



Competing As a Federal Center of Excellence

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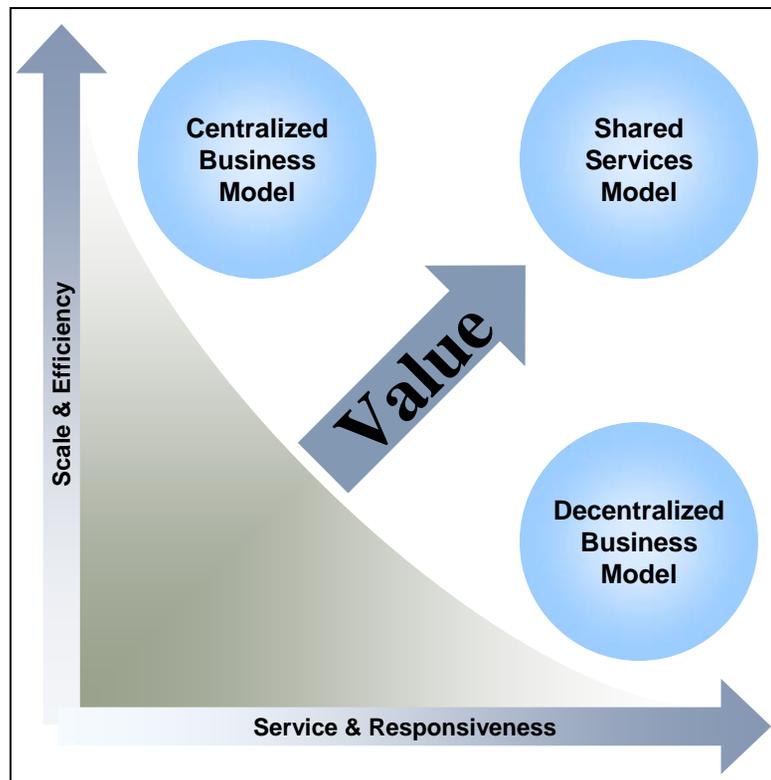
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You focus on your core mission, NBC will take care of the rest.



OMB is Leading the Government Wide Effort to Leverage Shared Services

There are numerous advantages to integrating and consolidating services into Lines of Business:



Value Proposition

- Reduced time and risks for migration.
- Economies through the use of common solutions.
- Efficiencies through shared enhancements.
- Enhanced quality through industry best-practices.

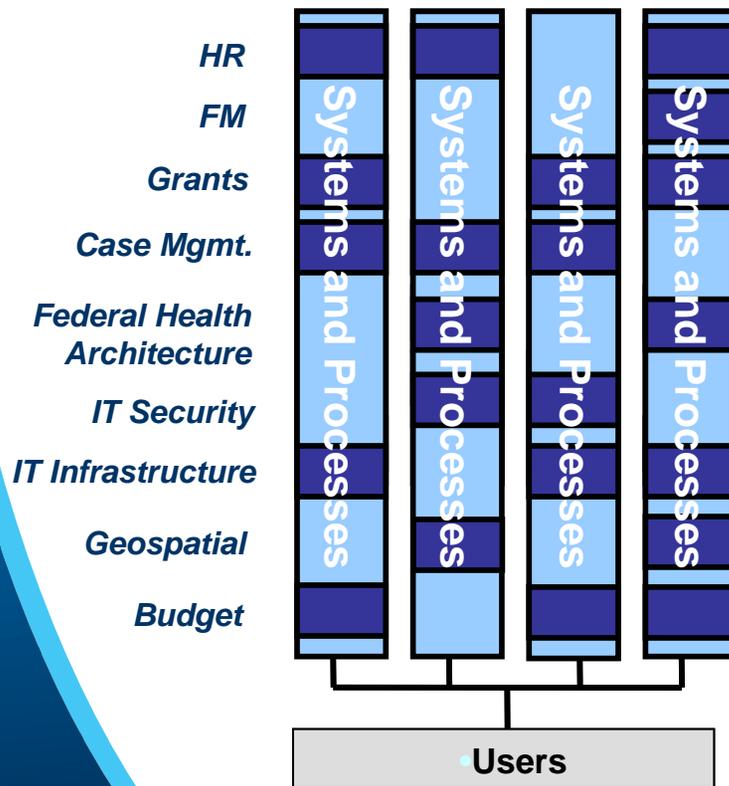
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The Shared Services Approach will Reduce Stove-Piped Systems and Improve Alignment of Technology with Core Business Processes

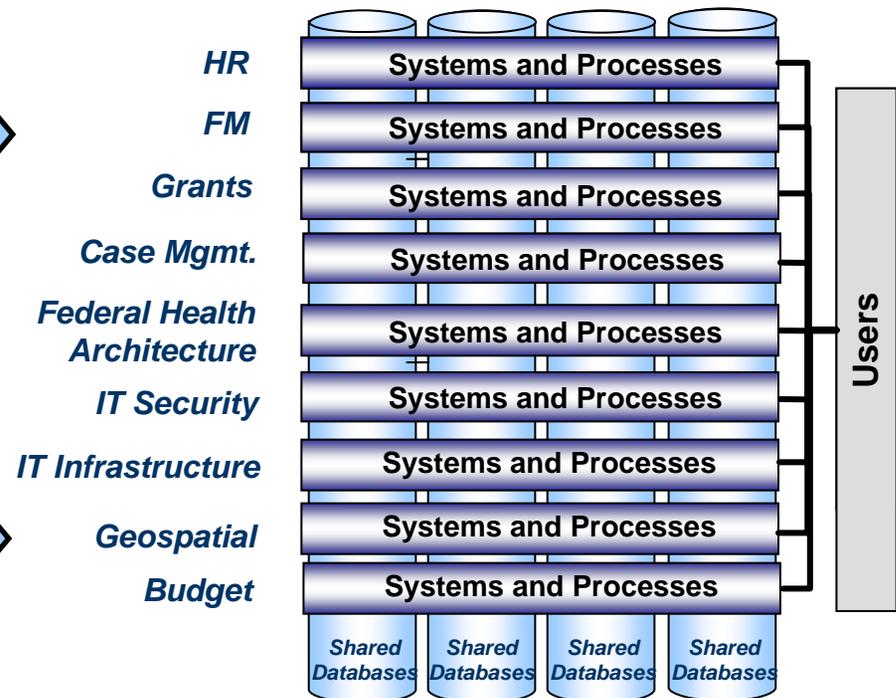
Initial Environment

Agency₁ Agency₂ Agency₃ Agency_n



Target Environment

Agency₁ Agency₂ Agency₃ Agency_n



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The Potential for Shared Services Has Created a Highly Competitive Landscape

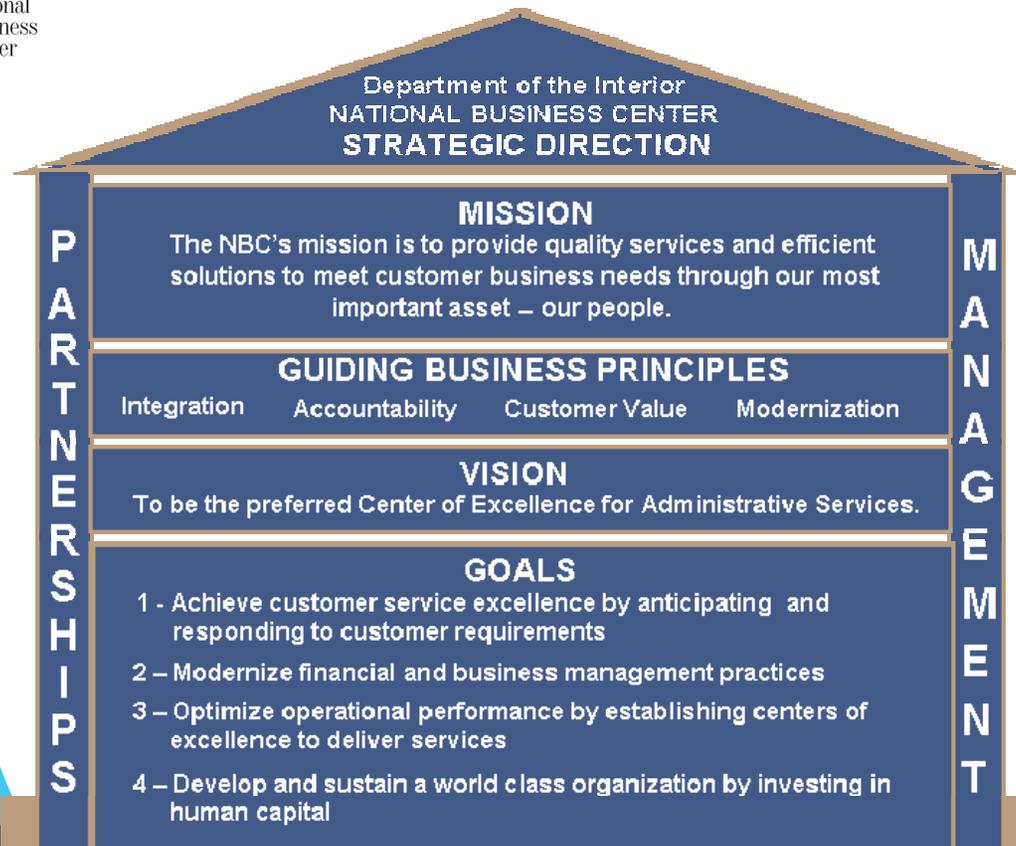
FM/HR LOB Services

FM/HR LOB Services	Private Sector	Federal
Operations	<ul style="list-style-type: none">• Consulting Firms• Systems Integrators• IT Services Organizations• Application Service Providers• Boutique Services and IT Shops• Hosting Service Providers	    HHS  DOT  Treasury  GSA U.S. General Services Administration  DOD
User Support		
Conversion		
Apps Mgmt		
Hosting		

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The NBC Operates in a Competitive Environment and Therefore Strives to Operate More Like a Business



- Comprehensive service offering
- Program management expertise
- Commitment to customer service and support
- Compliance with applicable regulations
- Comprehensive performance management
- Delivery of quality products and services
- Relentless pursuit of economies and efficiencies
- Effective partnerships with industry to meet objectives

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NBC has a Shared Services Mission and a 30+ Year Track Record of Customer Service

For more than 30 years, the NBC has provided high quality business management services to our customers.

Lines of Business	% of Revenue	# of Agencies	Key Performance Outputs
Financial and Business Management Services	25%	52	<ul style="list-style-type: none"> • Processed 13,000,000 documents • Support 11,000 system users
Payroll and HR Services	23%	37	<ul style="list-style-type: none"> • 300,000 W-2s • \$12.5 B total payroll disbursements • Administered 75,000 drug tests
Acquisition Services	18%	50+	<ul style="list-style-type: none"> • Executed 17,000 actions (\$2.6 billion value) • Administered 118 leases (\$28 million)
Other Support Services	17%	50+	<ul style="list-style-type: none"> • Manage 1.7 million ft² of space • Respond to 12,000 service calls • Process 6 million pieces of incoming mail
IT Services	5%	50+	<ul style="list-style-type: none"> • Support 131 business applications • Support 130 web sites • Support 528 servers
Training Services	5%	39	<ul style="list-style-type: none"> • Offered 293 classes • 180,000 total enrollments • Delivered 26 customized courses
Appraisal Services	4%	5	<ul style="list-style-type: none"> • Completed 1,680 appraisals (\$700 million value)
Aviation Services	3%	31	<ul style="list-style-type: none"> • 1,200 acquisitions totaling \$120 M • Completed 4,000 aircraft safety inspections • Completed 6,500 pilot flight evaluations • Processed 25,000 aircraft use reports



NBC is Aggressively Adapting Our Business Model

Payroll and HR Services

- Expand HR Service Offerings
 - Benefits Administration
 - Entry on Duty (HSPD-12)
 - Recruitment and Hiring
 - Position Classification
 - Performance Mgmt.
 - Employee and Labor Relations

Financial Management Services

- Standardize FM Solution Offerings
- Fully Electronic End-to-End Payment Processing
- Successfully Transition FFS Clients

IT Services

- Implement an SOA
- Migrate to SOA

Acquisition Services

- Increase Customer Usage of Electronic Business Solution



Training Services

- Expand On-Line Learning Programs
- Expand Intern Programs

Appraisal Services

- Implement Appraisal Standards

Aviation Services

- Expand Aviation Training
- Evolve Aviation Technical Competencies



In the Pursuit of Service Excellence, the NBC is Modernizing its Culture

A Customer Centric Organization is one that has established a cultural commitment to service excellence.

- ✓ People Focus
- ✓ Commitment to Quality
- ✓ Enabling Tools
- ✓ Meaningful Goals and Incentives
- ✓ Collaboration



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NBC Four-Point People Strategy

Listening: Employee Surveys

- An anonymous employee survey.
- Administered annually.
- Includes employee focus groups to clarify issues.
- Managers develop action plans.
- Accountability through linkage to manager performance plans.

✓ Effective Workforce Utilization

- Staffing model most effectively uses Federal and contract staff.
- Feds for operations, transactions, functional support, and project management.
- Contractors for workload balancing, software, data, consulting, technical expertise.



✓ Manager Competencies

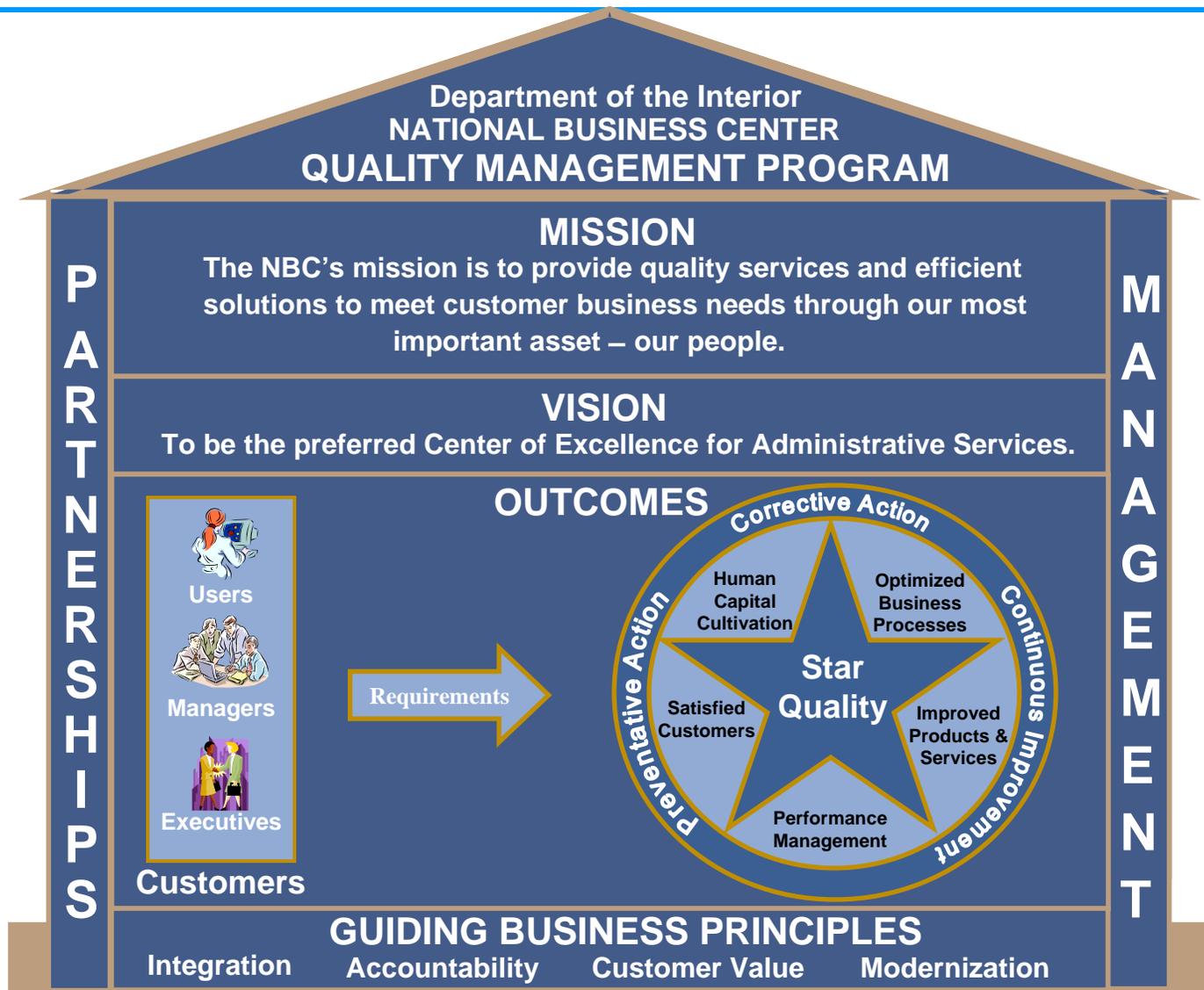
- Developing an NBC Manager certification program.
- Based on employee survey.
- Curriculum based.
- Progressive: From Supervisory to Managerial to Executive.
- Addresses contract management, project management, and program management.
- Stresses communications throughout.

Certifying Staff Competencies

- Aligns training investments with organizational priorities.
- Leverages industry certification programs.
- Unique to each NBC service area.
- Derived from NBC Strategic Plan.
- Identified in NBC Workforce Management Plan.



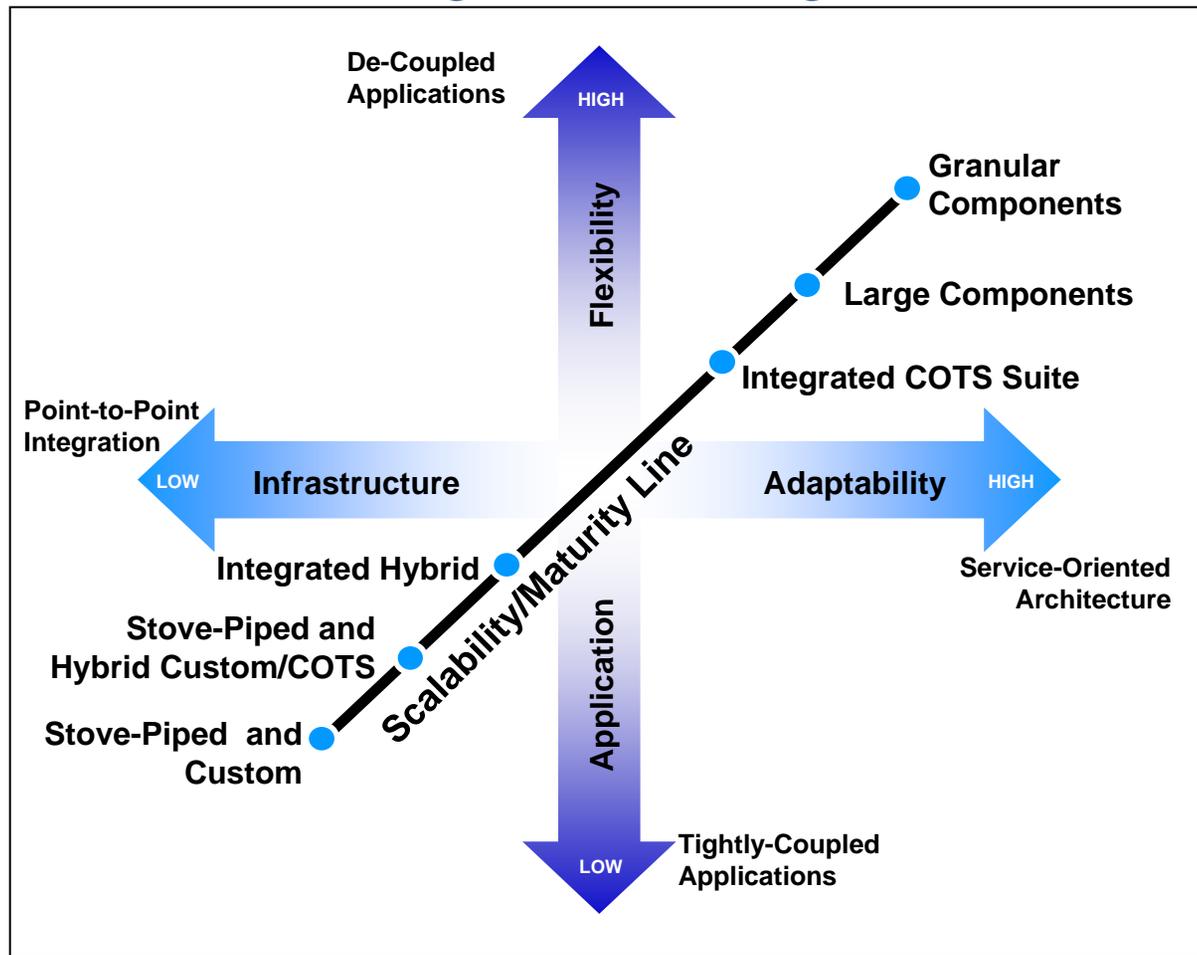
NBC Quality Management Program





The NBC is Building an Adaptive and Flexible Service Delivery Infrastructure

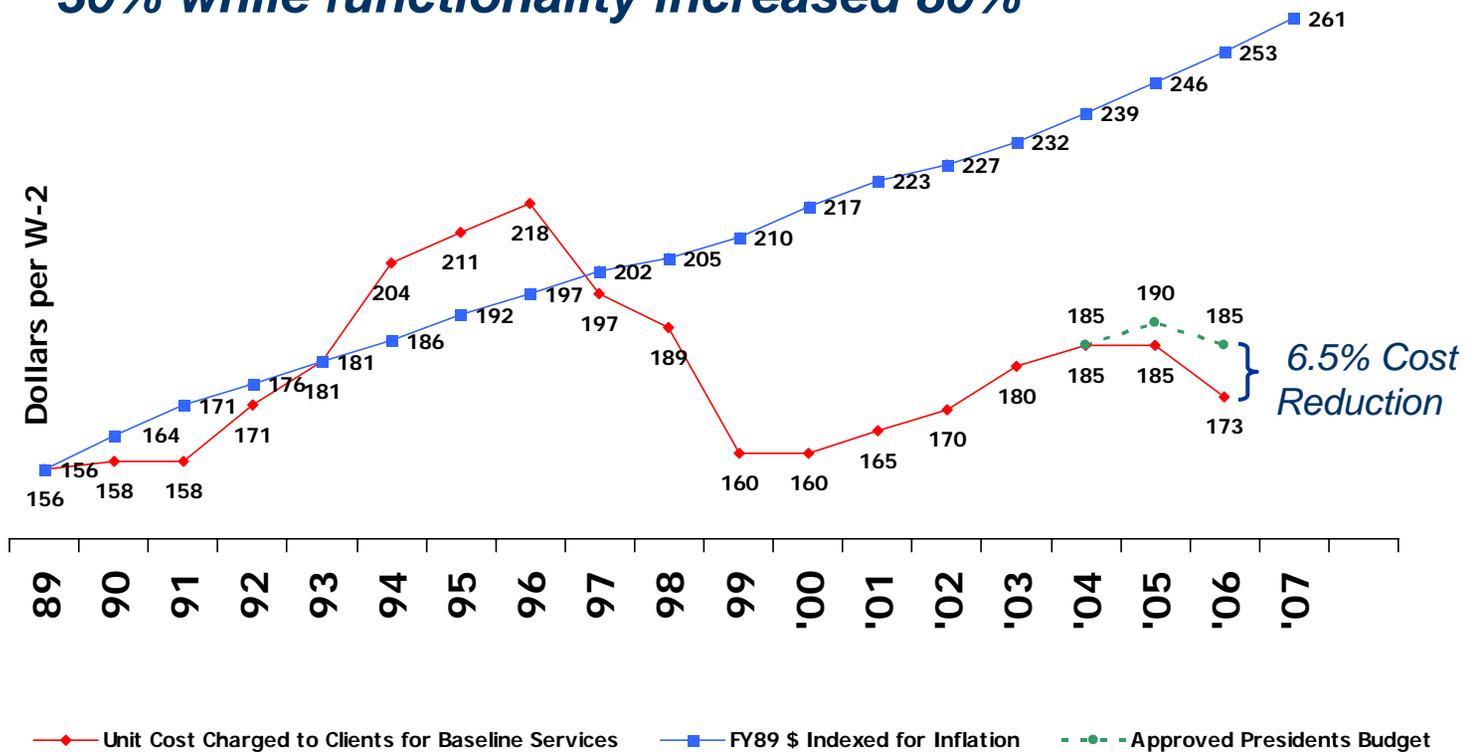
The business challenge is that numerous business systems must be modernized and integrated to leverage the infrastructure.





NBC Has Achieved Significant Efficiency Gains for Clients in its Federal Payroll Services

- ✓ *In FY06, unit costs in NBC payroll services declined 6.5%*
- ✓ *During FY89 – FY06, unit costs declined by 30% while functionality increased 80%*



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The NBC Maintains a 96% Customer Retention Rate

One of the NBC's strongest assets is our customer base. Thus, retaining our valuable customers is a priority.



- "It is my pleasure to inform you that your organization has been selected to receive a Social Security Administration Deputy Commissioner's Citation....Your organization has earned this award because of its continuing **superior level of customer service and exemplary performance.**"
- *Reginald Wells, Deputy Commissioner, Social Security Administration*



- "We want to thank you very much for your quick turnaround...It is exactly the kind of **customer-focused service** you are giving us that makes our partnership so valuable."
- *Jonathan O. Bloom, VP Finance and Administration, Millennium Challenge Corporation*



- I would like to take the opportunity to thank the National Business Center for their support...the efforts of [your] staff speak highly of the NBC and your **dedication to customer service.**"
- *Mark Reger, CFO, Federal Communications Commission*



- "As our financial management services provider, the [National Business] Center has an enviable record of providing consistent, timely service of the **highest quality.** This year, the performance of the Center can only be described as **exceptional.**"
- *Linda M. Cheatham, CFO, International Trade Administration*



The Shared Services Centers Face Significant Challenges in the Current Environment

1. *Capturing an accurate baseline of “as-is” operations within acquiring agencies must be a priority.*
2. *Pursue a shared accountability model (acquiring agency and servicing agency).*
3. *Existing financial tools offer few options for investments.*
4. *Burdensome HR regulations severely limit flexibility and threaten service levels.*
5. *The competitive process involves uneven playing field, including inherent inefficiencies and disparities.*
6. *Federal COEs do not compete on a level playing field.*