



**scottmadden**  
MANAGEMENT CONSULTANTS

Smart. Focused. Done Right.®

# Overview of ScottMadden's Shared Services Practice

May 2017

# Who We Are

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ScottMadden is a management consulting firm with more than 30 years of deep, hands-on experience.

We deliver a broad array of shared services consulting services—from strategic planning through implementation—across many industries, organizations, business units, and functions.

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W E D O

**WHAT IT TAKES  
TO GET IT DONE  
RIGHT**

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CORPORATE & SHARED SERVICES

## EXPERIENCE

Our experienced team has been a pioneer in shared services since the practice began decades ago. We employ deep, cross-functional expertise to produce practical, measurable solutions.

## SCOPE

We have completed more than 1,500 projects since the early 90s, including hundreds of large, multi-year implementations. Our clients range across a variety of industries from entertainment to energy to higher ed. Our areas of expertise span the spectrum of middle and back office shared services.

## SERVICES

We have helped our clients with business case development, shared services design, shared services build support, implementation, and improvement.

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**Our shared services knowledge, expertise, and experience are unmatched—no other firm has helped more clients with more unique solutions.**



ScottMadden:  
**SMART.  
FOCUSED.  
DONE RIGHT.**

**We believe that client success is the best measure of our own success.**

**We listen carefully to our clients' challenges, concerns, and goals, so we can personalize our work and focus on the things most important to their success.**

**We don't solve problems with canned methodologies—we help our clients solve the right problem in the right way.**

**We do what we say we are going to do with genuine passion, tenacity, and integrity throughout the entire process.**

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*“They were able to offer more customization vs. a cookie-cutter consulting project plan or proposal. Exactly what we're looking for.”*

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# Capabilities

## ASSESS AND PLAN

- Strategic planning
- Feasibility analysis
- Benchmarking
- Leading practice assessment
- Performance evaluation
- Project planning
- Leadership education and buy-in
- Staff evaluation
- Change readiness assessment
- Site visits

## BUILD

- Project management
- Service and transaction center build
- Detailed organizational design
- Staffing
- Process redesign
- Technology design, selection, implementation, and support
- Education and training
- Facility design and setup
- Change management
- Sourcing implementation

## DESIGN

- Current state analysis
- Future state design
- Business case development
- Service delivery model design
- Work scope delineation
- Sourcing evaluation
- Organizational design
- Technology evaluation
- Transformation planning
- Implementation planning
- Change management

## IMPROVE

- Analytics setup and deployment
- Operations improvement
- Governance
- Service expansion
- Cost reduction
- Process redesign
- Technology upgrade
- Merger and acquisition integration
- Field resource development
- Customer satisfaction measurement
- Metrics and performance management

# Areas of Focus

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## HUMAN RESOURCES

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The world of HR is transforming, and we have spent more than 20 years helping clients manage this transformation. Whether we are designing and implementing a new service delivery model, revamping processes to ensure regulatory compliance, evaluating outsourcing opportunities, or expanding existing operations, we ensure our clients achieve the business value desired.

## INFORMATION TECHNOLOGY

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IT plays a key role in the success of a shared services organization (SSO). We unleash the potential of IT for our clients by helping them run IT like a business. Our approach is service-oriented, and we design and implement tools with speed, simplicity, and effectiveness as top priorities.

## FINANCE AND ACCOUNTING

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We help companies transform their finance and accounting operations to ensure efficient, accurate, and timely delivery of enterprise-wide products and services. Our team will deliver a flexible solution that creates real business value.

## SUPPLY CHAIN

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We've been helping supply chain organizations move beyond their conventional "order taker" role for more than a decade. Through our deep expertise and practical know-how, we assist clients across the full range of supply chain processes, and we have the unique ability to create alignment between the supply chain function and its internal customers and stakeholders. Our solutions provide lasting improvements and allow our clients' supply chain organizations to better compete in rapidly changing markets.

## BUSINESS ADMINISTRATIVE SERVICES

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We help our clients integrate a variety of administrative services into their shared services model to manage contracts better, dispatch service requests, and improve service response performance. Services often include facility maintenance, security, insurance, customer service, cafeteria and wellness programs, grounds maintenance, and others. ScottMadden understands the potential benefits of incorporating these services in a SSO, and we know what it takes to achieve a successful integration.

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***“Value I get far exceeds what a big-four company would provide given the time and costs. Better quality and experienced team.”***

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# Spotlight: Our Finance & Accounting Practice

Finance & Accounting is a core specialty at ScottMadden and has been since our inception in 1983. As such, we have a dedicated finance & accounting practice that consults across geographies and industries, including aerospace, consumer products, defense, higher education, energy, entertainment, healthcare, manufacturing, pharmaceuticals, retail, technology, telecommunications, transportation, and others.

Whether we are designing and implementing new service delivery models, expanding existing operations, or evaluating outsourcing opportunities, we ensure our clients achieve the business value desired.

ScottMadden has extensive experience supporting clients across finance and accounting functions including:

- Accounts payable including travel and expense
- Billing, credit, collections, and cash application
- Payroll and time collection
- General accounting and fixed assets
- Tax and treasury
- Financial planning and analysis
- Budgeting and forecasting

In addition, we have dedicated expertise across end-to-end, cross-functional processes comprising:

- Procure-to-pay
- Record-to-report
- Order-to-cash

## FINANCE & ACCOUNTING SERVICES

### Finance Transformation

- Finance transformation strategy
- Multi-function strategy and expansion planning
- Benchmarking and leading practices evaluation
- Service delivery model design or redesign
- Business case development
- Implementation planning/support/project management
- Analytics, metrics, and performance management

### Digitization Strategy and Implementation

- RPA and Artificial Intelligence (AI) strategy and application
- RPA and AI opportunity identification and business case
- Vendor selection and implementation management
- Governance and vendor management

### Financial and Service Management Systems

- Finance technology advisory services
- Systems requirements identification
- Vendor selection facilitation
- Configuration design
- Testing design and facilitation

### Process Design and Continuous Improvement

- End-to-end process design
- Global process owner creation
- Continuous improvement program design
- Customer satisfaction program development

### Other Strategic Initiatives

- Merger and acquisition integration
- Divestiture and transition services
- Cost reduction and operations improvement
- Service expansion

# Spotlight: Our Supply Chain Practice

We've been helping supply chain organizations move beyond their conventional "order taker" role for more than a decade. Through our deep expertise and practical know-how, we assist clients across the full range of supply chain processes and have the unique ability to create alignment between the supply chain function and its internal customers and stakeholders.

ScottMadden has deep experience across all functions in the supply chain including:

- Planning and Forecasting
- Sourcing
- Procurement
- Logistics
- Materials Management
- Accounts Payable

ScottMadden has developed a "Supply Chain Maturity Model" to differentiate the phases that companies pass through on their journey to "world class" supply chain operations. The model is divided into three "Stages" – each representing a greater degree of performance effectiveness and efficiency. At each stage, the "capabilities" of each of the functional building blocks increases allowing the supply chain organization to perform a variety of tasks and perform them differently.

Our solutions provide lasting improvements and allow our clients' supply chain organizations to better serve their internal customers.

## SUPPLY CHAIN SERVICES

### Supply Chain and Procure-to-Pay (P2P) Transformation

- Supply Chain and P2P transformation strategy
- Organization design and staffing
- End-to-end process improvement
- Demand planning improvement
- Leading practice assessments
- Service delivery model and governance process design
- Business case development
- Implementation and change management planning and execution
- Outsourcing evaluations, vendor selection, and transition support

### Sourcing and Procurement

- Spend analysis and spend category market research
- Strategic sourcing execution
- Category management program design
- Risk management
- Supplier relationship management

### Logistics and Materials Management

- Inventory planning and optimization
- Warehouse location selection and design
- Warehouse facility management improvement
- Storage space optimization
- Lean warehousing
- Automatic identification and data capture (AIDC) opportunity evaluation and implementation
- Transportation management and network design

# How We Differ from Our Competition

	Strategy Firms	The Big Four	Outsourcing Advisory Firms	Functional Consultancies	ScottMadden
FOCUS	<ul style="list-style-type: none"> <li>Strategy work</li> <li>Mergers and acquisitions</li> <li>Cost reduction</li> </ul>	<ul style="list-style-type: none"> <li>Strategy and implementation work</li> <li>Large system implementations</li> <li>Outsourcing and offshoring</li> <li>Long engagements</li> </ul>	<ul style="list-style-type: none"> <li>Advisory services regarding vendor-providing solutions</li> </ul>	<ul style="list-style-type: none"> <li>Functional program development and/or support (e.g., health and welfare, compensation)</li> <li>Delivery systems</li> <li>Unique products (e.g., surveys)</li> </ul>	<ul style="list-style-type: none"> <li>Strategy and implementation work</li> <li>Efficient delivery models</li> <li>Full SSO lifecycle support</li> <li>Engagements scoped in manageable phases</li> </ul>
APPROACH	<ul style="list-style-type: none"> <li>Solutions focused on big picture, but not always practical</li> <li>Not often involved in implementation</li> </ul>	<ul style="list-style-type: none"> <li>Off-the-shelf methodologies</li> <li>Client must adapt to consultant's approach</li> <li>Large project teams</li> <li>Get in and stay in; take over</li> </ul>	<ul style="list-style-type: none"> <li>Sourcing analysis and solutions</li> <li>Standard methodologies</li> <li>Limited client involvement after data capture</li> <li>Neutral or vested interest as a provider</li> </ul>	<ul style="list-style-type: none"> <li>Advisory role</li> <li>Research and program-based solutions</li> <li>Implementation of unique technologies</li> </ul>	<ul style="list-style-type: none"> <li>Customized, practical solutions</li> <li>Small project teams</li> <li>Collaborative approach with clients</li> <li>Sale not mixed with delivery of work</li> </ul>
PROJECT TEAMS AND PEOPLE	<ul style="list-style-type: none"> <li>Leverage reputation</li> <li>Teams comprised of mix of senior and junior resources</li> <li>Generalists</li> <li>Strong business acumen, weaker functional skills</li> </ul>	<ul style="list-style-type: none"> <li>Sales team is not involved in delivery</li> <li>Teams comprised of junior, inexperienced resources with oversight by senior resources</li> </ul>	<ul style="list-style-type: none"> <li>Sales team is not involved in delivery</li> <li>Teams comprised of junior resources with oversight by senior resource</li> </ul>	<ul style="list-style-type: none"> <li>Leverage reputation</li> <li>Deep functional knowledge, narrower focus</li> </ul>	<ul style="list-style-type: none"> <li>Working partners meet with prospective clients</li> <li>Senior, experienced consultants with business acumen and functional knowledge</li> </ul>

# The Evolution of Shared Services

- Shared services continues to evolve in terms of scope and structure
- ScottMadden's dedicated research function studies and maintains critical data on these trends. Current trends include:
  - Expanding from administrative and transactional services to specialty and consultative-type services
  - Moving from single-function to multi-function
  - Integrating delivery models across the globe
- Technologies are a key driver behind these shifts enabling employees, managers, leaders, vendors, and providers to view pertinent information and transact on their own behalf
- Our consultants are continually putting cutting-edge theory into practice to determine what will work and how to make it better

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*Our shared services clients typically have a 40% return on investment and are able to reduce headcount by 25% when implementing a shared services model.*

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## Case Study

# Purchase-to-Pay Shared Services Center

### CHALLENGE

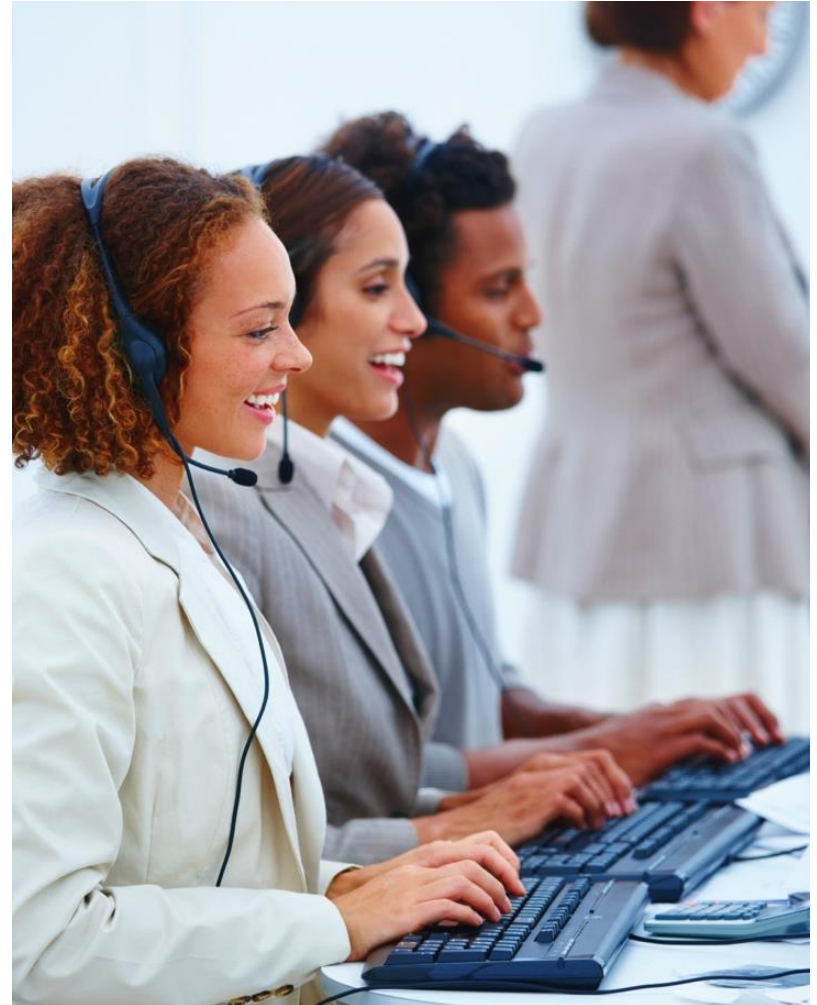
ScottMadden worked with the world's second largest beer producer and distributor to help develop a purchase-to-pay (P2P) shared services center for all brewery and distribution center locations in Honduras and El Salvador. ScottMadden helped the client team select the site and design processes, organization structure, service agreements, metrics, communications, and marketing campaigns. We then managed the client through the service center implementation.

### PROCESS

- Designed a simple P2P delivery model that encompassed 25 FTEs of workload and was agreed upon by both countries
- Moved purchasing and payment functions under one director, which facilitated end-to-end process solutions
- Created a call center to handle all calls pertaining to payments, purchasing, or import/export questions
  - Implemented a case management system to track issue closure times
  - Built a modern facility to house employees
- Left a country manager in El Salvador to handle local P2P issues and liaise with the shared services center

### RESULTS

- The project from design to opening was completed in eight months
- Business units in both countries agreed and were satisfied with the scope of services offered by the shared services center
- An effective organization was designed and staffed with highly qualified people sourced internally and externally
- Customer satisfaction increased due to the call center case-tracking tool and centralization of calls
- A marketing campaign boosted internal employee morale and created a new culture and a new identity in a new facility



## Case Study

# F&A Process Improvement and Organization Design

### CHALLENGE

ScottMadden worked with a regional public utility client to assess its accounting processes against leading practices and to reorganize its finance and accounting organizations to improve efficiency and controls.

### PROCESS

- Benchmarked current state accounting process efficiency against leading practices
- Assessed finance and accounting organizations through a detailed work breakdown structure analysis
- Recommended process improvements and new functional alignments
- Designed future state accounting and finance organization structures
- Conducted staffing needs analysis and assisted with corporate reorganization design, an element that was not in initial project scope

### RESULTS

- Increased control of accounting processes by establishing clear lines of ownership and reporting
- Recommended 10 major process improvement initiatives designed to boost efficiency within major accounting processes
- Reorganized accounting to remove management layers, realign decentralized business units into a centralized structure, and support reporting requirements
- Projected approximately \$4 million in annual O&M savings



## Case Study

# Global Accounting Function Reorganization

### CHALLENGE

ScottMadden was engaged to help centralize and streamline a global accounting organization with more than 550 full-time equivalents in 36 locations around the world to improve controls and reduce costs.

### PROCESS

- Formed a project organization consisting of key members of the controller's management team, representatives from IT and HR, and ScottMadden
- Conducted a thorough assessment of the current organization. All accounting positions (company and contractor) in the organization were inventoried, labor costs were estimated, and spans of control and layers in the organization were calculated
- Developed and assessed alternative service delivery models relative to company-specific criteria. A model was selected and refined to create the future organization design
- Developed a business case for the new organization

### RESULTS

- The new organization was designed around one shared services center for each global theatre (Americas; Europe, Middle East & Africa; and Asia Pacific)
- Global programs (e.g., credit) were to be managed from corporate headquarters, with theatre-based employees based in the shared services centers
- The corporate controller, global program leads, and governance and policy functions were to be located at corporate headquarters
- Cost savings of approximately 15% were realized from reduced headcount and lower wage rates



# Representative Clients

Consumer Products and Services	Manufacturing	Technology and Communications	Public Sector and Defense	Energy and Utilities	Healthcare and Pharmaceuticals	Professional Services
       	        	      	     	       	      <p data-bbox="1524 1179 2060 1438"><i>Our shared services clients typically have a 40% return on investment and are able to reduce headcount by 25% when implementing a shared services model.</i></p>	     

Note: Representative sample; not all-inclusive of clients served. Excludes numerous well-known clients due to confidentiality agreements

## Why ScottMadden?

**Our expertise helps create the right solution. Our experience ensures that it works.**

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*“Outstanding job of selecting really good people that have the experience, knowledge and insights.”*

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### DEEP EXPERTISE

- ScottMadden has been a pioneer in corporate and shared services since the practice began decades ago
- Our Corporate & Shared Services practice has completed more than 1,500 projects since the early 90s
- Our clients span a variety of industries from entertainment to energy to high tech

### PERSONALIZED APPROACH

- Before we begin any project, we sit down and listen to our clients' needs and challenges
- We engage with our clients like no other firm does, working side by side to create practical, real results
- We don't employ canned methodologies or cookie-cutter solutions. We work to solve the right problem in the right way

### PHILOSOPHY

- We are personally invested in every project and measure our success by our clients' success
- We listen to our clients' needs and put their best interests ahead of our own
- We work with integrity, tenacity and a genuine passion for what we do
- We do what it takes to get it done right

# Contact Us

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