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Shared success

Shared services is a broad concept that can mean different things to different people, writes Michael Robertson.



To some, shared services is about the centralisation or consolidation of similar activities in one location; to others, it is related to improving back-office functions. Regardless of its form, shared services can standardise and simplify the functions

With budgets shrinking in tough economic times, the Government is keen to benefit from adopting shared services practices where appropriate, and is actively working to promote the concept. Implementing a shared services approach by moving activity online so that processes and procedures can be conducted electronically, for example, is one way to realise such savings. However, a successful transition is heavily dependent on a well-executed deployment and a clear vision of operational change.

The UK Ministry of Defence (MOD) Disposal Services Authority (DSA) website, which sells surplus MOD stock ranging from socks to military vehicles, won the e-Government Excellence Award for Shared Services in 2009. The Award recognises e-government and technology driven services which have improved citizen and business transactions within the public sector. The DSA website was acknowledged for the impressive efficiencies it had achieved by conducting sales bids and transactions online.

Shared services in practice: eDisposals.com

The DSA is responsible for the disposal of surplus assets for the Armed Forces. The main aim of the operation is to maximise the financial return to the Government from assets that are no longer required, while ensuring that items are reused or recycled with the minimum amount of waste. Through its activities the agency generates an annual return in excess of £700 million.

The operational costs of supporting the movement and disposal of assets have traditionally been very high. For example, if a military vehicle overseas was to be sold, it would firstly have been transported to the UK and then, once bought, shipped to the required location.

To advance its service and achieve efficiencies, the DSA decided to extend its conventional sales channels by introducing an online portal – www.eDisposals.com. The site would bring together fully vetted contractors charged with the resale of surplus stock, and buyers, typically members of the

public and other interested parties from around the world.

Implementation

The nature of the MOD's business meant that security had to be at the heart of the solution. Never before had a transactional database been hosted outside of the MOD's internal restricted network, and open to external users.

To assist in the development of the web-based software and guarantee the highest security standards, the DSA appointed Commerce Media. The firm was tasked with implementing a robust system that would not only meet the standards expected from the MOD but also ensure that the solution was accessible to its intended audience and easy to manage.

The ability to securely support financial transactions was core to the website design. The DSA recognised that it was vital to verify the identity of contractors to ensure no illegal or unauthorised activity would be undertaken using the infrastructure. Confidence in the system was key. In order to achieve this, the DSA elected to deploy Celso, a two-factor authentication (2FA) solution.

What is 2FA?

2FA is a login process that is characterised by the fact that the user knows something – such as a password or passphrase – and possesses something which is hard to steal or counterfeit, and which provides additional identification.

In most 2FA applications, 'possession' is demonstrated by knowledge of a one-time-password (OTP) that is generated at the initial login phase and then sent to a nominated device such as token or mobile phone. This makes it almost impossible for a sophisticated computer attack to succeed.

2FA is widely used within the financial community, and is increasingly being adopted by both public and private sector organisations to verify user identity in order to support remote working and disaster recovery models, as well as online purchases and back-office systems.

The outcome

Since its launch, unique visitor traffic to eDisposals.com has increased year on year. Country analysis reveals that people are accessing the site from Europe, the Americas and Asia. These impressive visitor statistics have translated into the DSA achieving a number of efficiency

gains from conducting its sales bids and transactions online, as well as cost savings.

These gains include:

- Increased visibility of the assets for sale. With the ability to effectively reach a significantly larger global audience through the website, the DSA has ensured that more items are reused and higher prices can be achieved. For example, a recent aircraft sale generated £200,000 more for a contractor than was expected.
- A reduction in transportation fees. By shipping items directly from seller to buyer without the need to pass via a central UK depot, the DSA has saved an estimated £52,000 in transportation fees.
- Reduced administration. As most transaction-related communications are now conducted electronically, significant savings in printing and postage costs, for example, have been made.

This success would not have been possible without the deployment of a robust infrastructure that both the DSA and its contractors felt confident in using, and the fundamental operational changes that were implemented.

Sharing the success

Utilising the skills gained through disposing of surplus assets for the MOD, the DSA is now able to offer a shared service to the rest of government (local and central), the wider public sector and a growing number of private sector and overseas customers.

The DSA is allowing organisations to use its website as a completely secure and managed portal for reselling, recycling and ultimately disposing of any surplus goods and materials. Items can range from IT and office equipment to artwork and vehicles. By using the DSA's proven solution, these organisations can maximise the return on their surplus and used assets, providing an additional income stream to the original owners.

The adaptability of the DSA and its system is expected to result in ongoing efficiency savings and innovative partnerships which will benefit the public purse as well as the private sector.

The future

eDisposals.com has been an important tool, and the DSA plans to continue to evolve the website to accommodate a range of new goods and materials for sale. Recent initiatives include the creation of

a separate, secure sales channel for the MOD to sell art books, DVDs and a selection of prints which are held in the MOD art collection online, and the promotion of business listings for public and private sector contractors registered with the site who can dispose of unwanted goods.

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From a user's perspective, the DSA is also advancing its 2FA technology and encouraging all buyers purchasing any type of goods online to authenticate themselves each time they login to the site. This will provide both the contractor and buyer with added confidence that they are communicating with the intended parties, and that any exchange has not been intercepted by an unauthorised individual or sophisticated eAttack.

As the technology develops and users become increasingly sophisticated and comfortable using the internet to undertake transactions, eDisposals.com will continue to advance its solution to meet the needs of its environment.

In summary...

- With budgets shrinking in tough economic times, the Government is keen to benefit from adopting shared services practices where appropriate, and is actively working to promote the concept
- The DSA is responsible for the disposal of surplus assets for the Armed Forces and aims to maximise the financial return to the Government from assets that are no longer required, while ensuring that items are reused or recycled with the minimum amount of waste
- eDisposals.com has been an important tool, and the DSA plans to continue to evolve the website to accommodate a range of new goods and materials for sale

Further information...

For further information, please visit: www.commercemedia.net

of an organisation to ensure that the operation is as effective and efficient as possible. In the private sector the shared services approach has already been proven to achieve efficiencies of between 20 per cent and 50 per cent.