



a K2 Advisory press release

## ICT is the top priority area for UK public sector Shared Services

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*CIOs are doing it for themselves, not rushing to source external contracts*

**London, UK - May 2011**

K2 Advisory's research study, "Shared Service Centres: the CIO's role in scoping, supporting and managing them," reveals that there is no rush by UK public sector organisations to outsource to the private sector to achieve cost savings. This is despite the fact that the Government's Comprehensive Spending Review is clearly driving shared service adoption in this sector. The study found that just over half of public sector bodies already have some type of shared service functions in place.

However, in 2011, 40% of organisations are bringing forward plans to use shared services and a further 9% say that the Comprehensive Spending Review (CSR) has led them to opt for a shared service strategy where they did not have one before. The study's lead author, Dr Katy Ring, explained that, "expectations of cost-savings from shared service centres are rising up to around 20%, in line, or a little below, required budgetary reductions. Yet despite this expectation we can discern no rush to private sector suppliers for outsourcing contracts or Joint Ventures."

In 2012 K2 Advisory found that the highest priority area for migration to shared service delivery is ICT, with 20% of UK public sector organisations saying this area will be moved into a shared service form of delivery within the next 12 months. Looking out over a slightly longer period of two to four years, the research establishes that interest in HR and payroll becomes slightly stronger for shared service delivery but that Procurement and IT remain the most popular areas for migrating to shared service delivery throughout the likely lifetime of this parliament.

Dr Ring continued:, "The public sector is taking a DIY approach to setting up shared services. The most popular types of shared service centre structure involve public sector bodies taking charge and doing it for themselves. Be that via a dominant Lead Department model, a Joint Initiative Model or by a Strategic Partnership model. The preferred prospective partnership is between adjacent local authorities where the political party in power is not an issue, closely followed by partnerships with educational establishments and Third Sector organisations. At K2 Advisory we strongly believe that there are enough good, strategically-focused CIOs with involvement in forward-thinking shared service projects to provide services, guidance and partnership opportunities to those that are not as far down this path. In other words, the CIO community within the UK public sector is seizing the opportunity to successfully create shared services without requiring external leadership."

\* K2 Advisory's research findings are based on a survey run in Q1 2011 of 106 senior managers and directors in the public sector. Of these 45% were in local government, 19% in education, 16% in the NHS, with the rest from Third Sector, Central Government and Blue Light organisations.

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## About K2 Advisory - [www.k2advisory.com](http://www.k2advisory.com)

K2 Advisory is an analyst firm that does things differently and more effectively.

Our research model gives us the best possible understanding of what organisations in the commercial and public sectors want and what vendors can (or should) offer as IT services solutions. We engage with cross-business roles and budget-holders in addition to CIOs to provide pragmatic advice, grounded in ICT market knowledge. This enables us to understand which technology solutions best support business requirements.

## CIO Research Forum

The K2 Advisory Research Forum is a resource for CIOs, their senior colleagues, and their suppliers. It is a source of independent research and advice, analyst interaction and face-to-face networking for buyers and suppliers. The strength of the Forum comes from its research community of UK CIOs that participate in the independent programme via K2's quantitative and qualitative research methodologies.

Membership of the Forum is by invitation or recommendation in order to ensure the quality of input, debate and networking opportunities. Apply for membership here [www.k2advisory.com/services/cio](http://www.k2advisory.com/services/cio).

## For further information:

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