



Consortium

Approved by the Consortium Board  
on March 20, 2014 (CB15)

# **Shared services in the CGIAR Consortium**

## **Value for money investment in agricultural research**

### **A strategy**

**March 2014**

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## Executive summary

As CGIAR moves towards the next phase of reform, it is important to assess how the organization can most effectively manage its growing research portfolio so as to produce the greatest possible impact for investment. The CGIAR Research Programs (CRPs) are the foundation of reform. Their first phase was launched in 2011, with the second phase due to start in 2017. Through the implementation of CRPs, the CGIAR Research Centers continue to operate as individual entities, while ensuring research efficiencies by working together and with outside partners on well-defined coherent Intermediate Development Outcomes (IDOs). The Centers use results-based management (RBM) to ensure that investment provides maximum gain to the ultimate beneficiaries.

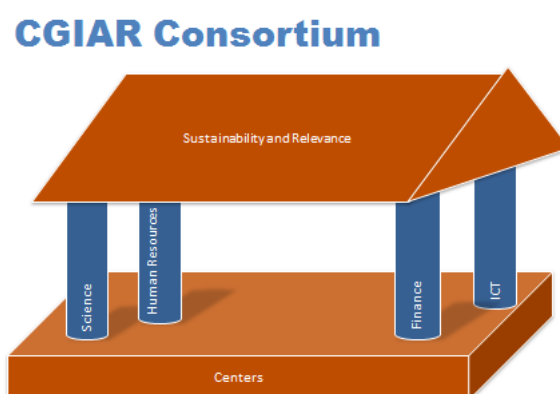
The vision of shared services is to integrate operational and science efficiencies across CGIAR Centers, so as to realize this CRP objective.

## The vision

The vision of the CGIAR Consortium Shared Services Initiative is of a sustainable, relevant research organization, which is attractive to investors, staff and partners and delivers real change to food security standards in developing countries.

The CGIAR Consortium Shared Services vision rests on four main pillars of change to address the scale and urgency of today's and tomorrow's challenges. These four pillars are:

- Science
- Finance
- Human Resources
- Information and Communication Technology



This paper summarizes how proactive implementation of shared services can help the CGIAR to achieve its overall vision. Shared services, as defined in this paper, is the utilization of a common resource base and

structure across Centers, which allows for continued independence while ensuring maximum efficiencies and world class support to CRPs. This will be realized through the following outcomes:

- ✓ A new, compelling research agenda developed and carried out with a number of partners;
- ✓ A global pool of employees, governed by a transparent and harmonized structure and set of policies that give outstanding research and flexible career advancements. Staff will be safe and secure regardless of their location, and have access to appropriate technologies;
- ✓ Finances managed by a fully integrated Enterprise Resource Planning (ERP) system that allows timely reporting and planning, accurate forecasting and multi-year budgeting, as well as global procurement;
- ✓ A global ICT infrastructure supporting the innovative science and knowledge management needed to achieve success.

The achievement of these outcomes will have specific benefits for all stakeholders:

An **investor** will have access to timely and credible reporting systems, ensuring traceability and providing clear evidence that investment is spent where it will have the greatest impact.

An **employee** will know that he/she will be treated fairly, that career potential will be fostered with a much broader range of opportunities, that comprehensive security systems will be established to protect personal safety and that appropriate training and technology tools will be available.

A **CRP** will be able to accurately forecast and budget for multi-year needs to attain goals (IDOs).

A **partner** will be confident about engaging with an organization that values transparency and accountability, while ensuring that efficiencies are maximized.

## The current situation

Rapidly growing investments – which doubled from 2008 levels to reach US\$1 billion in 2013 – bring both opportunities and challenges. They offer exciting potential to increase the total research base of the CGIAR Consortium. However, having met the billion dollar target, the challenge remains how to ensure and measure ongoing value for money, while translating science into impact within the CRP framework. CGIAR Research Centers face growing pressure to increase performance, while meeting exacting donor expectations for transparency and accountability.

It is important that the CGIAR culture of success should be integrated with a culture of continuously striving to improve efficiency and effectiveness, so that the Consortium can be adequately funded and equipped to take a global leadership role in meeting research needs linked to long-term food security. We need to commit to being held accountable. We need to attract and retain the best talent and have the capacity (both resources and efficiencies) to form strategic partnerships with the private and public sector.

In its Constitution, the Consortium commits to “improving the cost-efficiency of each Member Center and of the CGIAR system as a whole through the provision of advice, shared functions and research platforms, and other means; and identifying with the Member Centers and promoting opportunities to achieve gains in relevance, efficiency and effectiveness.”

The Consortium mandate also pledges to “develop, manage and operate, in cooperation with Member Centers, as appropriate, shared services for Member Centers with a view to increasing operational efficiency.”

This paper explores how, in the light of the current environment and challenges, shared services can support the CGIAR Consortium in delivering on its vision to continue to be a sustainable, relevant and sound investment for a food secure future.

## Challenges for the Consortium

The climate of the post-reform brings with it a number of challenges that are impacting the ability of the Consortium to operate at optimal level.

The most prominent of these are the following:

1. The Consortium is still unable to provide accurate and timely financial data to its donors. This challenges the ability of the Board to discharge its fiduciary responsibilities and threatens future funding levels.
2. Duplication and lack of coordination lead to a significant waste of resources in operations and lack of service standards across the Consortium. For example, CGIAR Consortium-wide procurement totalled \$250M in 2013 and is projected to grow. Each Center has a different procurement policy and an internal procurement unit.
3. Increased funding is giving rise to large numbers of fragmented research sites, as well as country and project offices; collectively, in 2009, Centers spent almost \$50 million on facilities and support across 253 different locations (Accenture Development Partnership, 2009). This included almost \$9 million spent on non-HQ locations, where there are often multiple Centers in the same city or site.
4. Researchers are spending more and more time on issues other than science, such as learning and dealing with disparate collaboration, financial and project management systems. In 2009, the annual cost of this was estimated at \$85 million (Accenture Development Partnership, 2009). As well as the high cost of this approach, it results in less time for scientists to spend on their core activities.
5. There are disparate human resource (HR) policies and practices in place across the CGIAR system. Researchers in the same CRP are governed by different policies, with varying salary and benefit packages, depending on which Center employs them. As the CGIAR moves towards an RBM system across the CRPs, the challenge is to align personal working goals, rewards and recognition, in line with this results-based culture.
6. In terms of staff security, there is currently no consistent, accountable mechanism in place to assess risks, nor strategies to deal with them. In particular there are no common systems for the large number of staff located away from their Headquarters, and for staff traveling. In the light of recent events, such as the Westgate Shopping Mall terrorist attack in Nairobi, there is an urgent need for an appropriate and common framework. Appropriate information procedures are also lacking at Consortium level.

7. Lack of common Information and Communication Technology (ICT) systems and individual Center-based ICT units lead to duplication of functions, untapped potential for greater communication and failure to harness innovation in the area of big data, bioinformatics and genetics.

## Proposed plan of action

Sharing services across the CGIAR Consortium involves streamlining operations to make the organization more efficient and effective. Specifically, this entails Consortium members sharing functions, research platforms and even physical infrastructures, so as to obtain better prices and quality of service. At the same time, use of the same support and facilitation services will allow CGIAR operations to be more agile and responsive. Sharing services also involves building on synergies by harmonizing policies in key areas, such as human resources, ICT, finance and research, increasing the overall value of Consortium products and services.

A shared services approach has been operational in some areas of the CGIAR Consortium for a number of years. In sectors where the strategy of sharing resources and building synergies has been tried and tested, it has produced tangible results, leveraging collective volume to achieve cost reduction and increasing output.

Examples include:

- ✓ \$1.5 million in cost avoidance on software licenses through collective purchasing
- ✓ \$1.8 million in cost avoidance in journal subscriptions through collective subscriptions
- ✓ The creation of a seamless and common email system through Center collaboration
- ✓ By joining forces, Centers have established a highly effective common provider of Internal Audit Services (IAU)
- ✓ Centers have established an effective and cost-efficient payroll and insurance group (AIARC)

In 2009, Accenture Development Partners conducted a detailed review across the CGIAR with the purpose of identifying opportunities for high potential synergies and economies of scale. Building on that study, and the experiences to date, we propose making Shared Services a strategic vehicle to support the 4 pillars of the Consortium, and investing in a set of interventions in the 4 pillar areas.

## Opportunities

The following are potential opportunities identified across the four pillars for sharing services to improve output and efficiency.

### Science

#### Global leadership in meeting research needs linked to long-term food security

1. **Common Research Platforms:** Alignment of Consortium around common platforms which should include consideration for hub centres of excellence and strategic positioning (geographic and commodity) of capabilities.

2. **Shared Research support services** – Develop a plan to establish greater facility sharing around specific research approaches and tools. These could include: biometrics, bioinformatics, geographic information systems, remote sensing, analytical laboratory services, , integrated breeding platforms.
3. **Capacity Building** - Shared platform for new generation of mega data and associated capacity building. This would include platforms for interoperability (including phenotyping, screening, genotyping, germplasm data in their connections and all the socio-economic data generated by the CRPs), OCS for research project management, scientific reporting, budget reporting in connection with scientific reporting and monitoring. This would also include interrogation and analysis of publications from the CRPs, business intelligence regarding these publications and on-line courses for project management, RBM.

## Finance

### A transparent, accountable, cost-effective and efficient organization

1. **Develop** and implement a leveraged procurement strategy to provide value-added strategic services that fully meet customer expectations, while minimizing the total cost of ownership for goods, works and services.
2. **Continue developing and implementing management applications within the** One Corporate System (OCS), a cross-cutting operational support platform to create a common system for managing projects, human resources, finances and other administrative and reporting functions.
3. **Consolidate** Internal Audit Unit (IAU), a pooled resource to give consistency to assessments and generate opportunities for sharing good practices across Centers. Implement a shared web-based audit management software.
4. **Develop** and implement a shared risk management policy and process for identifying risks, assessing their impact and probability. Defining and monitoring related mitigation plans to minimize risk, while pursuing implementation of the Strategy & Results Framework.
5. **Develop and implement** CGIAR operational facilities and service support plans to leverage efficiencies made by sharing safety and security, housing, transport, personnel, ICT, human resources, finance, catering and utilities. This may include the consolidation of certain facilities, such as sites and buildings themselves.
6. **Negotiate** a set of Consortium-level host country agreements to result in increased brand positioning for the Consortium and Centres, as well as cost and time savings for Centers.

## Human Resources

### High-performance culture and an attractive employment environment

1. **Develop and implement a common salary structure** and a harmonized platform applied to the CGIAR workforce, so as to create a single talent pool. Features would include: standardized definitions of competencies, harmonized role definitions, unified salary structure, expanded career development and succession planning opportunities, all designed to make the CGIAR Consortium better able to attract, motivate and retain talent.
2. **Develop and implement a staff security framework** for the CGIAR Consortium's 10,000 staff, working in more than 200 locations in 96 countries, leading to greater safety for personnel and legal protection for Centres and the Consortium Board.
3. **Develop and implement a strategic training plan** across the Consortium to improve skill capacity and capabilities of the total talent pool, in order to deal with the new challenges that face the CGIAR community.
4. **Expand services provided by AIARC** – payroll, pension and some insurance schemes for Consortium members to include additional insurance options (kidnap and ransom, directors' and officers' liabilities, property and casualty). Set up a proper strategic Human resources information management system (HRIMS) to enable the tracking of existing employee data (to include personal histories, skills, capabilities, accomplishments and salary, managing time and attendance, administering performance appraisals and analytics).

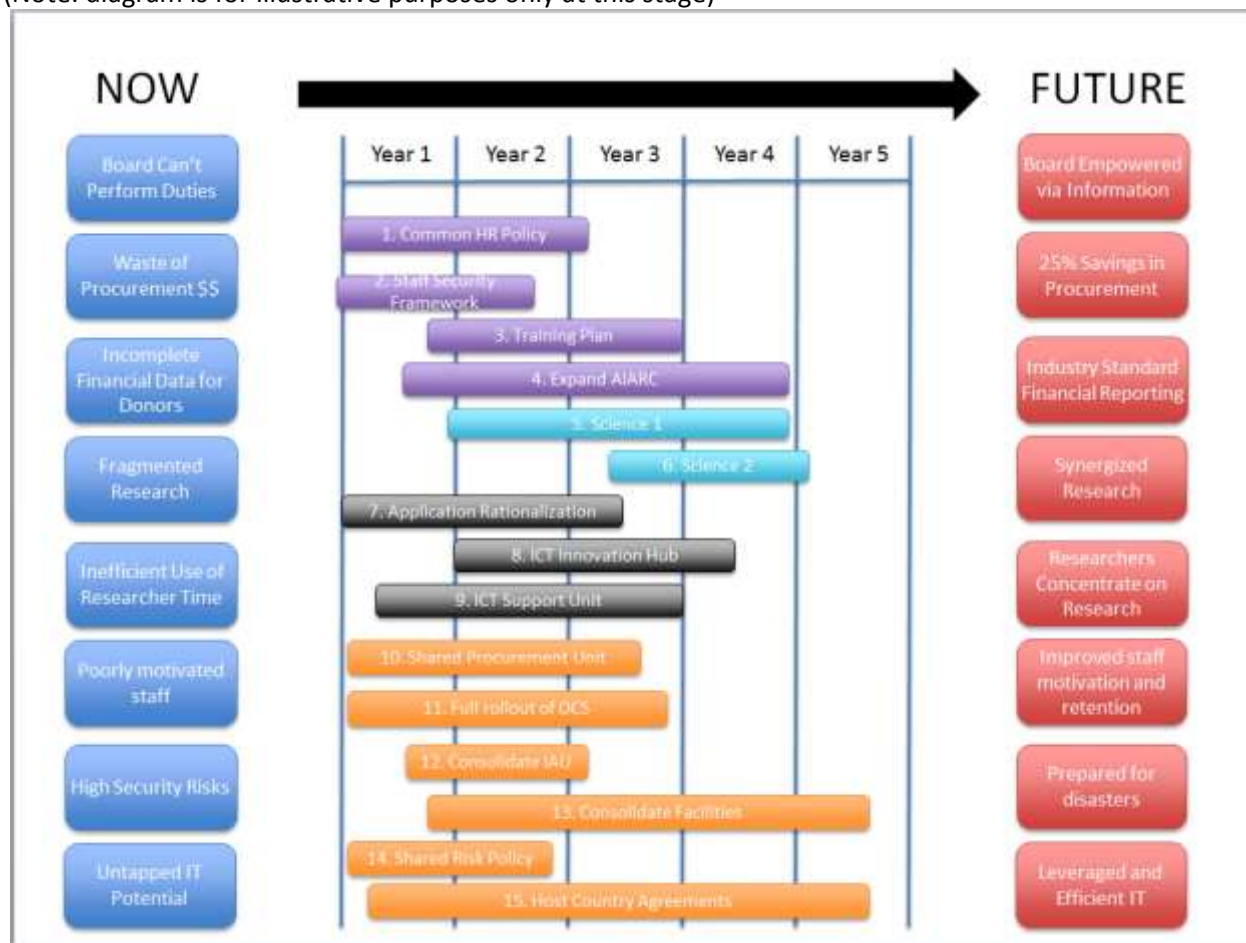


## ICT

### Enable CGIAR research to be open, manageable, visible, measurable and relevant

1. **Rationalize, and when possible harmonize, the number and type of applications** used to execute business or research functions that are shared among Centers.
2. **Adopt a strategic, common approach to ICT innovations**, from biometrics to data storage, to cloud computing and support of an Open Access organization. When demand exists, support to such efforts may include:
  - a. Implementation of collaboration platforms through a documented process that starts with needs assessments and ends with implementation and capacity building.
  - b. Providing support for Open Access implementation where appropriate.
  - c. Assisting with development of overall ICT strategies that leverage, and do not conflict with, the work of other CGIAR entities.
  - d. Assisting with negotiation of shared arrangements that can benefit Consortium Members as a whole.
3. **Establish a global ICT support function** to provide a set of common services and systems that capitalize on the Consortium global presence, such as:
  - a. Management of infrastructure for ICT services and systems, including the OCS Support Unit (OSU).
  - b. Management and coordination of CGIAR ICT shared service contracts and purchases.
  - c. Management of overall network infrastructure and services.

(Note: diagram is for illustrative purposes only at this stage)



By moving forward with the actions recommended above we envision that by the end of 2019:

- *The CGIAR Consortium Board will have the type of financial information necessary to execute its responsibilities to all stakeholders, including donors, thereby securing a consistent approach to future funding.*
- *Through cost savings and cost avoidance, the Consortium will achieve a 25% reduction in procurement spending.*
- *Access to robust, accurate, and comprehensive financial data will facilitate Consortium and Center level decision-making and transparent reporting.*
- *A new compelling collaborative research environment between Centers, and with partners, will be well supported by state -of-the-art services that are constantly updated.*
- *Researchers will spend more time on research and less on administrative burdens, thereby increasing research output while reducing costs.*
- *Employee motivation and talent retention will be significantly improved.*
- *Result-based management will be integrated at personal level through a comprehensive talent management system.*

- *The Consortium will be prepared for unplanned events, such as natural disasters or acts of terrorism, significantly reducing risk to their employees and to the Consortium as a whole*
- *Technology will play a leading role in driving efficiency and innovation across Centers*

## Guiding principles of governance

Throughout implementation and execution of the shared services strategy, the Consortium will adhere to the following guiding principles, so as to ensure that the decisions made are consistent with the original strategy and best interests of the Centers.

- ✓ The shared service process will be carried out in close consultation with the Consortium Board, CGIAR Centres and CRPs;
- ✓ A steering committee, made up of representatives from Centers, CRPs and the Consortium, will be put in place to direct the overall program through a pre-defined governance process;
- ✓ With the exception of matters that the Board considers to be of vital importance, the decision whether or not to adopt the shared services offered will be taken by each individual Centre;
- ✓ If a specific shared service does not offer sufficient added value, it will not be implemented.

Shared services will be:

- ✓ delivered in the most timely and efficient way;
- ✓ monitored regularly to ensure that they meet the criteria of constant improvement and continue to offer real value to users.

In general terms, sharing services is a voluntary approach, with Centers free to opt in or out. However, certain key areas of policy and procedure, such as staff security, can be mandated at the discretion of the Consortium Board.

It is envisioned that a phased approach, involving 3-5 Centers as a phase one pilot for each initiative, will be the most efficient strategy for achieving long-term success. The subsequent roll-out to other Centers can be set in place once the innovation has been tested and fine-tuned.

## Next steps

In order to successfully move forward and implement the actions outlined above, we are requesting the Consortium Board to:

1. Approve shared services as an official function of the CGIAR Consortium and provide a mandate to move forward with the implementation of strategic shared services as appropriate, to achieve stated outcomes.
2. Play an active and leading role in the governance and steering of the implementation of shared services.
3. In matters such as staff security, to act as the final authority in approval of central policies.

Since an efficient and effective Consortium is in the interest of all members, individual Centers will:

- ✓ Engage in shared services activities unless a particular case exists which prevents them from doing so.

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- ✓ Commit to adhering to the common shared principles, policies and standards created.

## Works cited

Accenture Development Partnership. (2009). *CGIAR Shared Services Findings and Recommendations*.