Introducing Shared Services in Bulgaria’s Public Administration

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October 3, 2019
Sofia, Bulgaria
• Bulgarian system of public administration divided into specialized (Policy-making) and general administration (supporting – FM, HRM, ICT, property management, public procurement, etc.)

• **Overstaffed** general administration – each institution has its own GA (15-30 % of entire staff)

• **Inefficiency** – high expenditures for supporting functions

• **Lack of conformity** – different structure for identical activities; different business processes, standards, quality
• Lack of uniform IT systems and solutions
• Perception of **low quality** of support services
• **Tension** between specialized staff and GA
• Absence of “client-centered” approach

**The negative context:**
• The principle “each institution with its own GA” is set in the **legislation**
• Difficult reform – “losing ownership”, mistrust (staff cuts ?!), **resistance** at all levels
IMPLEMENTED ACTIONS

• Priority set at **political and strategic level** - Public Administration Development Strategy 2014-2020

• Find the best reform “driver” (counsel) – **World Bank**

• Selection of areas – Financial Management, Human Resource Management; Property Management

• Choice of **model** – centralized or decentralized (gradual)

• May 2017 - Government of Bulgaria commissioned advisory services from the **WB to assist with the introduction of shared services**
IMPLEMENTED ACTIONS

• Series of events presenting the lessons learned by other EU Member States that have successfully introduced shared services in their administrations

• 2 pilot administrations selected – Ministry of Health (HR) and Food Safety Agency (HR and FM)

• In pilots: mapping current business processes -> re-engineering and optimization -> creation of SSU

• Recommendation on necessary upgrades to the centralized HRM management information system

• Separate report on Property Management
RESULTS

• Development of a new organizational model
• Creation of SSU, incl. by legal amendments (statutory and organizational normative acts)
• Transfer of support functions to a higher level
• Optimization and standardization of business processes – valid for entire Bulgarian administration
• Clear division between sub-functions suitable to be centralized and those to be kept by each institution
• **Training** of staff
• Strategic **mapping of ICT upgrades**
• **Better quality** of services
• **Acceptance of the concept** – achieved
• Monitoring and evaluation **mechanism set**
• Model to be **spread**!
• Property Management – short-term, mid-term and strategic **goals set**
LESSONS LEARNED

• Tailor-made approach – national legal and administrative context, different institutions
• Clear plan and Change management
• Focus on people
• ICT as a strategic enabler of shared services – significant resources needed
• The goal – medium and longer-term benefits
• Key point – customer-oriented mindset: while introduction of the shared services is directly related to internal processes, it ultimately affects organization’s ability to serve people and businesses
THANK YOU!
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