



Communication Package for the SMART Initiative

A communication plan was created to inform PSC's stakeholders of the new SMART Initiative and socialize this new program.

This package contains the Communication Plan (Executive Summary, Overview and Timeline) and examples of outreach materials used to socialize this new initiative:

- **PSC Intranet site** – PSC actively promoted the SMART Initiative on its internal website.
- **SMART Initiative Webpage on Intranet site**– this Intranet landing page contains basic information about the SMART Initiative and contact information for the 24 Service Managers.
- **PSC Broadcast Messages** – the Director encouraged employees to identify ways that PSC can trim costs and save taxpayer dollars as part of the new SMART Initiative.
- **Employee Newsletter articles (5 pages)** – PSC featured SMART in its monthly *eNews* employee newsletter to inform all managers, staff and contractors about the new SMART Initiative.
- **Customer Newsletter articles (2 pages)** – PSC featured SMART in its *Service Matters* customer newsletter to inform all our customers about the new SMART Initiative.
- **Board Meeting presentations (2 pages)** – PSC presented the FY11 and FY12 SMART savings to the Service and Supply Fund Board.



Communication Plan for the SMART Initiative

REVISED – 4/1/11

EXECUTIVE SUMMARY

Action:	(varies)
Target Date:	April __, 2011
Key Messages:	<ul style="list-style-type: none"> • SMART = Save, Manage and Assess our Resources Together • SMART is a comprehensive and rigorous budget management process • SMART’s goal is to reduce costs and transfer the savings to customers • SMART has succeeded in identifying cost reductions in FY11 • SMART is now a standard business process in PSC
Content:	Specific communication will be customized for stakeholder groups: Service Managers, PSC employees, ASA organizations, HHS Senior leadership, SSF Board members, and customers.
Context:	PSC is making several resource adjustments based on current FY11 and the FY12 budget climate. PSC established the SMART initiative and designated 24 Service Managers to help devise strategies toward substantial cost reductions, maintain customer service quality, and identify unique and innovative opportunities in our processes and systems to be flexible during times of change.
Sources:	<ul style="list-style-type: none"> • SMART documentation
Rationale:	Communications are necessary to inform all stakeholders of the SMART Initiative and any proposed changes to our business processes and/or rates, and their possible impacts particularly in terms of budget reductions and cost savings. Outreach is necessary to socialize the new concept and way of doing business to gain support and traction.

OVERVIEW / TIMELINE

Order of Stakeholder Communications	Sender	Audience	Message	Format	Target Date
Service Directors, Service Managers	Paul Bartley	Managers	Responsibilities, actions needed	Mgt briefing Staff mtgs	
PSC (overall)	Paul Bartley, Comms	Employees, Contractors	Courtesy notification, Bright Ideas promo	Broadcast emails, Intranet promo, All Hands mtgs, eNews employee newsletter	
ASA/DAS orgs	Paul Bartley	Managers, staff	Courtesy notification	Email	
HHS Senior Leadership	ASA	HHS Secretary, Dep Secretary	Courtesy notification	HHS Senior briefing (or email)	
Service Supply Fund (SSF) Board members	Paul Bartley	Op-Div execs, SSF Manager	Actions (e.g., rate changes) and impacts	Email SSF Board mtg	
Customers	Paul Bartley, Comms	All PSC customers	Courtesy notification	Email, briefings, Service Matters customer newsletter	

SMART on the PSC Intranet

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EAP & WORK/LIFE SERVICES

BUSINESS PROCESS IMPROVEMENT

PERFORMANCE

ONE-DHHS

SERVICE AREAS

TRAINING

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PSC PHOTO GALLERY

1 PSC 2011 SMART Initiative Learn more...

Don't be like this guy

2 **PSC SMART** Learn about SMART and find your Service Manager

NOTE: Flash Player is required to view this animation. [Click to download Flash Player.](#)

3 Director's Corner

Our new SMART (Save, Manage and Assess our Resources Together) Initiative continues to make great strides, thanks to your great ideas and hard work

Read More

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Communications Broadcasts

Director's Message: Fraud, Waste and Abuse - Reporting Responsibilities

All PSC employees are requested to carefully read the memorandum concerning your responsibilities for reporting potential or actual instances of fraud, waste or abuse. The document is posted at <http://intranet.hhs.gov/psc/resources/policies/fraud-2011.pdf>. I count on your full support to ensure our climate of integrity is upheld.

Paul S. Bartley
Director, Program Support Center

IMPORTANT NOTICE: Office Location Changes in Parklawn
Recent changes that have been made within the Parklawn Building to accommodate the

Your Resources

Policies
PSC policies, and procedures available in downloadable format.

Forms
Find PSC forms for your use.

Publications
PSC Directory and other publications for your download.

Personnel Applications

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- > myPay
- > TSP
- > eOPF
- > IAM@HHS

1. Intranet billboard promoting the new SMART Initiative
2. Link to SMART Initiative Website
3. eNews (employee newsletter) Director's Corner
4. Feature article in the eNews

SMART Initiative website

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PSC PHOTO GALLERY

SMART Initiative and Service Managers

PSC SMART

In 2009, PSC formed a high-GEAR initiative to clearly define and institutionalize a Service Manager role to better align managerial responsibility and accountability with service results.

Service Managers are the star performers in PSC's new initiative called "SMART" or Saving, Managing and Assessing our Resources Together. Through this initiative, Service Managers will help our service strategies focused substantial cost reductions, maintain customer service quality, and identify unique and innovative opportunities in our processes and systems so PSC can be flexible during times of change. Our gains translate into greater savings and benefits to all our customers.

Service Manager Role

We have selected 24 Service Managers, representing more than 60 different services and products offered by PSC. Collectively they provide the essential services in the business of government. These individuals possess a wide range of knowledge and skills in budgeting, contracting, sales, staffing, resource management, rate determination, funding and shared services competition and best practices.

These Service Managers are your primary contact for information about the services you utilize or any questions and concerns you may have. Find your Service Manager by visiting the contact pages below.

- Administrative Operations Service (AOS)
- Federal Occupational Health (FOH)
- Financial Management Service (FMS)
- Information and Systems Management Service (ISMS)
- Strategic Acquisition Service (SAS)

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The SMART Initiative and Service Managers

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PSC Broadcast Messages



Director's Message



Do you have an idea for how PSC can trim costs and save taxpayer dollars?

I encourage you to think of creative ways to reduce our expenses to keep PSC competitive at a crucial time when our customers must reevaluate their costs. Please send your bright ideas to PSCCommunications@hhs.gov.

Thank you for your support. I believe this effort is an important step toward giving the American people a government that does more for less. I look forward to hearing about your ideas.

Paul S. Bartley
Director



Director's Message



I want to thank the many PSC employees who eagerly shared their ideas for cutting costs at PSC. Our senior leadership and the Service Managers reviewed the ideas as part of our [SMART](#) (Save, Manage and Assess our Resources Together) Initiative. We narrowed them down to the strongest potential cost savings, which we have begun implementing. You can hear more about these cost saving activities at the next PSC All Hands Meeting in June 2011.

I will continue to update you on our response to the budget issues and any potential impacts to our organization.

Again, thank you for your support.

Paul S. Bartley
Director, Program Support Center

DIRECTOR'S CORNER

This is an exciting time for all of us at PSC. We're facing twin challenges: major budget impacts to our customers and a physical move by a large portion of our people. I hope you will take advantage of the opportunities these challenges present.

What do I mean "take advantage" of these opportunities? By showing our customers we are the experts in making large leaps in efficiency we can position ourselves as leaders in Shared Services. Through a new initiative called "SMART" (Save, Manage and Assess our Resources Together) I've challenged the 24 "business owners" of PSC (also known as "Service Managers") along with their Service Directors to make substantial cuts in our rates to respond to drastic cuts in our customers' budgets. Please work with the Service Manager responsible for your activity (see list of Service Managers in this newsletter) to generate and implement ideas to add new customers or reduce costs. You can also send any suggestions you have to help reduce rates to PSCCommunications@hhs.gov.

There are many opportunities associated with our moves from the Parklawn Building. Now is the time to review records management guidelines and ensure we are retaining only those records we truly need. For those units headed for the Twinbrook Place Building (just a few blocks from Parklawn), we have a great opportunity to reconfigure space and make our workstations more efficient, as well as think more about teleworking. Our Building Management in AOS is busy planning for occupancy by November 2011.

Paul S. Bartley
Director



May 2011, Issue 67

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DIRECTOR'S CORNER

Without a doubt, the last few weeks have been stressful due to the uncertainty surrounding the 2011 federal budget. I very much appreciated your professionalism as we prepared for a possible interruption to some of our operations. In the Department's **contingency staffing plan**, almost two-thirds of HHS employees (and 75% of PSC employees) were deemed "non-excepted" from a furlough. I want to point out that being designated "non-excepted" simply meant that funding issues would prevent you from doing your work. It did not mean you are non-essential to PSC. Each of us has a role to play to keep the many parts of this organization running, including those important activities related to our long-term vitality.



Our new "SMART" (Save, Manage and Assess our Resources Together) initiative is underway to strengthen our service areas and prepare us for budget challenges. The budget issue confronts not only PSC, but agencies across the government. The good news for a shared services organization like PSC is that there are opportunities for revenue growth even when overall budgets are shrinking. That is, we can assist our customers by taking on more of their administrative and operational tasks while they focus on their mission.

I am confident that our proactive approach during periods of tight budgets will ensure that our customers see PSC services as value-added. I will continue to update you on our response to the budget issues and any potential impacts to our organization.

Paul S. Bartley
Director



June 2011, Issue 68

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DIRECTOR'S CORNER

Thank you for helping us make strides as an organization in these changing times. The fact that our new initiative "SMART" (Save, Manage and Assess our Resources Together) is moving full speed ahead shows that PSC is a flexible and resilient organization. It's been a challenging year, but I am pleased to know that each service area has already made significant adjustments and accomplishments to respond to our customers' shrinking budgets. I will tell you more about our plans at the next All Hands meeting on June 9.



We are making progress with the Parklawn relocation plans. Work is under way to prepare the Twinbrook Place building for our occupancy later this year. I know many of you are looking forward to it.

The annual picnic is right around the corner. With this year's theme as the *PSC Olympics*, I am excited about our festivities and I hope to see you in there on June 15.

Have a great summer!

Paul S. Bartley
Director



July 2011, Issue 69

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DIRECTOR'S CORNER

The PSC SMART (Save, Manage and Assess our Resources Together) Initiative continues to make great strides, thanks to your great ideas and hard work. As I mentioned during the recent PSC All Hands Meeting, we were able to identify \$11.1 million in budget reductions in FY11, and more reductions are planned for the next fiscal year.

Last month, I presented the results of our SMART cost savings activities in a report to the Service and Supply Fund (SSF) Board. The board members were very impressed with our ability to be flexible to the changing budget climate. This shows that we are being responsive to our customers' concerns about their budgets.



I would like to sincerely thank each of you for your hard work in making this initiative a success.

Enjoy your summer, stay cool and be safe.

Paul S. Bartley
Director



July 2011 – Feature Article

SMART triumphs with \$11.1 million in savings; SSF Board impressed



Great news! All the hard work for the [SMART initiative](#) has resulted in significant success, thanks to PSC employees.

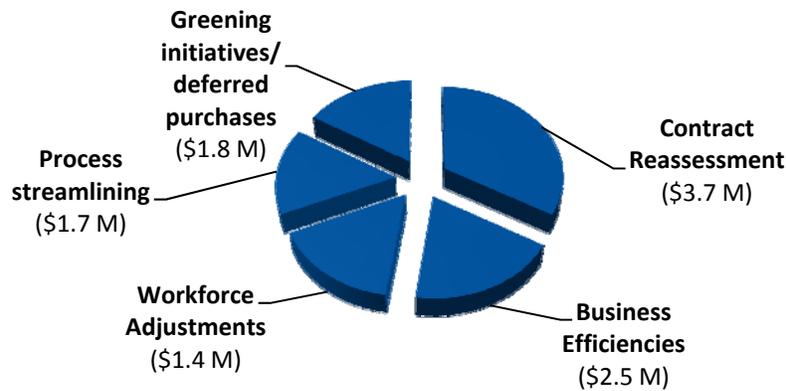
The SMART budget review yielded **\$11.1 million** in overall cost savings (budget reductions) in FY11. In addition, the Service and Supply Fund (SSF) Board, which could be considered the “Board of Directors” if PSC were a private corporation, met on June 13 and received the report on savings PSC identified for FY11 through the SMART program. As expected, they were very impressed and grateful for our hard work. Colleen Barros, Deputy Director for Management and Chief Financial Officer at NIH stated, “We appreciate the effort expended on SMART that resulted in savings to the OPDIVs during such austere budget times.”

The cost cutting initiative, SMART, stands for Save, Manage and Assess our Resources Together, and is a proactive step to address federal budget challenges. This program was established to help us be smart about our resources. In addition, it is a good opportunity to review our budgets and identify opportunities for growth.

PSC Director Paul Bartley specifically mentioned the efforts of the 24 Service Managers in accomplishing this goal of providing immediate savings to our customers. These “business owners” helped the leadership devise strategies toward substantial cost reductions, to maintain customer service quality, and identify unique and innovative opportunities in our processes and systems. Over the past two months, the leadership and service managers went through a rigorous exercise to review budgets from the bottom up. Many of the ideas came from employees, as PSC had an email campaign called “Bright Ideas” where people could send in their suggestions. Several options were reviewed for making reasonable budget cuts without jeopardizing service delivery, including many suggestions employees submitted for consideration.

“Thank you for your suggestions,” said Mr. Bartley. “We compiled these suggestions and factored them into our cost-saving activities. When I spoke with my counterparts at other federal shared services, I could tell that we are much more flexible and prepared than others to deal with the changing budget climate.” Every organization contributed. Many cost centers made deep cuts to their services to achieve our overall cost reductions.

PSC identified five areas of substantial cost savings that will help us stay flexible and responsive to our customers’ needs during times of change. Altogether, action was taken in five key areas (see pie chart):



FY11 SMART Savings

One of the Service Managers, Helio Chaves, Director of the Division of Payment Management (DPM), said his division’s budgetary resources were much more scrutinized and spending more disciplined for SMART. “The keys are to control and cut costs and ensure a healthy revenue stream for the division,” he said. “Also, we looked at ways to invest in our people and systems,” he said.

The DPM provides grant services, cash management and grant accounting support services to federal awarding agencies. They process approximately 75 percent of all civilian federal grant payments. In fact, they’ve already processed more than \$284 billion in grant payments so far this year.

What sort of cost savings did DPM accomplish? They’ve done continuous reviews of the budget, billings, charges and contracts, with monthly reviews. Overall DPM is looking at \$2.5 million in cost savings and cost avoidance. It includes business efficiencies with \$600,000 in contracts review; \$300,000 in personnel salaries and benefits; and \$1,600,000 in transaction volume increase, allowing for economies of scale to pass unit savings onto customers.

PSC will continue to move forward with its proactive efforts to prepare for the FY12 budget cycle. We will conduct another intensive effort to further trim our costs and consider revenue growth opportunities. “Keep on doing what you do and keep helping us find ways to cut costs and make our work processes more efficient,” said Mr. Bartley. “I encourage you to contact your Service Manager with your ideas.”

To learn more about SMART and see a list of these service managers visit:
<http://intranet.hhs.gov/psc/smart/index.html>.



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The 2011 PSC Service and Product Directory is here.



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A quarterly customer newsletter that keeps you informed about our organization and our services and products.

Executive Corner

Message from the PSC Director



Welcome to the inaugural issue of *Service Matters*, the PSC quarterly newsletter designed especially for you, our customer!

The purpose of *Service Matters* is to keep you informed about PSC's services and products, provide a greater understanding about our organization — our people, goals and performance — and how we can best serve you and your mission.

First and foremost, we are a service organization. We have a proud 15-year history in federal shared services — we manage the business of government. As the shared services provider for the U.S. Department of Health and Human Services and 31 other federal agencies, we strive for excellence in delivering essential services and products. We have the expertise, experience and resources to play an integral role in the success of agencies like yours by allowing you to focus on your core mission.

I hope you will find this issue of *Service Matters* informative and useful. We encourage you to let us know how we can best serve you. On behalf of all PSC employees, thank you for your support.

Cordially,

Paul S. Bartley

Customer Newsletter articles

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PSC Services



SMART and the Service Manager

Through an internal strategic initiative in 2009, PSC identified 24 "business owners" representing all of PSC's products and services with clear managerial responsibility and accountability over service results. Little did we know that the time would come to call upon this essential role to help PSC and our customers weather these recent budget storms. [See related article on Shared Service Strategies.](#)

The 24 Service Managers have taken ownership of PSC's 60 different services and products. Collectively, they mind the essential services in the business of government. These individuals possess a wide range of knowledge and skills in budgeting, contracting, sales, staffing, resource management, rate determination, funding and shared services competition and best practices.

Service Managers are the star performers in PSC's new initiative called SMART, or Save, Manage and Assess our Resources Together. Through this initiative, Service Managers help PSC devise strategies toward substantial cost reductions, maintain customer service quality, and identify unique and innovative opportunities in our processes and systems so that we can be flexible during times of change.

SMART is a rigorous and disciplined approach to comprehensively review our budgets and reduce operating costs in response to the current budget challenges. In a series of budget scenario planning exercises, the Service Managers determined where to take action. The program generated a wide range of cost-cutting strategies, resulting in an \$11 million reduction in overall expenses in fiscal year 2011.

These Service Managers are your primary contact for information about the services you utilize or any questions and concerns you may have. Get to know the Service Managers for your services by visiting <http://www.psc.gov/about/smart.html>.

The 2011 PSC Service and Product Directory is here.



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Customer Newsletter

A quarterly customer newsletter that keeps you informed about our organization and our services and products.

Customer Newsletter articles

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PSC Services



Shared service strategies to weather your budget storms

The third quarter of fiscal year 2011 began with a firestorm of budget challenges across the federal government. As a fee for service organization, PSC is used to dealing with the economic challenges faced by our customers. Whenever budget belts are tightened, we ask our customers to resist the natural urge to cut services, because there are ways to cut cost without compromising services.

One good strategy is to cut costs by disinvesting in some in-house administrative functions. Our solution is — let the experts do it: PSC. Some of our customers realize that it is more cost effective to let us handle their financial reporting, security, warehousing, contracts management, travel and other services. For many of our customers, grants payments are tedious and fraught with requirements. That is why they come to us. Did you know that 70 percent of all federal grant payments are managed by PSC? If you have tedious, labor-intensive processes, this is a golden opportunity to off-load some administrative burdens and focus resources on more mission-related activities.

Consolidation is another good strategy. Multiple and duplicative functions and systems are low-hanging fruit that can be easily eliminated in order to reduce costs and improve services. In doing so, you get more consistency in policy and operations and pay just one fee. For instance, prior to 2006, HHS had as many as six travel management offices and systems operating simultaneously, each with its own small customer base. HHS wisely consolidated them into one travel service provider: PSC. HHS streamlined the travel management system across the Department and eliminated the confusion in travel policies, operations and systems. Through PSC's Travel Office, HHS employees are able to make their travel arrangements in the most expedient and cost-efficient manner.

Those are just two basic strategies our customers can follow to reduce costs. We use economies of scale to reduce rates — the more customers who sign up, the rate per customer goes down. The bottom line is, there is no better time to use PSC to get the best deal in services and cost. We continue to search for opportunities to help our customers make ends meet. That is why we formed a new and important initiative called SMART. [See related article about SMART.](#)

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SERVICE MATTERS
Customer Newsletter

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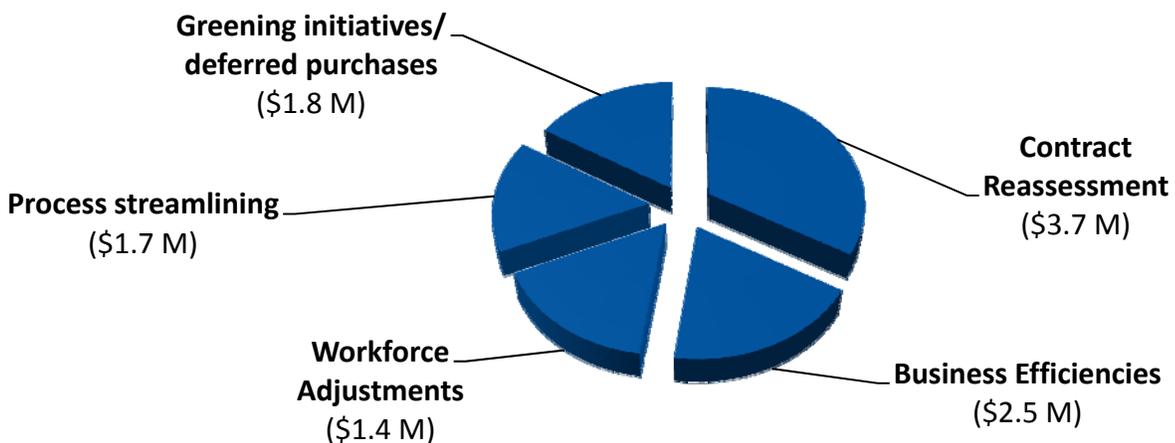
Program Support Center

FY2011 Mid-Year Review at a Glance

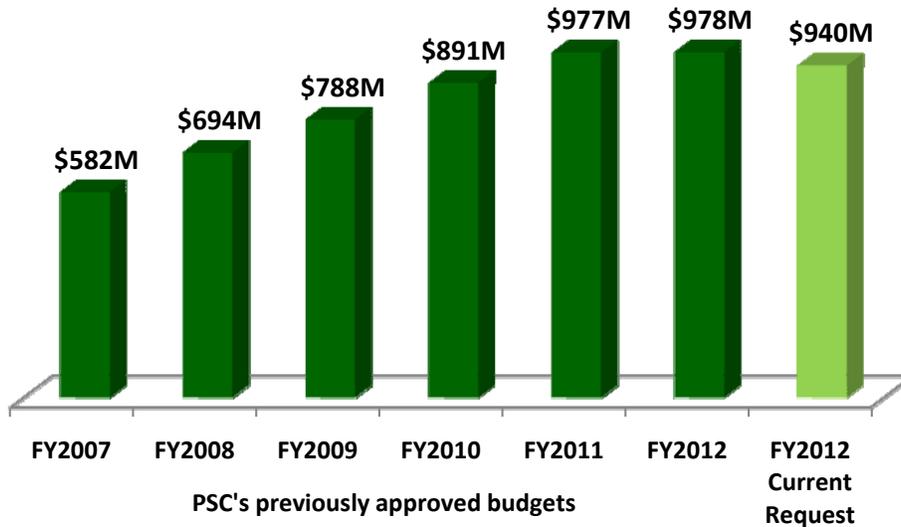
As a proactive step to address federal budget challenges, we established a SMART Initiative and conducted a comprehensive review of our operations resulting in **\$11.1M** in cost savings for the remainder of FY11.

**Save,
Manage
and
Assess
our
Resources
Together**

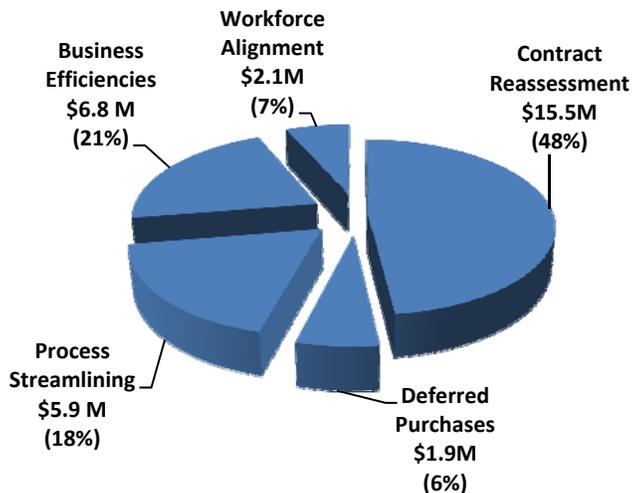
Components of \$11.1M in FY11 SMART Cost Savings



Our FY12 budget request is \$940M



Components of \$32.2M in FY12 SMART Cost Savings



SMART: Save, Manage and Assess our Resources Together

SMART cost savings:
8.2% of total
PSC operating cost

Our FY12 budget was reduced by an additional \$6M due to: reduction from ITIO/CIO realignment offset by increase for new negotiated contracts.