHCR and WFP.

### Update on work

The BOS guidelines and the new online tool were reviewed by participating UN entities and tested in seven countries: **Bhutan, Honduras, Indonesia, Papua New Guinea, Senegal, Serbia** and **Sri Lanka**. These countries either successfully developed a BOS or transitioned to the *BOS Online* platform. Overall, the feedback was positive and UN Country Teams (UNCTs) were committed to further simplification of the process, mainstreaming environmental sustainability as well as adding elements of quality assurance, accountability and client satisfaction.

### Next steps

The feedback received has been consolidated and is being used to fine-tune the guidelines and online tool before launching the process globally. Global rollout is scheduled to commence in Q4 2019, with full implementation envisioned by 2021.



## 2

### Common Back Offices (CBO)

Establish common back offices for all UN country teams by 2022

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 (e.g. facilities, mobility and travel management); 2) finance; 3) HR; 4) ICT; 5) logistics; and 6) procurement.

### Approach proposed by BIG

Creating a CBO is the most challenging among the targets related to advancing common business operations, as set by the Secretary-General. The BIG Project Team commenced consultations with UN entities in six selected countries – **Albania, Botswana, Jordan, Laos, Senegal** and **Vietnam** – to understand costs by each function and activity in order to identify potential consolidation opportunities across UN entities within a given country.

### Update on work

The above country consultations were carried out in two phases: 1) Baseline data on staff functions and time spent on back-office processes across six functional areas (administration, finance, HR, ICT, logistics and procurement) was gathered in May and the data analysis was completed in June; 2) Field visits to the six countries to gather deeper insight and discuss potential functional consolidation opportunities with country teams were completed in June and July, and country reports are now finalized. Country reports are now being summarized to provide insights into which service elements could be consolidated in a common back office.



### Next steps

A synthesis report drawing on the conclusions of the six country reports is currently being drafted and will be finalized in September; its conclusions will feed into the design of the **CBO to build upon each country's respective approach to BOS**. Additionally, the team is preparing **model CBO designs for review by the leaderships** of the various UN entities.



## 3

### Global Shared Service Centre (GSSC)

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

For transactional processes that are location-*independent*, the BIG Project Team has been tasked with exploring their consolidation into a network of Global Shared Service Centres (GSSC) with a view to reducing cost, standardizing processes, optimizing efficiency, reducing risk, and leveraging new technology.

### Approach proposed by BIG

To determine appetite and quantify the potential for exchanging location-independent services between UN entities, a 'marketplace' approach was proposed. UN entities were requested to identify the services they are either willing to provide or receive from other entities. Additionally, the possible consolidation of location-independent services outside a given country and into a GSSC will be informed by the CBO consultations (above).

### Update on work

The *UN Services Marketplace Survey* was launched in July and shared with Member entities of the High-Level Committee on Management (HLCM). Each entity was requested to indicate: 1) which activities they are currently providing to others; 2) which activities they would be willing to start providing now or in the future; 3) and which activities they would like to receive from others. Submissions have been received from 16 entities to date and the consolidation of this data is on-going.

### Next steps

The Marketplace Survey results are being analyzed and will be shared with the respondents in a consolidated form during October. These results of the survey will help refine the design of the CBOs for location-dependent functions and their relationship with offshore service centres for processing location-*independent* transactions.



## 4

### Common Premises

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

As of 2017, only 16 percent of UN premises were being shared between two or more entities. The ambitious target of 50 percent 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. 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 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 subnational 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

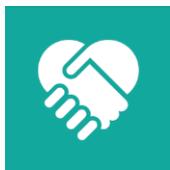
*TTCP+FS* and BIG Project Team are progressing with consolidation planning activities in six pilot countries: **Kosovo**<sup>2</sup>, to be followed by **Bolivia, Burundi, Colombia, Pakistan** and **Sri Lanka**. Working with the OMT and other entity-nominated members in each country, the pilot will verify existing data, map all locations, review premise capacity and lease terms, and host in-country workshops to identify potential consolidation opportunities. The aim is to develop consolidation proposals to be shared with the relevant UNCTs for decisions starting in Q4 2019.

#### Next steps

As the pilot phase progresses, the *TTCP+FS* and BIG Project Team will refine the consolidation planning guidelines and material for all other UNCTs. 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.

<sup>2</sup> References to Kosovo in this document shall be understood to be in the context of [Security Council Resolution 1244 \(1999\)](#).





## 5

### Mutual Recognition

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

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 executives of 16 UN entities have signed the Mutual Recognition statement: the UN Secretariat, FAO, ILO, IOM, ITU, UN Women, UNAIDS, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNOPS, UNRWA, WFP, and WHO.

#### Next steps

The agreed principles will be further operationalized during the design of back office configurations, whether at country, regional or global level. 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

As with Mutual Recognition, the Secretary-General considers the principles of client satisfaction another key *enabler* and a precursor to the **desired end-state of high-quality back-office operations**. The BIG Project Team received inputs from member entities and has finalized the Client Satisfaction Principles to ensure tracking of service indicators, transparency, accountability and satisfaction for both the service provider and client.

#### Update on work

The principles document has been shared with the HLCM Secretariat, to manage the process of obtaining executives' signatures in Q4 2019.



# 7

## Costing and Pricing Principles

Agree pricing principles to ensure fairness and transparency in service provision

Critical to the ability to exchange services with efficiency and transparency is a 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 trust in the sharing and exchanging of services. The BIG Project Team, with interagency consultation, has finalized the Costing and Pricing Principles, and shared with HLCM Secretariat in August 2019 to facilitate the process to obtain executives’ signatures in Q4 2019.

### Update on work

The BIG Project Team has developed the Costing and Pricing Principles and conducted consultations with participating entities.

### Next steps

The proposed principles documents were finalised and shared with HLCM, which has circulated the documents, and will be obtaining executives’ signatures in Q4 2019.



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