

Getting from Good to Great Have You Realized Your Shared Services Goals?

A Framework for Assessing and Improving Your SSO
Effectiveness

November 2018

Smart. Focused. Done Right.®

Agenda

- Introductions
- About ScottMadden
- Taking Your Shared Services Organization (SSO) to the Next Level
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- Contact Us

Your Discussion Leads



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About ScottMadden



Who We Are

ScottMadden is a management consulting firm with 35 years of deep, hands-on experience.

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

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

CORPORATE & SHARED SERVICES

EXPERIENCE

Our experienced team has been a pioneer in corporate and 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 1,600 projects since the early 90s, including hundreds of large, multi-year implementations. Our clients range across a variety of industries from energy to healthcare to higher education to retail. Our areas of expertise span the spectrum of middle and back-office corporate and shared services.

SERVICES

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

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



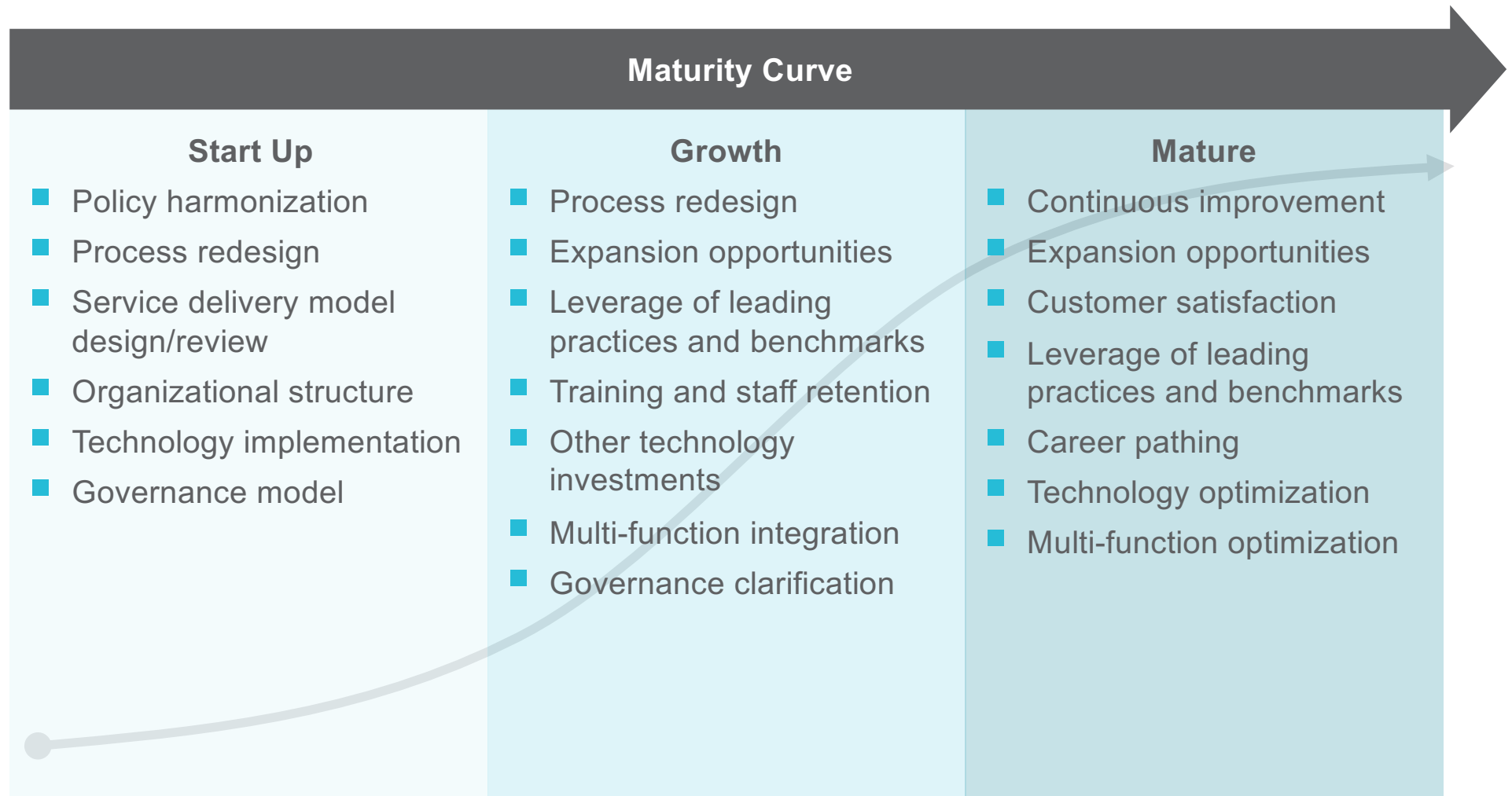
Sample of Clients in Higher Education



Taking Your Shared Services Organization to the Next Level



Opportunities Exist, Regardless of Your Maturity



You Have Shared Services, What Can Go Wrong?

People and Organization

- Limited or casual governance – weak change management
- High turnover driven by redundant work with limited career paths
- Functional focus – no cross-functional collaboration
- Transactional focus – need to move up value chain
- Fragmented operations in multiple locations

Data and Knowledge

- Internally focused; no understanding of customer experience or needs
- Low customer satisfaction
- Ineffective performance metrics and reporting
- Data security risks

Policy and Process

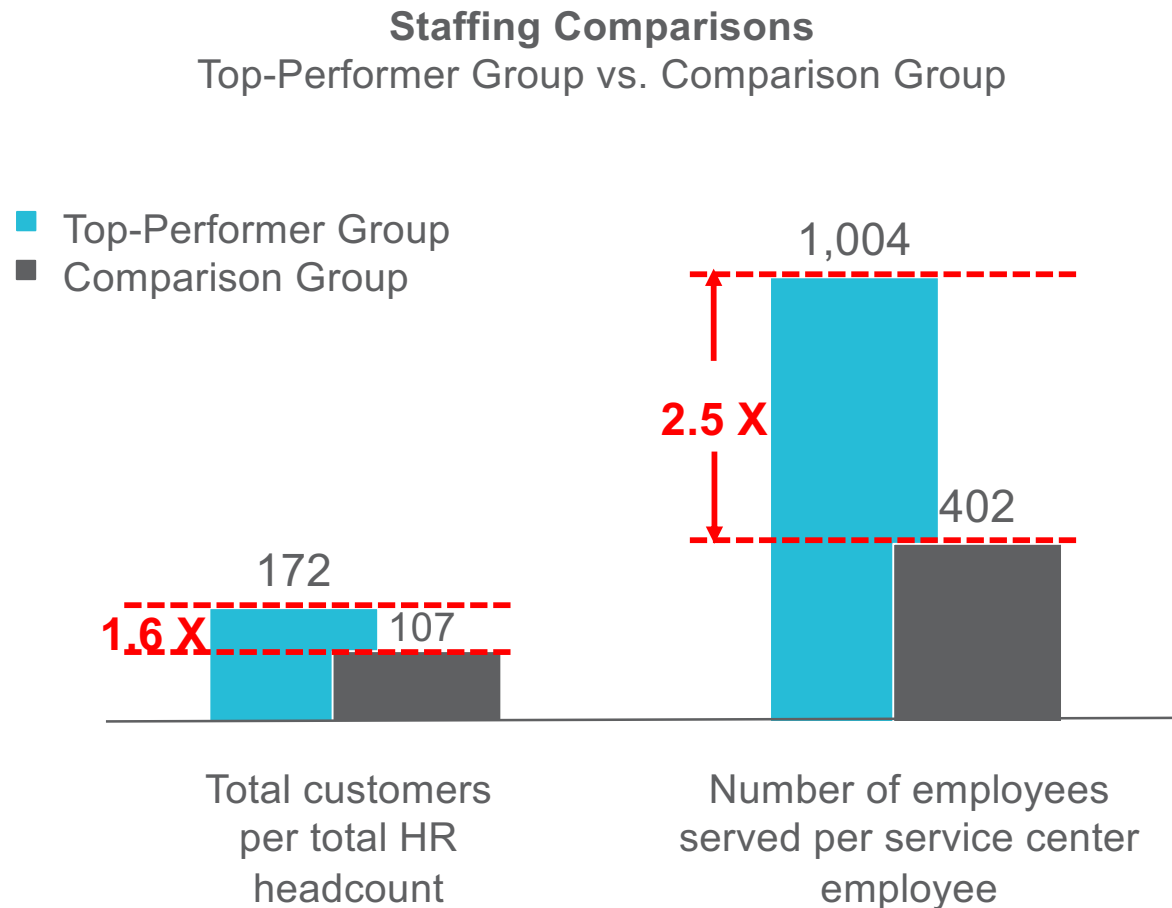
- Non-standard processes; lack of adherence to redesigned processes
- Incomplete policy harmonization
- Manual workarounds (often supported by Excel)
- Functional silos – lack of end-to-end process standards, management, and ownership
- Limited focus on process improvement

Tools and Technology

- Minimal integration between tools
- Multiple ERPs and supporting applications
- Limited use of available functionality
- Low adoption of tools

Why Strive for Top Performance?

Top-performing SSOs have significantly better staffing ratios.

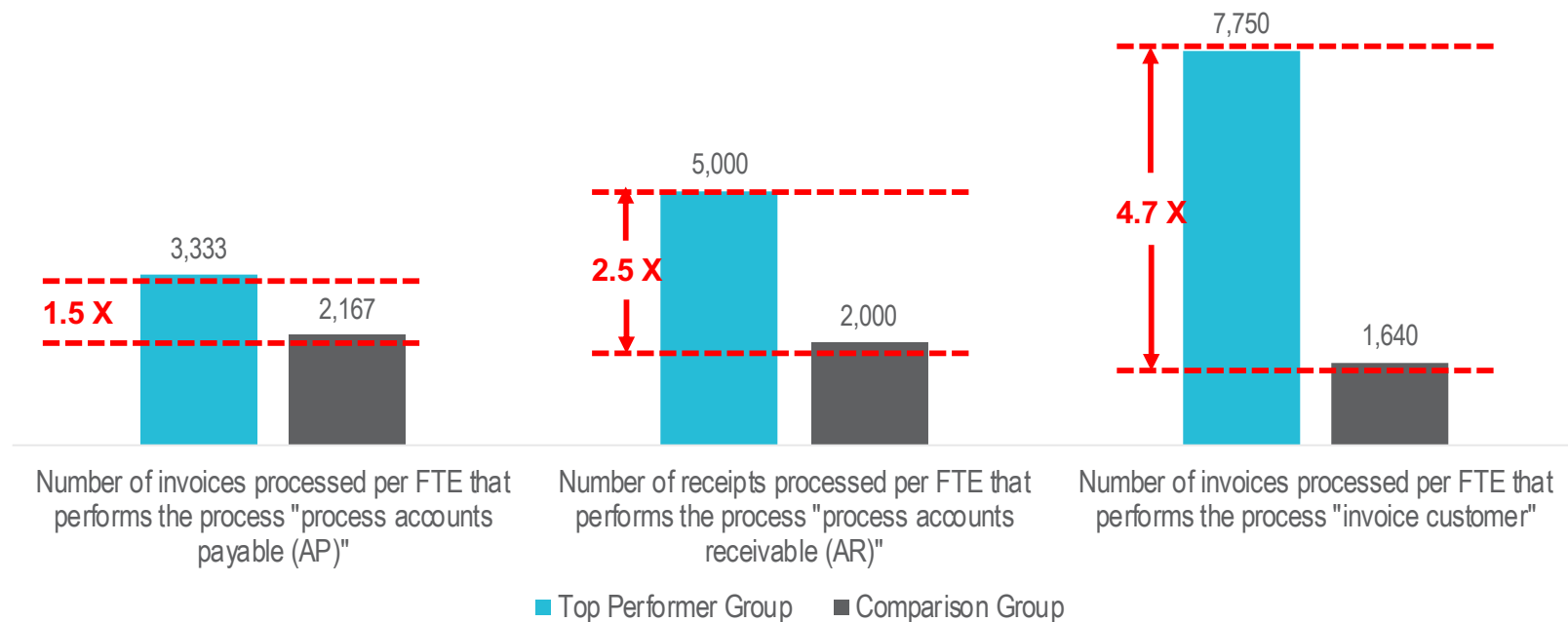


Why Strive for Top Performance? (Cont'd)

Top performing SSOs are also more productive.

- 1.5 times productivity for accounts payable
- 2.5 times productivity for accounts receivable
- 4.7 times productivity for invoicing customers

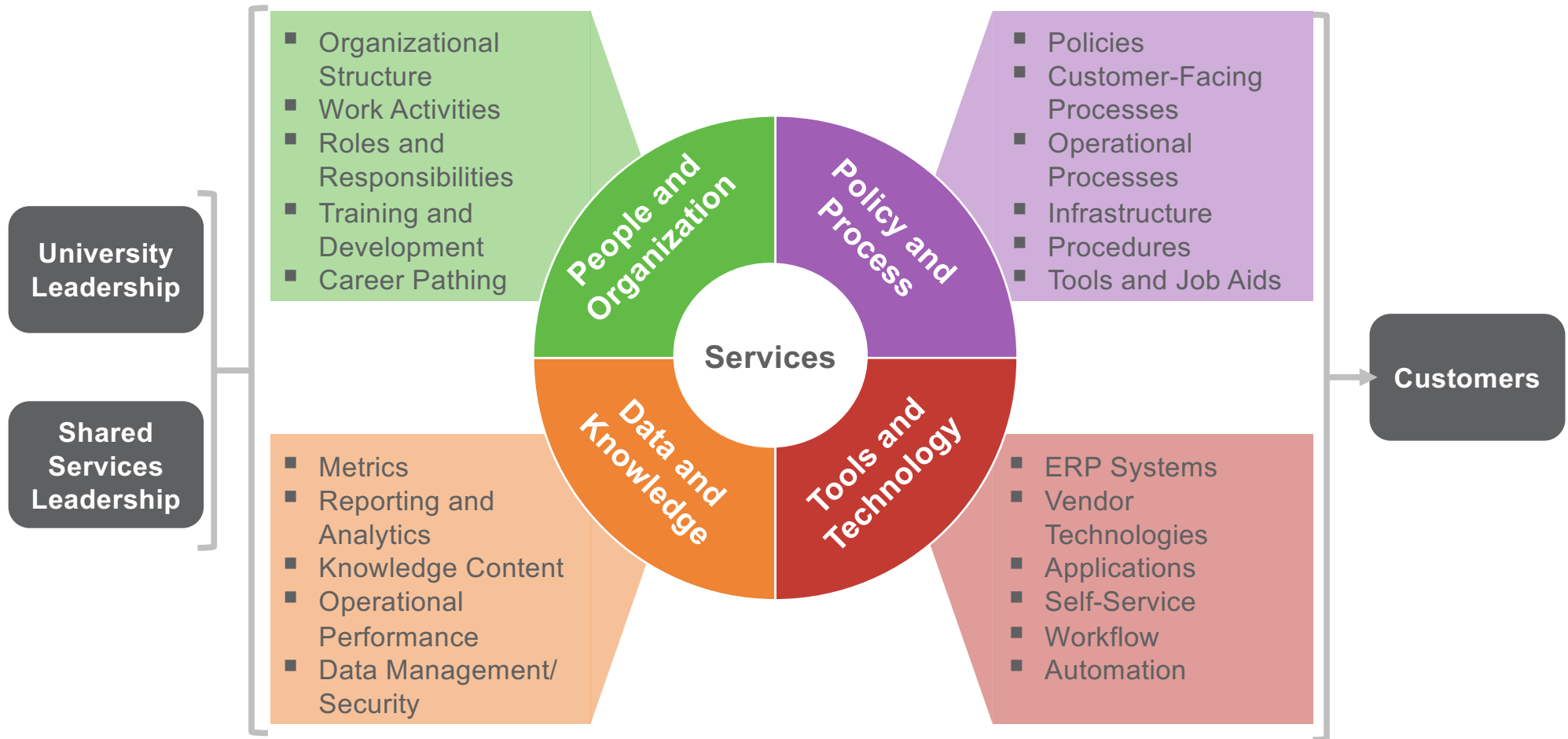
Efficiency Metrics Comparison



Assessment Area Framework



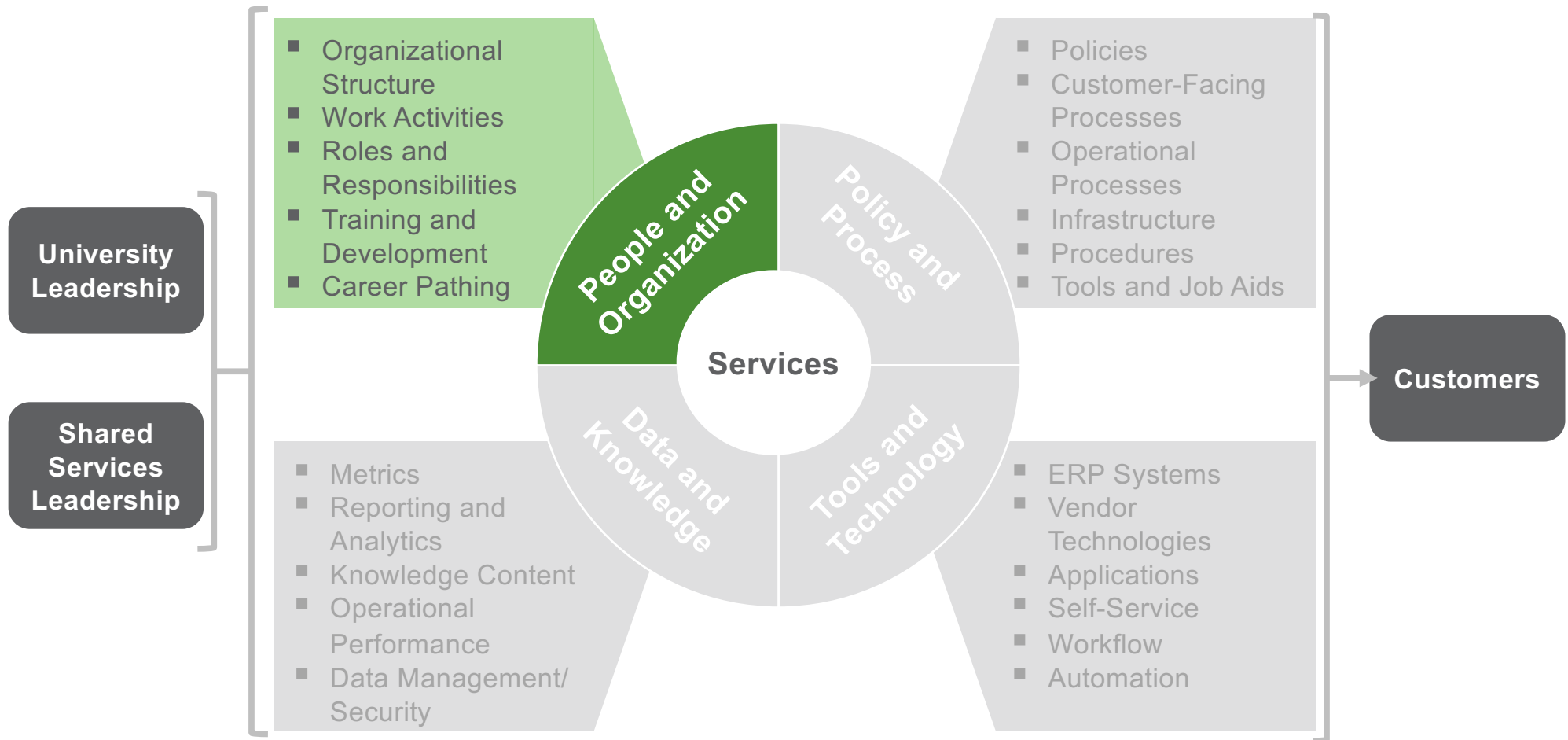
Shared Services Effectiveness Framework



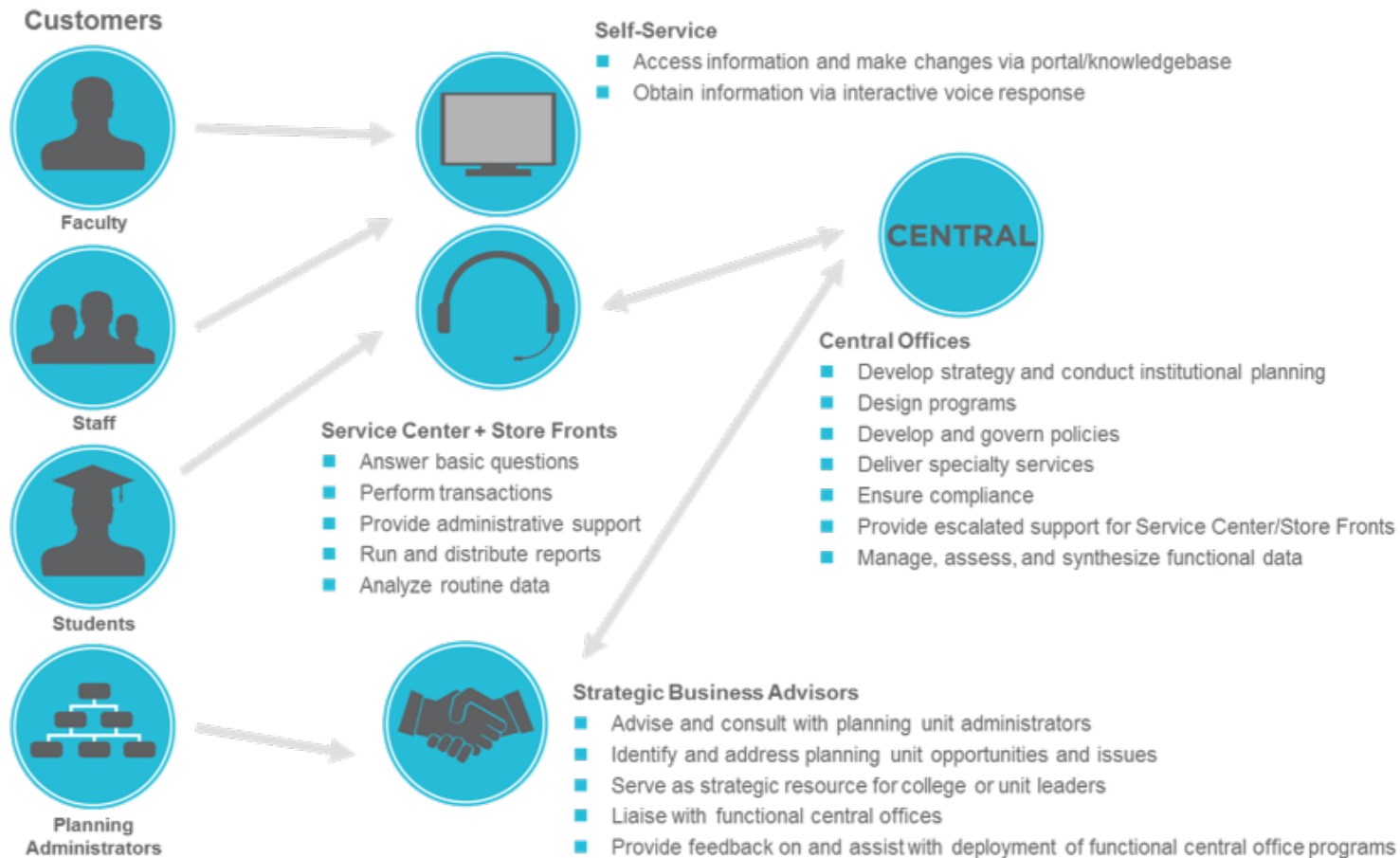
People and Organization



Areas of Focus for Quadrant



What Good Looks Like – Leading Practice Model

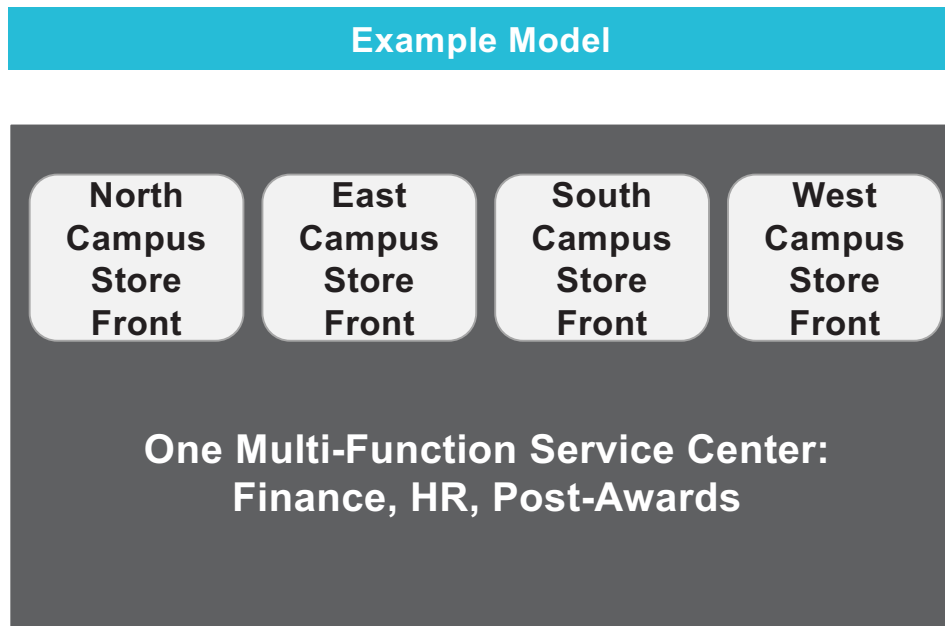


Key Differences in Model:

- Faculty and student customers have different needs
- State is actively involved in decision making
- State versus research funding complicates financial processes
- Many processes are already centralized (e.g., Procurement, Payroll)
- Compliance requirements driven by federal and other research granting agencies
- Strong desire to repurpose existing technologies (e.g., IT case management)
- Strategic business advisors for HR and Finance deployed locally, replacing college business officers

What Good Looks Like – Leading Practice Model (Cont'd)

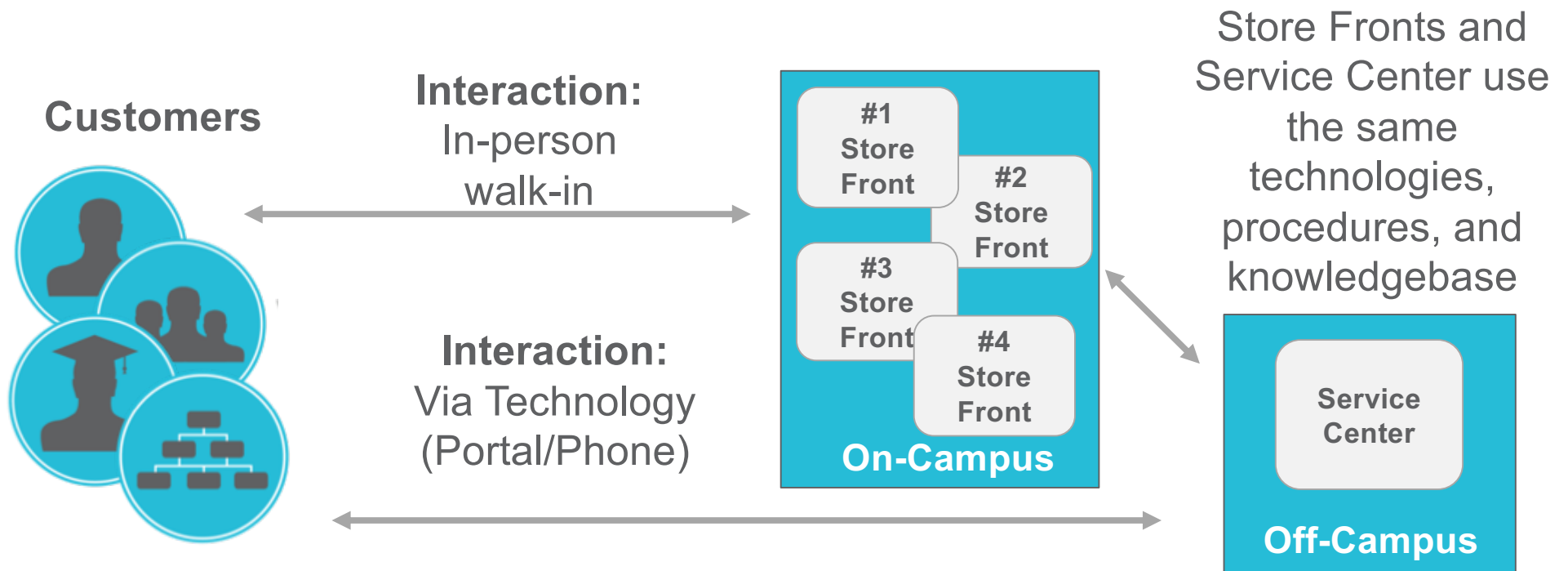
A progressive model includes the concept of “hubs or store fronts” combined with a single multi-function service center.



Benefits of this model:

- Maintain in-person contact through geographically placed store fronts
- Less expensive and more efficient than multiple service centers across campus
- Research specialists can hold “office hours” for faculty in the store fronts
- Interaction with the service center or self-serve via technology
- Governance/process consistency is much simpler to maintain

What Good Looks Like – Leading Practice Model (Cont'd)



Long-term strategy includes closing store fronts as customers become accustomed to using self-service and interacting with the service center remotely.

What Good Looks Like

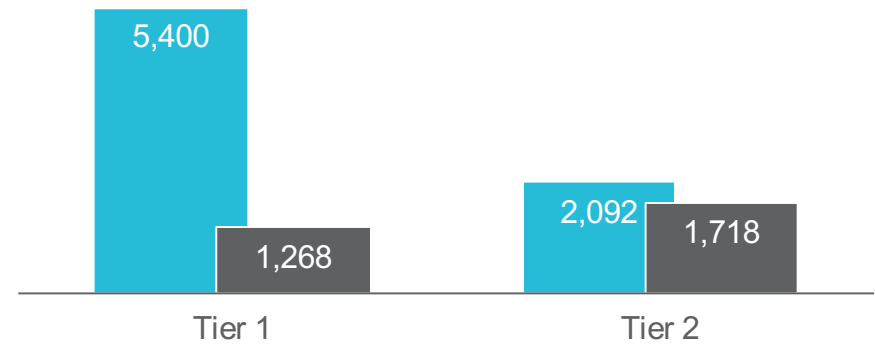


Top performers share a number of characteristics related to their people and organizational structure.

Use of Tiered Model



Total Employees per Headcount by Tier



■ Top-Performer Group
■ Comparison Group

Key Levers for People and Organization Effectiveness



1. Governance
2. Clarity of roles and work alignment
3. Tiered delivery model
4. Competency alignment
5. Employee engagement
6. Career paths and development
7. Generational adaptation

Ensure Strong Governance Is in Place



Having a governance board is helpful to the success of your shared services model.

A governance body provides a setting to:

- Gain buy-in and validation for the project/approaches
- Discuss escalated issues (e.g., a college does not want to relinquish specific activities to the service center that other colleges are transitioning) and make decisions

An effective governance body is made up of a mix of leaders/customers from the colleges (e.g., Deans, CBOs) and leaders from the functions represented in shared services (e.g., central finance).

Effective governance is one of the key elements to success for a shared service.

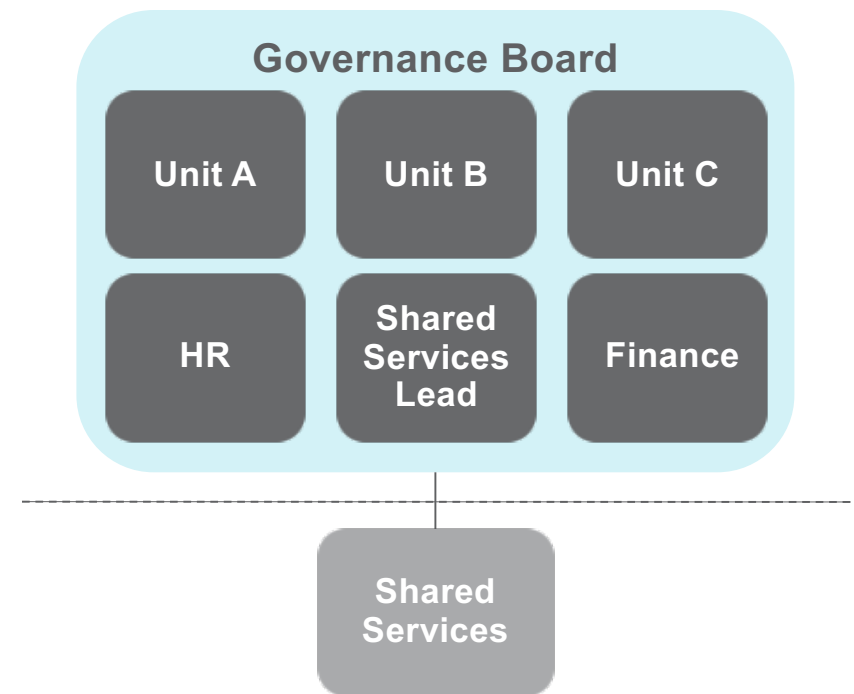


Ensure Strong Governance Is in Place (Cont'd)

The formality and participating members in a board are influenced by factors such as size of the organization, the number and complexity of services, organizational culture, and hierarchy.

Key Benefits

- Provides direction to the operational team and serves as a point of escalation for issue resolution
- Represents the SSO among senior management
- Allows customers to strongly influence direction of shared services and ensures responsiveness to unit needs
- Creates a formal process to control spending and prioritize initiatives
- Ensures integration with enterprise initiatives





Governance Example: Canadian University

The University developed the following guiding principles to drive its governance approach.

Customers Drive Requirements

- Governance body led by deans (deans represent customer groups)
- Governance body led by the central administration units (i.e., led by those providing the service rather than those who will be receiving it)

Stable/Lean Governance Body

- Select deans that could serve on the governance body through the implementation (i.e., important to have continuity in the governance body)
- Governance body to make decisions without a lot of “committee navigation”

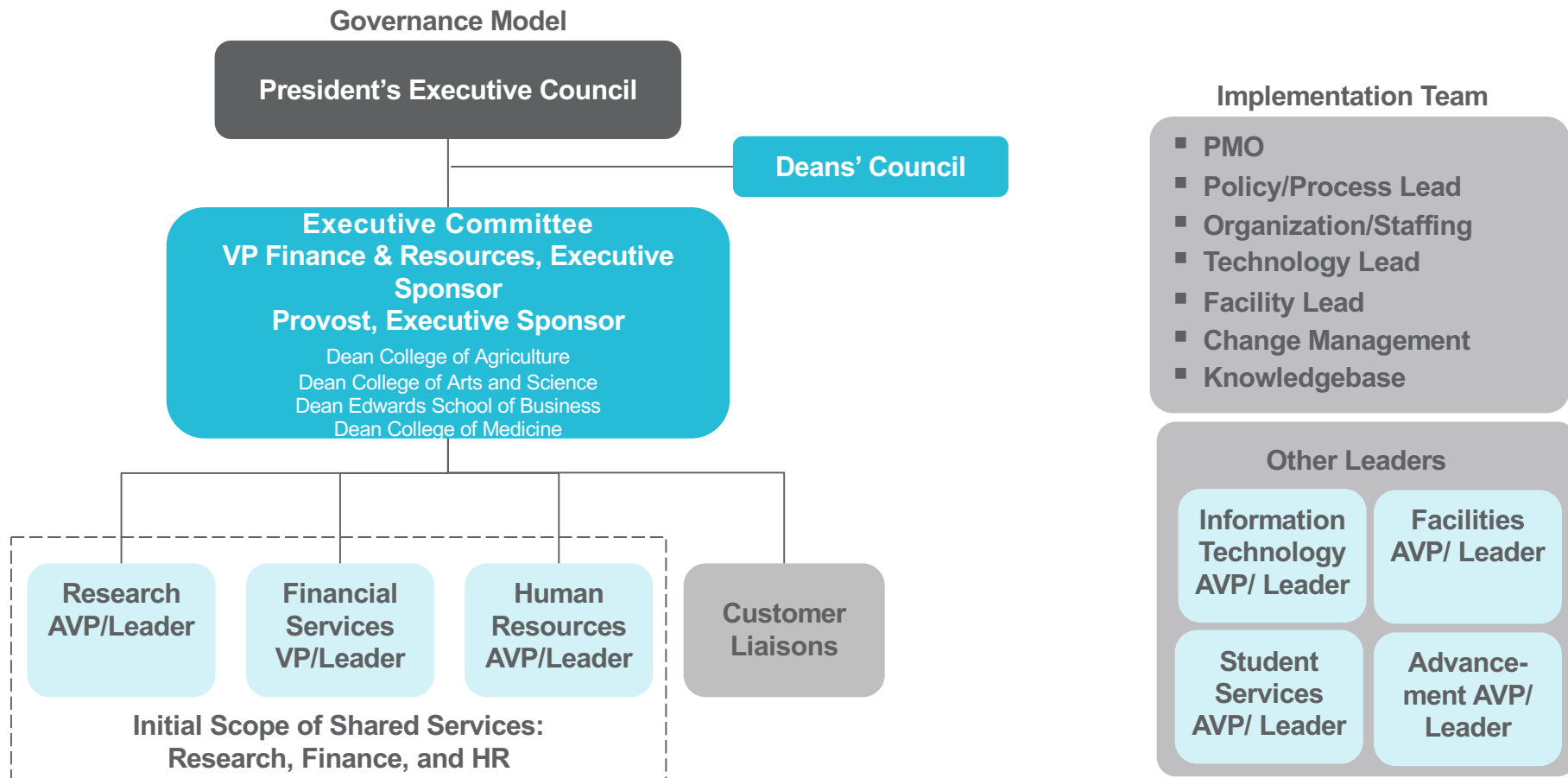
Collaborative Design Process

- Utilize a collaborative approach (“do it with us, not to us”) by actively engaging customers and staff in the design process
- Actively seek feedback

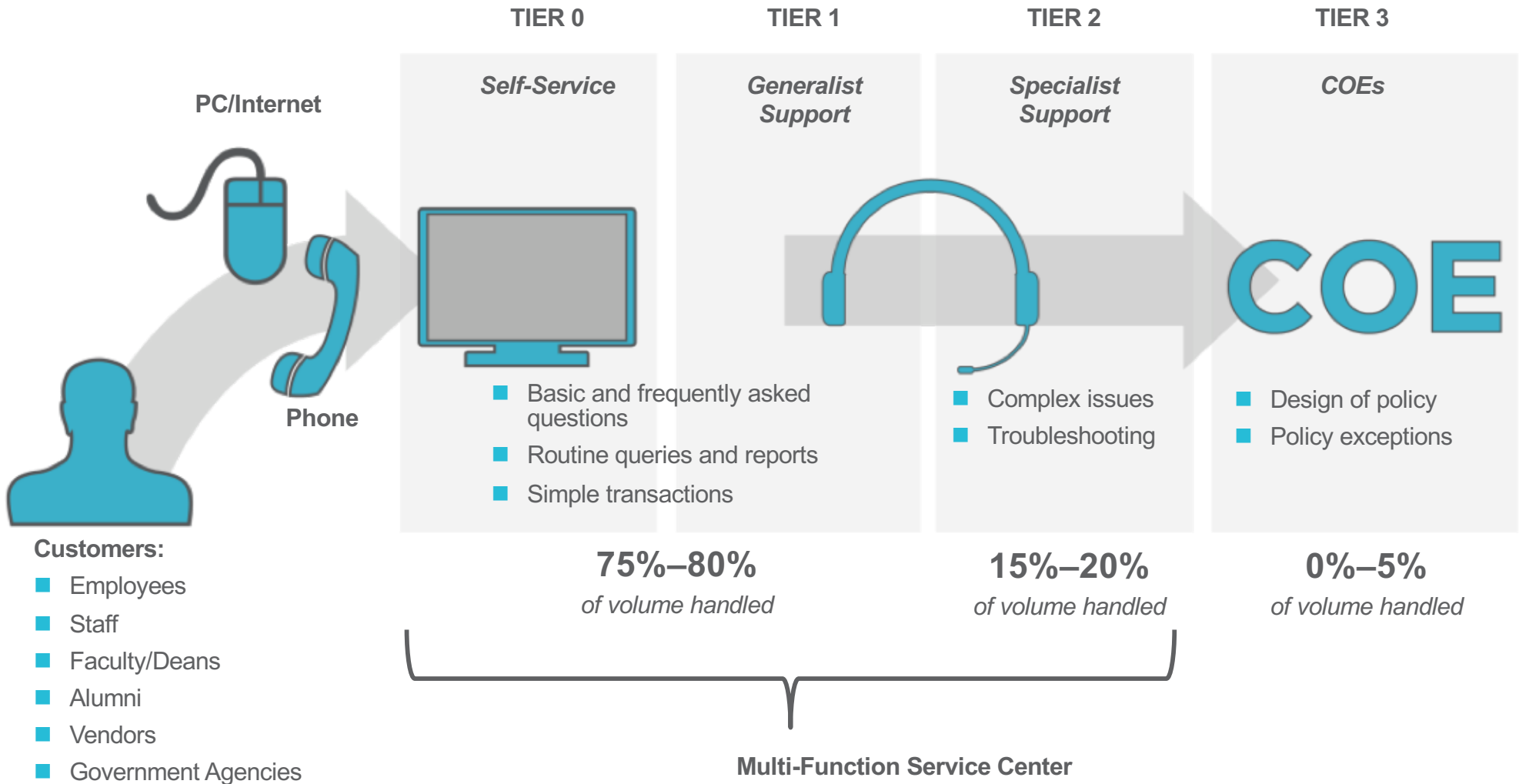


Governance Example: Canadian University (Cont'd)

The University set up an executive committee to provide overall governance acting as the decision-making body; however, it also set up several additional bodies to ensure that it was obtaining feedback and gaining buy-in with additional populations across campus.



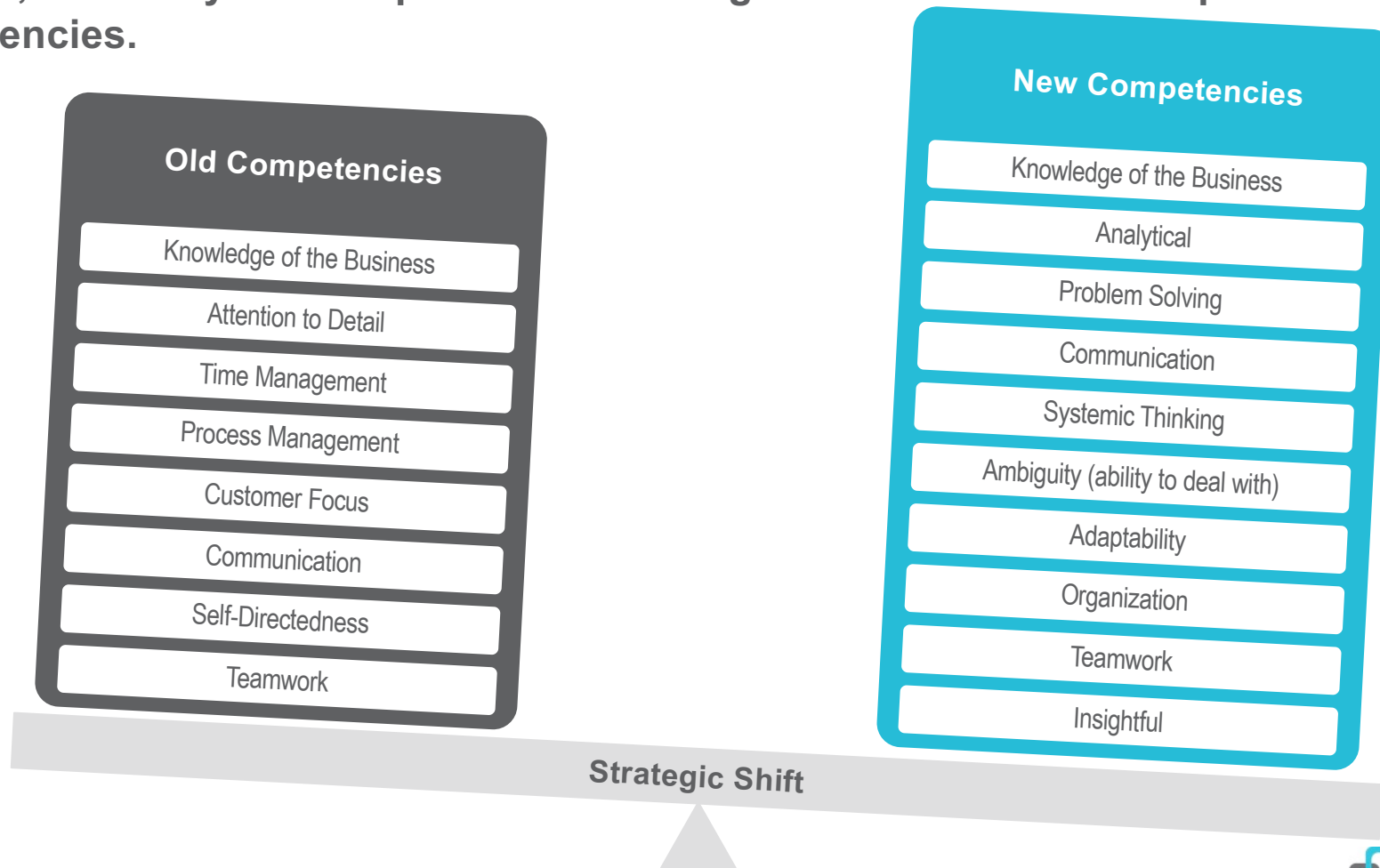
Leverage a Tiered Service Delivery Model





Optimize Your Competencies

A complex aspect of transforming or improving your operations is optimizing your skill competencies within shared services, the central office, and the units. For example, the newly created position of strategic business advisor requires new competencies.



Engage Employees



Taking the “long view” on employee opportunities and capabilities will motivate the right staff to deliver and be around for the long haul.

What Are Employees in the Workforce Saying?

- “We are more concerned with opportunities for development than any other aspect of a job.”** → 90% of learning and development takes place on the job
- “I like to be recognized for good work.”** → Lack of recognition or praise for doing good work is responsible for a 10% to 20% difference in productivity
- “I want a supervisor I can communicate with directly and openly.”** → The #1 reason people leave their job is directly related to their manager
- “I am tired.”** → Stress and work-life balance is also a top reason employees leave their job

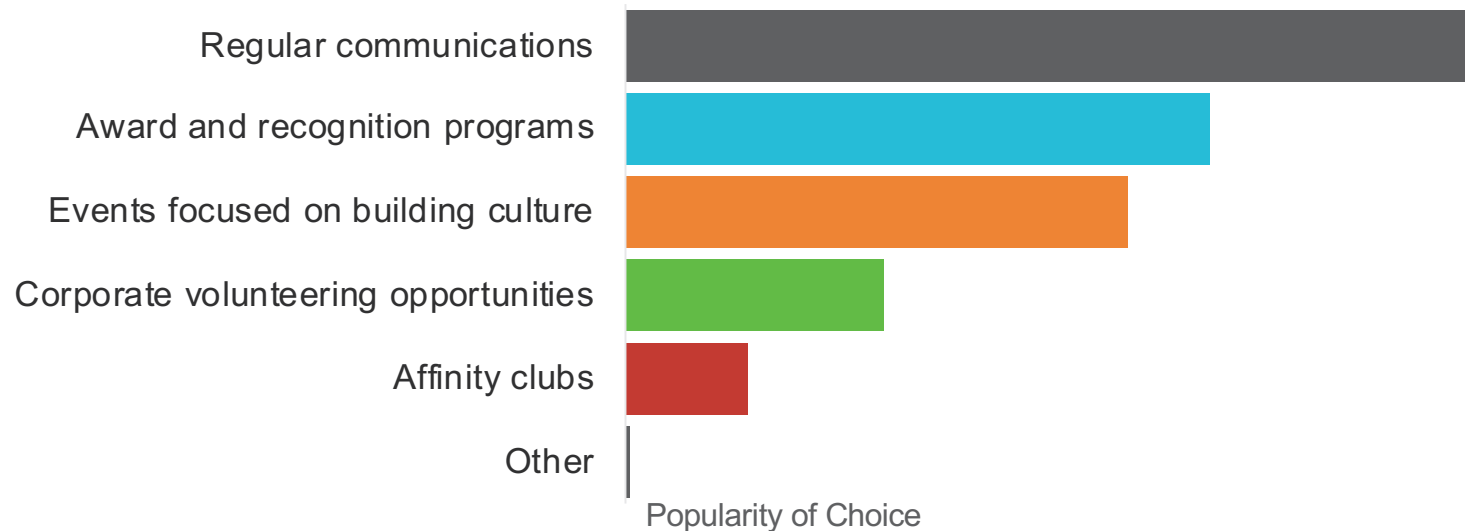
Engage Employees (Cont'd)



ScottMadden's SSO Talent Management Survey identifies communication, recognition, and culture-building events as favored engagement tactics.

- Small SSOs indicate events focused on building culture are slightly more effective than award and recognition programs
- Large and medium SSOs rank award and recognition programs as more effective

Which tactics are most effective for engaging employees and building culture within your SSO?





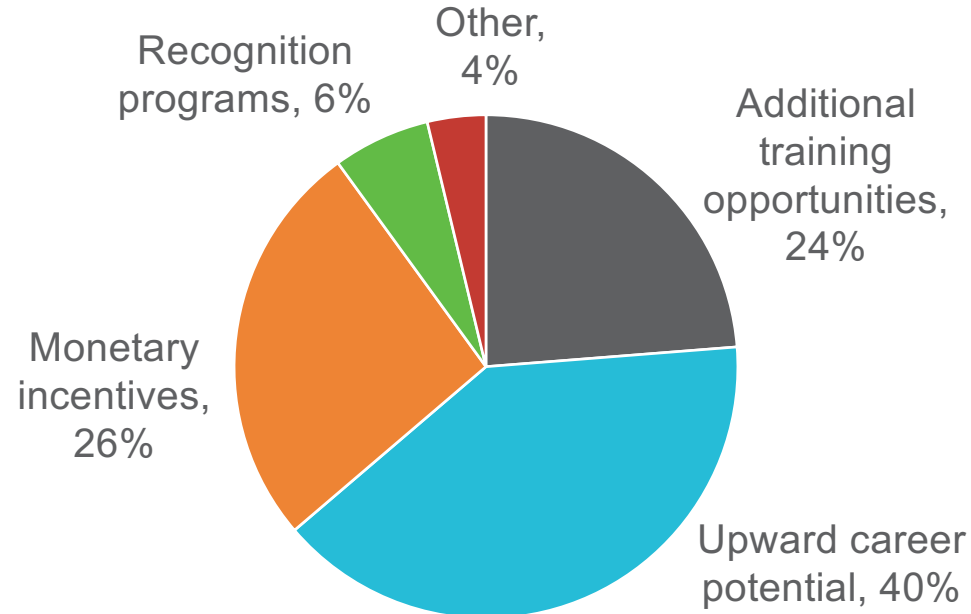
Consider an Employee Value Proposition (EVP)

Upward career potential, monetary incentives, and additional training opportunities are reported as top drivers for retaining staff among survey respondents.

An effective EVP:

- Provides a clear, concise, and overt statement on rewards
- Is helpful in markets where talent is difficult to attract
- Differentiates a company as an employer of choice and provides candidates a clear view

What is the biggest driver for retaining staff in your organization?



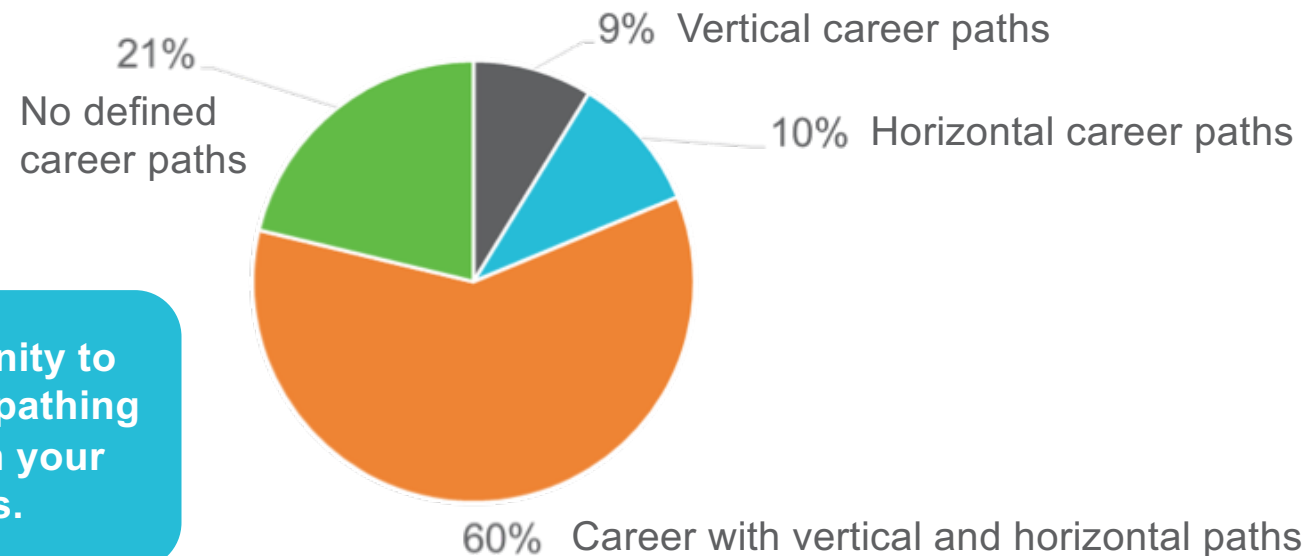
Use Career Paths



Almost 80% of participants report having defined career paths for their SSO.

- A mix of vertical and horizontal career paths is the predominate choice among all groups in the survey
- Multi-function, less mature, and small SSO operations are less likely to have career paths
- About half use career paths with progression outside their organizations

What best describes the nature of the career paths you have defined within your SSO?

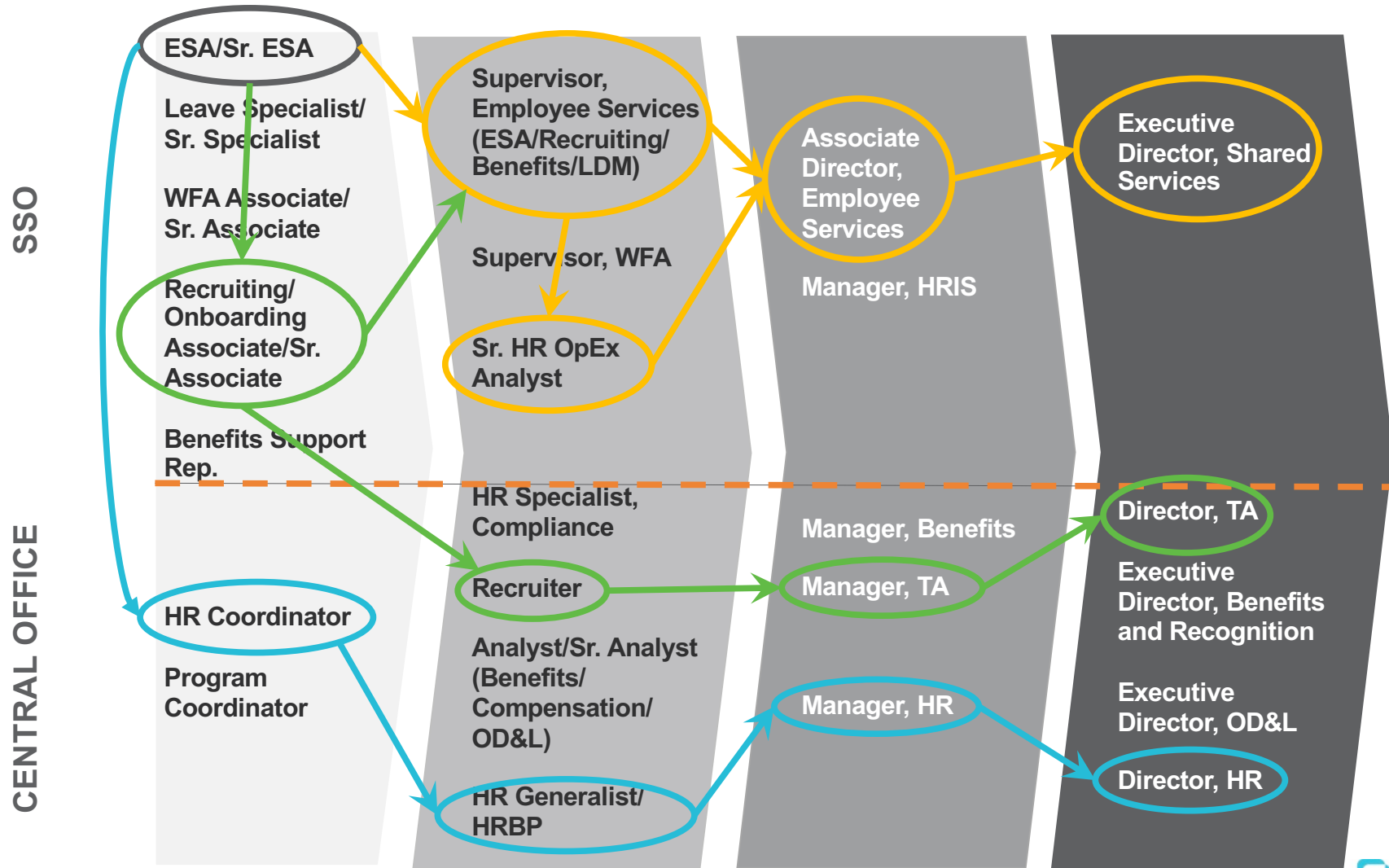


There is an opportunity to create robust career pathing to attract and retain your SSO employees.

Emphasize Career Development



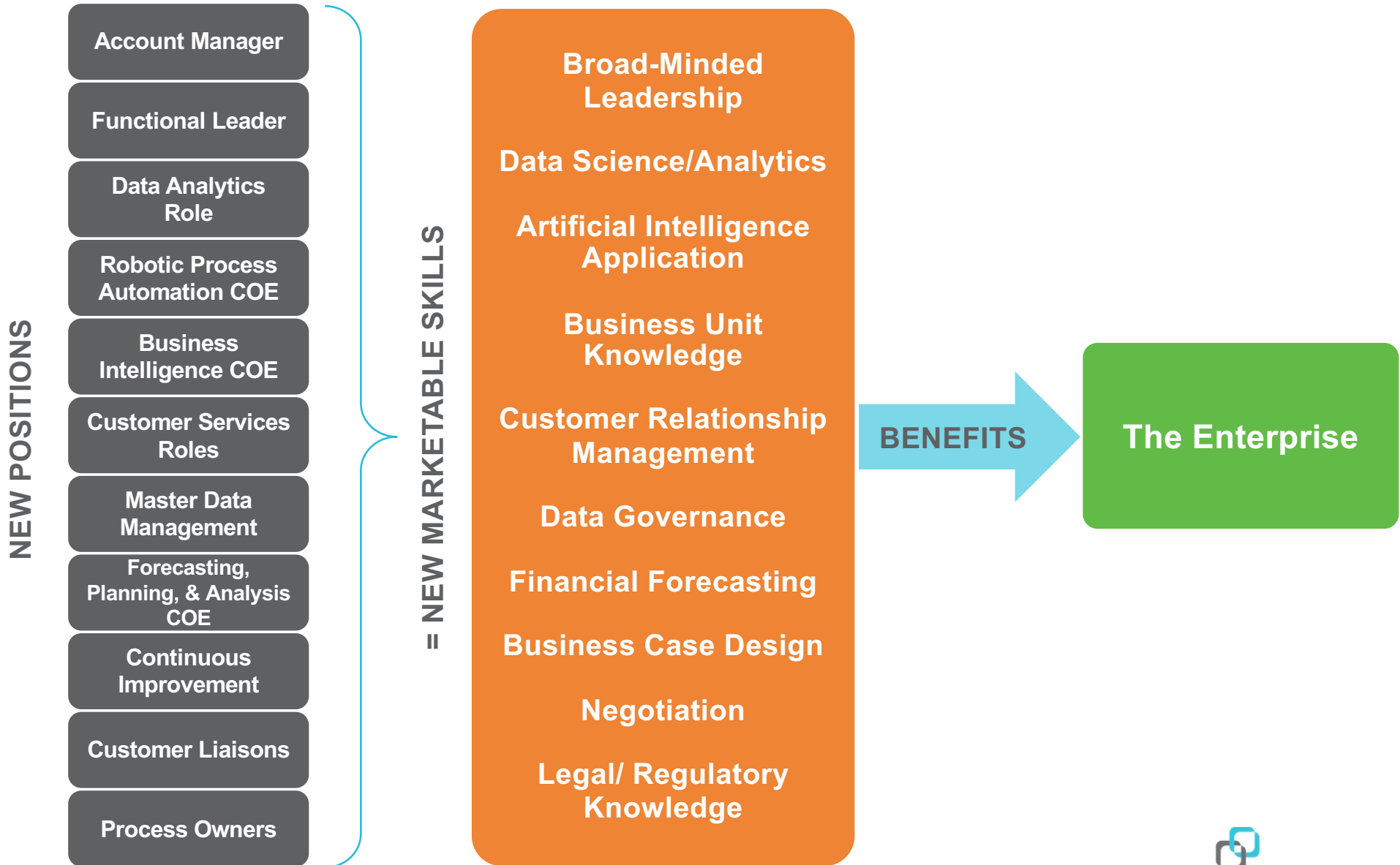
Below is an illustrative example of a potential career path for shared services.



The diagram above is not hierarchical, but rather an example of a career path.



Promote New and Marketable Skills through SSO

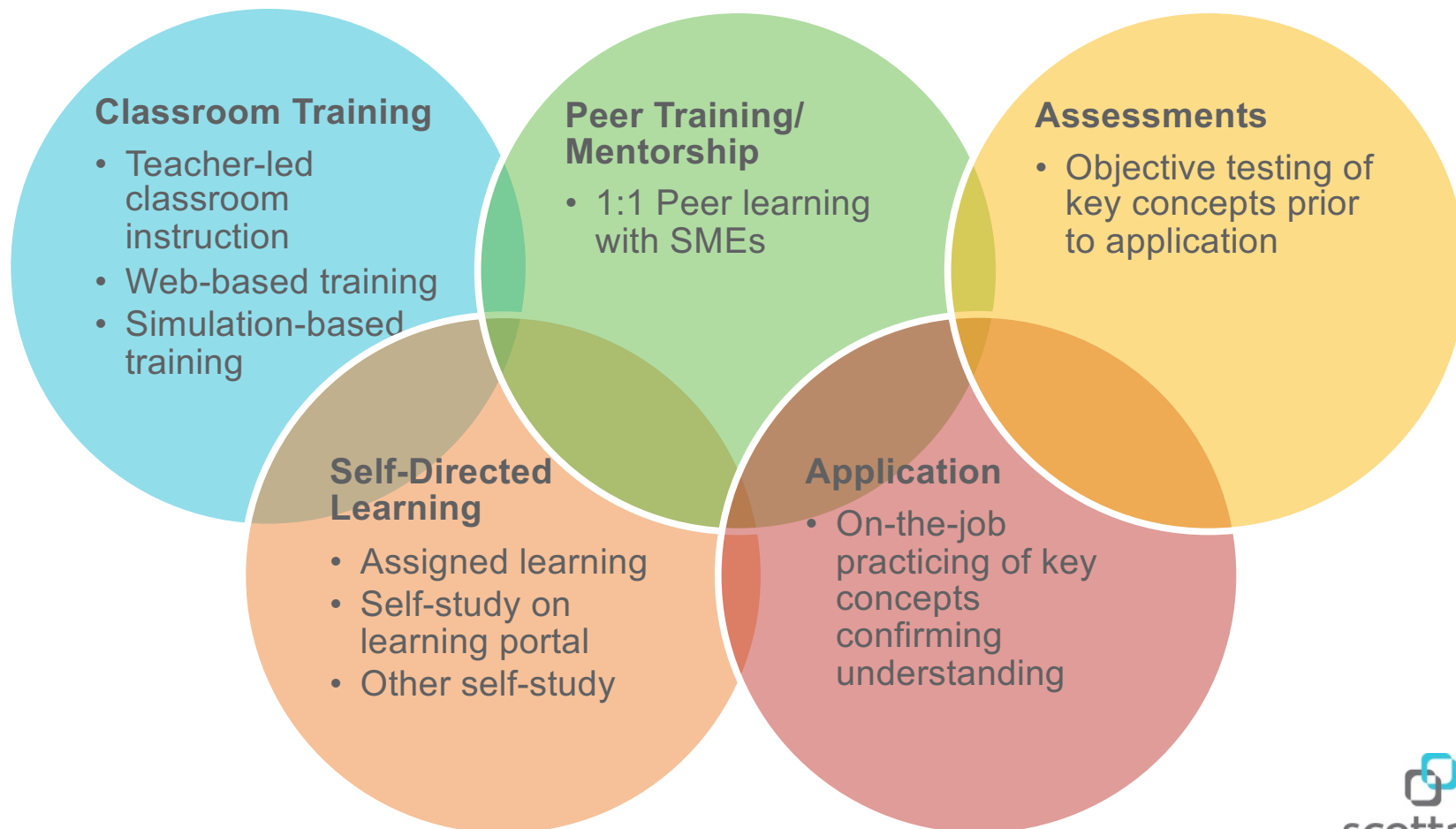




Use Modern Learning Approaches

Changing learning styles, including due to millennials and generation Z, and the nature of the co-operative work environment require action.

- There has to be a multi-pronged approach to learning and knowledge transfer, heavily leveraging technology to deliver and track training achievements

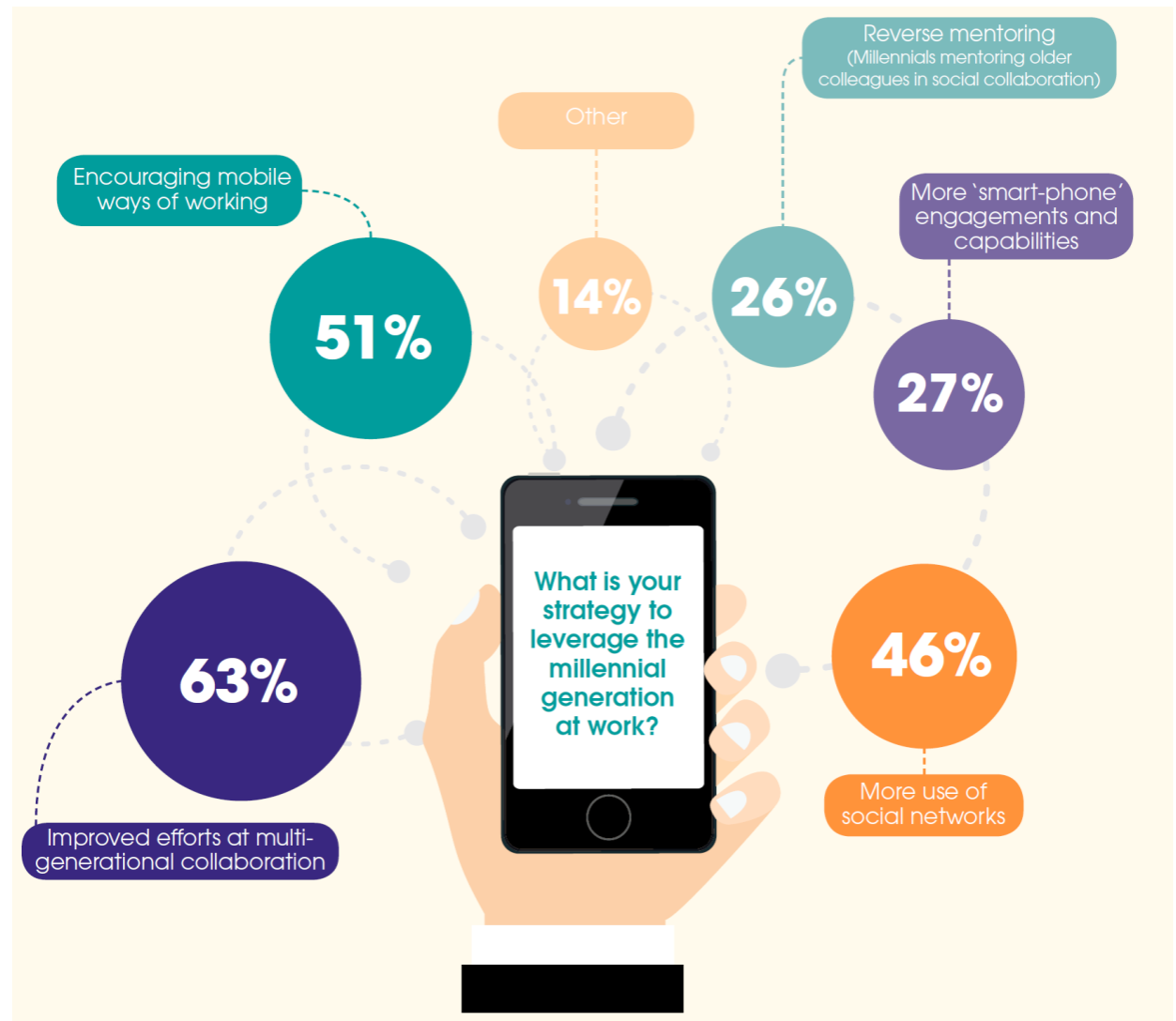


Adapt to Generational Differences – Responding to Millennials

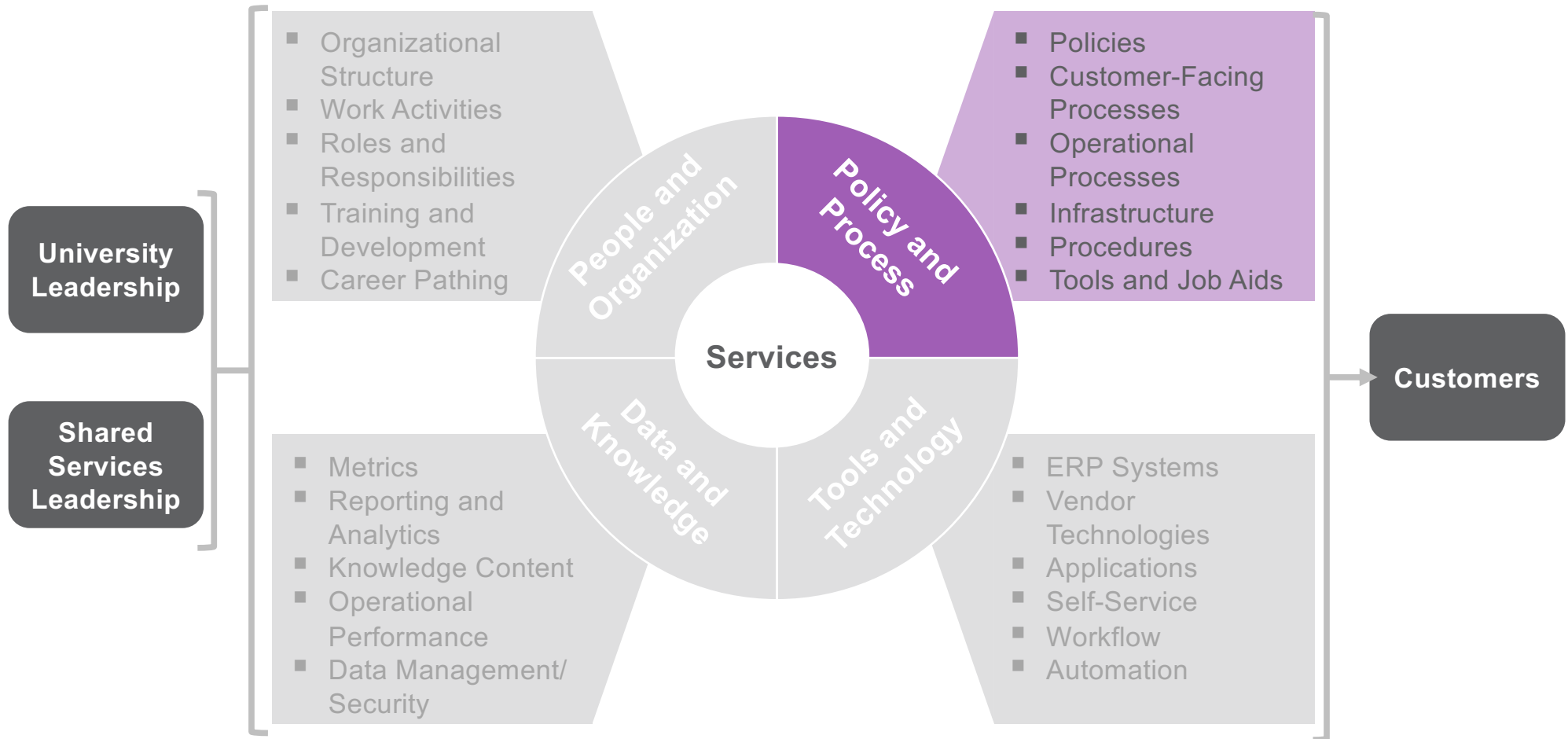


Leading SSOs have developed talent management strategies to adapt to a new way of working.

- Social networks are most commonly incorporated in shared services centers that are newly launched
- Mobility and collaboration are pursuits of desirable work places
- Reverse mentoring is most common among mature SSOs



Areas of Focus for Quadrant



What Good Looks Like



There are a number of leading practices to consider for processes, scope, and continuous improvement of a SSO.

Category	Leading Practice
Scope of Services	<ul style="list-style-type: none"> ■ Scope of services across all HR delivery channels is documented and agreed upon ■ A road map for future scope expansion is developed and tied to overall organization strategy, goals, and objectives ■ The scope is supported by governance and ties in closely with shared services vision and service catalog
Policy and Process Maturity	<ul style="list-style-type: none"> ■ Policies are harmonized and written in a clear language that aligns with company culture ■ Processes are standardized, simplified, and leverage technology and automation ■ End-to-end processes have clear ownership
Continuous Improvement (CI)	<ul style="list-style-type: none"> ■ A proactive CI process focuses on adding value to the enterprise and shared services clients ■ CI initiatives are managed and prioritized as a portfolio ■ There is a standardized performance improvement methodology, including repeatable periodic benchmarking, across E2E processes ■ Collection of KPIs is highly automated

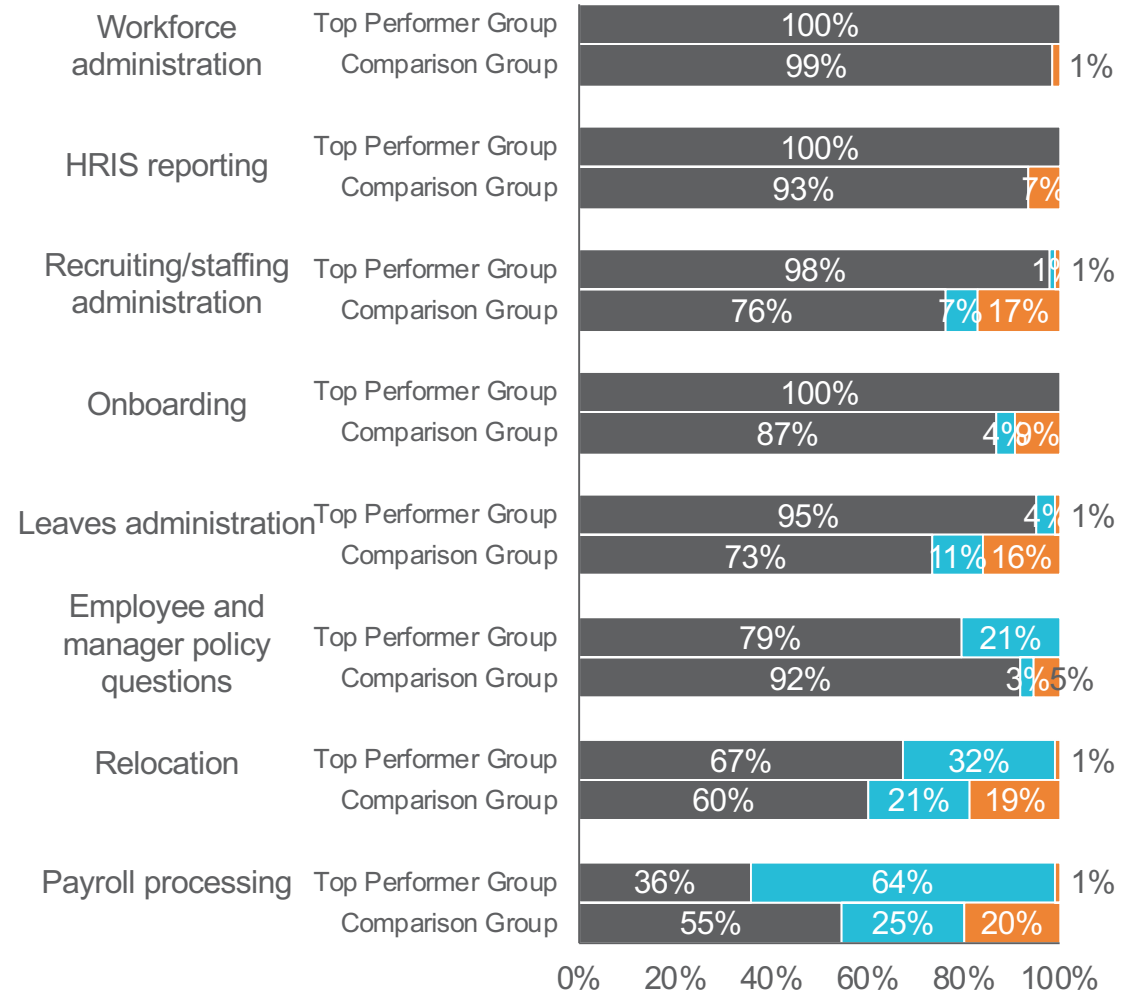


What Good Looks Like (Cont'd)

Top-performing SSOs tend to have more services in scope.

In industry, many companies outsource some services to third-party providers (e.g., Payroll and Benefits); however, in higher education this is less common.

Service Scope



- Yes - provided by in-house staff
- Yes - outsourced
- No

Key Levers for Policy and Process Effectiveness



- 1. Evolving scope of services**
- 2. Harmonized and simplified policies**
- 3. Optimized processes**
- 4. Supporting tools and templates**
- 5. Defined ownership and governance**
- 6. Focused continuous improvement**

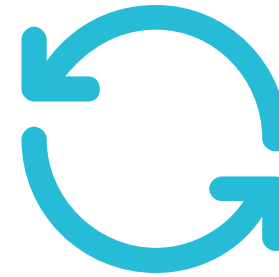
Evaluate Scope of Services Strategy



What do we want the SSC to do?



What do we not want the SSC to do?



What do we want the SSC to do differently?





Set Scope and Clarify Responsibilities

Setting the scope of work for each service delivery channel serves as the blueprint for all transformation activities (e.g., design of the future organization, process redesign, and technology design). The scope should:

- Demonstrate who is responsible for what work
- Align with the overall transformation road map
- Depict how work will shift from the current to the future service delivery model
- Include work owned by third-party providers (e.g., Benefits)
- Validate functionality of planned technologies
- Be socialized with key leaders and constituencies



Develop Scope of Services



- Who is currently doing the work?
 - Unit staff (central or departmental)
 - Central office
 - Vendor
 - Manager (self-service)
 - Employee (self-service)
- Who will be doing the work in the new model?
- When will the work transition?

Service	Activity	Shared Services Center	Centers of Expertise (Central Office)	Administrative Units/Colleges (e.g., HR Business Partner)
Research	Pre-Award	<ul style="list-style-type: none"> ■ Support PI in proposal development process ■ Conduct internal review process ■ Conduct contract development process ■ Conduct award finalization process ■ Complete grant application submissions 	<ul style="list-style-type: none"> ■ Maintain relationship with agencies 	<ul style="list-style-type: none"> ■ Assist PI with proposal and application development
Finance and Accounting	Procurement	<ul style="list-style-type: none"> ■ Facilitate all purchases ■ Conduct vendor selection ■ Set up vendor and maintain database ■ Determine employee or contractor status ■ Issue purchase orders 	<ul style="list-style-type: none"> ■ Maintain overall vendor relationships and oversight of procurement process ■ Enable strategic oversight of institutional procurement 	<ul style="list-style-type: none"> ■ Identify purchasing needs ■ Provide relevant information in response to service center inquiries



Keys to success:

- ✓ Details
- ✓ Agreement



Develop Scope of Services (Cont'd)

Scope of service documents can be even more detailed, outlining where work sits today and where it will transition in the future. Socializing the scope of services is an effective way to begin buy-in of the new model.

Category	Sub-Category	Activity	Activity Type	Scope of Service Delivery by Channel				
				Self Service	HRSC	Field HR	COE	Vendor
Workforce Administration	General	Design workforce management strategies and standards	S				✓	
	General	Design workforce management policies and procedures	S				✓	
	Employee Files	Maintain employee files	T		N ←	x		
	Transfers	Manage employee transfers	O		N	✓		
	RIFs	Diagnose, restructure, reduce, or reorganize departments, including a reduction in force (RIF)	S			✓	✓	
	RIFs	Answer questions related to RIFs	T		N			
	Terminations	Initiate termination process	O	N		✓		
	Terminations	Enter severance and termination data and changes, complete forms	T		N ←	x		
	Terminations	Perform severance package calculations (ex: PTO)	O		N ←	x A		
	Terminations	Produce severance package (benefit termination, severance letter)	T		N ←	x		
	Terminations	Deliver severance package to employee	O			✓		
	Terminations	Collect and process exit paperwork	T		N	✓		
	Terminations	Perform and analyze exit interviews	O			✓		
	Surveys	Design, distribute, and analyze employee engagement surveys	S				✓	

What's a Policy vs. Process?



Policy harmonization focuses on development and standardization of **“guidelines,” “standards,” and “rules”** around identified HR topics.



- What is allowed?
- Who is eligible?
- What are the parameters or limits?
- What are the requirements?
- What is the legal standard?

Process harmonization focuses on **“how”** a service is delivered.



- Who owns a task?
- How does a task get done?
- What tools, templates, and systems are used?
- Who approves?
- What stakeholders are involved?

Determine Policy Strategy



Consider culture and what you are trying to accomplish with your policies and employee handbook.

■ Nordstrom employee handbook:

“Welcome to Nordstrom. We’re glad to have you with our Company. Our number one goal is to provide outstanding customer service. Set both your personal and professional goals high. We have great confidence in your ability to achieve them.

Nordstrom Rules: Rule #1: Use best judgment in all situations. There will be no additional rules.

Please feel free to ask your department manager, store manager, or division general manager any question at any time.”

■ General Motors dress code policy is two words: ***“Dress appropriately”***

■ Netflix’s policy for travel, entertainment, gifts, and other expenses is five words: ***“Act in Netflix’s best interest”***

Determine Policy Strategy (Cont'd)



Bereavement Leave

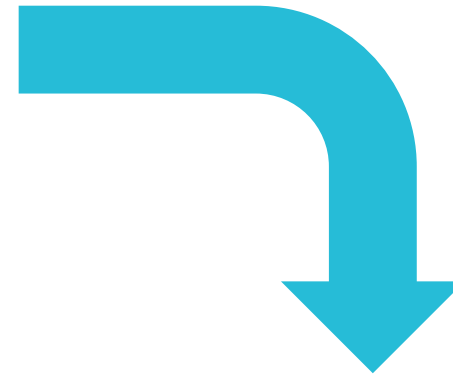
Eligible employees may be granted up to one (1) week of paid leave in the event of a death in their immediate family. For purposes of this policy, immediate family generally is limited to the employee's spouse or domestic partner; and the employee's parents, children, siblings, grandparents, and grandchildren, including all legally recognized forms of those relationships (e.g. adoption, legal guardianship, *in loco parentis* status) as well as the "step-" and "in-law" forms of those relationships (e.g. sister-in-law and step-mother).

Up to a two (2) day leave with pay may be granted to eligible employees to attend funerals of close friends and relatives who do not qualify as immediate family members. In such cases, supervisor approval must be obtained and the granting of such leave is within the Company's sole discretion.

In cases of extreme personal hardship where more bereavement leave may be required, supervisor and HR approval must be obtained in advance of extending the leave.

Time taken for bereavement must be accounted for on a [PTO/Record of Time Used form](#), noting the appropriate code for bereavement ("BRV"). Bereavement days are not counted against an employee's PTO allowance for the year if the days are properly accounted for on the form.

Also, when Non-exempt employees enter their time in Time & Labor they should indicate that the days not worked were bereavement days, to ensure that the time is not counted against their PTO.



Bereavement Leave

As a benefit eligible employee, you may be granted up to five (5) days of paid leave in the event of a death of a close friend or family member.

For situations that require more time, please reach out to your manager or MyHR.

Recognize Policy Harmonization Impact



Policy harmonization will...

- Maximize efficiency gains
- Drive process design
- Drive organization success by governing adherence to legislation and regulations
- Reinforce a positive employee value proposition through engagement and increased transparency
- Improve operational effectiveness and reduce errors

“But We Are Unique!”



Determine policy exceptions:

- Establish policy review committee, including policy owners and key stakeholders (Admin units, legal, college representatives)
- Determine which policies will be harmonized and therefore will not allow exceptions by unit
- Determine what deviations will be allowed and under what circumstances, as well as guidelines that put boundaries around the exceptions

Create policy guidelines for exceptions:

- For each policy with exceptions, document specific criteria answering:
 - Who is eligible for an exception?
 - Under what circumstances can an exception be granted?
 - What types of exceptions are allowed?
 - Who must approve an exception?
 - How will the exception be communicated and documented?

Develop Processes



Document redesigned processes using leading practice principles; ensure that:

- There are **single, enterprise-wide processes** – regionally focused at minimum
- **Intake mechanisms** for each process are clearly defined
- **Roles and responsibilities** are clearly defined
- **Service level agreements (SLAs) and cycle times** for process steps are captured
- **Variation** among processes is **minimized**
- **Technology is leveraged** where possible to reduce manual intervention
- **Customer experience** is considered throughout the process

Optimize Processes



End-to-End Strategy

- Eliminate silos by organizing around processes
- Assign an owner to end-to-end enterprise processes responsible for: process performance, process design, process investments, etc.
- Processes become the enterprise language for the SSO



Process Governance

- Maintain standards
- Create an exception process to validate and approve process variants
- Develop and execute process maintenance



Continuous Improvement

- Continue to re-evaluate how operations are working
- Focus relentlessly on efficiency and quality
- Update standard operating procedures as technologies are enhanced

Establish Process Ownership



Definition

- Assigning accountability for implementing, maintaining, and revising a standard set of process documents necessary to achieve the objectives of a particular functional area

Why is it important?

- Standardization and consistency are maintained
- Accountabilities are clearly communicated and embraced
- Creates transparency into process performance which is actively measured and managed

Process Ownership

- Documentation is accurate, consistent, cohesive, and integrated
- Procedures, tools and templates, and training materials are maintained
- Process performance is measured and improvement opportunities are identified
- Coordination with cross-functional stakeholders
- Execution of change management steps following process changes

Ingrain Continuous Improvement



Continuous improvement uses performance measures to drive the implementation of an organization's strategy.

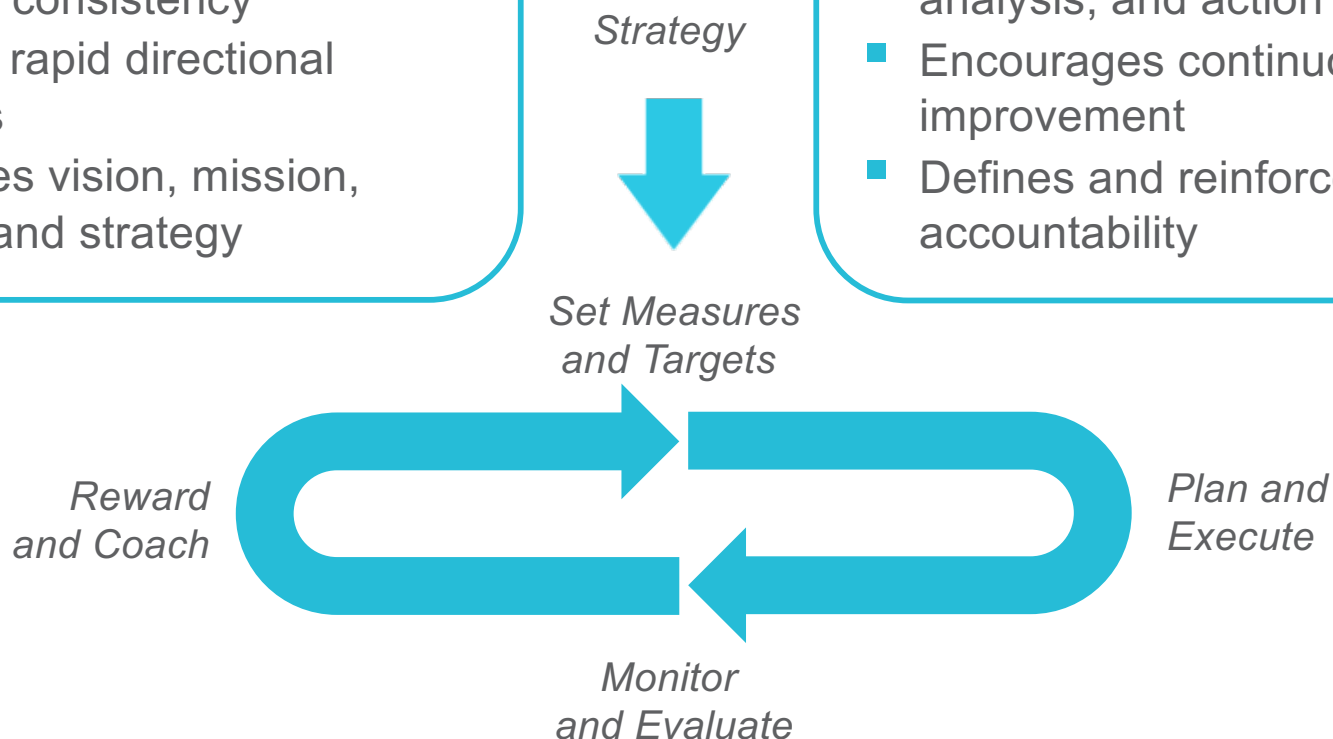
PROGRAM CHARACTERISTICS

An enterprise-wide management system:

- Aligns operations with strategy
- Ensures consistency
- Enables rapid directional changes
- Cascades vision, mission, values, and strategy

An ongoing process:

- Focuses priorities and results
- Integrates measurement, analysis, and action
- Encourages continuous improvement
- Defines and reinforces accountability



Leverage an Operational Support Team



Service	Functional Role
Metrics/Reporting	Maintains SSO metrics and reports performance periodically
Training and Change Management	Provides training to new hires and existing employees on service center processes
Knowledgebase Content	Creates and maintains knowledgebase to ensure the most up-to-date information is available
Quality Management	Oversees quality management activities, such as planning, assurance, and control
Systems Management	Ensures key systems are meeting the needs of the SSO
Continuous Improvement	Identifies opportunities for SSO improvement



Use Operational Management Tools

Operational management tools are used to manage the internal processes of the shared services center.

Content Management

- What is your queue management philosophy?
- How are issues escalated from Tier 1 to Tier 2? What are the procedures?
- Who owns updating employee, customer, or vendor portals? How often are they updated?
- Who owns the content in the knowledgebase? How often is it updated?
- How are improvements captured?
- Do you audit internal operations?

Employee Management

- How do you manage downtime?
- How are shared services resources scheduled to handle time zones and employee/transaction demand?
- How is performance of employees measured? Do you use agent scorecards?
- What is your quality assurance plan? How do you improve quality? Do you record and measure agents regularly? Do you train them?

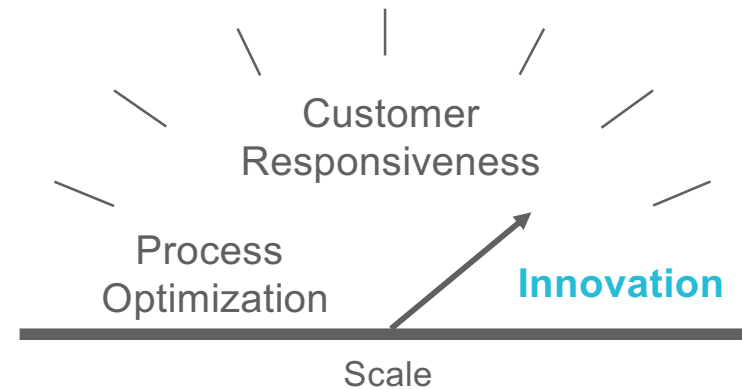
Continue to Move up the Value Chain



Adopting an *innovative mindset* has helped service centers explore non-core functions and make the transition to *higher value* service offerings.

What is innovation in shared services?

- Consultative services provided by strategic business officers
- Predictive and prescriptive business analytics
- Virtual teams
- A start-up mentality
- Innovation workshops or “failure conferences”
- Embracing advanced technologies (e.g., robotic process automation or RPA)



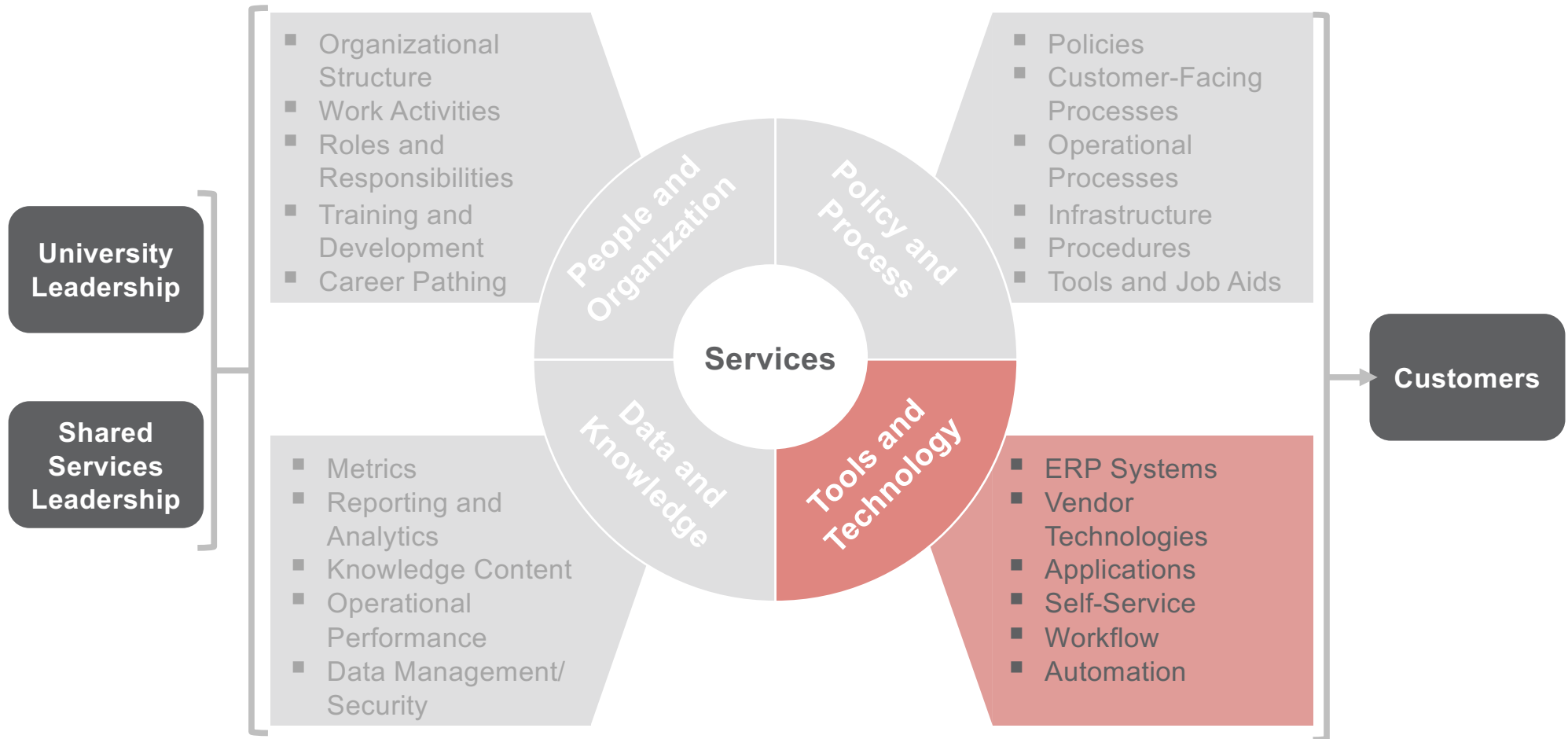
Higher-value HR services include:

- Employee Relations
- Labor Relations
- Operational Excellence Consulting
- Business Analytics

Tools and Technology



Shared Services Effectiveness Framework

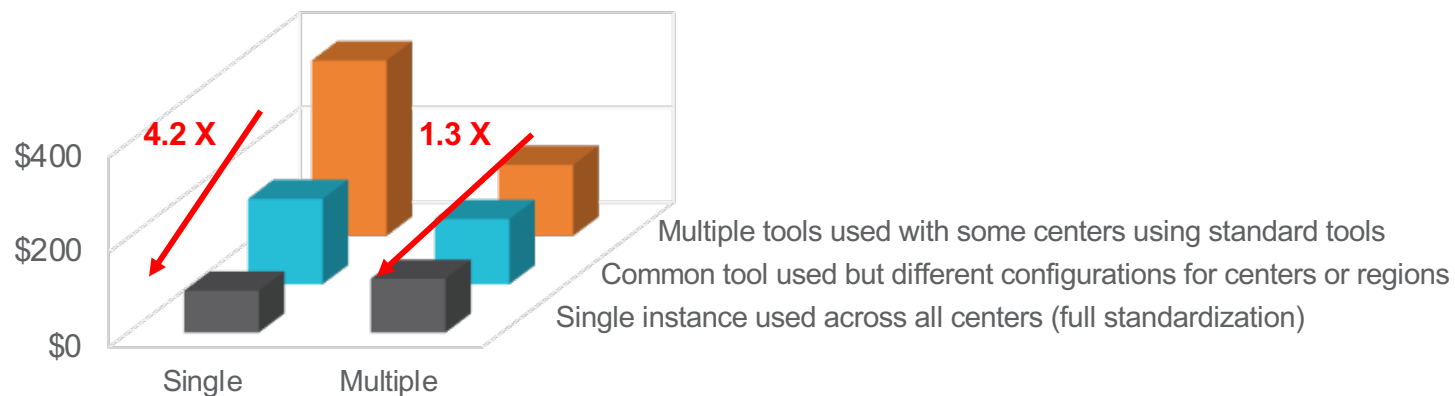


What Good Looks Like

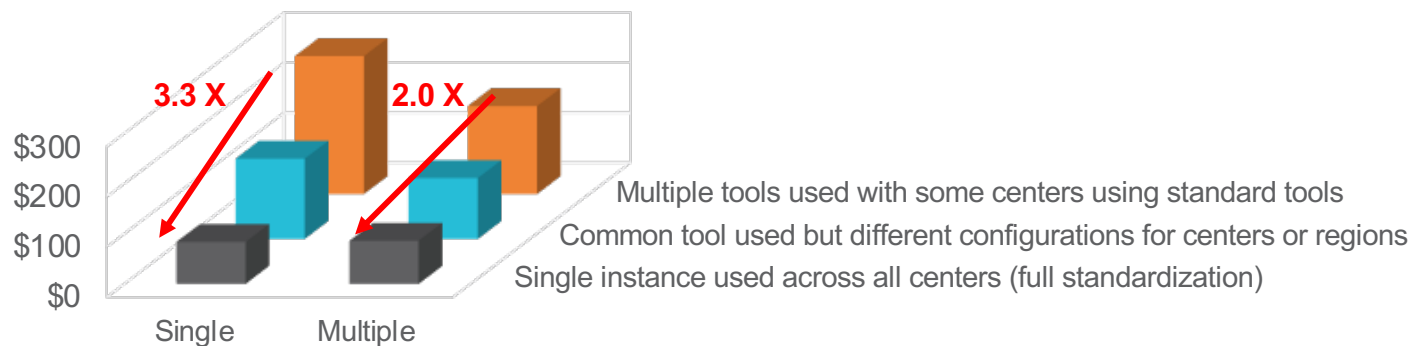


Technology standardization can have large cost benefits.

Service Center In-House Cost per Transaction by HRIS Standardization



Service Center In-House Cost per Call/Inquiry by Service Center/Customer Care Technology Standardization

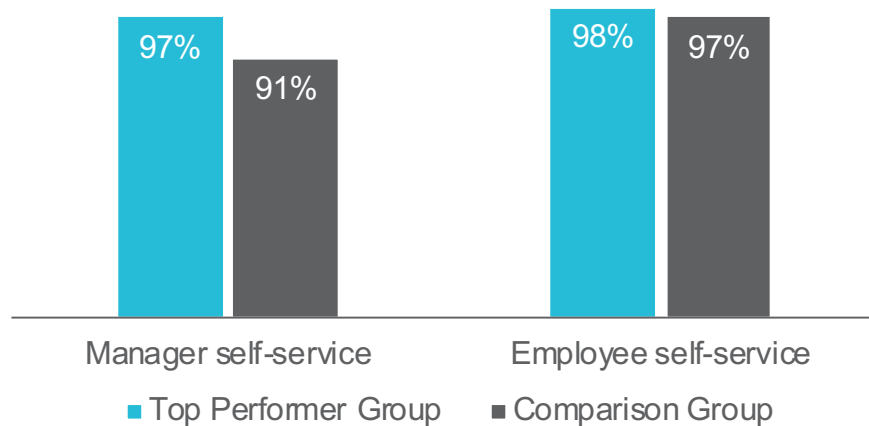




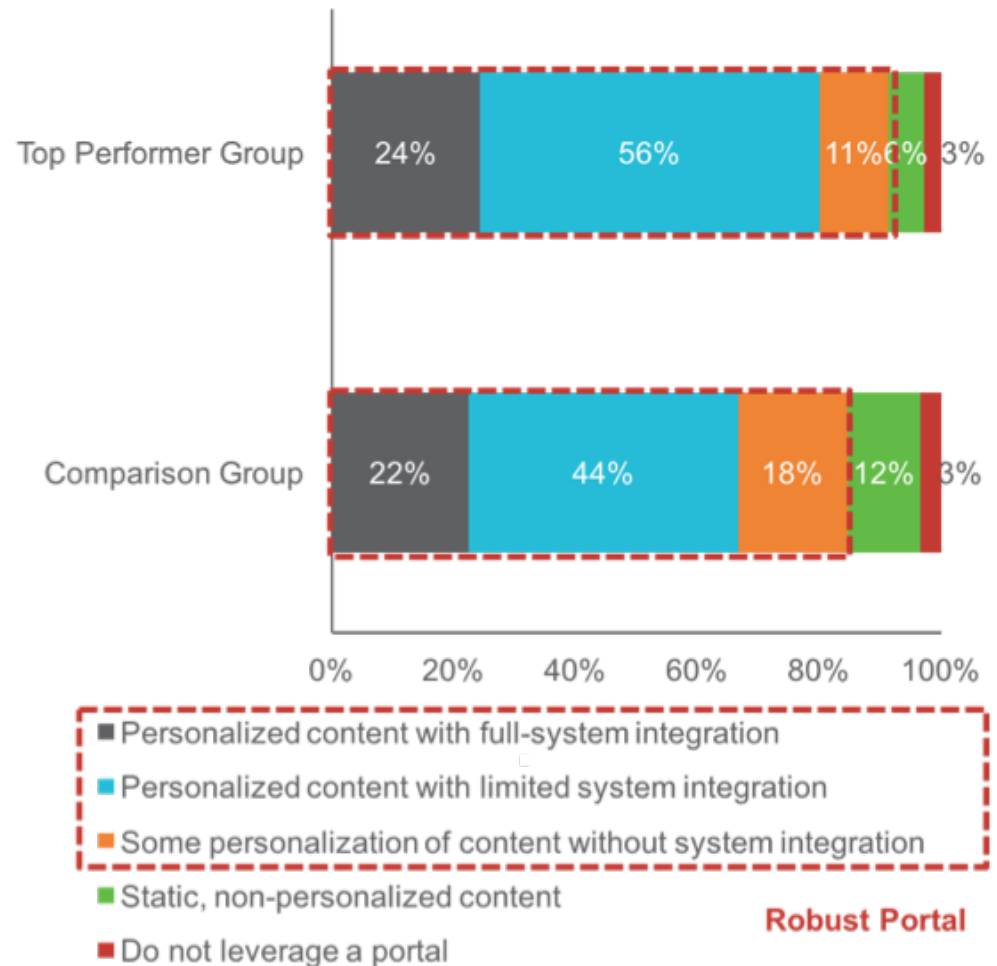
What Good Looks Like (Cont'd)

- Top performers have more robust portals with personalized content and some system integration
- Self-service is the norm among both groups with top performers showing higher use of manager self-service

Use of Self-Service

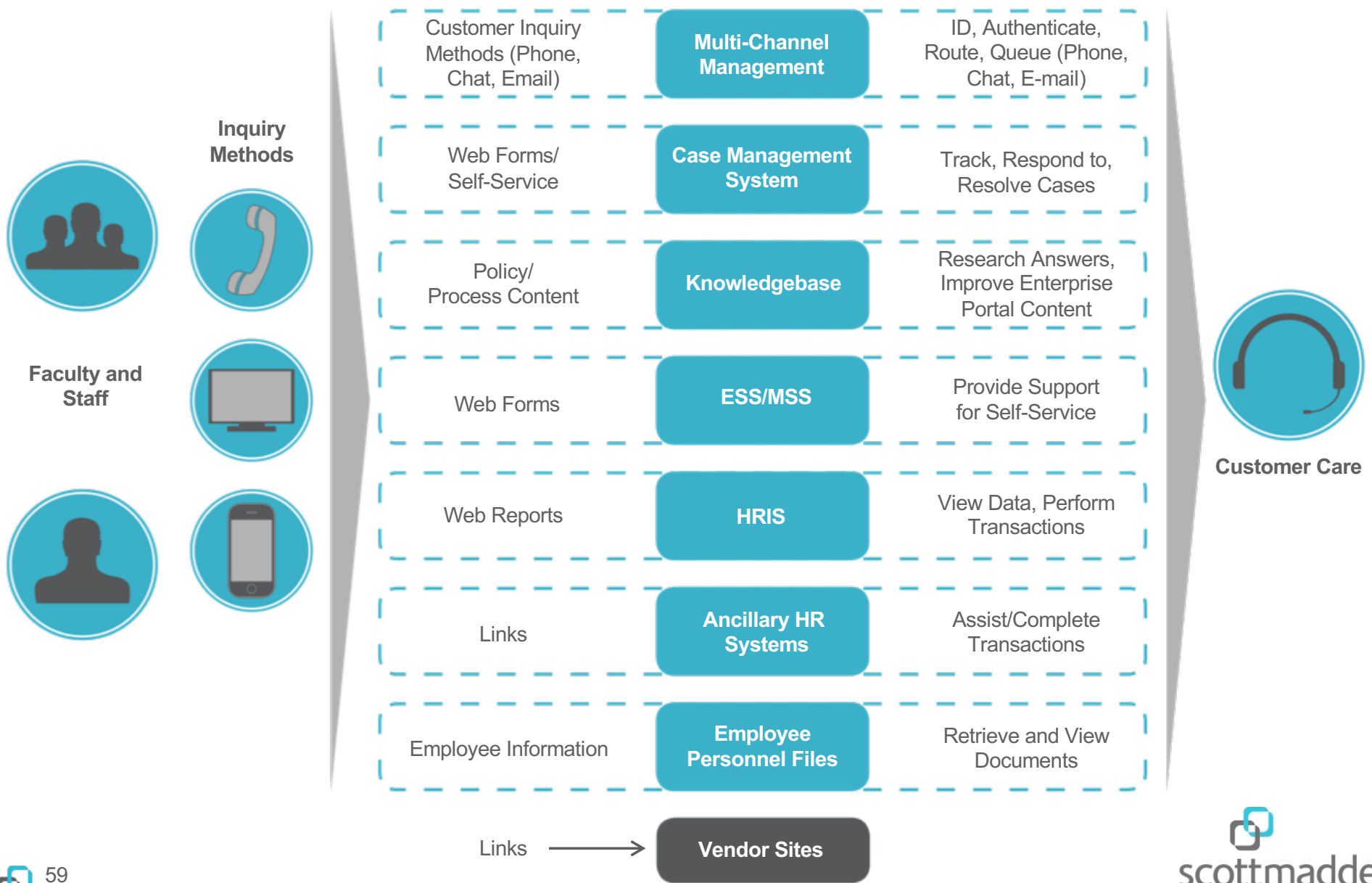


Which best describes your use of an employee portal?



Robust Portal

What Good Looks Like (Cont'd)



Key Levers for Tools and Technology Effectiveness



1. Service management
2. Single access point for employees
3. Standardization and integration
4. Customer feedback
5. Technology road map
6. Innovation

Use Technology to Support Service Management



Philosophy of Service

Customer First

**Efficient, Self-Directed
Work Teams**

Performance Driven

Technology Driven

Continuous Improvement

Supporting Technologies

- One number, one portal, one email
- Answers from a knowledgebase relevant to caller

- Sharing of work through case management
- Increased accountability due to case management system

- Metrics gathered through integrated channel management and through case management

- Integrated technologies that reuse information and data

- Flexible technologies that will grow
- Mechanisms for customer feedback

Use Portals and Self-Service to Drive Efficiencies



Employee portals and manager and employee self-service drive organizational and cost efficiencies.

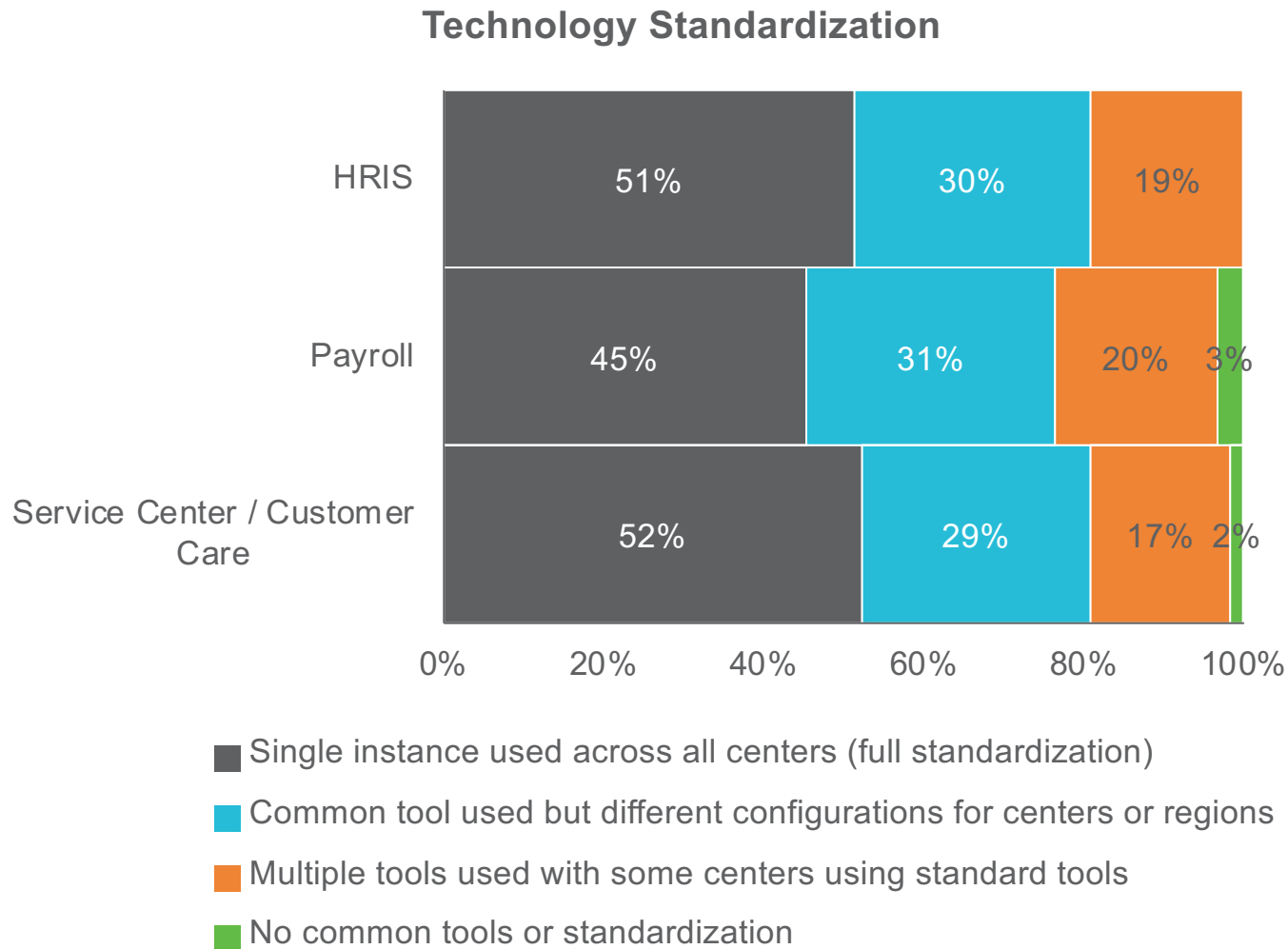
- Top-performing entities average 2X the number of portal hits per employee versus others
- 66% of portals contain personalized information with limited to full system integration functionality

Example Employee Portal

Strive for Integration



Technology standardization is ideal but can be challenging. We see more success with service center and HRIS standardization than payroll systems.



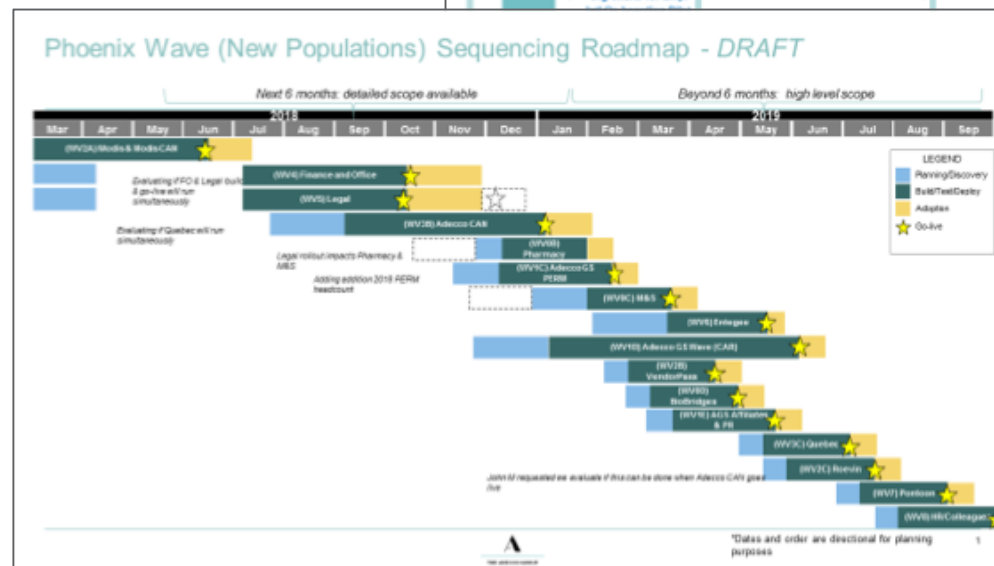
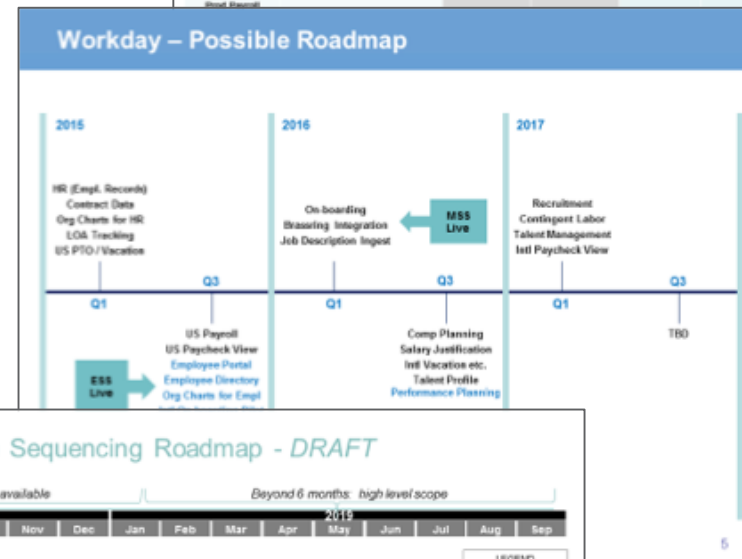
Build a Technology Road Map



- Coordinate feedback received from customers and continuous improvement efforts alongside desires and needs for the SSO in a technology road map
- Work with technology stakeholders to ensure thoughtful execution
- Stay current through implementation of system upgrades and application of frequent enhancements and improvements

HR Systems Roadmap – By Function

Function	Definition	US (Current)	INT (Current)	US (Future) / Timing	INT (Future) / Timing
Recruitment	Registration, job posting, tracking candidates, etc.	BrassRing	BrassRing	Workday Q1 2017	Workday Q1 2017
On-boarding	Completion and submission of new hire documents	Equifax	Manual / Paper Forms	Workday Q1 2016	Workday Pilot Q3 2015
Job Descriptions	Electronic repository for job descriptions	ShareNetwork Drive	ShareNetwork Drive	Workday TBD	Workday TBD
Account Administration	Provisioning of user accounts for HR systems / applications	KineticForms	KineticForms	TBD	TBD
HR (Empl Records)	Position mgmt, job history, compensation history	PeopleSoft	PeopleSoft	Workday Q1 2015	Workday Q1 2015
Contingent Labor Tracking	Tracking of temps, contractors, etc.	Various / Manual	Various / Manual	Workday Q1 2017	Workday Q1 2017
Payroll	Payroll processing and records	WPR	Safeguard / Other	Workday Q3 2015	Safeguard Q1 2015
Cost Control					Safeguard / Workday Q1 2015
					Workday 2016
					Workday Q1 2016
					Workday Q3 2016
					Workday Q1 2016
					Workday Q3 2016
					Cornerstone? TBD



Consider the Impacts of “Disruptive Technology”

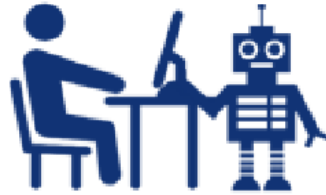


Intelligent Automation Continuum



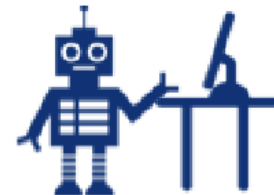
Manual

- Judgment-based
- Customer-focused
- Problem-solving
- Unstructured
- Value adding



Assisted

- Repetitive
- Semi-structured
- Customer-facing
- Manually triggered



Unassisted

- Repetitive
- Rules driven
- Structured
- Schedule/event driven



Cognitive and AI

- Pattern-matching
- Unstructured
- Self-learning

The future of work is a hybrid of people and software applied in great ways. RPA is laying the foundation for cognitive – *Symphony Ventures*

Start with Robotic Process Automation



RPA is the use of a virtual worker (or software “robot”) to complete computerized tasks using a software application user interface, replacing the need for human intervention. It is “logic-based software” best used to automate:

Digital Repetitive Steps

Time-Consuming Processes

Processes with Impact

Rule/Logic-Driven Steps

Processes with Static Rules

How is RPA different from ERP capability?

- Processes are executed on the user-interface level, replicating human actions
- Cross-platform without integration – can assign user name and passwords to retrieve and insert data without hard interfaces
- Requires less IT involvement to implement, giving projects faster “green lights”
- Scalability and flexibility – “bots” can run tasks simultaneously

Understand the Value Proposition of RPA



Scalability and Flexibility

The ability to replicate robotic tools across geographies/ business units increases scalability and flexibility



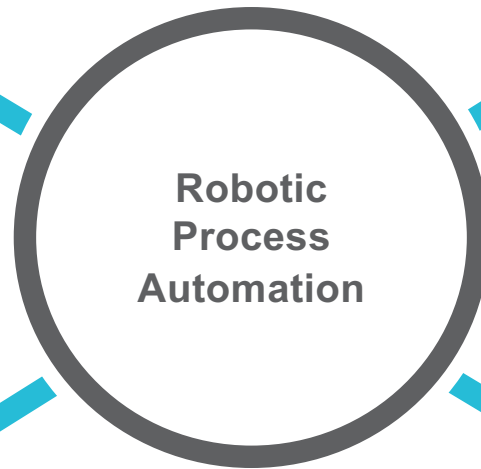
Productivity and Efficiency

Robotic automation tools are at least twice as fast as human FTEs and function 24/7



Accuracy

Automation phases out human intervention, thus reducing possibility of human errors



Compliance

Robotics allows data and processes to be retained onsite



Cost Savings

Robotic automation tools are up to 65% less expensive than offshore bases FTEs



Virtual Agents



Virtual agents (also referred to as “virtual reps,” “intelligent agents,” or “chatboxes”) are customer relationship management software tools designed to mimic the role of online customer service representatives.



Faster responses
and first call
resolution



Better customer
experience at a
lower cost



24 x 7 x 365
support

After 15 years of development IPsoft launched Amelia in 2014:

- Connects company data, systems, and service delivery
- Records processes, but adapts if needed
- Draws real-time information from sources
- Reads natural language and looks for key information
- Detects underlying meaning of your statements
- Asks clarifying questions
- Measures own performance and self-corrects
- Observes successful human interactions and adjusts performance
- Maintains a complete audit trail
- Passes relevant information when escalating to humans

“Giving customers the ability to stay in a text channel and receive real-time guidance from chatbots, live chat agents, or a combination of both will be a growing trend.” - Forrester

“By 2020, more than 50% of medium to large enterprises will have deployed chatbot solutions.” - Gartner

IPSOFT



Consider Virtual Agents (Cont'd)



“In a Few Words, Just Tell Me What You Need...”

Finance Applications

- Respond to policy questions
- Answer vendor questions on invoice status
- Answer questions on tax application
- Process accounting close items
- Answer questions on past-due account status
- Obtain credit calculation information
- Answer T&E questions

HR Applications

- Respond to policy questions
- Respond to HR questions (e.g., vacation balances, retirement funds, etc.)
- Process personal data changes
- Process leave requests
- Orient new hires
- Process recruiting requests

Sales and Supply Chain

- Quote a price on a product
- Process a sales order
- Develop a purchase requisition
- Answer a material-tracking question
- Alter a shipping route
- Answer an inventory question
- Create a bill

Information Technology

- Respond to policy questions
- Engage in troubleshooting dialogue
- Check credentials and assign user access
- Issue a password reset
- Answer questions on applications
- Collect information for IT requisitions
- Answer network connectivity questions

Innovate with Social Media

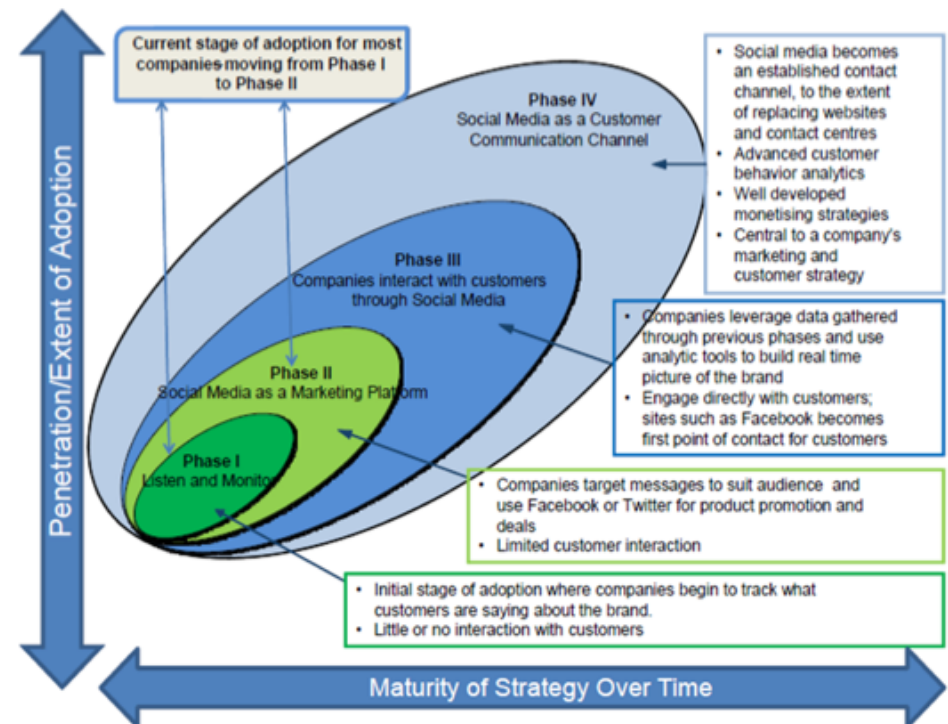


Social Media Technologies

- Social applications are gaining popularity
- Interactions through new social media channels are increasingly being used as a differentiator for organizations
- Some 80 million “millennials”—young and tech-savvy social media and mobile apps users—are now the largest workforce population

What can we learn from externally facing customer care organizations?

Social Media Maturity Model



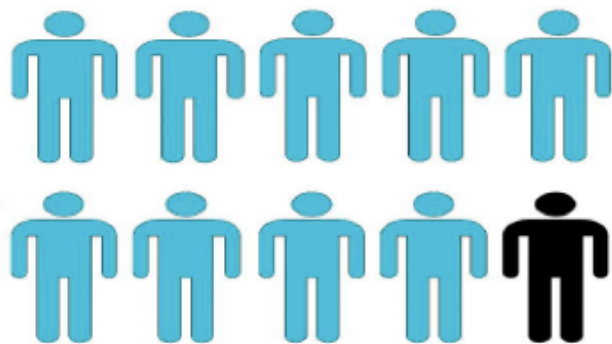
Source: Frost & Sullivan



Use Social Media – Talent Acquisition Example

Talent management is a trending focus—talent acquisition is a significant part of this puzzle and highly enhanced by social business tools.

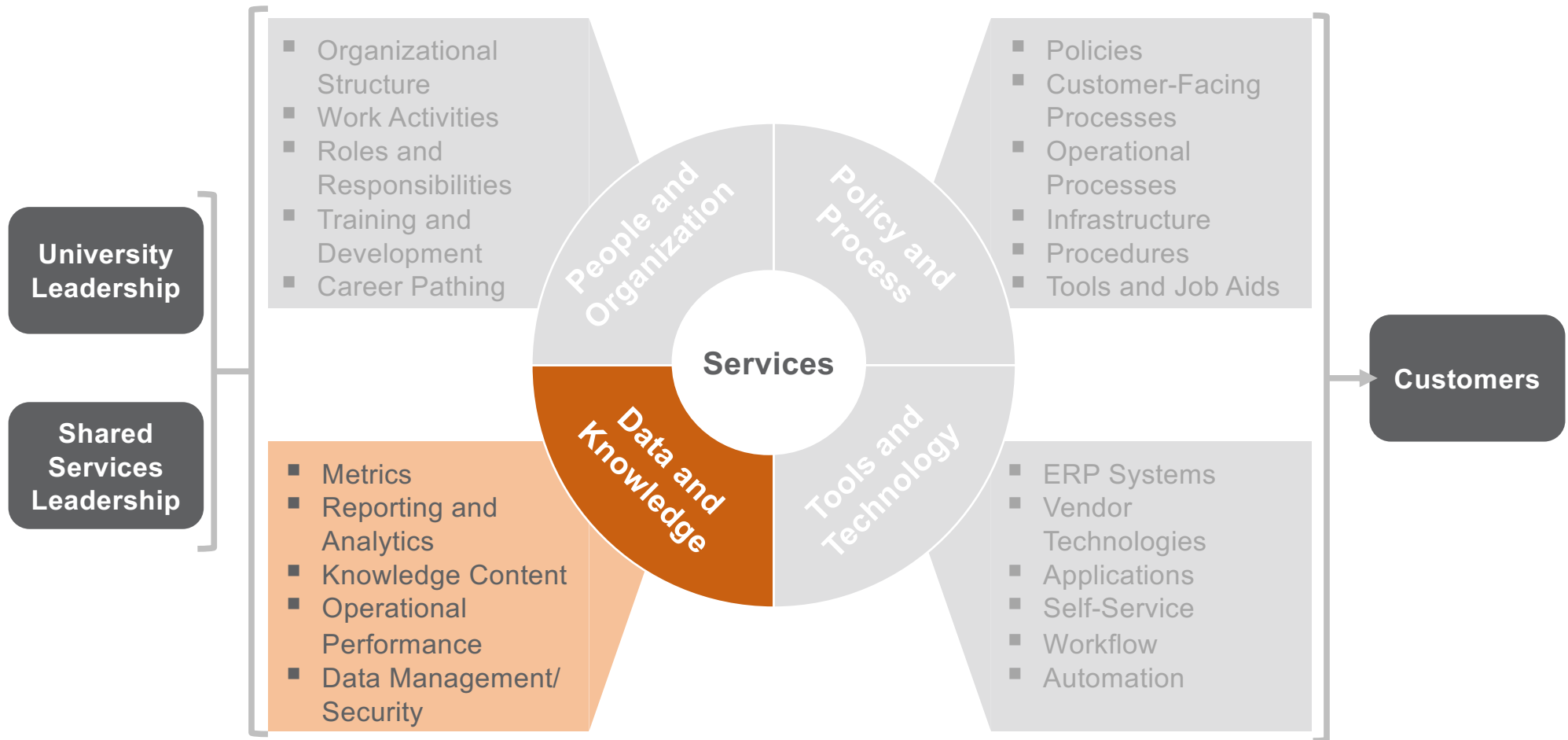
91% of new hires referred by high-performing employees exceed performance expectations after 12 months



Data and Knowledge



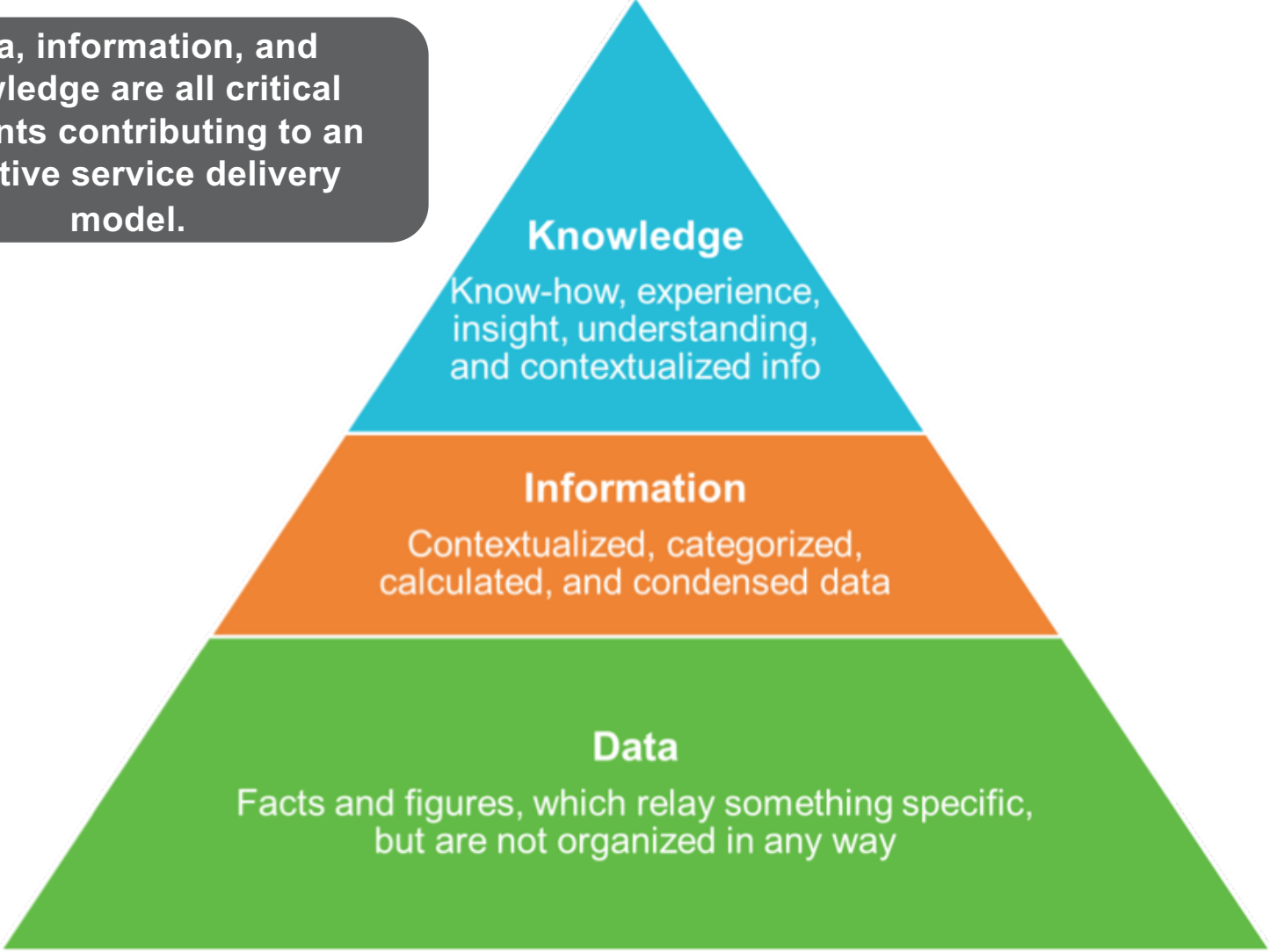
Shared Services Effectiveness Framework



What Good Looks Like



Data, information, and knowledge are all critical elements contributing to an effective service delivery model.



Source: Alan Frost, Knowledge Management Tools

What Good Looks Like (Cont'd)



There are various opportunities to optimize your operations when managing data, information, and knowledge.

Category	Leading Practice
Data and Information Management	<ul style="list-style-type: none"> Data are defined and definitions are coordinated among all users Source systems for types of data are defined and enforced procedurally or through system design (e.g., standard personal identifiable information) Master data is centrally coordinated and managed
Knowledge	<ul style="list-style-type: none"> Documented institutional knowledge and know-how Structured methods for transitioning knowledge from retiring workforce Robust content management program Easily accessible, customer-friendly content
Service Catalog	<ul style="list-style-type: none"> Documented comprehensive catalog of services Services reviewed with customers and expanded as needed Alignment of enterprise strategy to HR strategy to shared services specific KPIs

What Good Looks Like (Cont'd)



Category	Leading Practice
Operational Performance	<ul style="list-style-type: none">■ Savings are reinvested in improvement projects or returned to the business■ Service levels and performance targets are established with input from customers■ SLAs exist and provide clarity on roles and responsibilities of customers and providers■ SLAs are simple and are clear to customers■ SLAs have objective measures (e.g., metrics, performance levels) that set expectations with customers and partners■ Clear and standard costing model used for cost allocation (if used)

Key Levers for Data and Knowledge Effectiveness



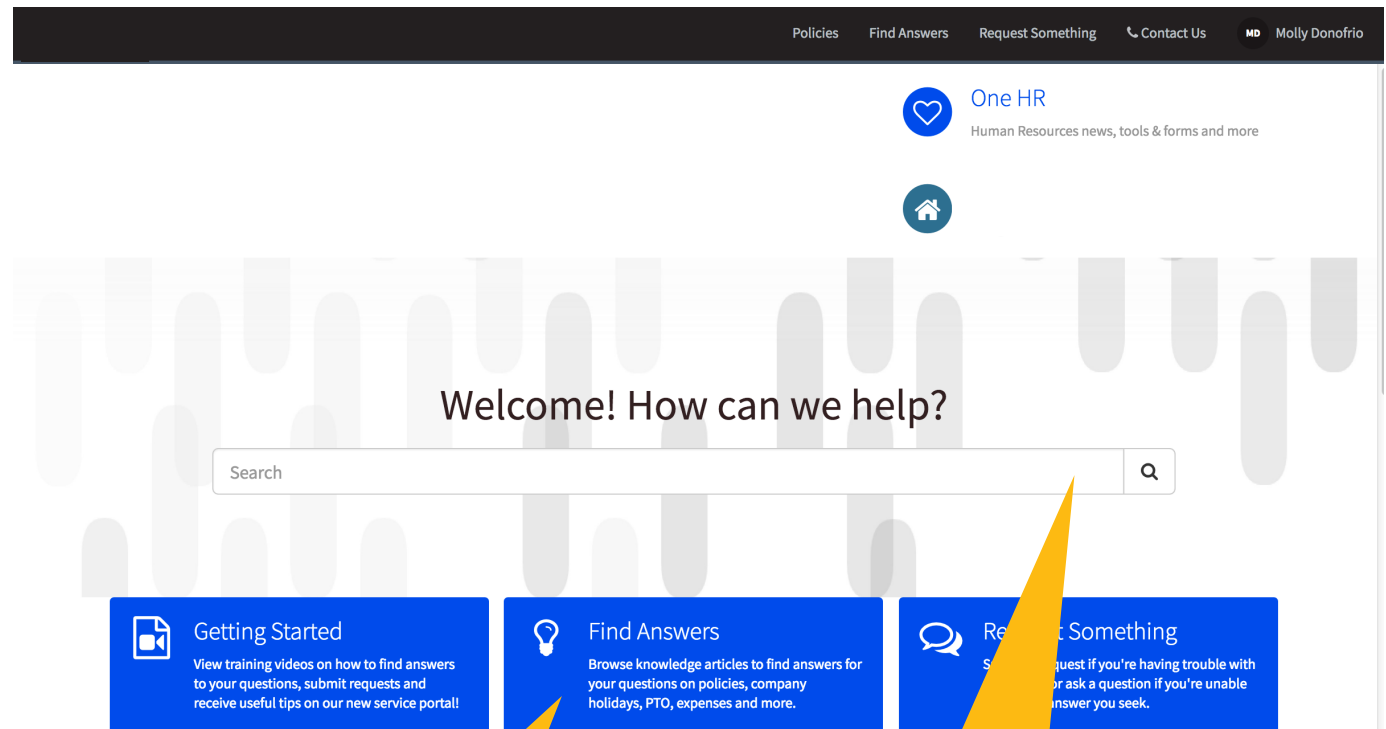
1. Knowledge via portal
2. Service catalogue
3. Service level agreements
4. Metrics and reporting
5. Analytics
6. Data management and security

Leverage an Employee Portal



Employee portals with readily accessible and pertinent information result in higher customer satisfaction.

- Self-service access to FAQs
- Knowledgebase reflects current policies applicable to individuals requesting service (e.g., full time versus part time)
- A robust content management program is key to ensuring accuracy and timeliness of information



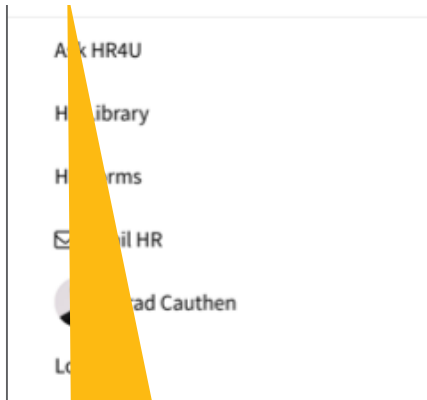
Users are provided answers to their questions

Entering terms into search bar initiates a search in the KB and service catalog

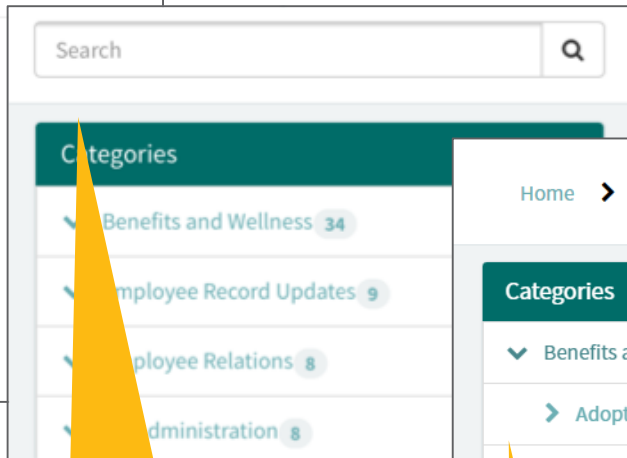
Leverage an Employee Portal (Mobile App)



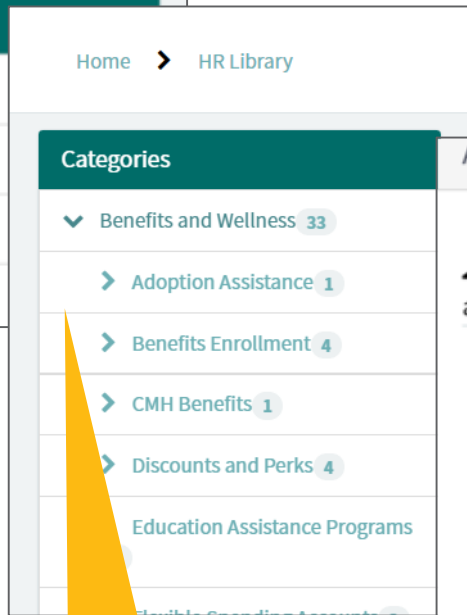
HR • Case Management - HR Service P...



The KB can be accessed from the menu of the mobile app

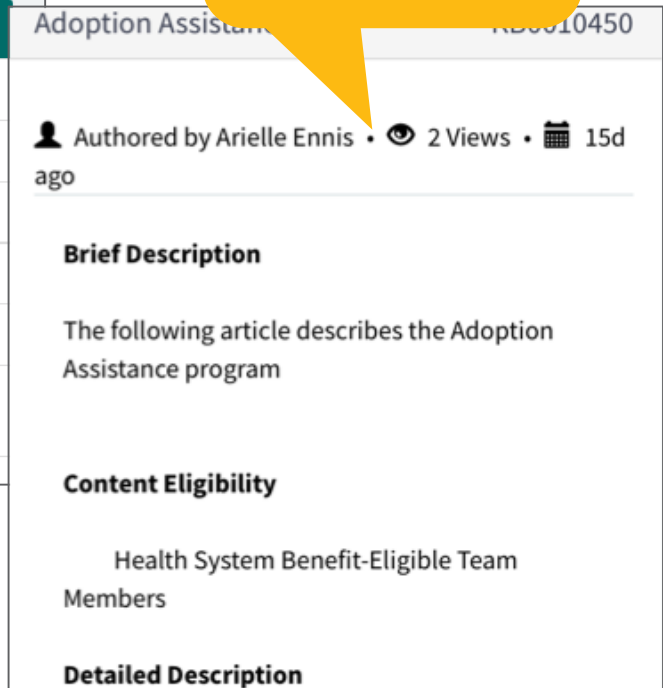


The category list is displayed



A subcategory dropdown refines the search

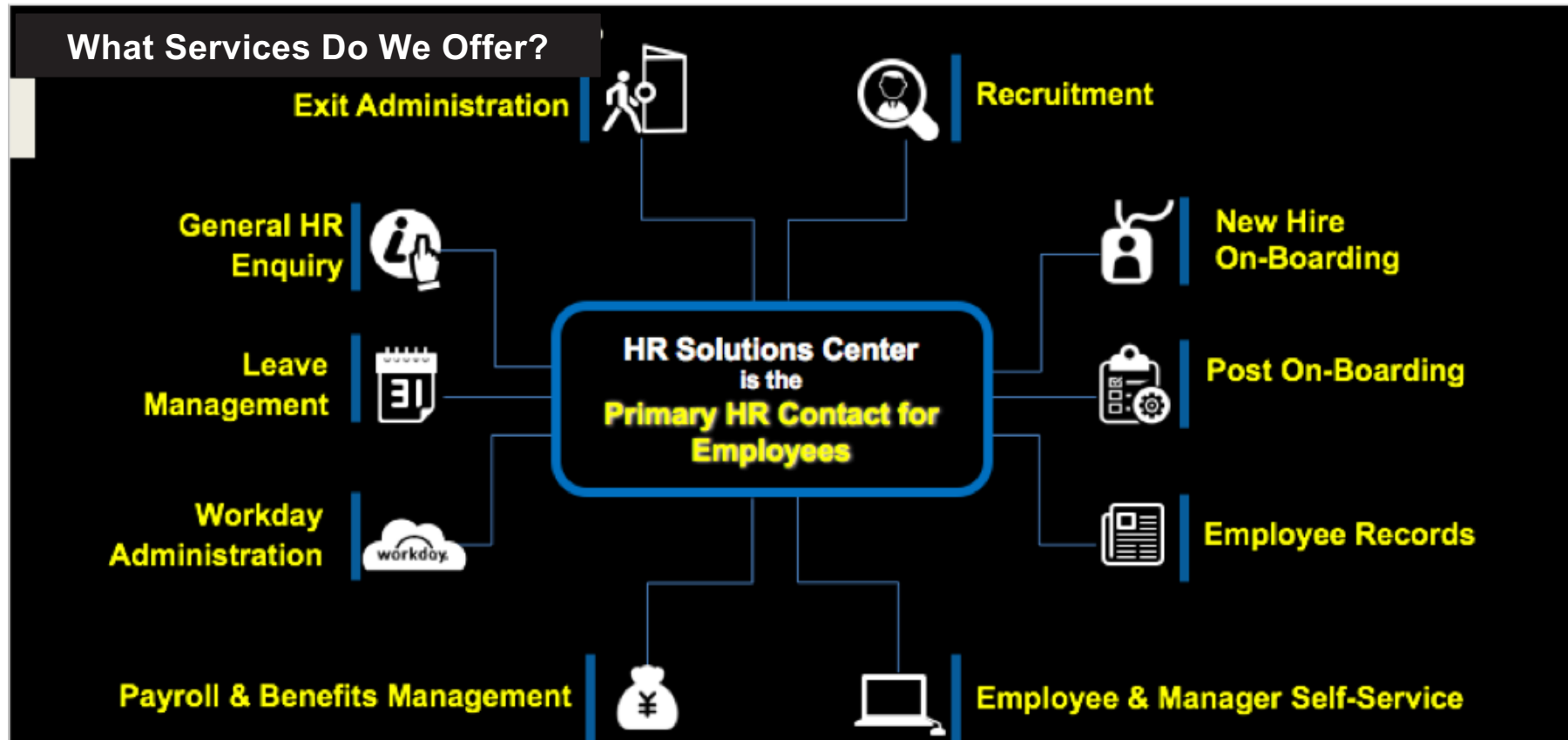
The article is formatted to fit the mobile app



Create and Provide a Service Catalog



Example online service catalog.



Use Service Level Agreements



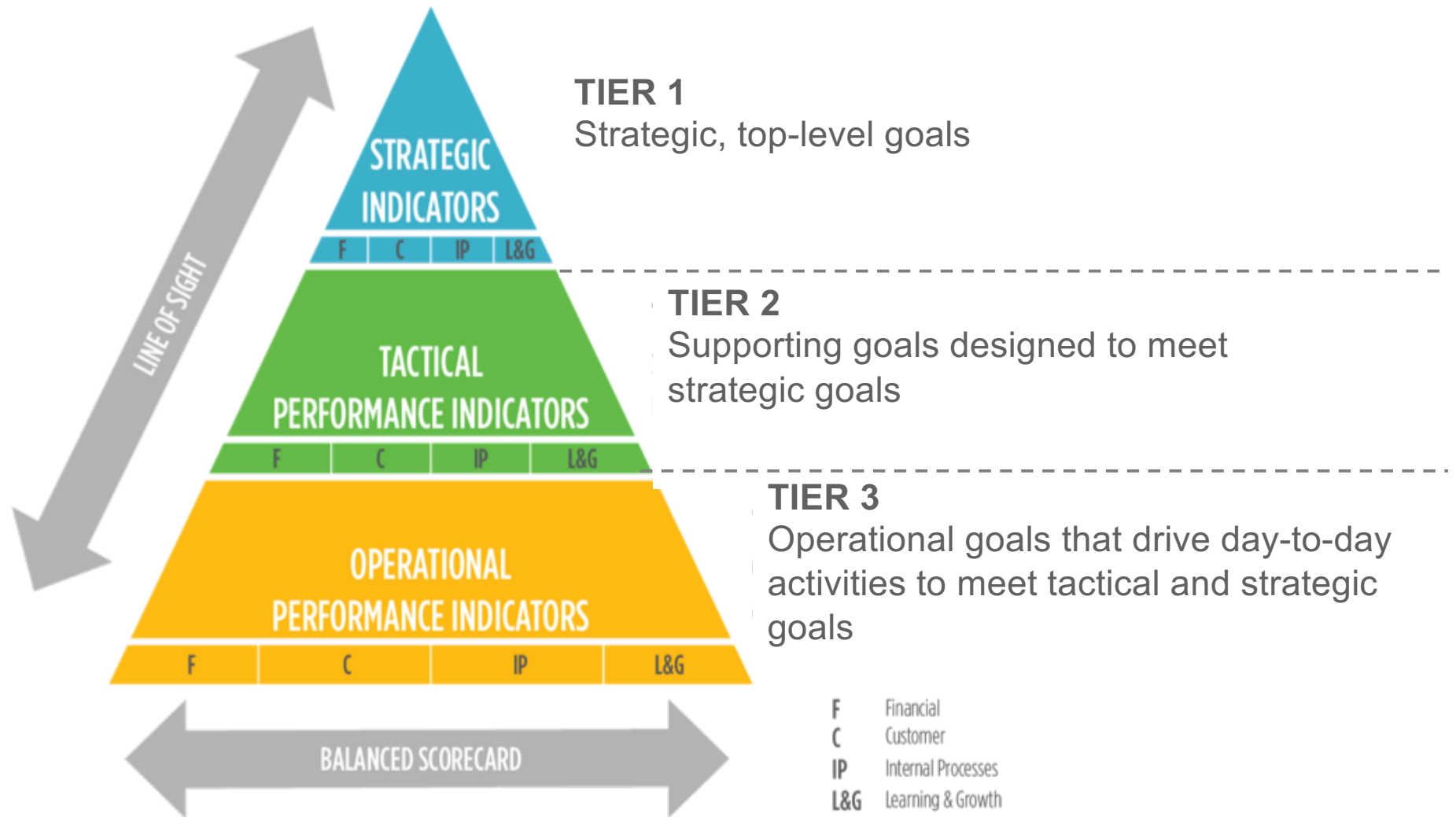
An SLA is a dialogue between the provider of a service and a customer that quantifies the target quantity, quality, and cost of services to be provided in a future period.



SLAs are:

- Concise
- Negotiated, not dictated
- A vehicle for understanding and managing demand
- A basis for regular discussions with customers
- Updated as necessary (typically annually)
- Standard across internal customers with only business-justified exceptions

Develop Metrics and Reporting Capabilities



Understand Analytics



Analytics vs. Metrics

- Analytics is not simply metrics...it is about driving insight and action
- Analytics is quite different from metrics in the way it changes how entities behave and react to data

Metrics	Analytics
Measures Performance	• Enables decision making
Historical Look Back	• Forecasting look forward
Data	• Insights
Scorekeeping	• Storytelling
Reporting	• Understanding
Volumes	• Selective
Reactive	• Proactive



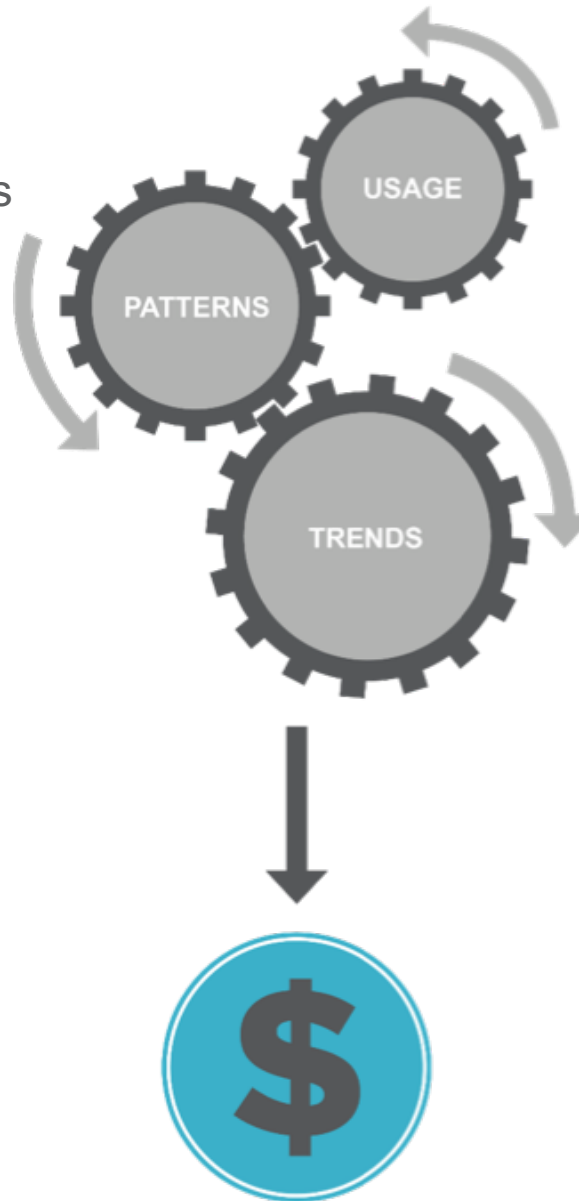
Use the Data at Your Fingertips for Analytics

Financial

- Customer credit risk
- Travel and expense trends
- Cash position
- Payment terms
- Debt interest rates
- Asset depreciation

Information Technology

- Web hits
- Server volume patterns
- Handheld device patterns
- Portal usage patterns
- E-Commerce success
- Social media hits
- Data center peaks/valleys



Purchasing

- Vendor quality scores
- Product demand forecast
- Category spend trends
- Inventory turnover/cycle
- Raw material patterns
- Administrative spend patterns

Human Resources

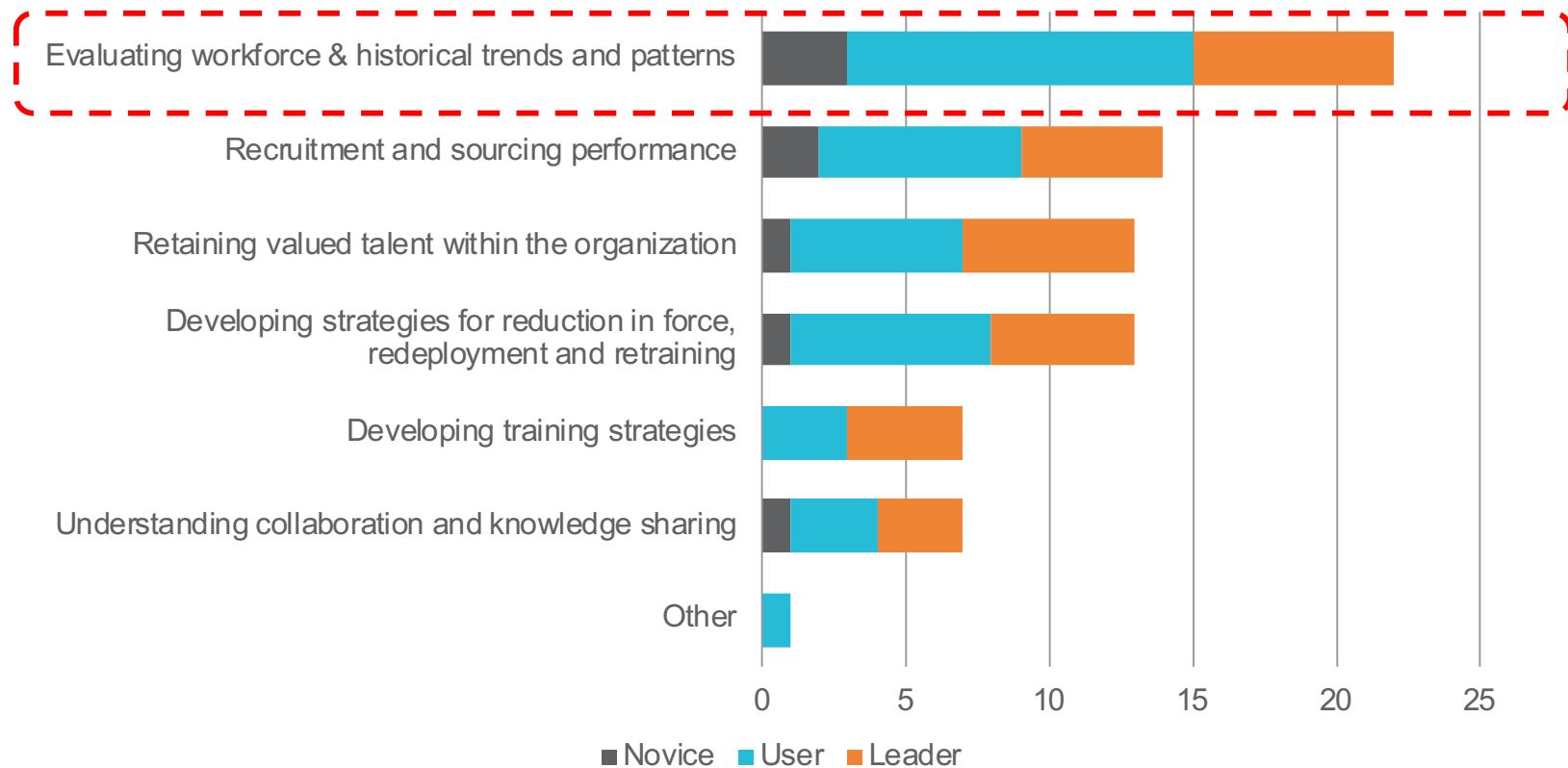
- Working patterns
- New-hire trends
- Medical/disability usage
- Key competency changes
- Retirement demographics
- Time-to-fill positions
- Turnover reasons/trends

Use the Data at Your Fingertips for Analytics (Cont'd)



While data shows a majority of organizations have an analytics function, the most significant activities performed were historical metrics vs. predictive analytics.

Which activities do you use HR analytics to support?



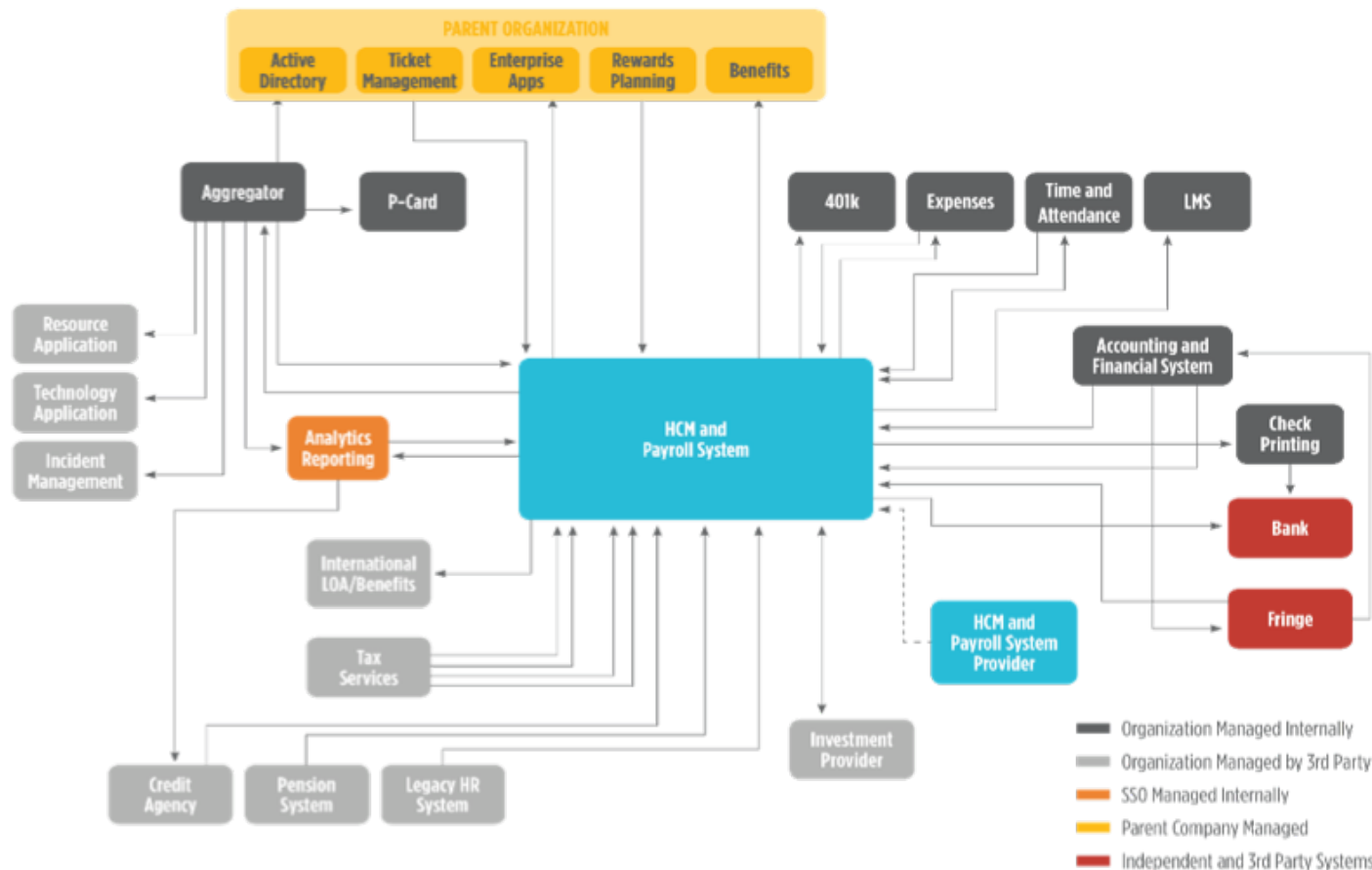
Source: ScottMadden HR Shared Services Analytics Survey and Analysis

Know the Key SSO Risk Factors for Cybersecurity



SSO data is constantly moving through countless systems, applications, and individuals. Only a robust cybersecurity program can mitigate the complexities of the information ecosystem.

Complexity of an SSO Information Ecosystem



What to Do Next?



What to Do Next

But First, Prioritization and Planning Are Important

Prioritization criteria may include:

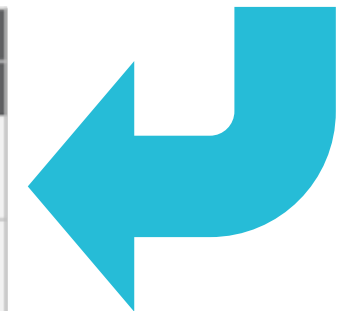
- Impact of change
- Ease of implementation
- Alignment with current plans/strategy
- Investment required



Recommendation	Element	Priority
Develop career paths for each function	Talent Mgmt.	High
Send annual satisfaction surveys to internal and external ESS customers	Client Mgmt.	Medium
Create partnership (service level) agreements	SLAs	Medium
Create robust service catalog to educate customers on services offered	Service Catalog	Low

This allows you to developed a phased implementation plan to achieve the improvements.

Recommendations	Year 1				Year 2			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Governance								
1. Create ESS advisory board	█							
2. Establish and monitor KPIs		█						
Service Delivery								
1. Build knowledge base	█	█						
2. Create central invoice submission			█	█				
3. Relocate service invoice processing	█							
4. Create robust service catalog				█				
5. Reengineer/document HR processes	█							
Organization & Structure								
1. Implement central help desk				█	█			
2. Implement governance to support E2E					█	█		
3. Develop career paths for each function						█		
Client Engagement								
1. Create partnership agreements		█	█					
2. Send annual surveys				█				



Contact Information



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