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HR Shared Services Benchmarking Study Highlights

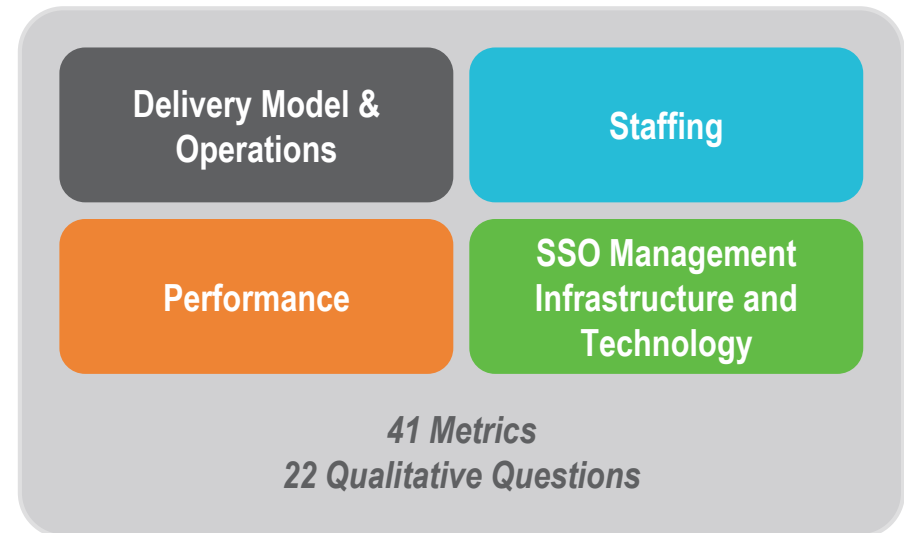
ScottMadden and APQC HR Shared Services
Benchmarking Study

October 2017



About the Study

- Identified gaps in HRSS benchmarking data
- Engaged APQC to conduct study; ScottMadden designed questions
- Leveraged APQC's benchmarking methodology and member network
- Completed five cycles:
 - First cycle – Fall 2011
 - Second cycle – Fall 2012
 - Third cycle – Fall 2013 to Winter 2014
 - Fourth cycle – Fall 2015 to Winter 2016
 - Fifth cycle – Spring 2017 to Summer 2017



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 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 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
- 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
- Total service center cost per customer (employees + retirees)
- Total service center in-house cost per transaction
- Total service center in-house cost per call/inquiry volume unit
- Total service center cost (in-house + outsourced) per employee served
- Number of transactions per service center employee
- Number of calls/inquiries 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
- Total company employees per Tier 1 headcount
- Total company employees per Tier 2 headcount
- Number of employees served per service center employee
- Number of retirees served per service center employee

Study participants receive detailed data for the full set of metrics in the study

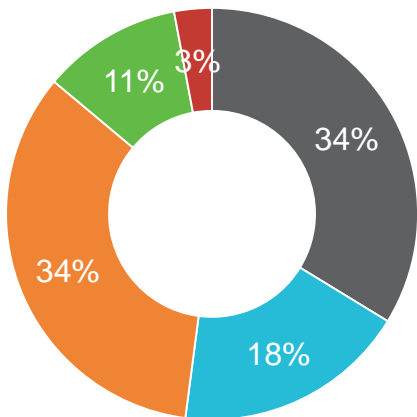


Study Participants

Our benchmark study includes data on shared services operations (SSOs) across revenue ranges, industries, and operating maturities

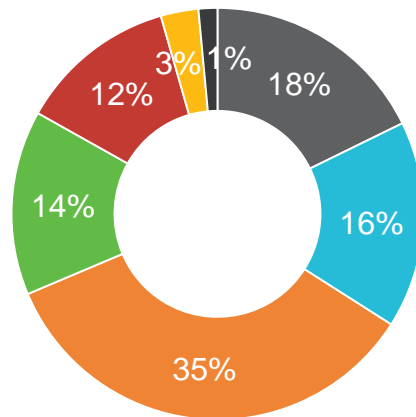
- The majority of the participants come from mature SSOs

Organization Revenue



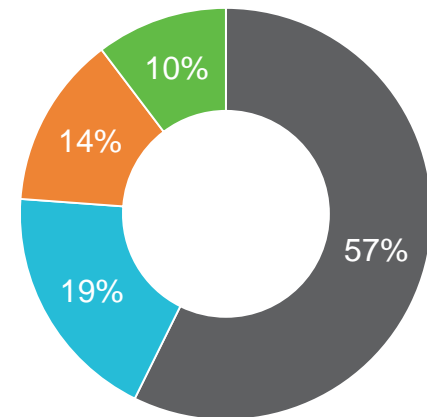
- More than \$10 billion
- Between \$5 billion to \$10 billion
- Between \$1 billion to \$5 billion
- Less than \$1 billion
- No response

Employees Served



- More than 50,000
- Between 25,000 and 50,000
- Between 10,000 and 25,000
- Between 5,000 and 10,000
- Between 1,000 and 5,000
- Less than 1,000
- No Response

SSO Maturity

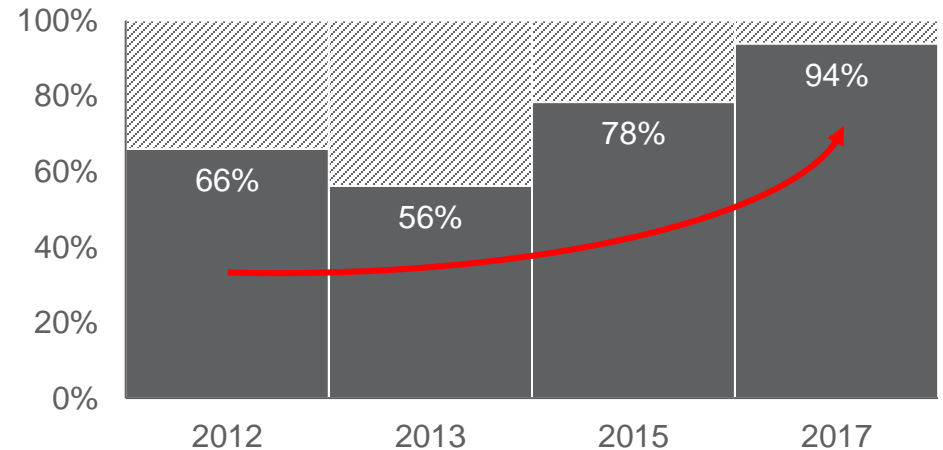


- More than five years
- Between three to five years
- Between one to three years
- Less than one year

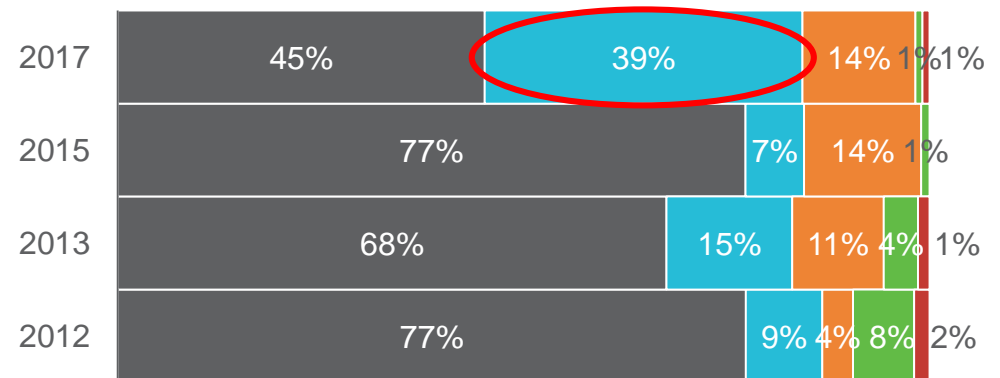
Service Delivery Model

- More organizations are using a tiered approach as part of their service center staffing model
- Reporting to corporate HR/lead HR executive remains the primary SSO governance model
- However, a significant percent of respondents indicated reporting to lead of multi-function SSO in 2017

Use of Tiered Model



SSO Governance Model



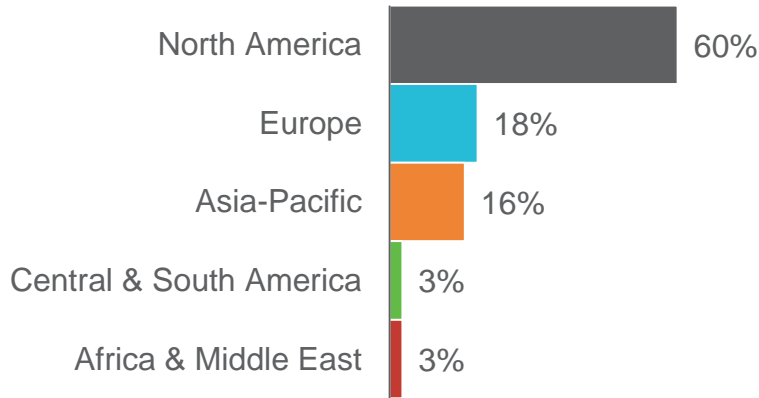
- HR SSO reports to corporate HR/lead HR executive
- HR SSO reports to lead of multi-function SSO
- HR SSO has a matrix reporting relationship to HR and multi-function SSO
- HR SSO reports to another non-HR executive
- Other



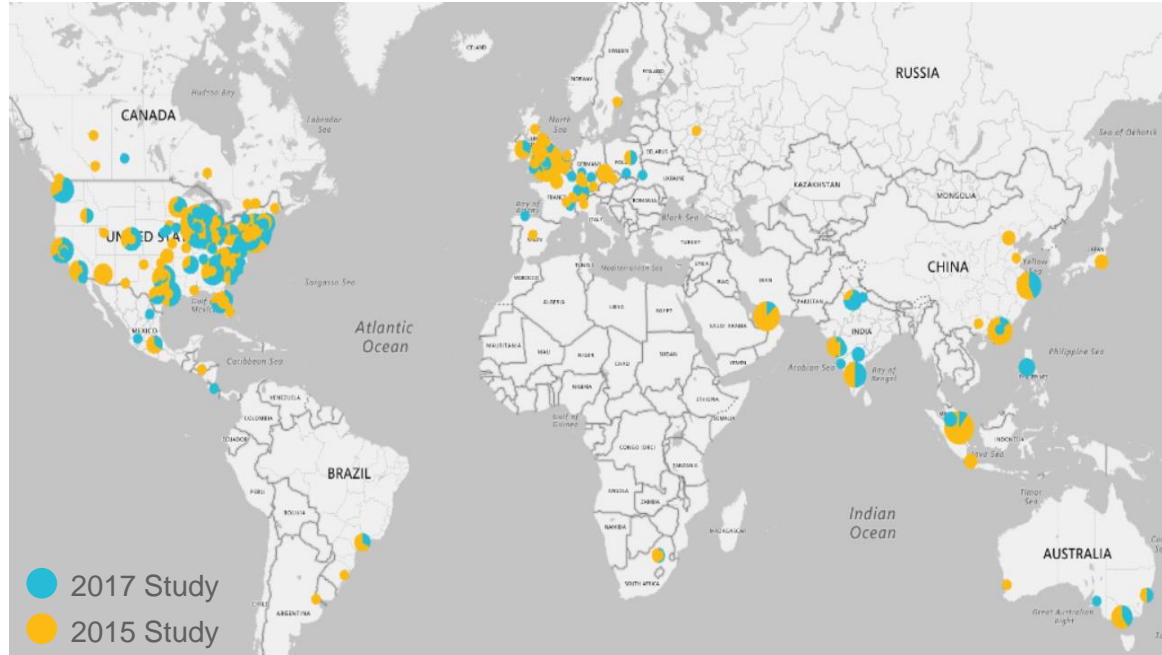
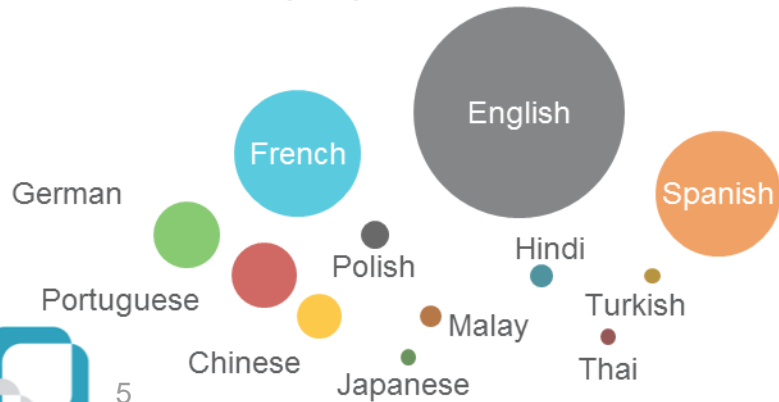
Global Operations

North America remains the most popular service center location in our study, followed by Europe.

Service Center Location



Languages Served



Top U.S. Locations

- Chicago, IL
- New York City, NY
- Charlotte, NC
- Milwaukee, WI
- Dallas, TX
- Houston, TX
- Philadelphia, PA
- Atlanta, GA
- Seattle, WA
- San Francisco, CA

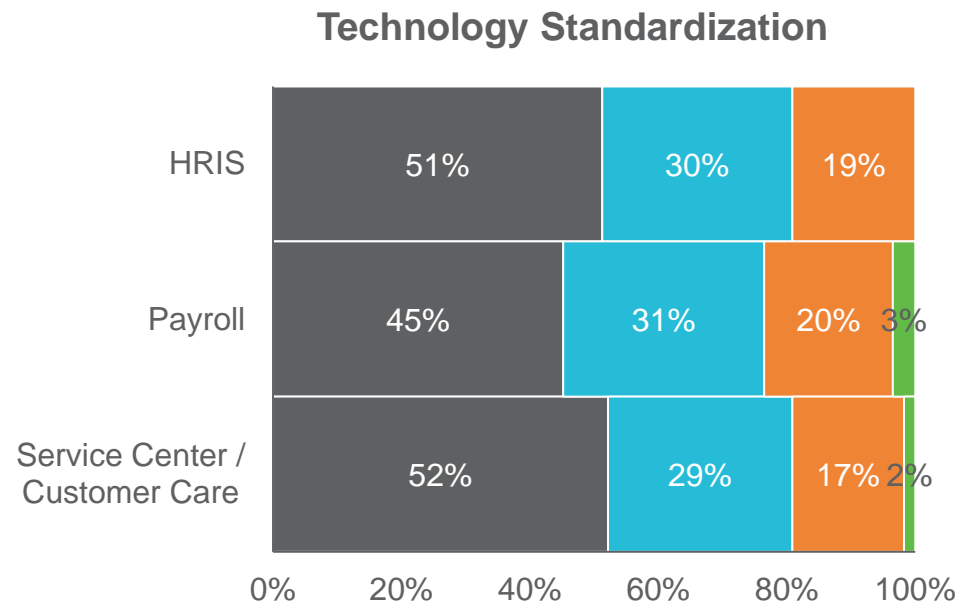
Top Global Locations

- London, U.K.
- Singapore, Singapore
- Dubai, United Arab Emirates
- Shanghai, China
- Hong Kong, Hong Kong
- Bangalore, India
- Melbourne, Australia
- Gurgaon, India
- Mumbai, India
- Manila, Philippines



Technology Standardization

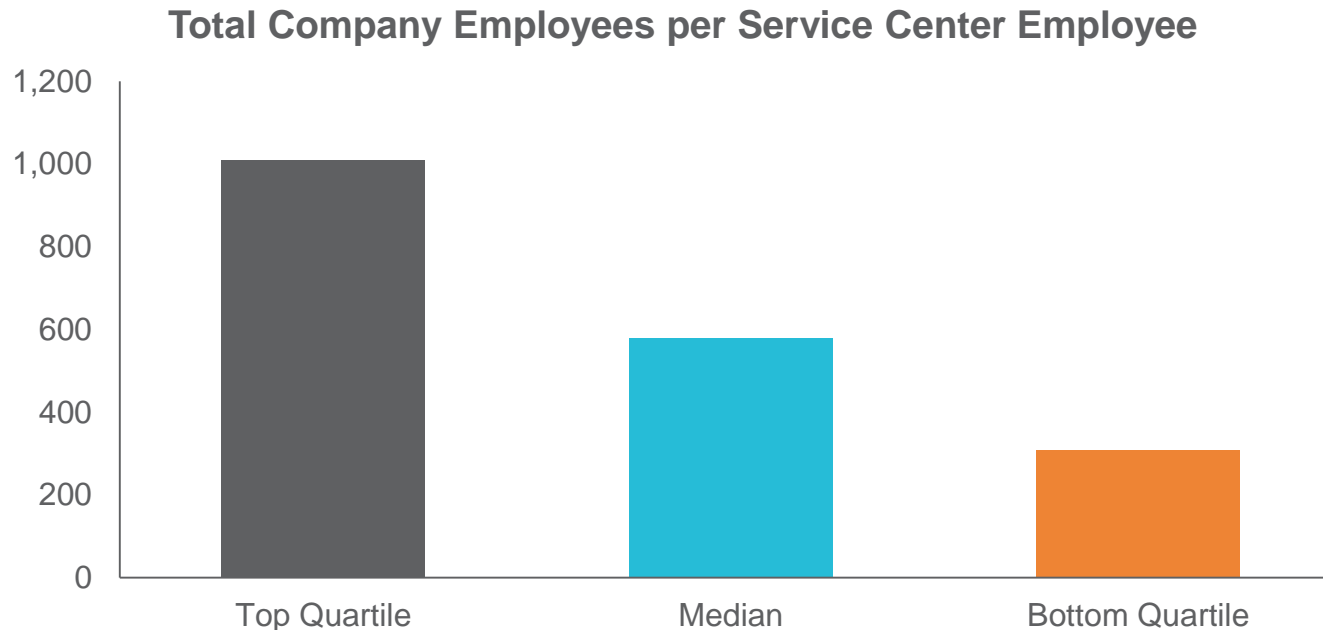
Service center and customer care technologies show the most standardization across centers, followed closely by HRIS.



- Single instance used across all centers (full standardization)
- Common tool used but different configurations for centers or regions
- Multiple tools used with some centers using standard tools
- No common tools or standardization

Staffing – Service Center

- Median service center staffing level is nearly 600 employees per service center headcount
- SSOs in the top quartile can operate with less than a third of service center employees than those in the bottom quartile



Staffing – Tier 2 Specialists

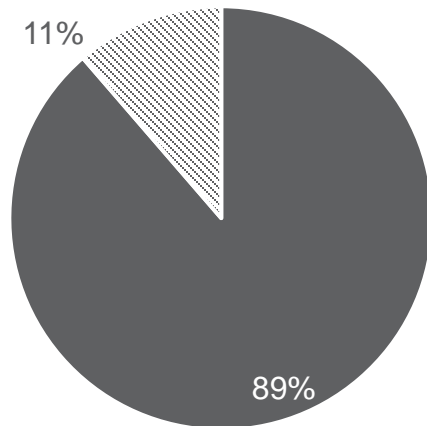
Among Tier 2 specialist groups, workforce administration and employee relations groups show the highest staffing levels, while training administration and leave of absence administration groups show the lowest staffing levels.



Staffing – CoEs

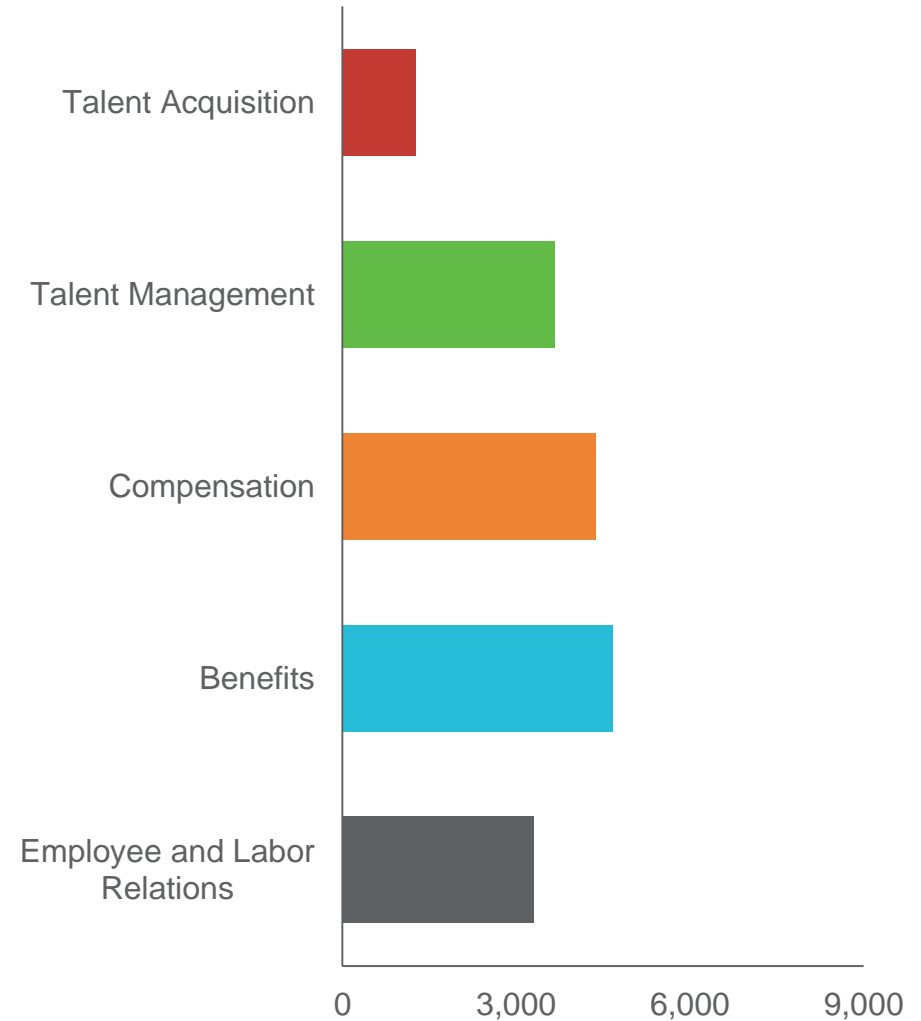
- Almost 90% employ CoEs as part of their model
- Staffing levels vary by type of CoE, but talent acquisition and employee and labor relations CoEs generally show higher staffing levels relative to company employees

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



■ Yes ☒ No

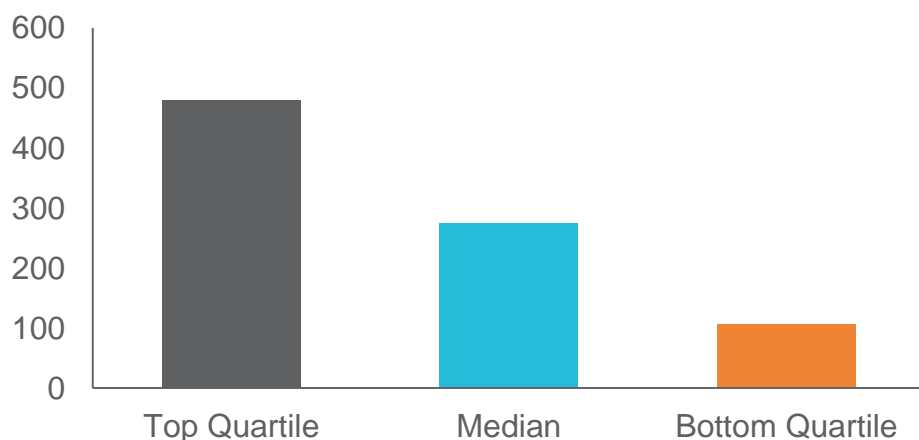
Total Company Employees per CoE Headcount



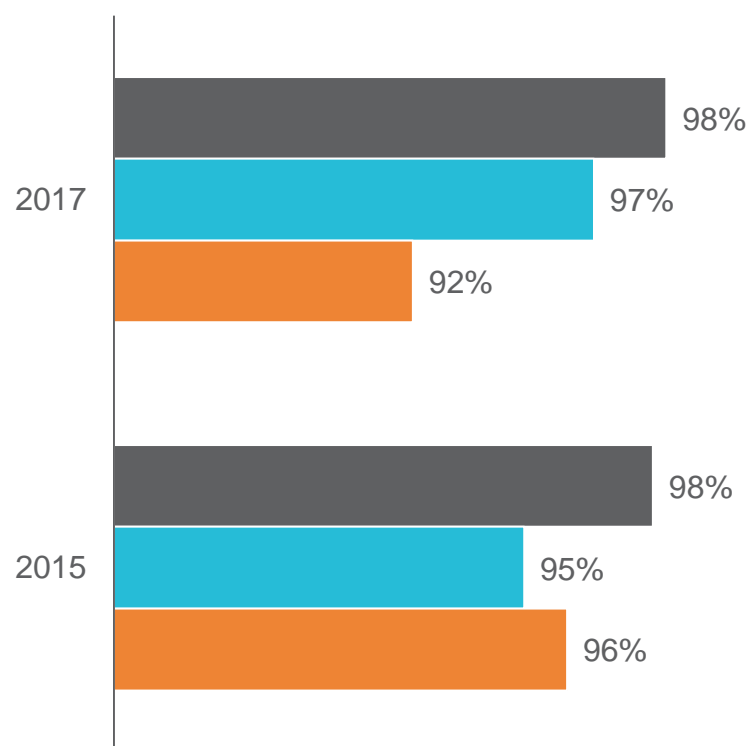
Staffing – Field HR

Most continue to leverage multiple roles in their field HR organizations.

Total Company Employees per Field HR Headcount



Types of Positions Included within the Field HR Organization



- HR business partners
- HR generalists
- HR administrators

Who Are the Top Performers?

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

- More mature
- Larger entities
- Less distributed (fewer centers)
- 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

Top-Performer Group

Comparison Group

SSO Maturity

71% in operation for five or more years

43% in operation for five or more years

Number of Employees Served



20,850 employees served



15,218 employees served

Number of Centers in SSO



1.3 centers within SSO



2.8 centers within SSO

Want to Find Out How You Compare?

- Contact us at info@scottmadden.com
- Sign up to be notified of our next cycle

- Unique benchmarking study, focused on HRSSOs
- No cost to participate
- Receive detailed report of all metrics and qualitative results
- Peer group comparisons are provided where relevant



Contact Us

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