



Government Clusters

**common
resources**

**common
goals**

A closer look at the federal government's Integrated Financial & Materiel System cluster

by

Michel McGee, CGA

Have you ever heard the term “government cluster” and wondered about its meaning?

Think, for a minute, of the 400 metre race event at the Olympics. It's run in two different forms – the 400 metre run and the 4 x 100 metre relay. Though the distance is equal, both races are completed in dramatically different times. The Olympic record for the men's 400 metre run is 43.18 seconds, while the record for the men's 4 x 100 metre relay event is just 37.10 seconds. The latter is less, of course, because the distance is shared by four sprinters each of whom covers just a quarter of the total distance. The former's time is greater because a single runner tires

before the end of the race. In this context, the effort of several individuals working together yields a better result than a single person on his or her own. Such is the strength of a cluster, in which members work together to achieve a common goal. This is why clusters are a popular institution throughout the Government of Canada community.

The term cluster might be new to you, but its concept was established decades ago in the private sector and is now common within the government community. Clusters are voluntary bodies of organizations that work together to leverage efficiencies and participate in common

system development and procurement activities based on mutual or shared business rules. The Government of Canada currently houses 10¹ different clusters in the human resource, financial and materiel sectors alone. In 2008-2009, 106 different departments and agencies, representing nearly 345,000 employees, used clustered human resource, finance and/or materiel systems. Clusters are governed through a horizontal, collaborative model. Shared decisions are achieved through a committee structure with departmental membership at the executive, management, operations and working group levels.

Clusters operate on a cost-recovery basis with member organizations sharing the cost of operations. With the exception of funding provided by specific organizations, such as Government of Canada central agencies for very specific projects, all costs are paid by cluster member departments and agencies through annual contributions. The value of these contributions is determined and approved by the cluster membership annually. As different departments work together to attain a collective goal, they share resources to achieve results more quickly and at a cost savings, which is beneficial to the cluster members themselves as well as to the Canadian taxpayer. The cluster's key mandate is to achieve more effective and economical use of resources in the attainment of common goals – in other words, putting common resources together to achieve common goals.

To ensure each of the departments represented in the cluster has an equal voice, appropriate cluster governance is paramount. The success of the cluster lies in the ability of its members to be

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actively involved. When every cluster member is equally involved, decisions made are of benefit to all.

The Government of Canada's largest financial and materiel cluster is the Integrated Financial & Materiel System (IFMS) Cluster – an integrated management system based on a commercial

product that combines finance, assets and materiel, salary and project management, as well as many other functionalities. Created in September 1996, IFMS grew out of the Shared Systems Initiative (SSI), established as a joint undertaking of Treasury Board Secretariat (TBS) and government departments with

the aim of reducing the number of individual departmental administrative information technology systems in use across the government. In the SSI federal government structure, departments clustered around TBS-endorsed systems in such areas as human resources management, financial management, materiel management, travel and salary management. IFMS is one of the shared systems that was sanctioned by TBS as suitable for financial and materiel management. IFMS Cluster members manage the ongoing evolution of the system on a co-operative basis, sharing the benefits as well as the costs.

System clusters are supported by program centres. The IFMS Cluster operates under the Consulting, Information and Shared Services Branch of Public Works and Government Services Canada (PWGSC), which is responsible for not only the IFMS Cluster, but also four other clusters: FreeBalance System (FB), Automated Materiel Management Information System (AMMIS), Government of Canada Human Resources Management System (GCHRMS) and Human Resources Information System (HRIS).

¹ Annual Report on Administrative Systems Clusters in the Government of Canada 2008/2009 – "Cluster 101," Council of Systems Cluster Groups, March 2009.


The cluster is currently made up of 17 member departments that serve 35 different departments, making up approximately 80 percent of Government of Canada spending. Each of these member departments shares the common interest of using the financial management software SAP

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(an Enterprise Resource Planning software) – one of the approved shared financial reporting systems of the government. All

want to use efficient software that increases productivity, and collectively, they are achieving that common goal. IFMS Cluster members are varied, ranging in size from the Canadian Space Agency to the Department of National Defence. The IFMS Cluster incorporates functionality specific to government requirements that is shared by all departments throughout the cluster.

The IFMS Program Office is responsible for overall application development and support of the SAP product, based on the Government of Canada business requirements. The product is distributed to member departments and includes functionality for accounting, assets, treasury, purchasing, inventory, sales, billing and project systems. Business requirements for the system originate from member departments, horizontal initiatives and central agency requirements. Departments that do their own development share the results with fellow cluster members.

Many Government of Canada departments are continuing to show that they believe in clusters and their collaborative approach, using common resources to reach common goals, as evidenced by increasing cluster membership. After all, wouldn't you rather have a teammate to pass the baton to than run by yourself? 

This article was submitted by Michel McGee., CGA. Michel is program director, Integrated Financial & Materiel System (IFMS) Program Office at Public Works and Government Services Canada.