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MANAGEMENT CONSULTANTS

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HR Shared Services Benchmarking Study Highlights

ScottMadden and APQC HR Shared Services
Benchmarking Study

May 2017

About the Survey

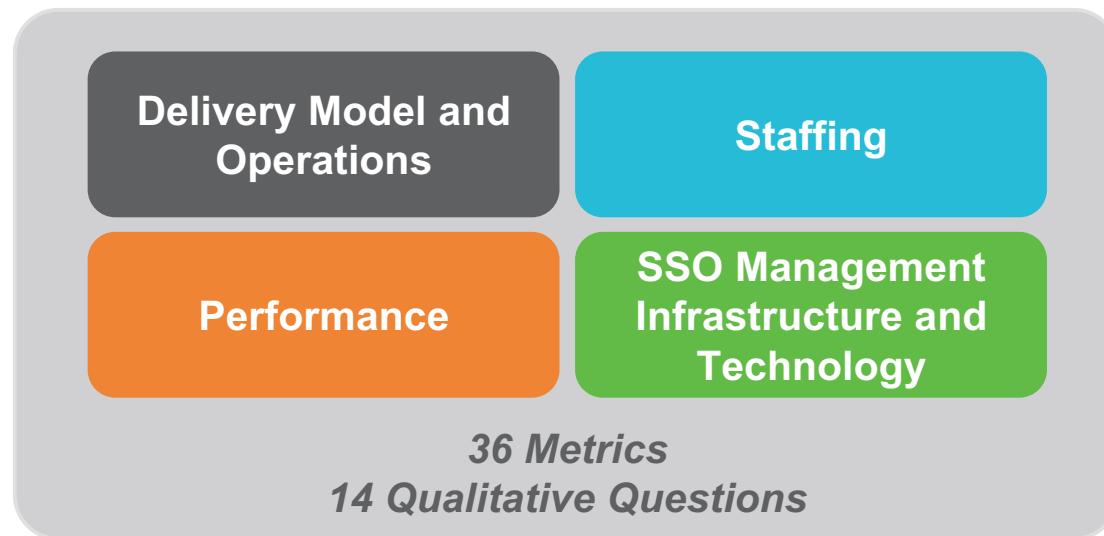
Survey Project and Timeline

- Identified gap in HRSS benchmarking data specific to service center and center of expertise (CoE) staffing and performance metrics
- Engaged APQC to conduct study; ScottMadden designed questions
- Leveraged APQC's benchmarking methodology and member network
- Conducted four cycles to date, fifth is underway:
 - Fall 2011
 - Fall 2012
 - Fall 2013 – Winter 2014
 - Fall 2015 – Winter 2016
 - Spring 2017 (underway)



About the Study

- Targeted HR shared services organizations that include a service center and CoEs
- Included scope covering four major areas, with a mix of qualitative and quantitative questions



Metrics List

- Total customers (employees + retirees) per total HR headcount
- Total company employees per HRIS headcount
- Total company employees per continuous improvement headcount
- Total company employees per talent acquisition CoE headcount
- Total company employees per talent management CoE headcount
- Total company employees per compensation CoE headcount
- Total company employees per benefits CoE headcount
- Total company employees per employee and labor relations CoE headcount
- Total company employees per HR business partner headcount
- Total company employees per HR generalist headcount
- Total company employees per HR administrator headcount
- Total company employees per field HR headcount
- HR service center employee turnover for North American Shared Services Center
- Average speed to answer for North American Shared Services Center
- First contact resolution for North American Shared Services Center
- Portal hits per 1,000 employees for North American Shared Services Center
- Total service center cost per customer (employees + retirees)
- Total requisitions per North American Shared Services Center recruiting/staffing specialist headcount
- Total hires handled per North American Shared Services Center recruiting/staffing specialist headcount
- Total company employees per North American Shared Services Center recruiting/staffing service center specialist headcount
- Total company employees per North American Shared Services Center workforce administration specialist headcount
- Total company employees per North American Shared Services Center training administration specialist headcount



Introduction

Metrics List (Cont'd)

- Total company employees per North American Shared Services Center leave of absence administration specialist headcount
- Total company employees per North American Shared Services Center employee relations specialist headcount
- Number of transactions per service center employee
- Number of calls/inquiries per service center employee
- Number of employees served per service center employee
- Number of retirees served per service center employee
- Self-service transaction volume per employee
- Self-service inquiry per employee
- Tier 1 employees per Tier 1 manager/supervisors
- Transaction volume per Tier 1 employee
- Call/inquiry volume per Tier 1 employee
- Tier 2 employees per Tier 2 manager/supervisors
- Transaction volume per Tier 2 employee
- Call/inquiry volume per Tier 2 employee

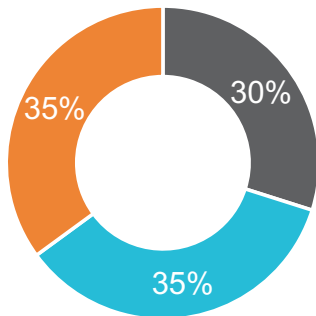


Study Participants

Our benchmark study includes data on SSOs across revenue ranges, industries, and operating maturities

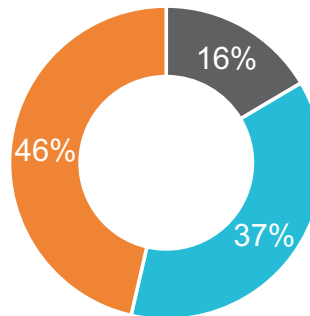
- The majority of the last cycle's participants come from mature shared services operations (SSOs)

Organization Revenue



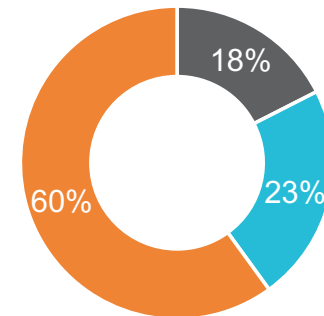
- Small (\$3 billion or less)
- Medium (Between \$3 billion and \$10 billion)
- Large (\$10 billion or greater)

Employees Served



- 10,000 or less
- Between 10,000 and 20,000
- 20,000 or more

SSO Maturity

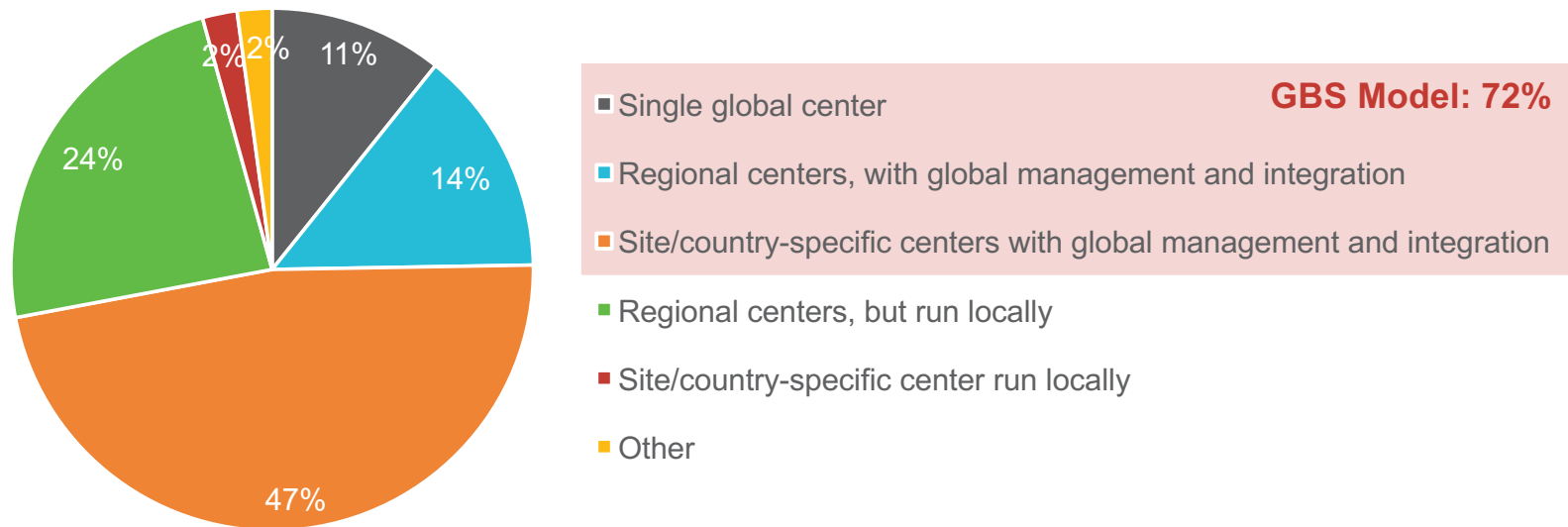


- Less than five years
- At least five years but less than ten years
- Ten or more years

Shared Services Center Characteristics

A variety of global models exist; more than 70% of the respondents that have global operations indicate a GBS model.

Which of the following geographic models is used?

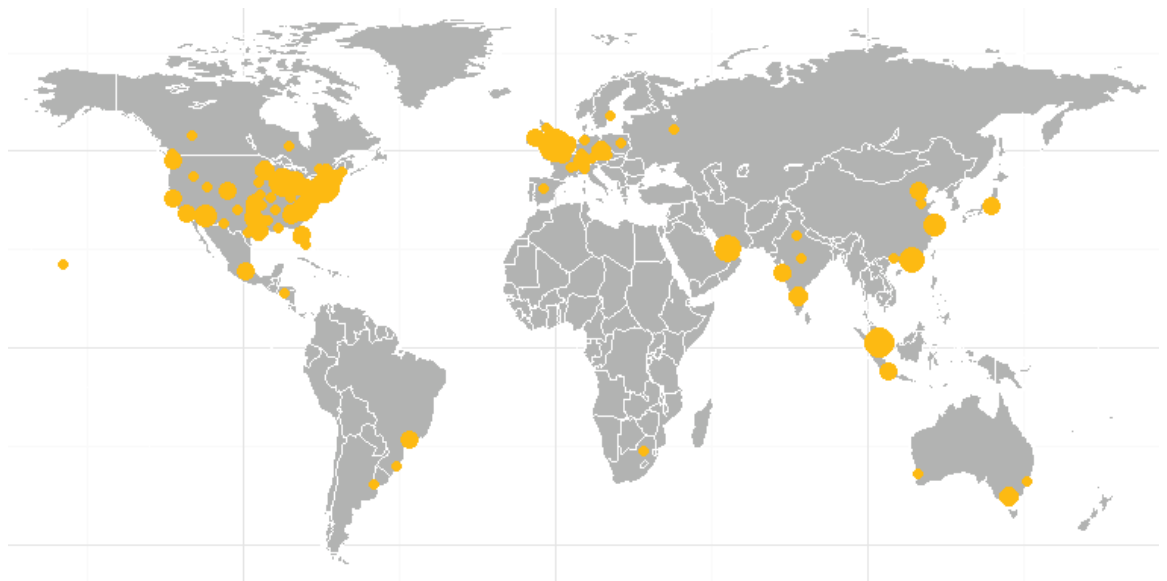
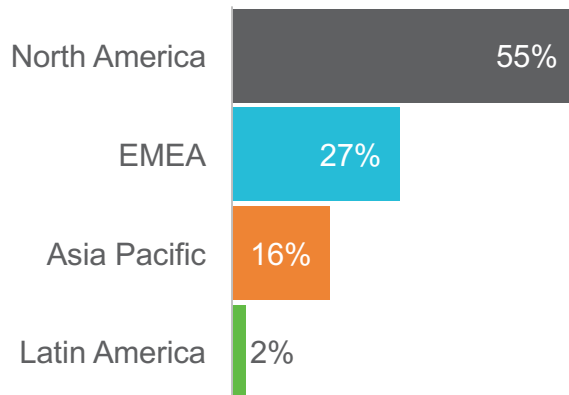


Survey Highlights

Shared Services Center Locations

Top US Service Center Locations	Top Global Service Center Locations
1. New York, NY	1. London, United Kingdom
2. Chicago, IL	2. Singapore, Singapore
3. Charlotte, NC	3. Dubai, UAE
4. Phoenix, AZ	4. Hong Kong, Hong Kong
5. Houston, TX	5. Shanghai, China
6. Minneapolis, MN	6. Bangalore, India
7. Pittsburgh, PA	7. Melbourne, Australia
8. Andover, MA	8. Prague, Czech Republic
9. Atlanta, GA	9. Beijing, China
10. Baltimore, MD	10. Dublin, Ireland

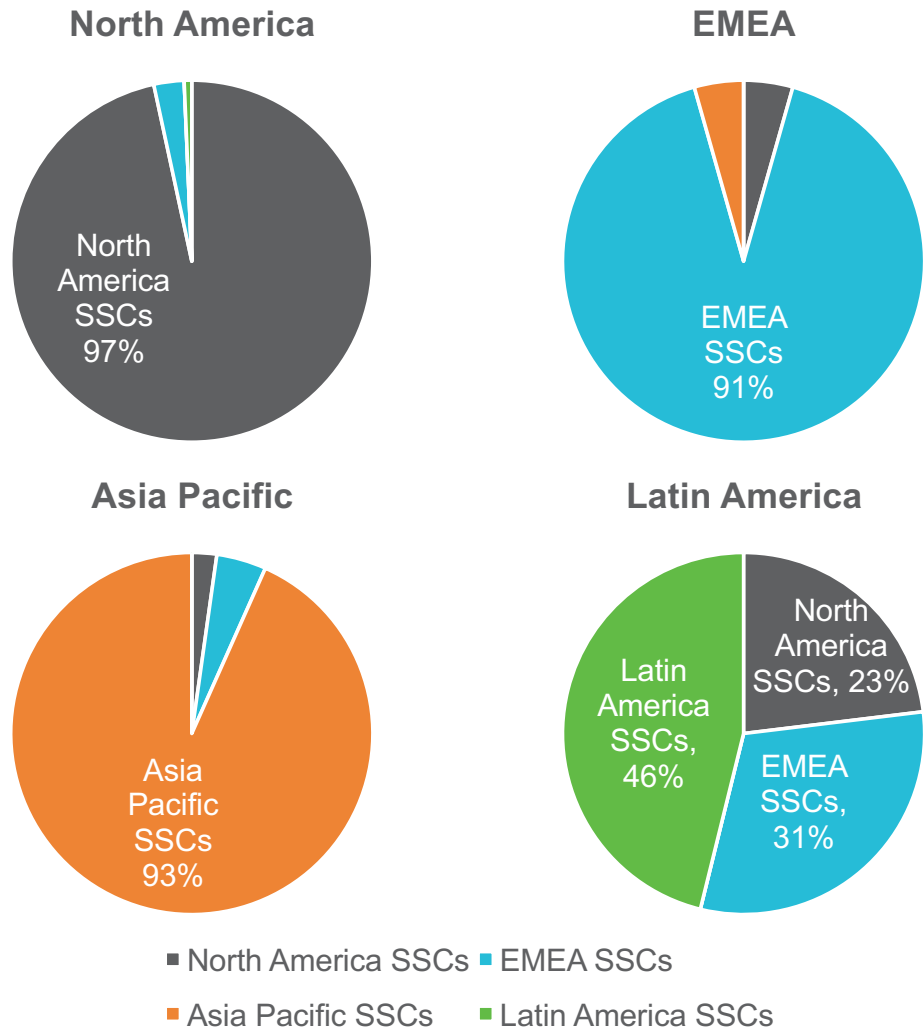
Location of Service Centers in Study



Shared Services Center Global Reach

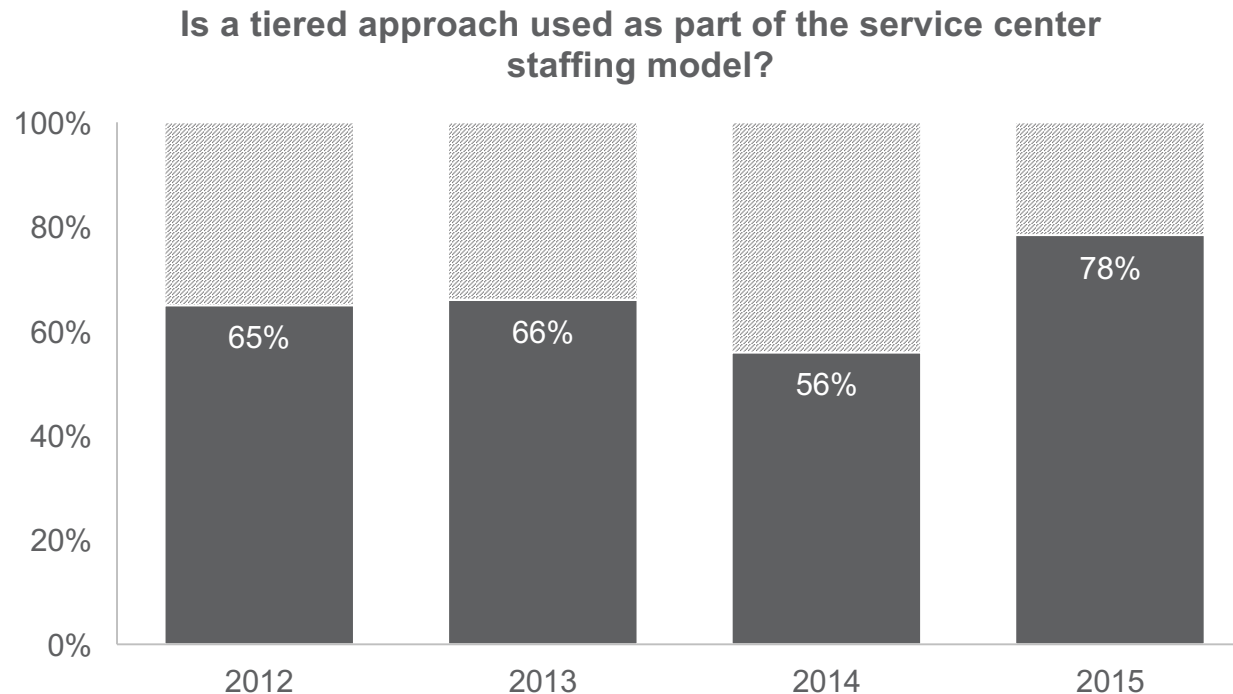
- EMEA and Asia Pacific are both primarily served by in-region SSCs
- Latin America is nearly equally served by SSCs within and outside of the region

Customer Geographies Served by SSCs in Each Region



Delivery Model and Operations – Organization Structure

- A tiered approach continues to be most common for service center staffing
- Use of a tiered model does not appear related to SSO maturity



Delivery Model and Operations – Specialist Staffing

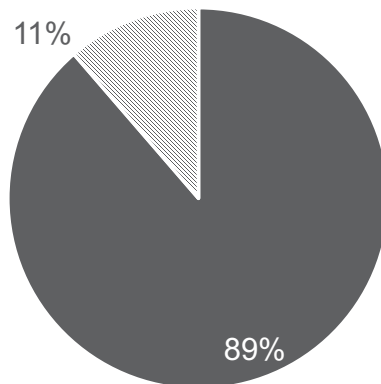
- Among Tier 2 specialist groups, workforce administration and recruiting and staffing groups show the highest staffing levels, while training administration and leave of absence administration groups show the lowest staffing levels



Delivery Model and Operations – CoEs

- Almost 90% employ CoEs as part of their model
- Staffing levels vary by type of CoE, but talent acquisition and employee and labor relations CoEs generally show higher staffing levels relative to company employees

Does your SSO have defined CoE as part of your HR delivery model?



■ Yes ■ No

Total company employees per CoE headcount



Top-Performer Characteristics

An analysis of top performing organizations across key metrics in the study was used to identify common characteristics.

Top performers

- Are more mature
- Are part of a global SSO
- Are governed by a lead HR executive
- Use a tiered approach with higher use of Tier 2 specialists
- Use more robust portals
- Use more self-service

Overall Findings

- A variety of global models exist; more than 70% of the respondents that have global operations indicate a GBS model. Companies with greater global integration exhibit lower service center cost and overall HR staffing
- North American service centers have relatively higher staffing levels but are more efficient in handling transactions and inquiries
- A tiered approach continues to be most common for service center staffing
- The use of robust portals has trended up, and self-service is the norm
- Top-performing SSOs continue to have better staffing ratios and are more efficient and cost effective in their operations
- Mature service centers are more likely to leverage the top-performer characteristics and thus reap greater benefits

Want to Find Out How You Compare?


- Fifth cycle underway now, closes May 31
- Access via: <https://www.apqc.org/SMaddenHRSSO2017>
- 36 metrics, various qualitative questions

ScottMadden and APQC's HR Shared Services Benchmarking Study


HOW DO YOU

COMPARE?

Our study shows that top performers' HR service centers have significantly better staffing ratios and operating costs.



2.6 times greater staffing efficiency



Operating costs that are less than **40% of their peers**

Find out how you compare by taking part in this study by [May 31](#)

<https://www.apqc.org/SMaddenHRSSO2017>

- No cost to participate
- Receive detailed report of all metrics and qualitative results
- Peer group comparisons are provided where relevant



Thank You

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