



**scottmadden**  
MANAGEMENT CONSULTANTS

**Smart. Focused. Done Right.®**

# Shared Services 2.0

The Next Frontier for Shared Services Operations

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March 12, 2019

# YOUR DISCUSSION LEADS



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# Introduction to Scott Madden



## Who We Are

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**ScottMadden** is a management consulting firm with more than **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.

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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

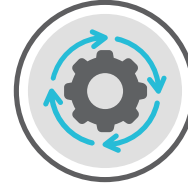
We have completed more than 1,700 projects since the early 90s, including hundreds of large, multi-year implementations. Our clients range across a variety of industries from energy to healthcare to higher education to retail. Our areas of expertise span the spectrum of middle and back-office corporate 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.**

# Corporate and Shared Services Capabilities



## Assess and Plan

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

## Design

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

## 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

## Improve

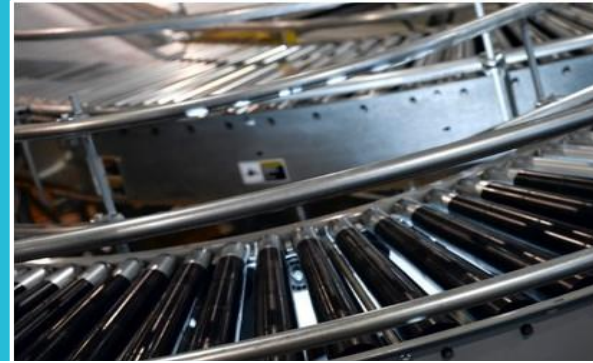
- Analytics setup and deployment
- Operations improvement
- Governance
- Service expansion
- Cost reduction
- Process redesign
- Intelligent automation opportunities/ implementation
- Technology upgrade
- Merger and acquisition integration
- Field resource development
- Customer satisfaction measurement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

# Areas of Focus



## HUMAN CAPITAL

We offer HR transformation (including HR shared services), analytics, HR systems (selection, implementation, and optimization), process design and continuous improvement, talent and employee engagement strategy and programs, and payroll—the services your organization needs to excel.



## SUPPLY CHAIN

We assist clients across the full range of supply chain processes, and have the unique ability to create alignment between supply chain and its stakeholders. From crafting new supply chain strategies to restructuring your organization to improving your daily operations, we help you with every step.

## TECHNOLOGY

From IT assessments and strategic direction to governance, cybersecurity, and risk and compliance management, we can help your organization get the most out of its IT investment. We also help you optimize your projects to focus on delivering business outcomes not just installed technology.



## BUSINESS ADMINISTRATIVE SERVICES

We help our clients integrate various administrative services into their shared services model to improve service response performance to the business. Services often include real estate, facility maintenance, fleet, security, insurance, customer service, cafeteria, and others.



## FINANCE AND ACCOUNTING
























We help companies transform their finance and accounting operations. Through enterprise financial business services, strategic centers of expertise, intelligent automation solutions, hybrid insource/outsource delivery models, and other solutions, we help you increase value for your company.



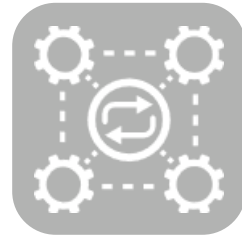
## MULTIFUNCTION/GBS

We move shared services to the next generation—integrating finance, human resources, information technology, supply chain, and/or other business administrative services into a single, multifunction shared services or global business services operation with effective governance and management.

# Representative Clients

Retail and Consumer Products	Manufacturing	Technology and Communications	Higher Ed., Public Sector, and Defense	Energy and Utilities	Healthcare and Pharmaceuticals	Professional Services
						
						
						
						
						
						
						

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



# Advancing Shared Services Operations

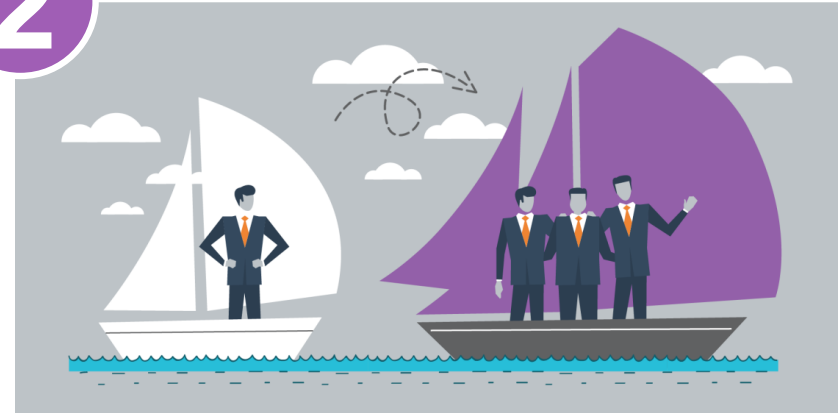


# Advancing Shared Services Operations

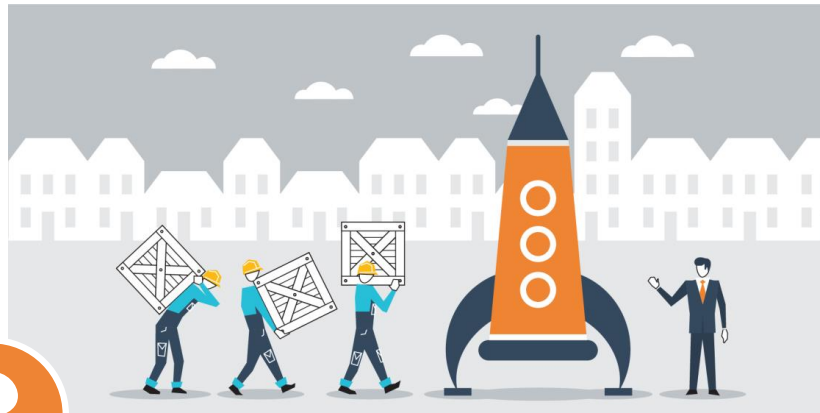
## 1 REFINE



## 2 EXPAND



## 3 INNOVATE



## 4 INSPIRE



# Taking Shared Services Operations to the Next Level

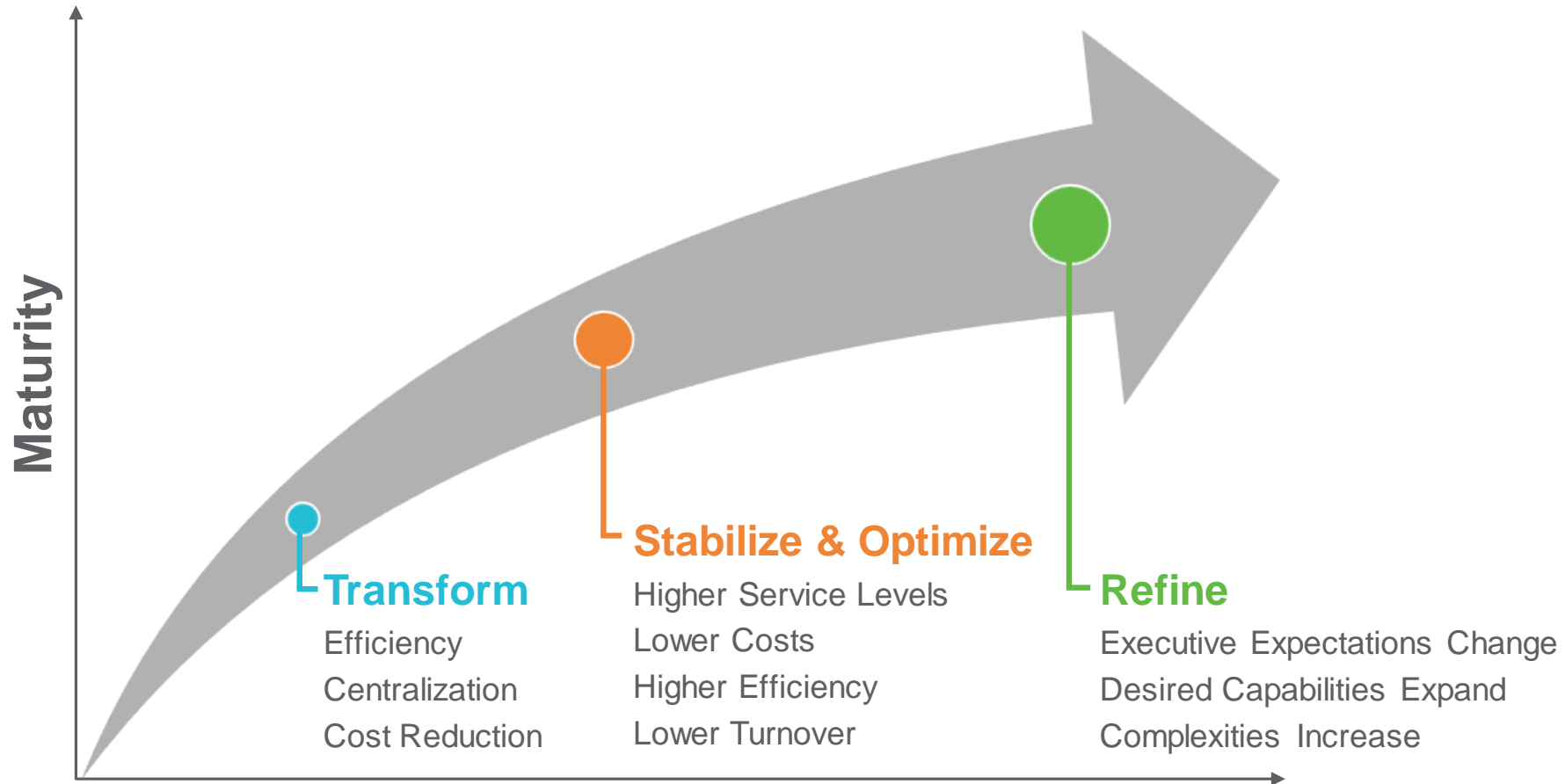
## 1 REFINE



*“The whole of science is nothing more than the refinement of everyday thinking”*  
– Albert Einstein

# Getting from Good to Great

Many companies have transformed their service delivery models and are now looking to improve and optimize services and meet changing business needs.

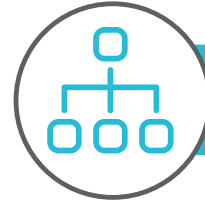


# Factoring Some Challenges...The Usual Suspects



## Structure and Operations

- 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 – not moving up value chain
- Fragmented operations in multiple locations



## Processes

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



## Technology

- Minimal integration between tools
- Multiple ERPs and supporting applications



## Customer Satisfaction

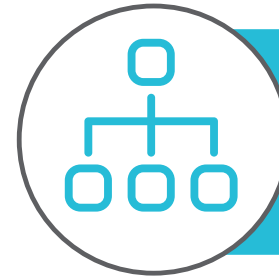
- Internally focused; no understanding of customer experience or needs
- Low customer satisfaction; high turnover

# Learning from the Key Success Factors of Top Performers

From ScottMadden's annual benchmarking survey, we see four key areas that move organizations from "good to great."



Refining business operations, governance, work alignment, and structure



Optimizing processes and building a culture of continuous improvement



Leveraging technology for service delivery

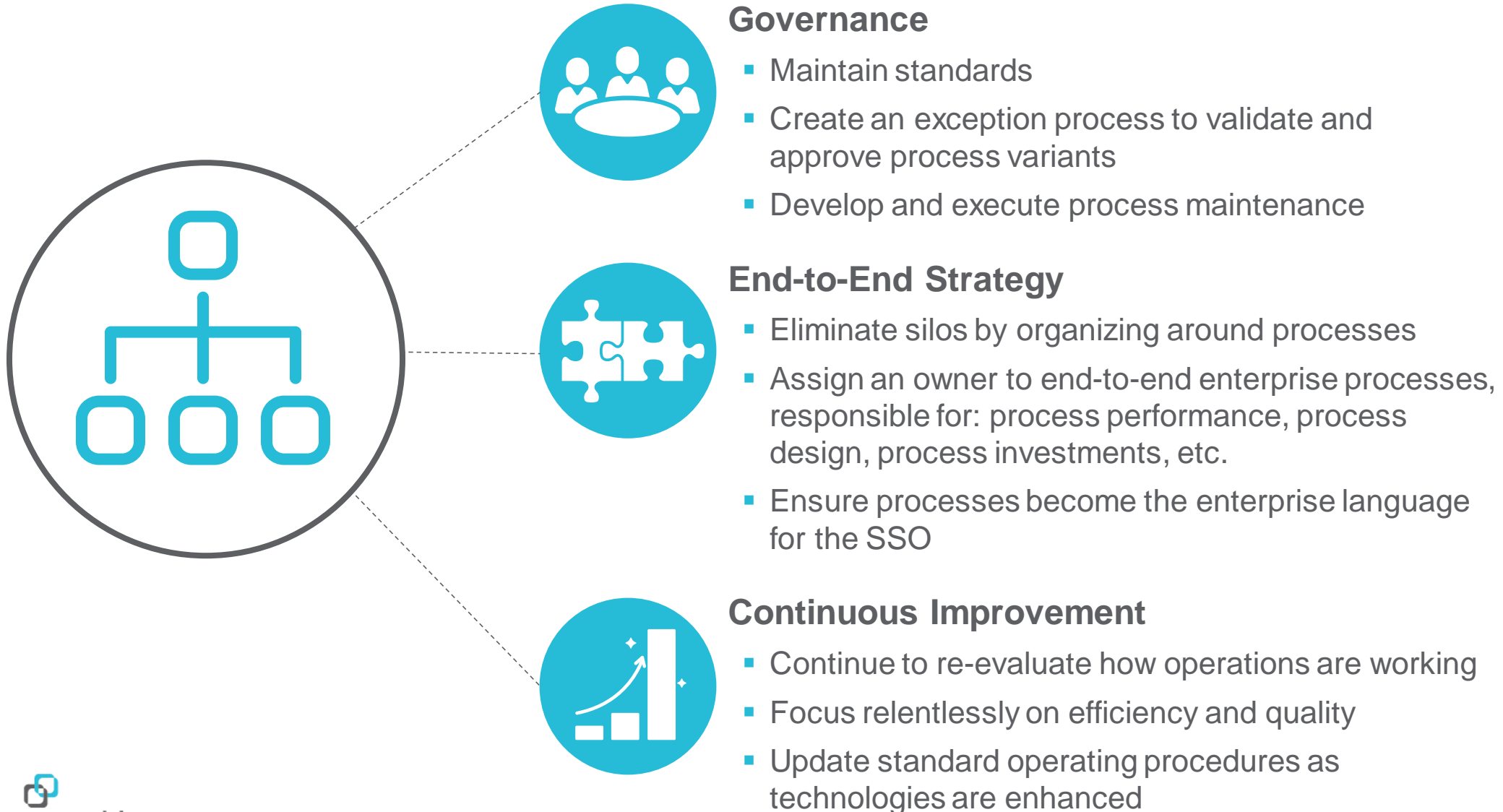


Focusing on customer satisfaction and performance

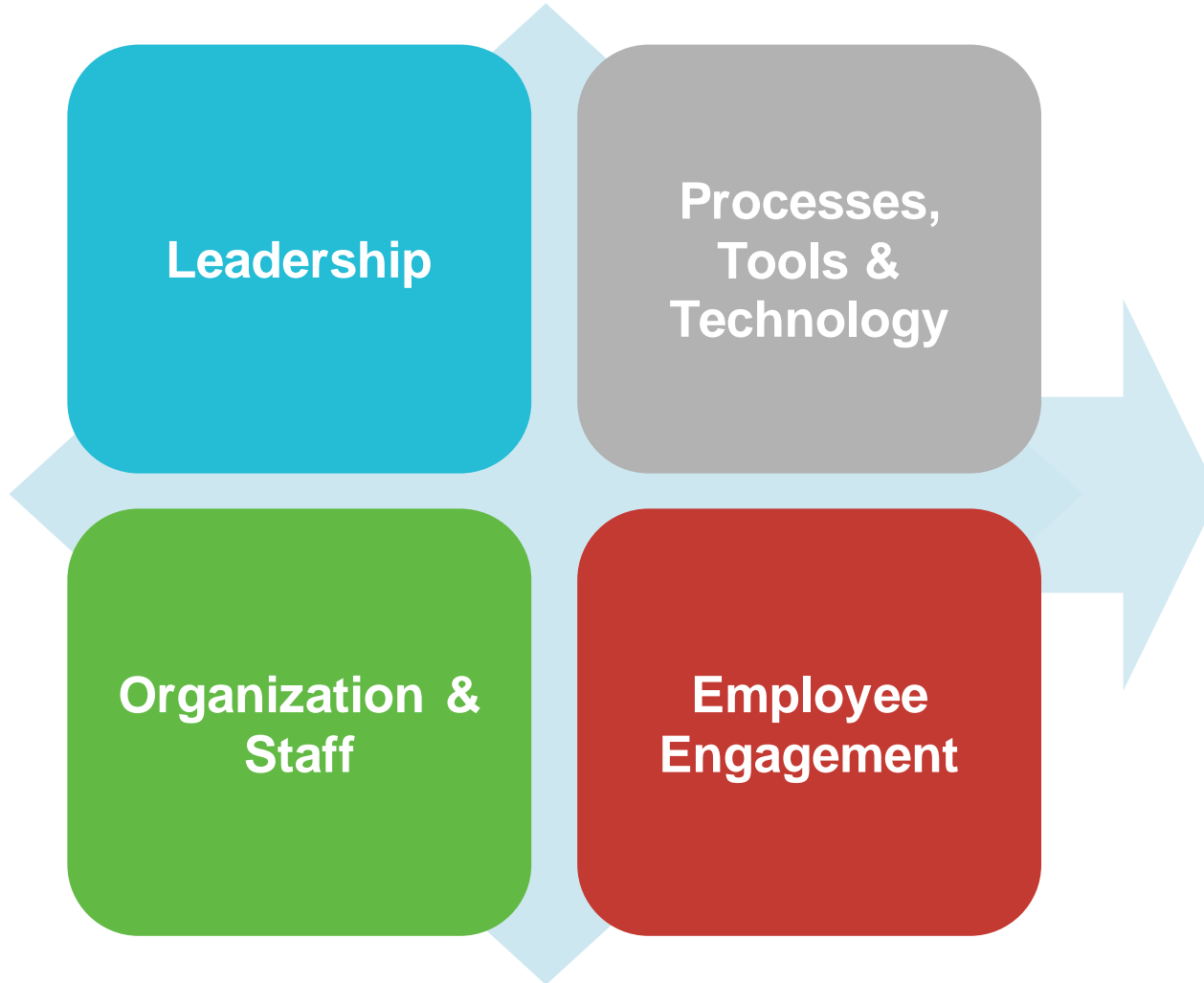
# Refining Business Operations, Governance, and Structure



# Optimizing Processes and Continuous Improvement Culture

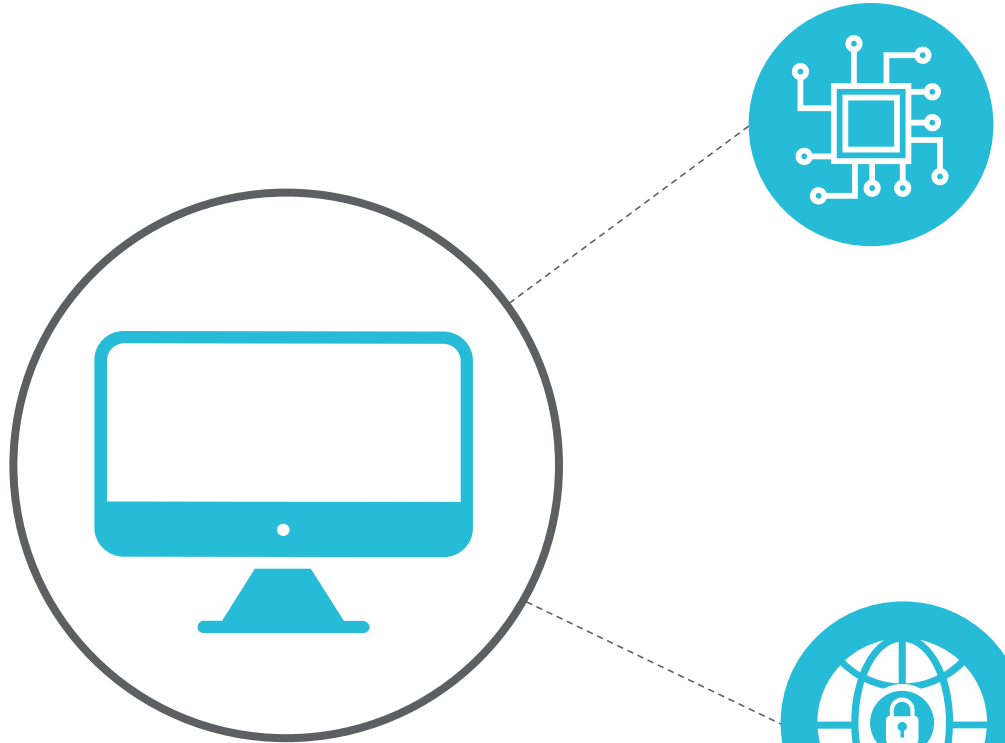


# Sustaining a Continuous Improvement Culture



- Adjust scope of services
- Reduce variations to reduce work
- Take the work out of processes
- Automate manual processes
- Integrate technologies to take out repetitive work
- Enable more people to do more types of work
- Train on deficiencies and/or hire skilled employees

# Leveraging Technology for Service Delivery



## Technology

- Work with the service center, business partners, and COEs to understand what is working and what is not
- Make minor enhancements as needed to existing technologies
- Revisit system roadmap and determine if modifications are required
- Re-evaluate technologies that were planned for subsequent phases (i.e., post go-live)

## Cybersecurity

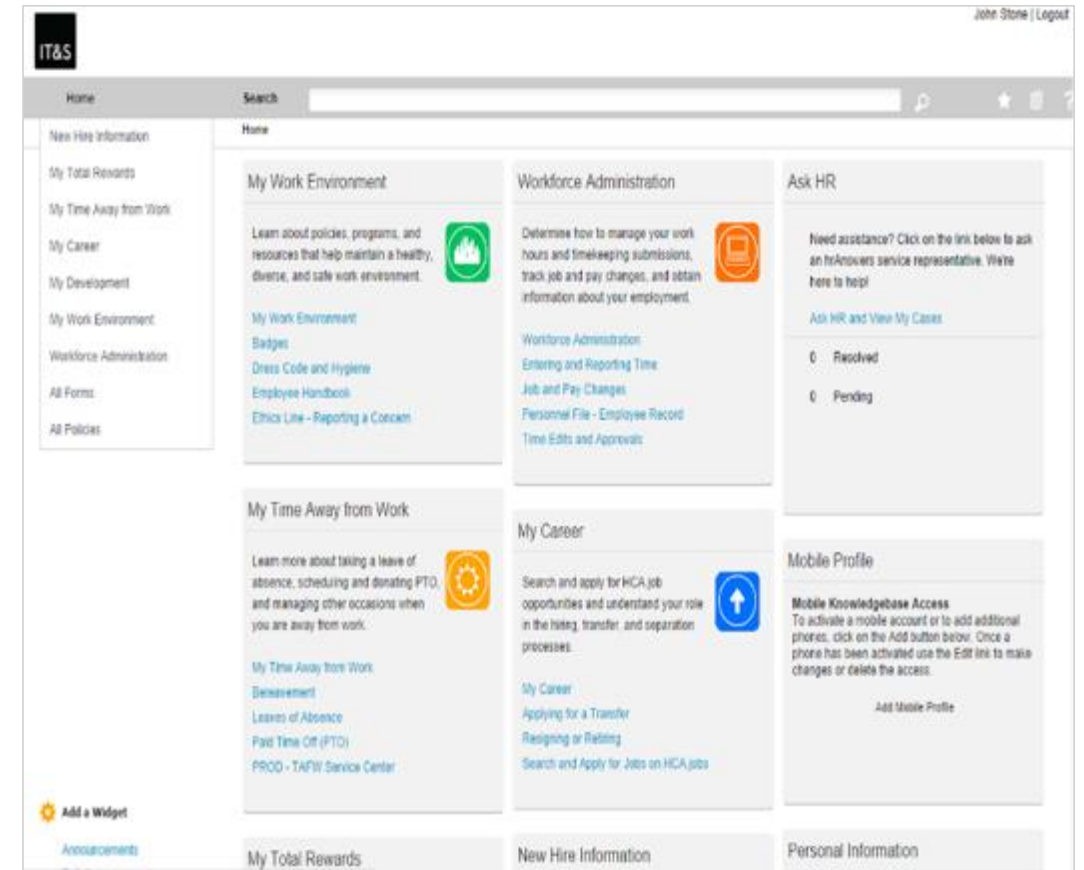
- Understand what is at risk and secure sensitive data
- Ensure employees understand the importance of protecting sensitive information, how to handle it securely, and the risks of mishandling such information
- Define security roles and responsibilities
- Establish governance and compliance

# Increasing Portal and Self-Service Utilization

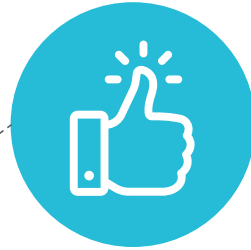
Employee portals and manager and employee self-service drive organizational and cost efficiencies in HR SSOs. Top performing finance SSOs often set up supplier portals to access invoice payment status and other key information.

- Top performing companies average **2X** the number of portal hits per employee versus comparison companies
- 66% of HR portals implemented contain personalized information with limited to full system integration functionality
- Finance SSOs leverage supplier portals
  - Provides efficient, targeted communication method between company and its suppliers
  - Tracks invoice status
  - Creates new invoices and credit memos that are electronically routed for processing, including supporting documentation

## Example HR Employee Portal



# Focusing on Customer Satisfaction and Performance



## Customer Satisfaction

- Track and strive constantly to improve customer satisfaction
- Compare to baseline on a regular basis and make improvements



## Metrics

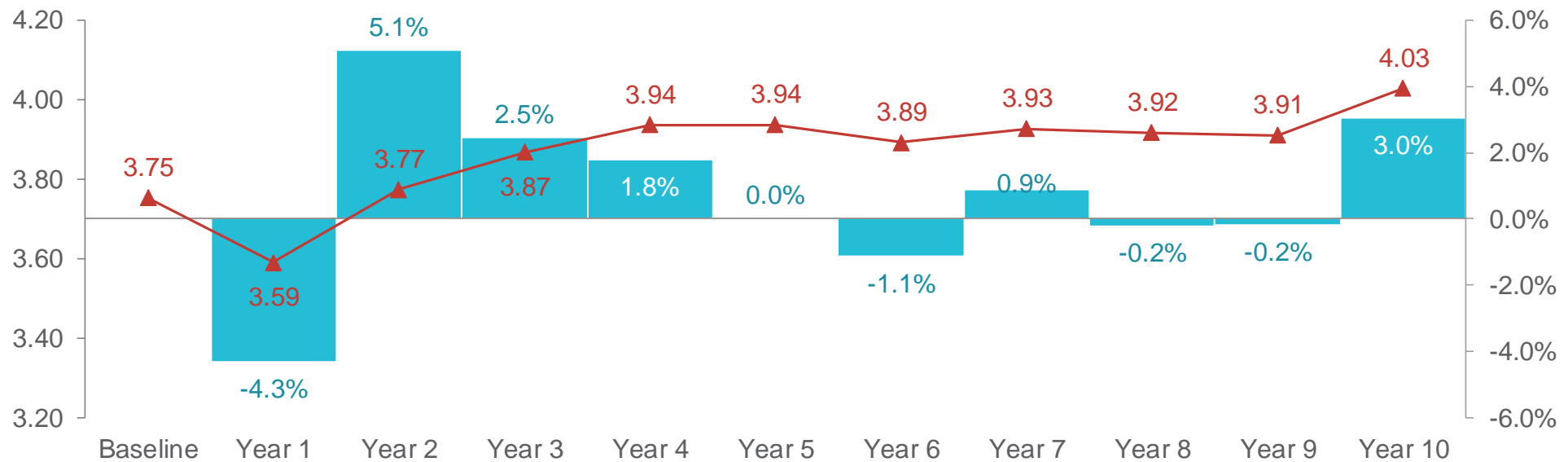
- Utilize metrics that help you manage the work – don't report metrics just to report them
- Use metrics to find opportunities to improve operations
- Use the metrics to help customers and stakeholders understand how the new model is helping them

# Factoring Customer Satisfaction Trends

## Trend analysis reveals a few patterns

- Typical dip in year one satisfaction
- Challenges with improving satisfaction over time

### Overall Satisfaction Mean Score and % Change by Year



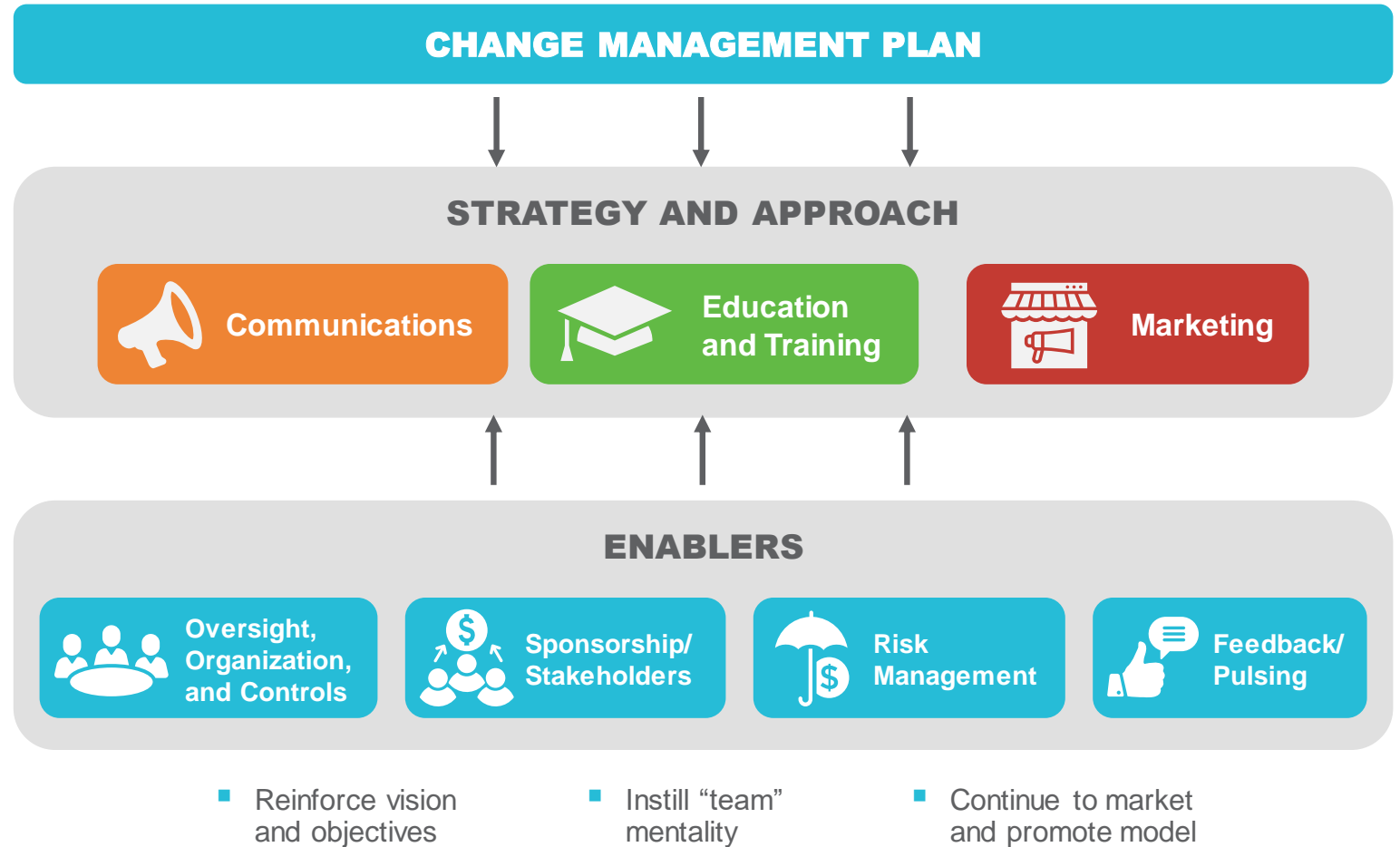
## Evaluating Several Methods of Measurement

As survey mechanisms are implemented, shared services areas implement a variety of layers to help create a holistic picture of performance and satisfaction.



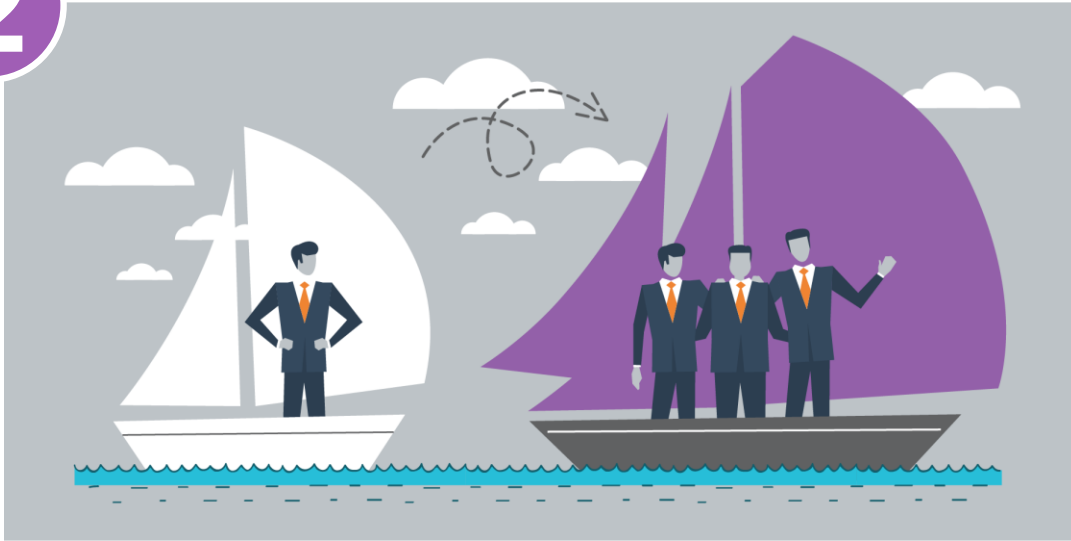
# Managing the Change

Successful change management solutions are based on a well-planned and integrated set of initiatives and actions.



# Advancing Shared Services Operations

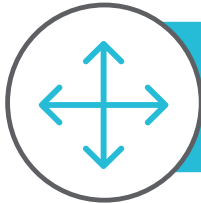
## 2 EXPAND



*“Growth is never by mere chance; it is the result of forces working together”*  
– James Cash Penney

# Evaluating Multiple Expansion Methods

After companies implement and refine shared services, they look for opportunities to expand and better support their customers. Companies can expand their shared services operations by offering more services or supporting more customers.



## Expand Across Functions More Services

- New shared services functions – HR, IT, Supply Chain, and Finance
- Additional business administrative functions
  - Communication services
  - Environmental, health and safety
  - Regulatory compliance
  - Real estate
  - Facilities
- Additional transactions-based functions
- More value-added services



## Expand Across Geographies More Customers

- Additional customers
- Additional business units within each company
- New geographic areas
  - New states, regions, countries, etc.
  - Global shared services centers
- Support to other companies (external sales)

# Considering Advantages and Disadvantages of Growth

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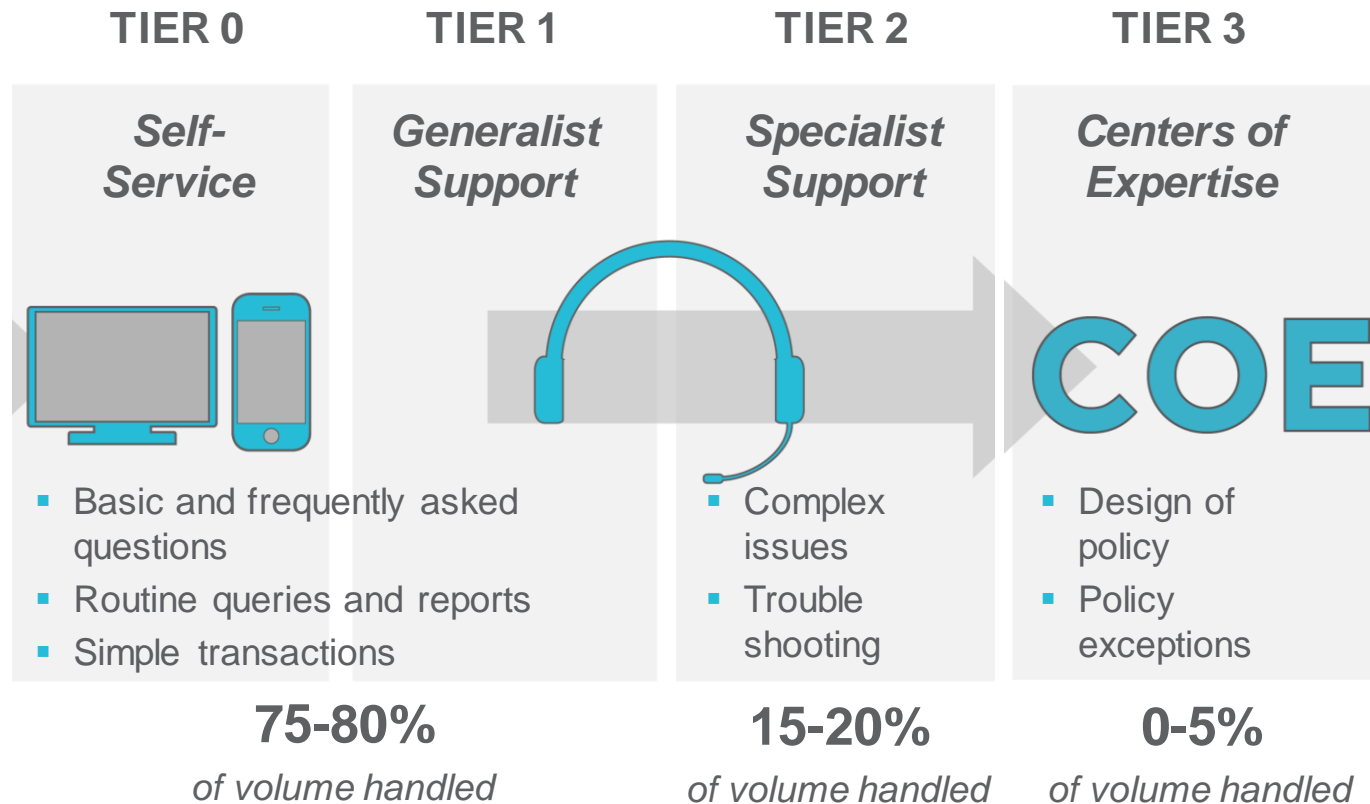
## Advantages of Growth

- The shared services model works
  - Improves service delivery
  - Lowers total costs
- Economies of scale
- Synergies (e.g., onboarding of new employees)
- Standardization of processes and elimination of redundant processes
- Shared technology
- Shared management and administration
- Cross training
- Additional advancement opportunities for shared services employees
- Improved customer service
  - Contact center
  - Key account management
- Allow business units to focus on core processes

## Disadvantages of Growth

- Investment requirements—upfront costs to transition and centralize technology, staff, equipment, and facilities
- Additional bureaucracy
- Size can hamper responsiveness
- Requires broader technical expertise at the top to manage additional functions
- Perception of kingdom-building
- Potential impacts to employees currently performing the work

# Continuing to Drive Scope Up the Value Chain



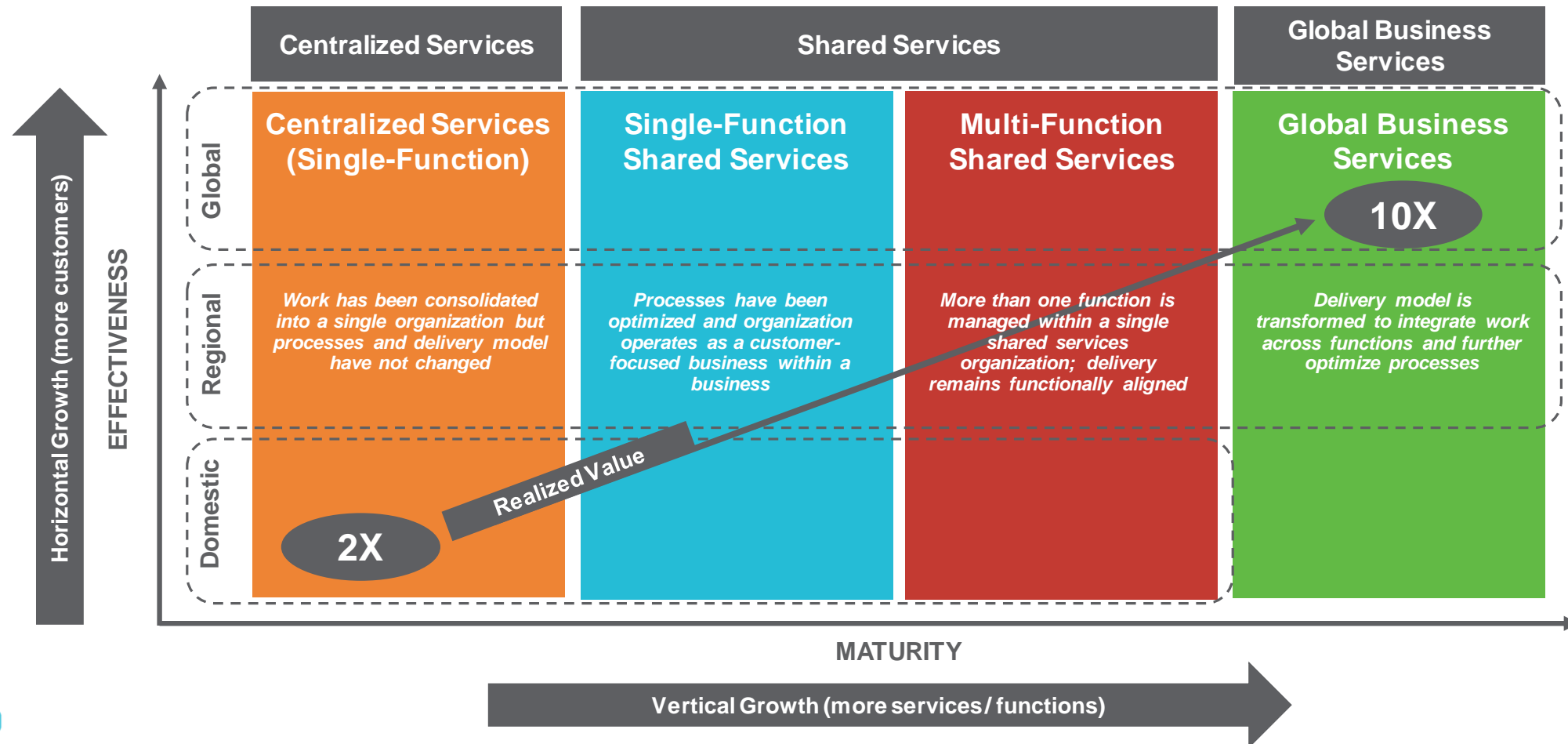
*For example: A similar trend is occurring in HR SSOs – higher value services:*

- **Employee Relations**
- **Labor Relations**
- **OE Consulting**
- **Business Analytics**

Expand

# Assessing the Model's Evolution to Drive Increased Value

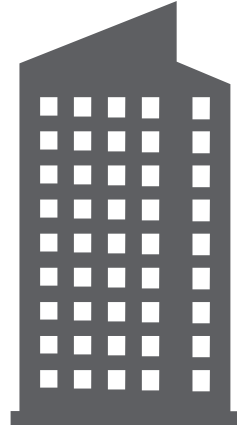
As companies implement both vertical and horizontal growth strategies, they realize increasing value from the model.



# Understanding the Multi-Function Rate of Adoption

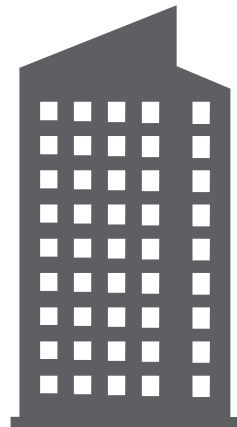
GBS has emerged as the standard operating model for internal enterprise services.

>53%



**Top 1000**  
companies with a  
**Multifunction  
Shared Services**  
(3 or more functions)

>73%



**Top 1000**  
companies with a  
**Multifunction  
Shared Services**  
(2 or more functions)

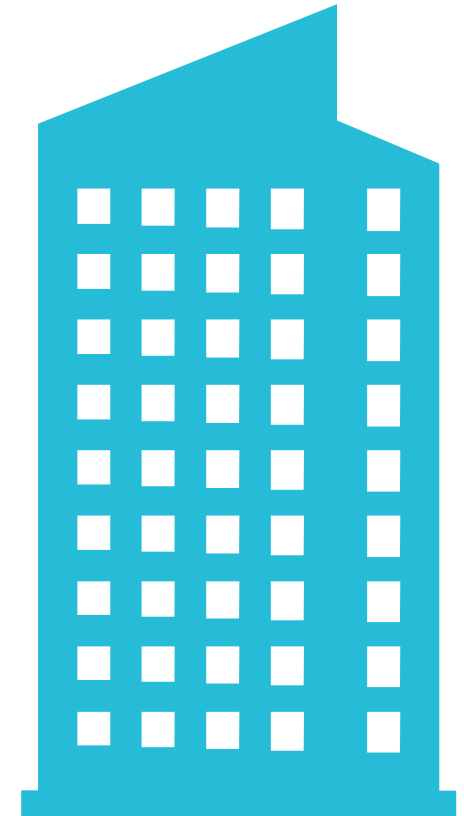
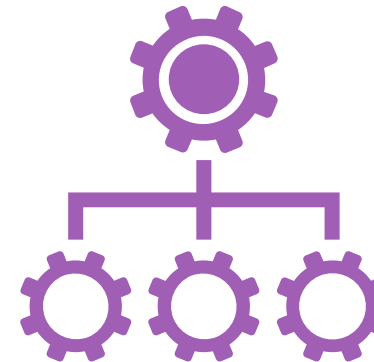
Trend points toward a continuing migration to a **Global Business Services** with over 90% of the F 1000 considering a move within the next 3 years

# Defining Global Business Services

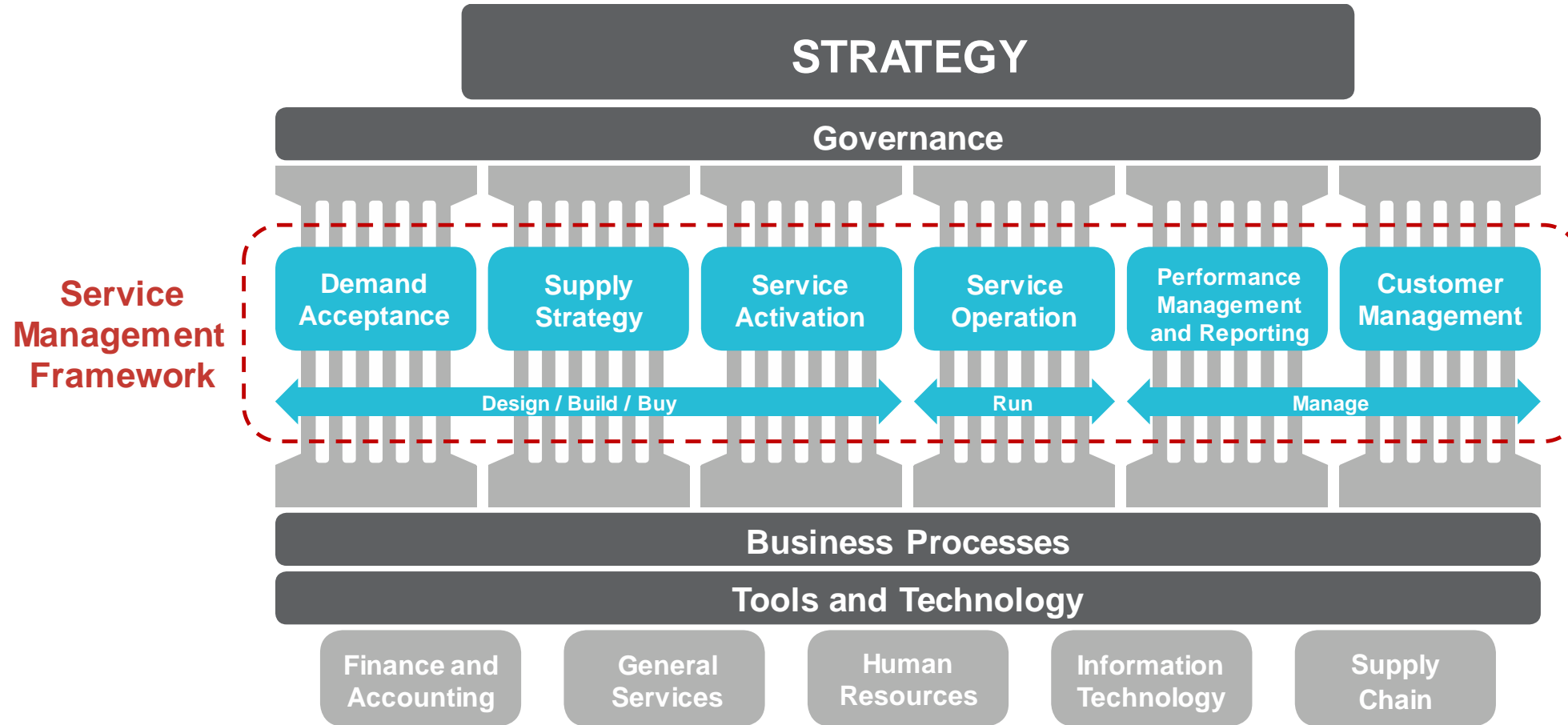
*Global Business Services (GBS) is the integrated services capability of an enterprise, focused on the delivery of transactional and analytical work supporting the business units and corporate, under a single organizational structure.*

**We believe that a true GBS demonstrates five characteristics:**

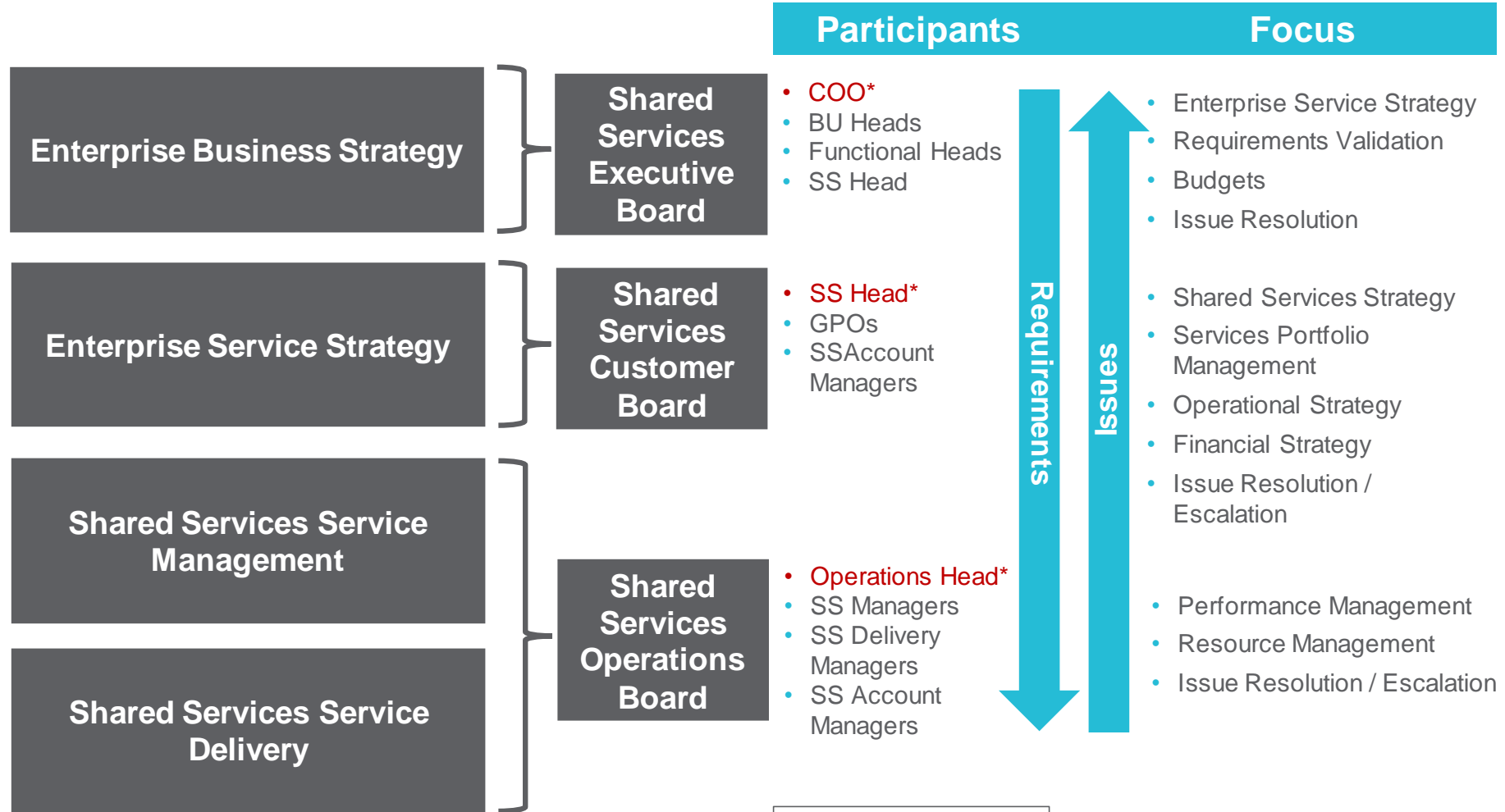
1. Delivers services to a global customer base
2. Reports to one person with responsibility for an overall budget
3. Shares infrastructure, including locations and technology platforms
4. Incorporates end-to-end process ownership
5. Includes higher-value activities



# Establishing a “Commercial-Like” Operating Model



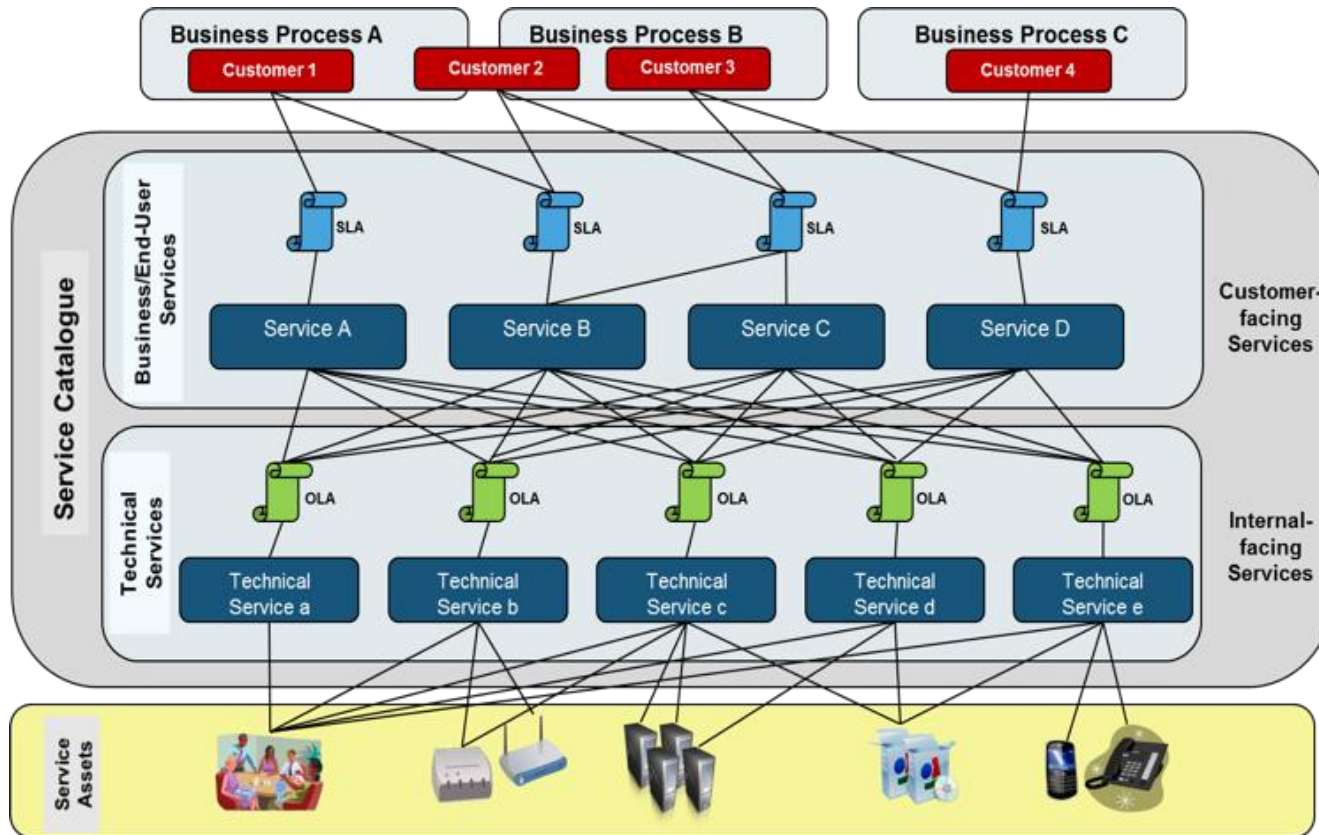
# Evolving the Enterprise Wide Governance



\*Denotes Board Leader

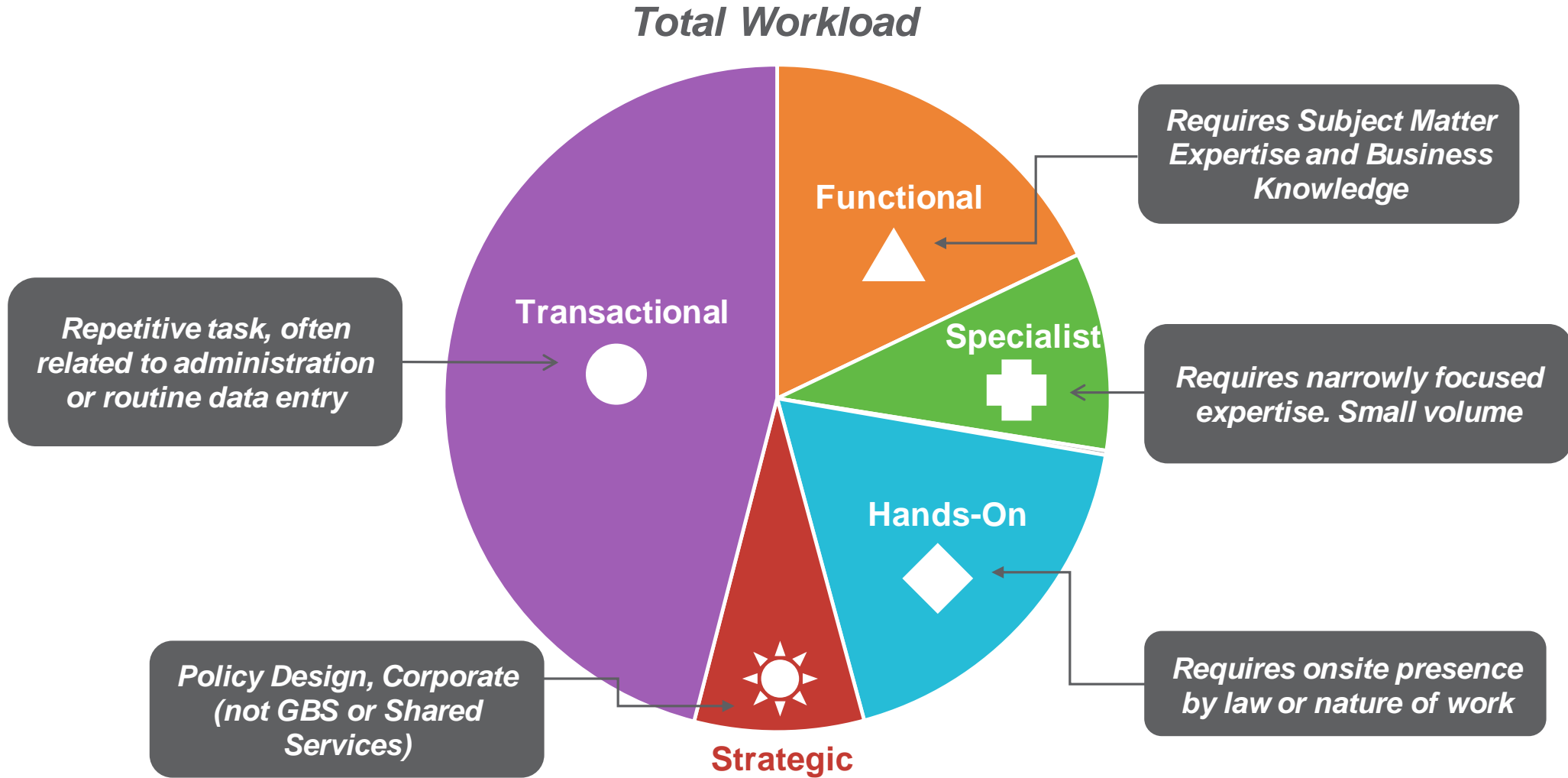
# Designing Your Services to the Specific Customer Groups

Service Catalogs are a key component of successful GBS organizations.



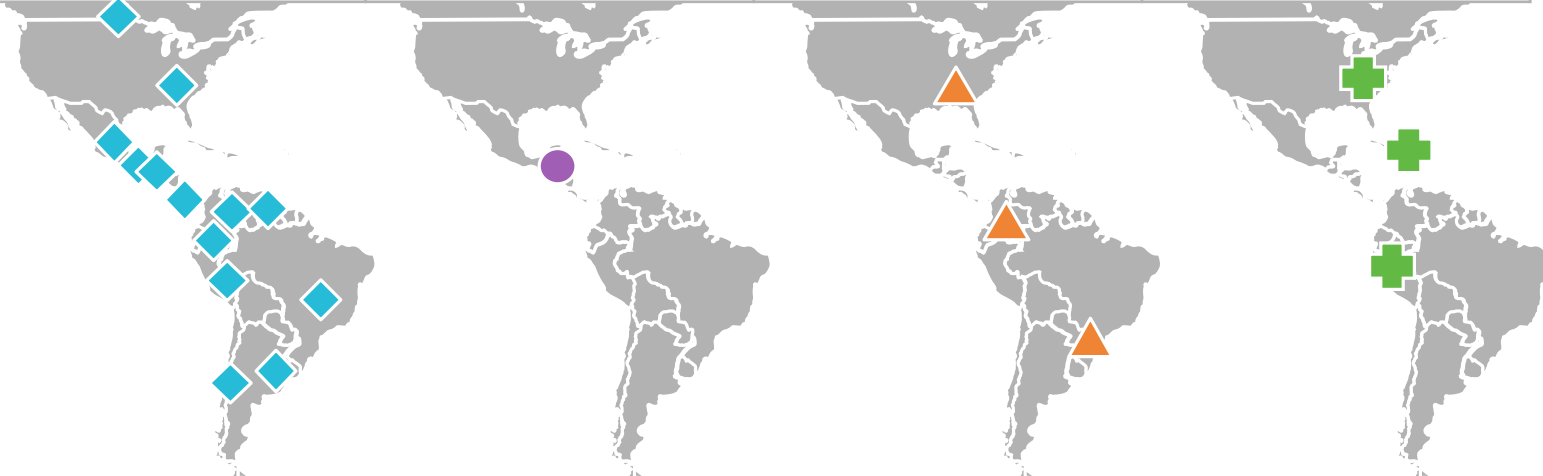
- Most common customer segments:**
- Employees
  - Managers
  - Corporate
  - Business Units
  - Suppliers
  - Regulatory
  - Consumers
  - Shareholders

# Focusing on the Nature of the Work...Not the Work Itself



# Determining the Extent Work Can Be Consolidated

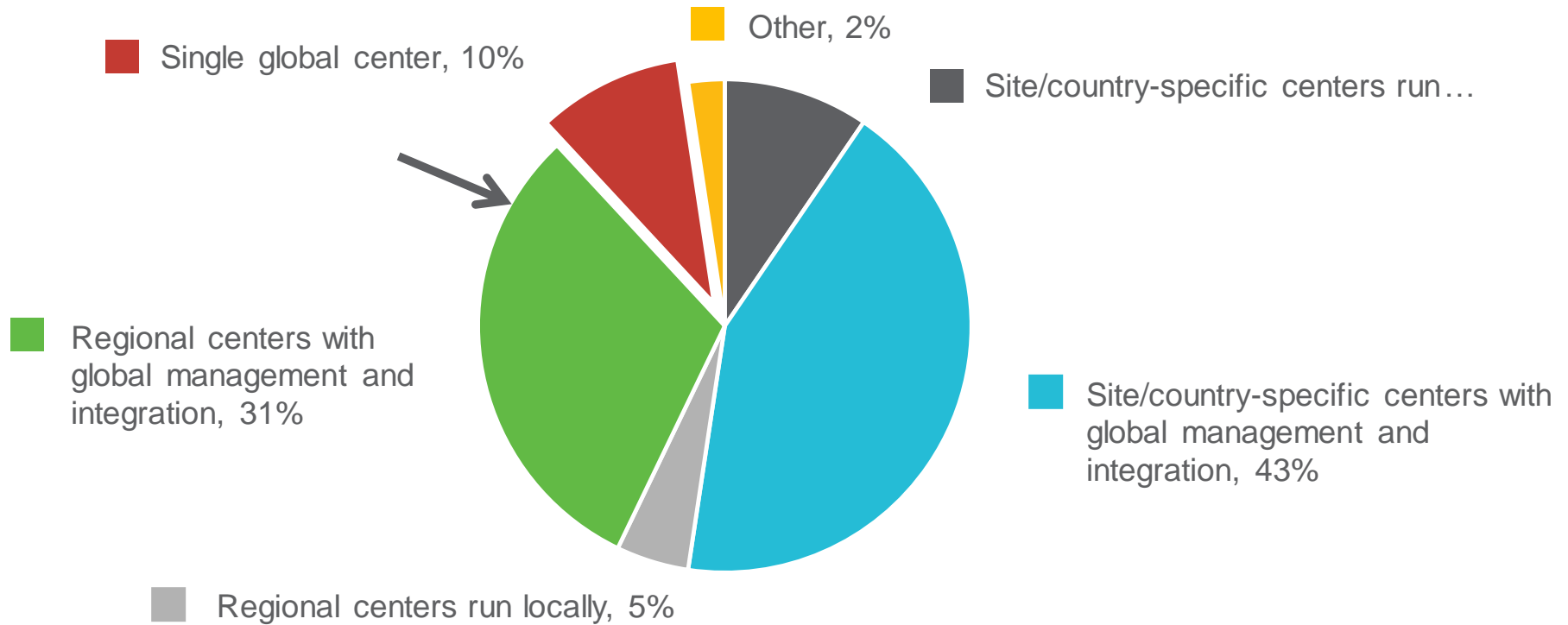
	◆	●	▲	+
	On Site	Transactional Center	Region Support Hub	Connected Specialists
Type of Work	Hands on	Transactional	Functional	Specialists
Example Services	<ul style="list-style-type: none"> <li>▪ Mail handling</li> <li>▪ Cash processing</li> <li>▪ Audit facilitation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invoice processing</li> <li>▪ Payroll processing</li> <li>▪ Vendor payments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Closing books</li> <li>▪ Financial reporting</li> <li>▪ Solving problems</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tax planning</li> <li>▪ Financial forecasting</li> <li>▪ Cash flow manage</li> </ul>
Central?	<ul style="list-style-type: none"> <li>▪ Not possible</li> </ul>	<ul style="list-style-type: none"> <li>▪ Great opportunity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Good opportunity (but know business)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Possible, but can connect virtually</li> </ul>



# Assessing Norms – Physical Dispersion, Global Governance

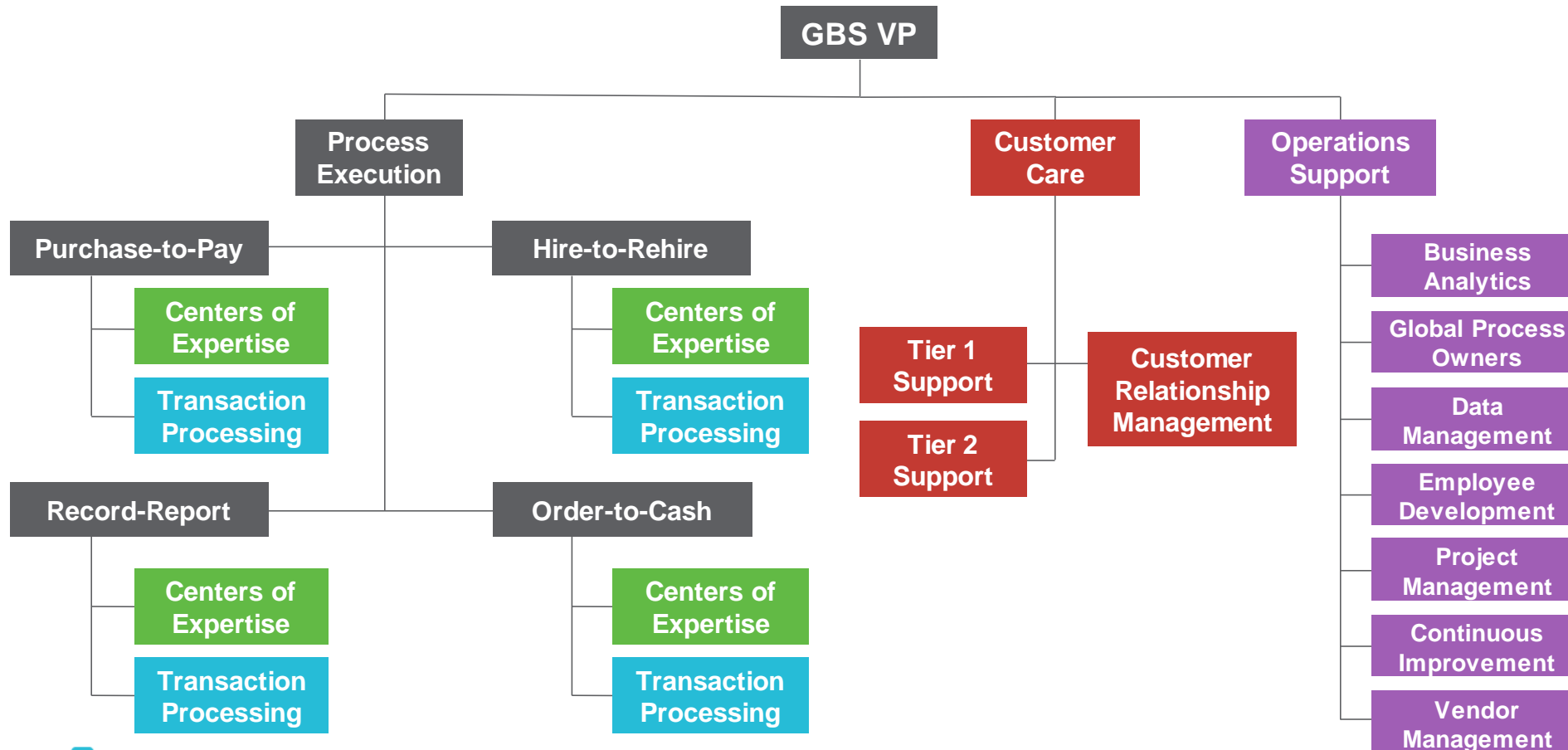
Single “global super centers” are rare, but global coordination is not. We find knowledge of business, country regulations, language, and time zone encourage regional models.

## Geographic Model



# Viewing A Typical GBS Organization

GBS organizations fundamentally shift several processing structures, while maintaining some commonality in operations support with more traditional shared services models.



## Several highlights

- End-to-end process orientation
- Separate, accountable, customer care
- Enhanced “Operations Support” to factor key elements of the GBS model (e.g., Global Process Owners)

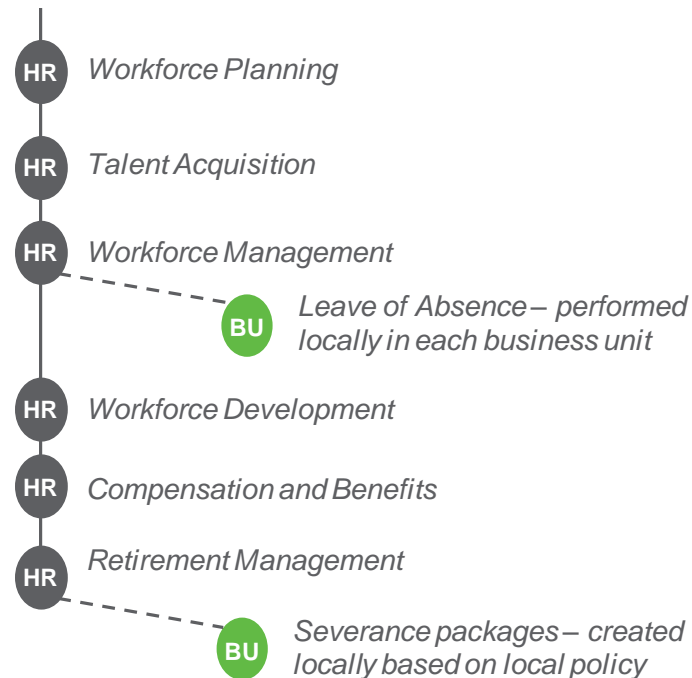
# Considering End-to-End Processes in Expanding Services

In evaluating what further services to incorporate into a shared service, consider those elements of work that can make most sense from an end-to-end view, and therefore further enhance and drive consistency in customer experience.

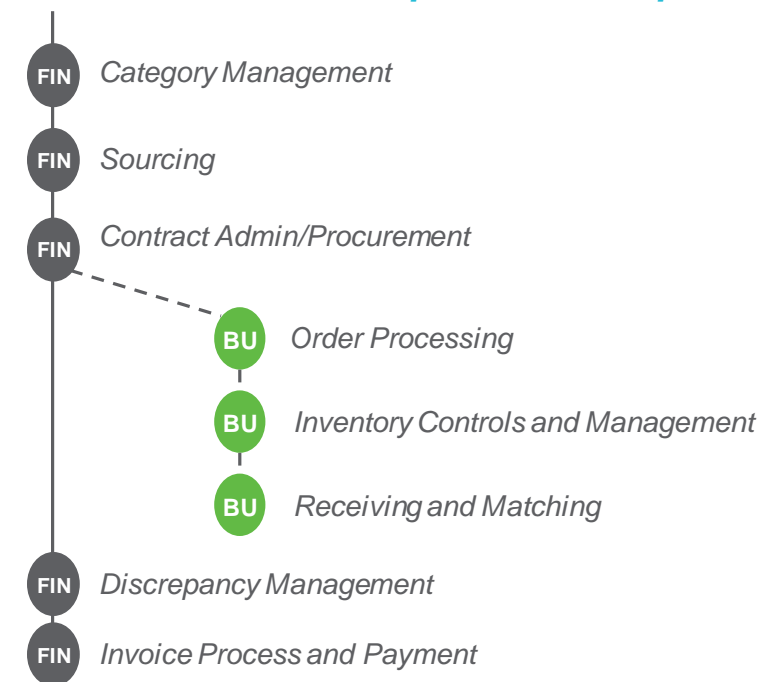
## “We’ll tackle these over time”

- Often, activities may be left behind during a transition...too complicated, too sensitive
- Opportunities to revisit and expand
- Easier to articulate how these fit into the overall process

### HR End-to-end process example

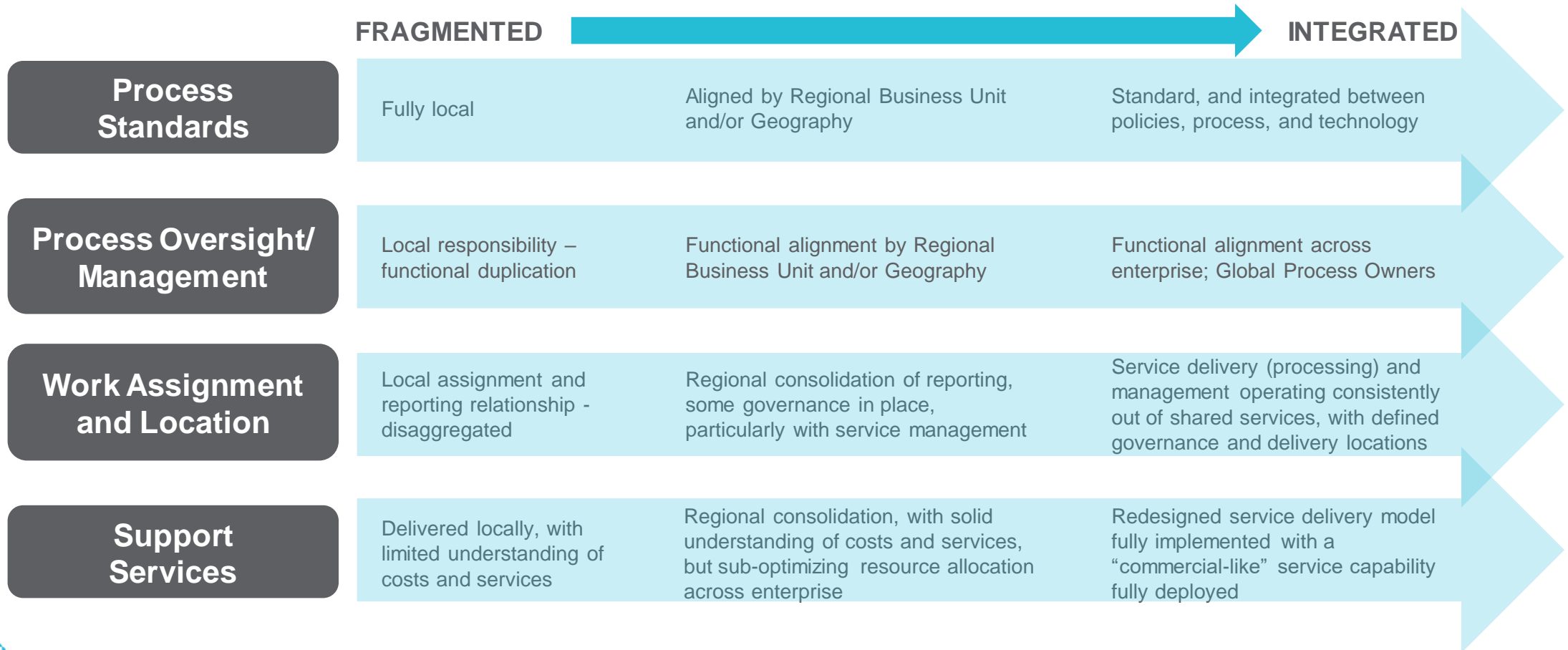


### Finance End-to-end process example



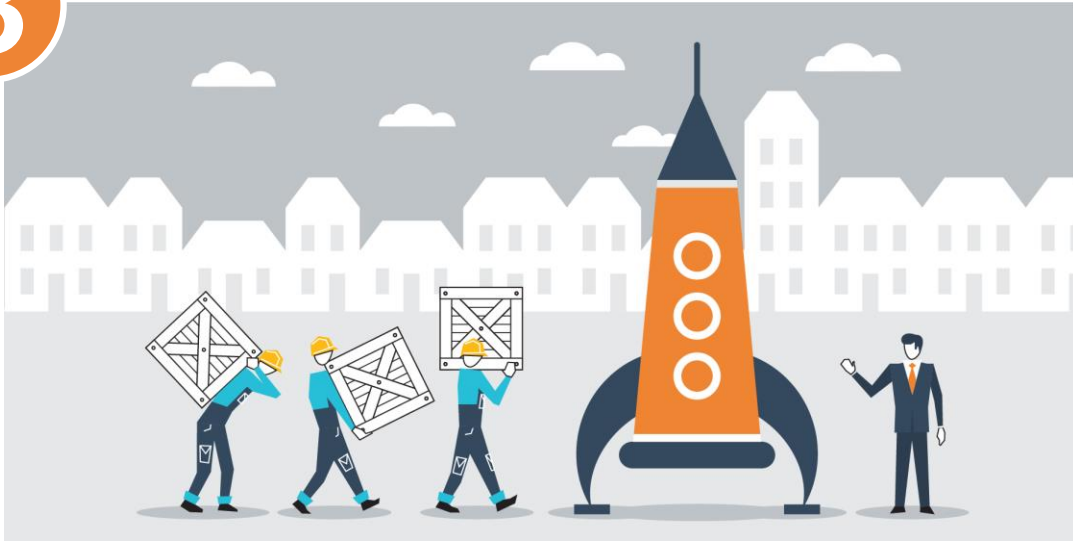
# Global Operating Model Characteristics – Maturity Model

GBS models can propel organizations further along the maturity curve in key areas, driving further enterprise integration of work and processes.



# Advancing Shared Services Operations

## 3 INNOVATE



*“People don’t know what they want until you show it to them.”*

*– Steve Jobs*

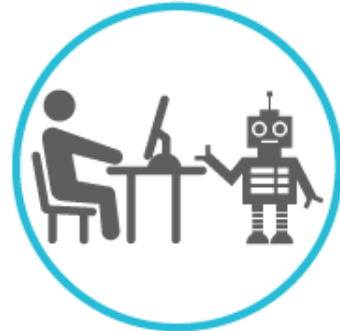
# Assessing “Disruptive Technology” Impact on Delivery Models

## Intelligent Automation Continuum<sup>1</sup>



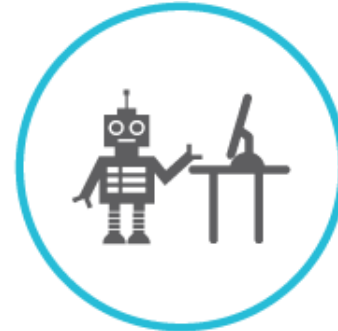
### Manual

Judgement 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 & AI

Pattern matching  
Unstructured  
Self Learning

<sup>1</sup>HfS

The Future of Work is a hybrid of people and software applied in great ways.  
RPA is laying the foundation for Cognitive.

- Symphony Ventures

# Keeping an Eye on “Smarter” Tech



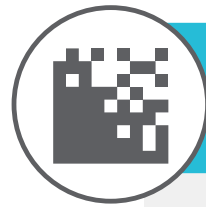
## Robotic Process Automation

- Acquisition by consulting, BPO, ERP
- Increase in banking and insurance
- More strategic enterprise application
- Coupling with AI functionality



## Artificial Intelligence

- Chief data officers...the norm
- Increased focus on data security
- Ethics counseling overseeing coding
- Increased use in Centers of Expertise



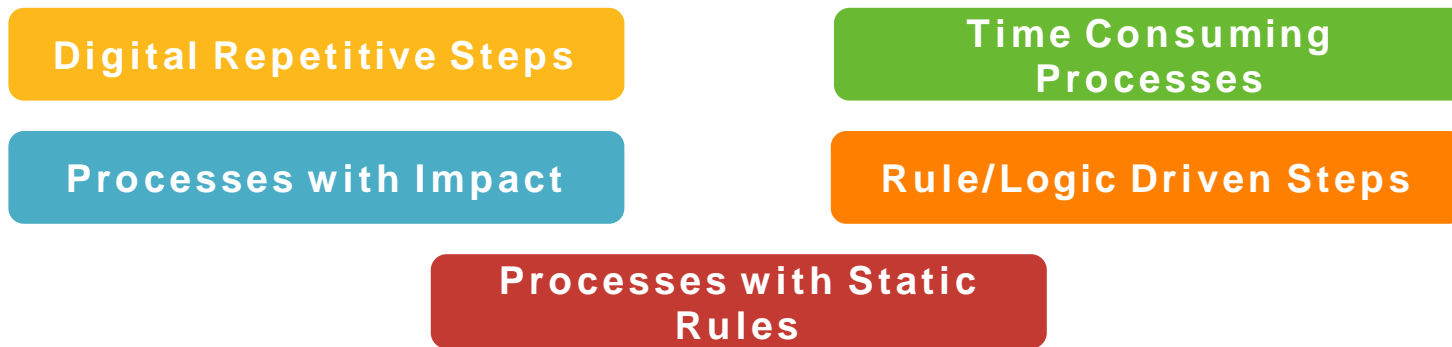
## Business Digital Transformation

- Decreased outsourcing of traditional services
- Transition of low-cost centers to RPA centers
- Virtual agents replacing service support hubs
- Smaller, integrated COEs backed with AI (tax, FP&A, retention)

## Starting with “Robotic Process Automation” (RPA)

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:



### How is RPA different from ERP capability?

- Processes are executed on the user interface level, replicating human actions
- Cross-platform without integration – can assign username 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. Need to move higher volumes faster? Add more “Bots”

## Considering Virtual Agents

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

**After 15 years of development IPsoft launched Amelia in 2014**

- Connects company data, systems and service delivery channels
- Records processes, but adapts if needed
- Draws real-time information from ERPs, CRMs and external sources
- Reads natural language and looks for key information
- Understands and speaks over 20 languages
- 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



# Considering the Potential for Virtual Agent Technology

*“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

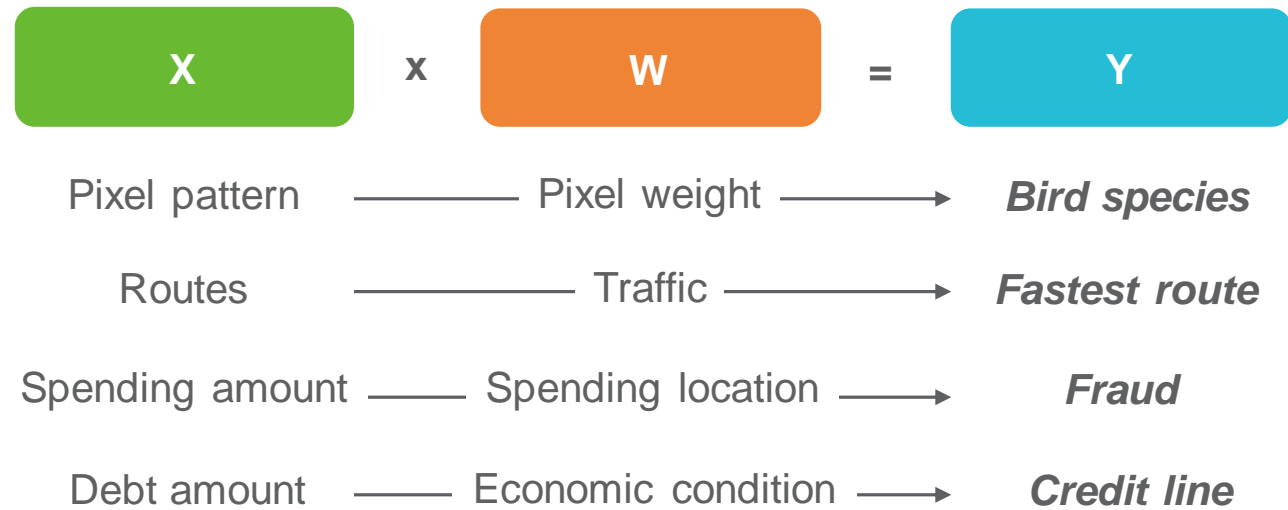
## Information Technology



- 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




## Going Beyond – “Artificial Intelligence” (AI)

AI is the ability for machines to recognize patterns and determine how to achieve an objective leveraging data (internal/external) and learning algorithms.



**“AI is the single most likely item in the near future that will affect humanity  
...followed by genetic breakthroughs, energy storage, and neural bandwidth.”  
– Elon Musk, 2017**

# Understanding Where to Go From Here

	 <b>Robotic Process Automation</b>	 <b>Virtual Agents and Chatbots</b>	 <b>Artificial Intelligence</b>
<b>Level of Adoption</b>	55%	15%	5%
<b>Characteristics of Data Input</b>	Structured, rule driven, static	Structured data, but requires cognitive computing	Unstructured/structured data with hidden patterns
<b>Nature of Ideal Process Fit</b>	<ul style="list-style-type: none"> <li>▪ Digital Repetitive Steps</li> <li>▪ Rule-Based/Logic Driven</li> <li>▪ Time Consuming</li> <li>▪ Documented</li> <li>▪ Static Rules</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer-Interfacing</li> <li>▪ Requires access to solve?</li> <li>▪ Multiple languages required</li> <li>▪ Multiple time zones required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Requires research</li> <li>▪ Non-routine inquiries</li> <li>▪ Formula-driven</li> <li>▪ Requires pattern and detailed analysis</li> </ul>
<b>Process Candidate Examples</b>	<ul style="list-style-type: none"> <li>▪ AP/AR management</li> <li>▪ Billing and invoices</li> <li>▪ Data entry/management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer service</li> <li>▪ Vendor inquiries</li> <li>▪ Delivery/scheduling</li> </ul>	<ul style="list-style-type: none"> <li>▪ Forecasting (e.g., FP&amp;A)</li> <li>▪ High volume research</li> <li>▪ Exception handling</li> </ul>

**Data structure and integrity is essential across all IA.**

# Defining Your Strategy – Objectives of Intelligent Automation

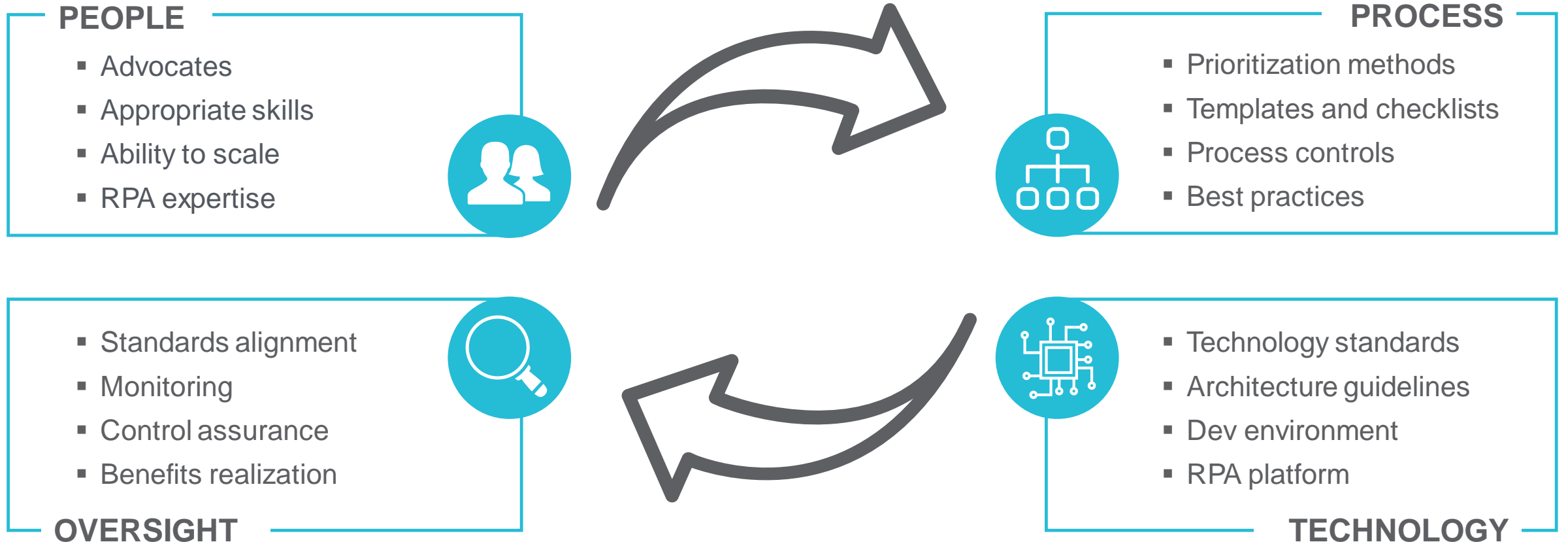
Answers help define program design and funding requirements.



# Defining Your Strategy – Delivery of Automation Services

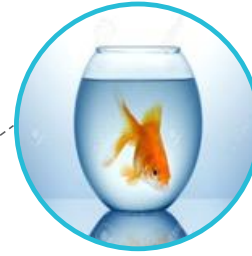
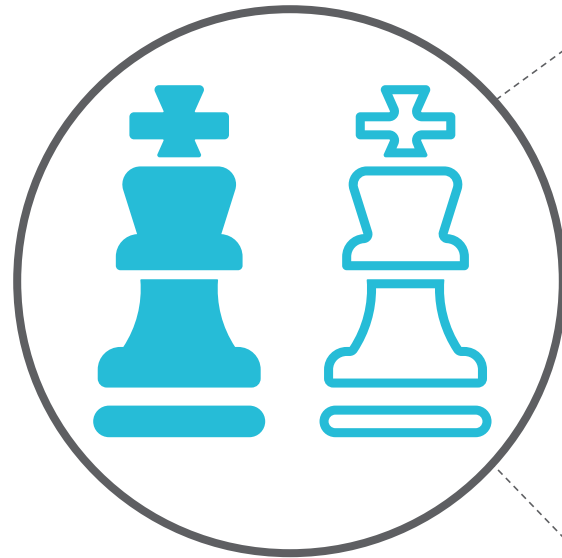
	Description	Enterprise Role	Challenges
<p><b>Centralized</b></p>	<ul style="list-style-type: none"> <li>RPA launched from within enterprise COE or shared services with high visibility and control of efforts</li> </ul>	<ul style="list-style-type: none"> <li>Almost entirely enterprise-led approach (typically IT, though it could be led by another centralized business function)</li> </ul>	<ul style="list-style-type: none"> <li>Less responsive</li> <li>Development time reduces impact opportunity</li> </ul>
<p><b>Hybrid</b></p>	<ul style="list-style-type: none"> <li>Baseline guidelines, controls and QA</li> <li>Core team provides automation services for areas unable to support own needs</li> </ul>	<ul style="list-style-type: none"> <li>Provides:                             <ul style="list-style-type: none"> <li>Direction and leadership</li> <li>Orchestration and quality assurance</li> <li>Optional process selection/design</li> <li>Optional scripting</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Potential conflicts between central and local efforts and authority</li> </ul>
<p><b>Decentralized</b></p>	<ul style="list-style-type: none"> <li>RPA efforts are launched locally within business functions</li> <li>Can have business or function specific COEs</li> </ul>	<ul style="list-style-type: none"> <li>Little/no involvement at enterprise level</li> <li>Informal ad hoc coordination</li> </ul>	<ul style="list-style-type: none"> <li>Varying quality</li> <li>Potential bot impact on other departments/bots</li> <li>Robot chaos</li> </ul>

# Defining Your Strategy – Automation COE Hybrid Example



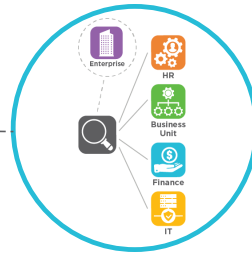
# Choosing the Right Path for Your Organization...

Your  
Automation  
Strategy



## Objectives

- Scalable Operations and Competitive Intelligence



## Model

- Hybrid Model: Centralized to promote scale, decentralized to customize BU intelligence



## Risk Mitigation

- More complex governance, BU resistance to controls

## ... Being Cautious of the Challenges

Shared Services organizations face many challenges to articulate the value proposition, get through stakeholder hurdles, and implement effectively.



### Security Risks and Control

- Compliance
- Data security



### Resistance

- External (e.g., BPM provider)
- Internal



### Relationship with IT

- Availability
- Scale and automation roadmap
- RPA technology understanding and misconceptions



### HR Issues

- Bot IDs
- Employee sensitivities



### Knowledge Retention

- Loss of human expertise



### Governance and Oversight Agreement

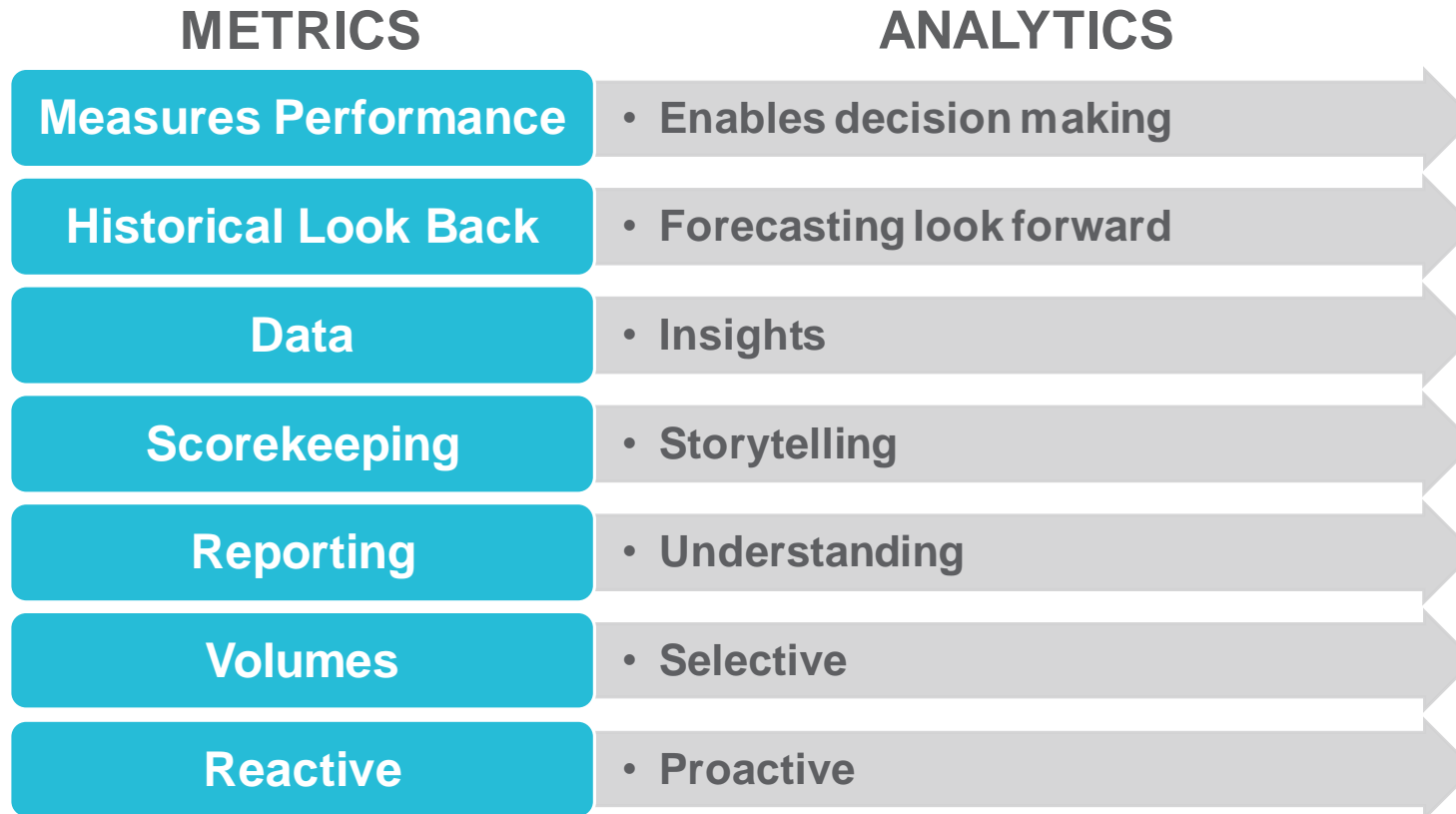


### Customer Misconceptions

# Defining 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 a company behaves and reacts to data



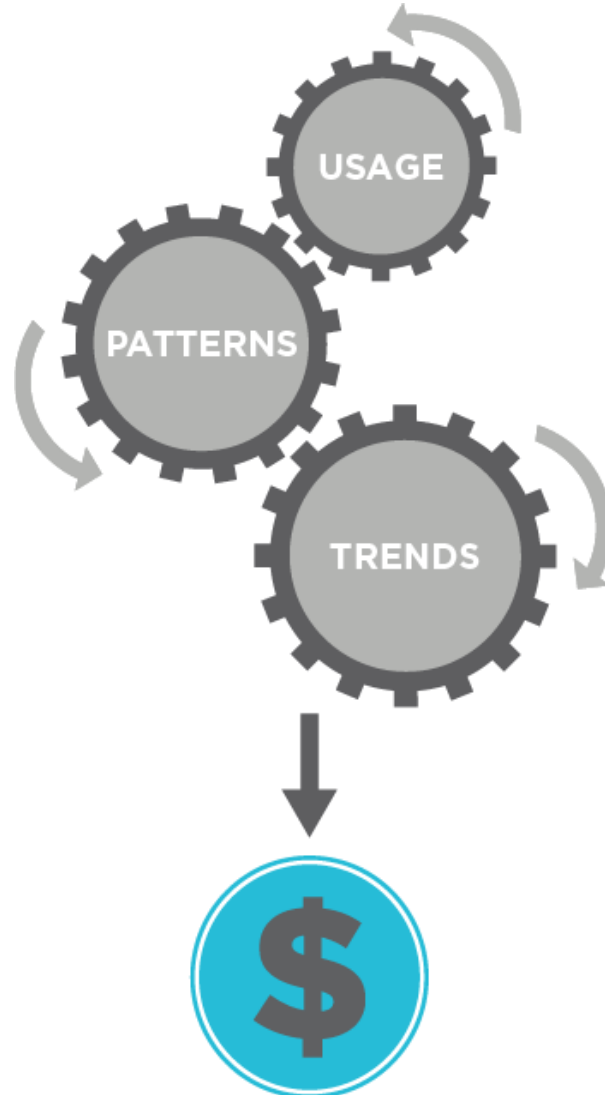
# Leveraging the Shared Services – Data Is At Your Fingertips

## 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
- Departure reasons/trends

# Transitioning to an Analytics Function

Several key success factors will enhance the opportunity for success of a new or to improve an existing analytics group.

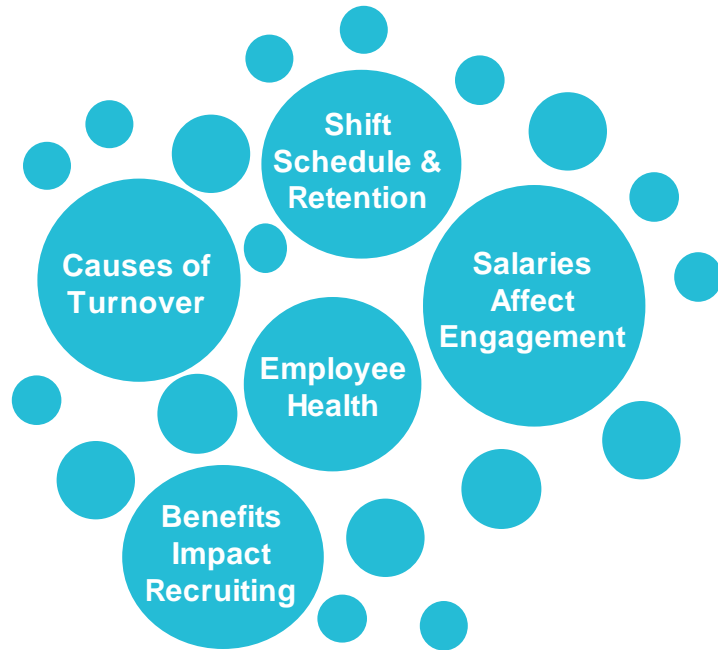


## Key Success Factors

- Focus on critical business challenges
- Leverage a governance board to provide feedback on analysis priorities
- Ensure connectivity to systems in place
- Set manageable goals
- Data specialists or “data scientists”

# Creating an Analytics Portfolio Management – HR Example

## 1. Track



### Track Analysis Requests

Formalize analysis requests process and information gathering

## 2. Evaluate



### Evaluate Analysis Requests

Use standard processes and tools to evaluate and prioritize the analyses

## 3. Communicate



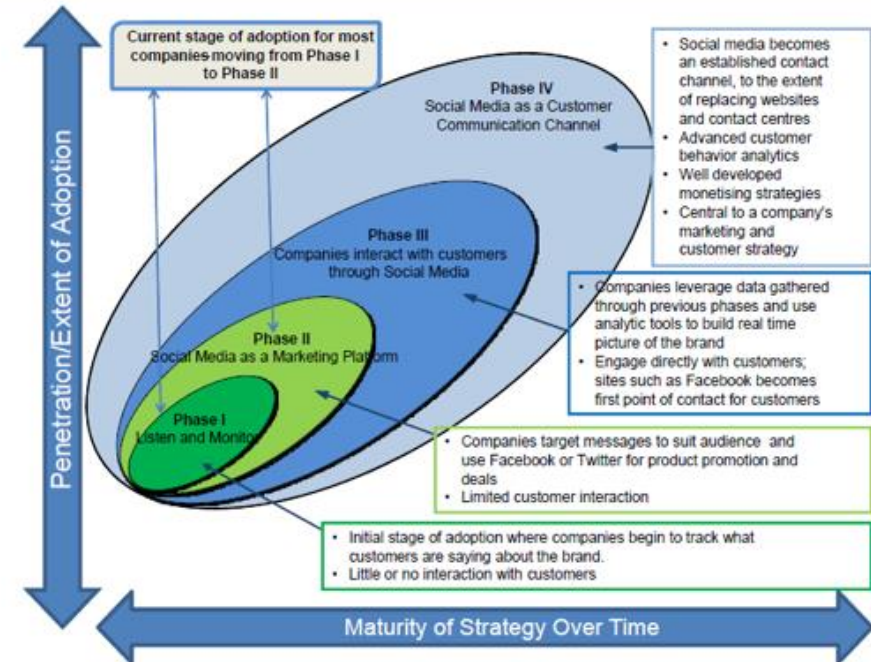
# Evaluating Social Media Opportunities with Technology

## Social Media Technologies

- Social applications are gaining popularity, particular in the HR space
- 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

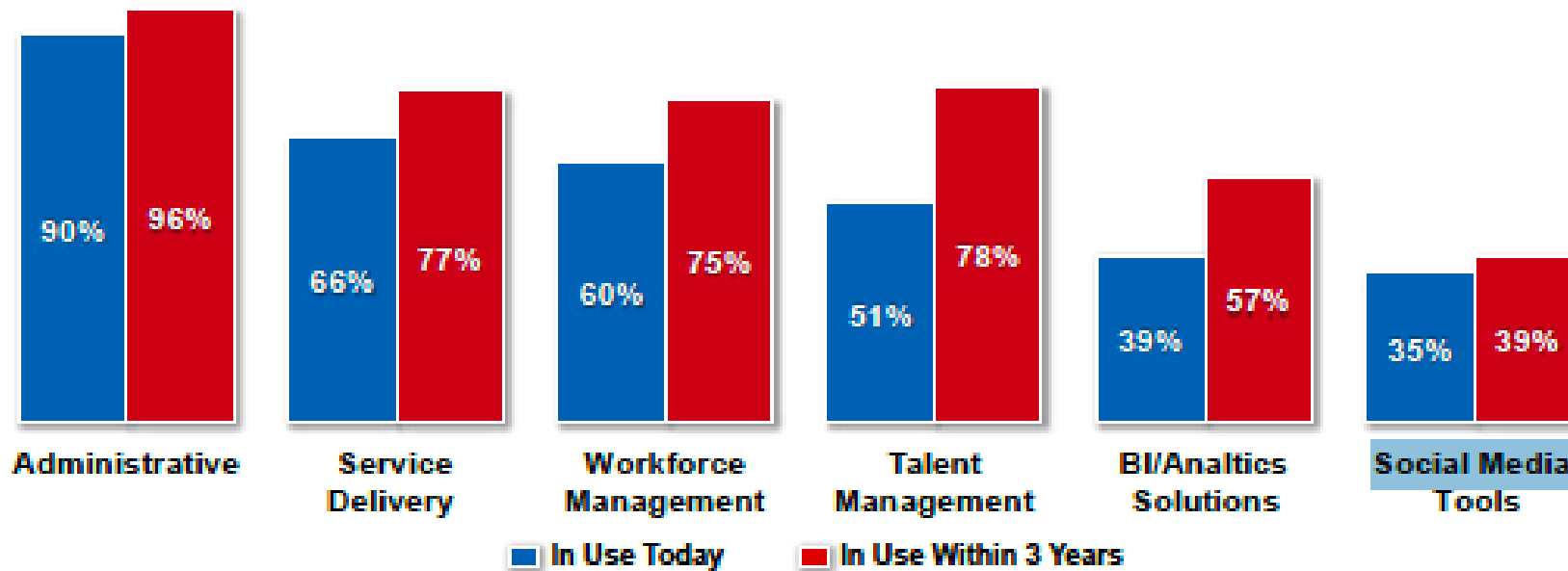


Source: Frost & Sullivan

# Enabling Employees through Social Media

Leverage social media sites for collaboration purposes—posting questions, resolution of issues, document collaboration, employee engagement, new ideas and innovation. Social media applications produce significant interest but other priorities prevail.

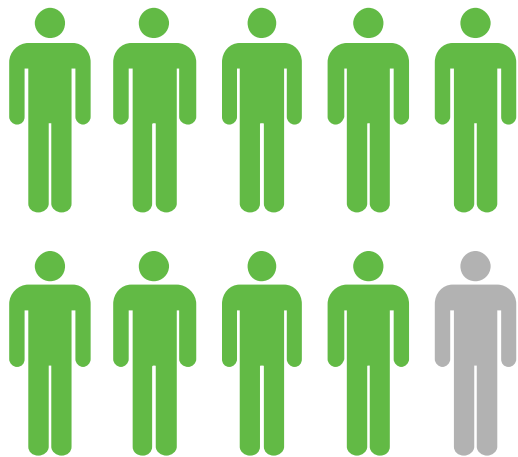
HR Technology Example



# Leveraging Social Media – A Talent Acquisition Example

Talent management is a trending focus for Shared Services Organizations. 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



# Advancing Shared Services Operations

## 4 INSPIRE



*“Aerodynamically, the bumble bee shouldn't be able to fly, but the bumble bee doesn't know it so it goes on flying anyway.”*

*– Mary Kay Ash*

# Engaging Employees

## What Are Employees in the Workforce Saying?



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

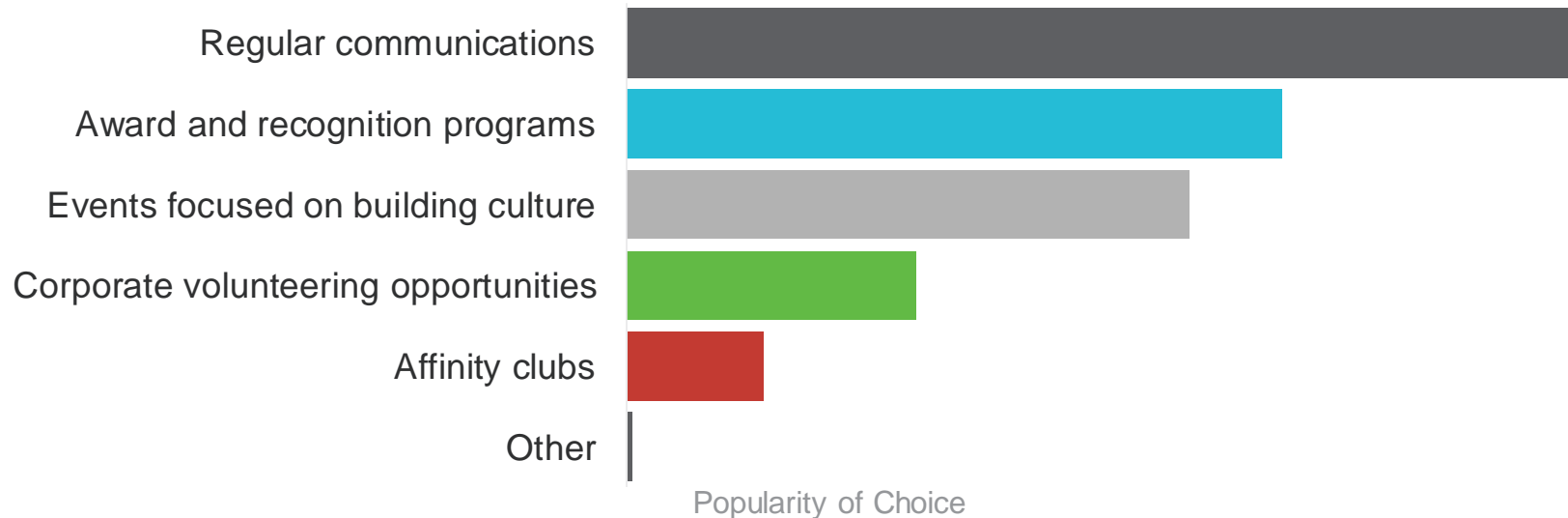


# Cultivating Employee Engagement and Culture in SSOs

ScottMadden’s SSO Talent Management Survey identifies communication, recognition, and culture building events are 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?

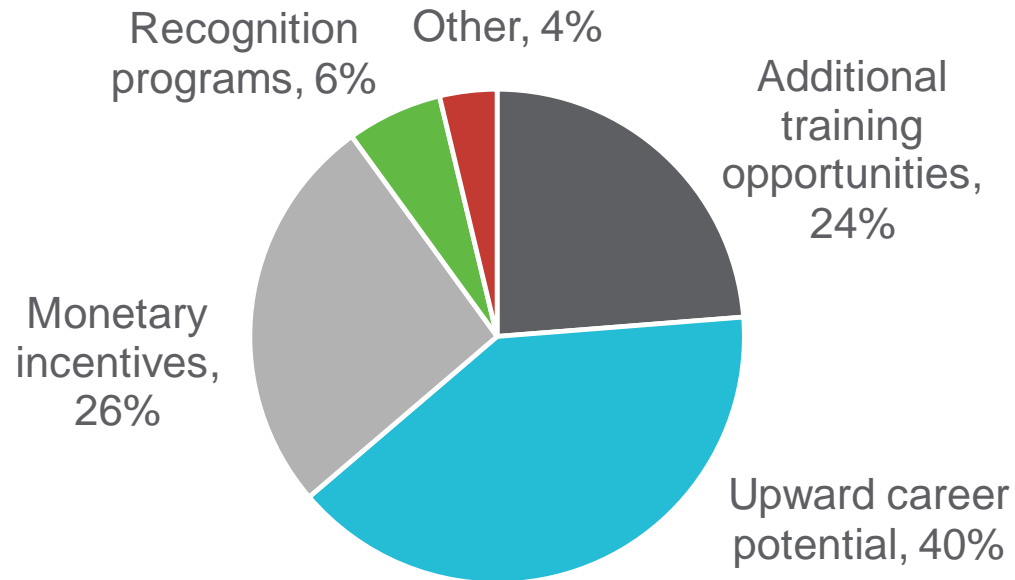


# Validating Your Employee Value Proposition (EVP)

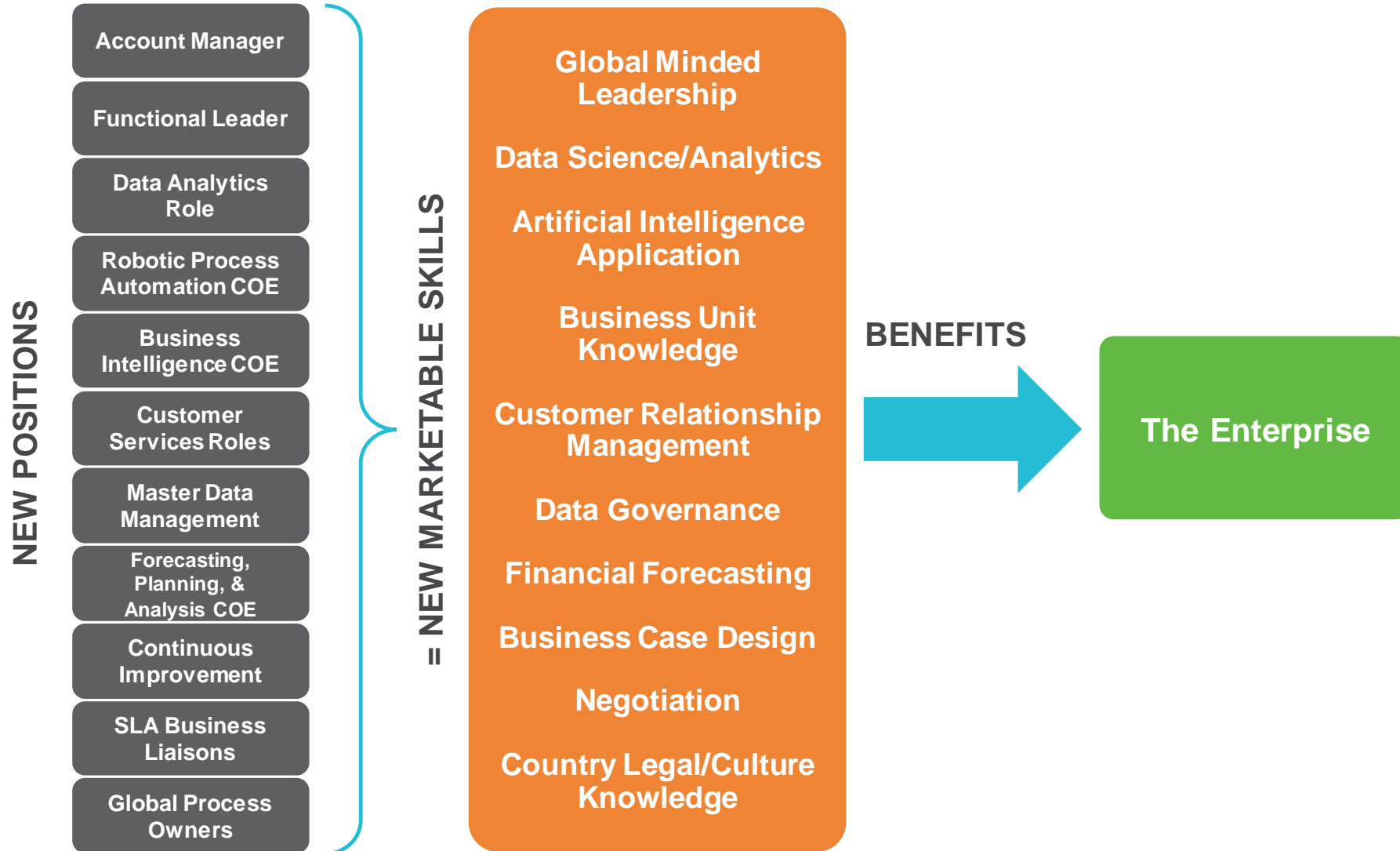
Upward career potential, monetary incentives, and additional training opportunities are reported as top drivers for retaining staff among survey respondents. An effective EVP:

- 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?



# Selling New and Marketable Skills – Shared Services Proposition

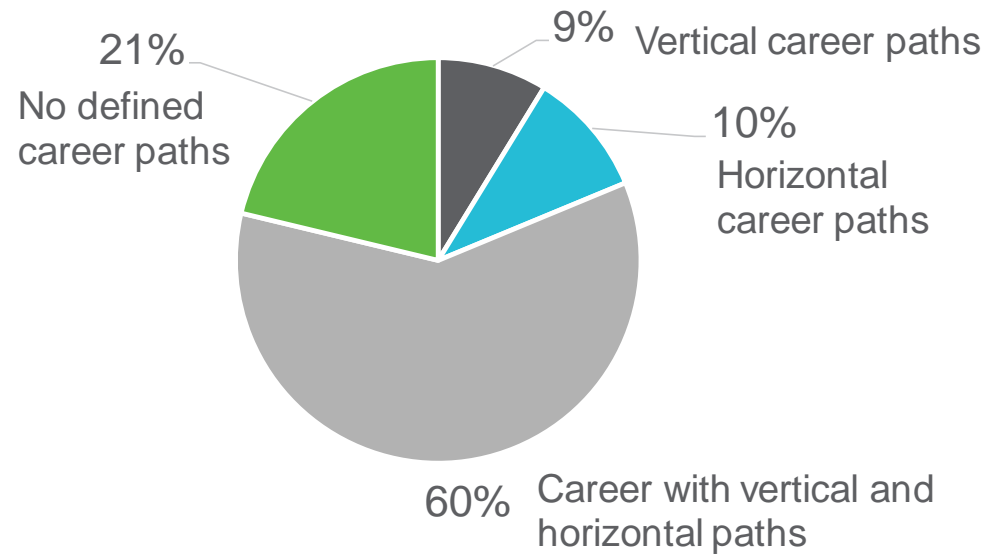


# Using Career Paths

**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
- Multifunction, less mature, and small SSO operations are less likely to have career paths

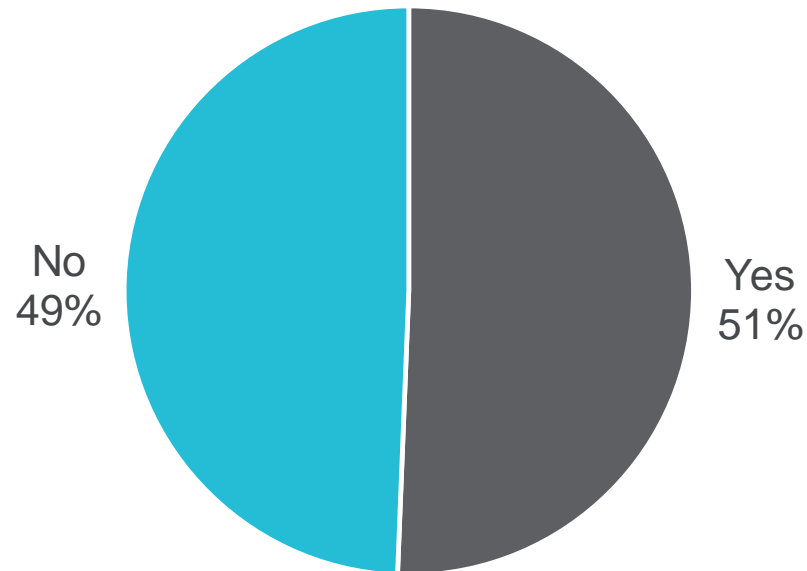
## What best describes the nature of the career paths you have defined within your SSO?



## Using Career Paths (Cont'd)

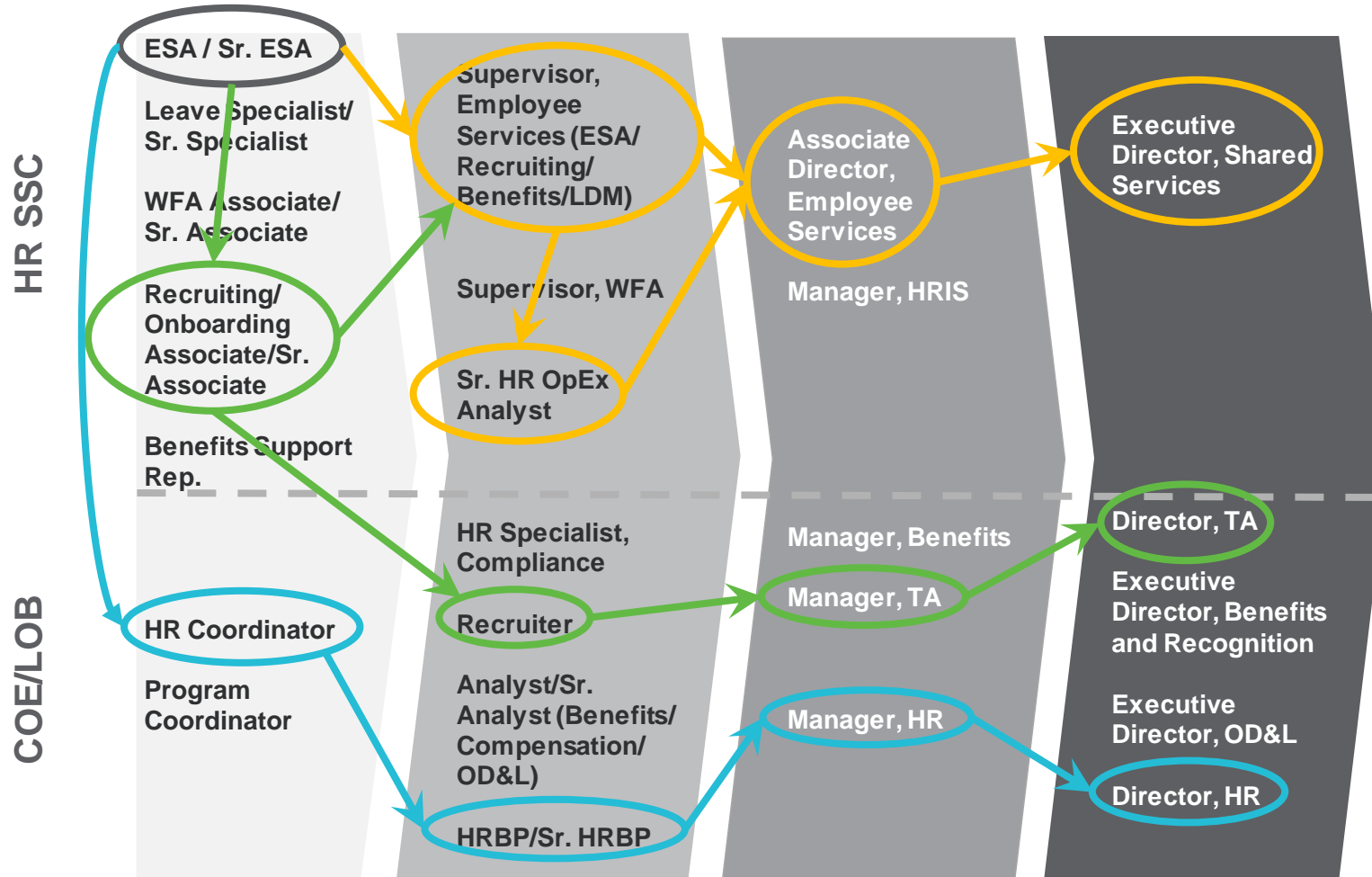
About half of SSOs' career paths include progression to other positions outside their organizations. Career paths defined within small operations are less likely to include progression to other positions outside of their SSO than larger SSO organizations.

Do your career paths include progression to other positions outside your SSO?



# Emphasizing Career Development

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

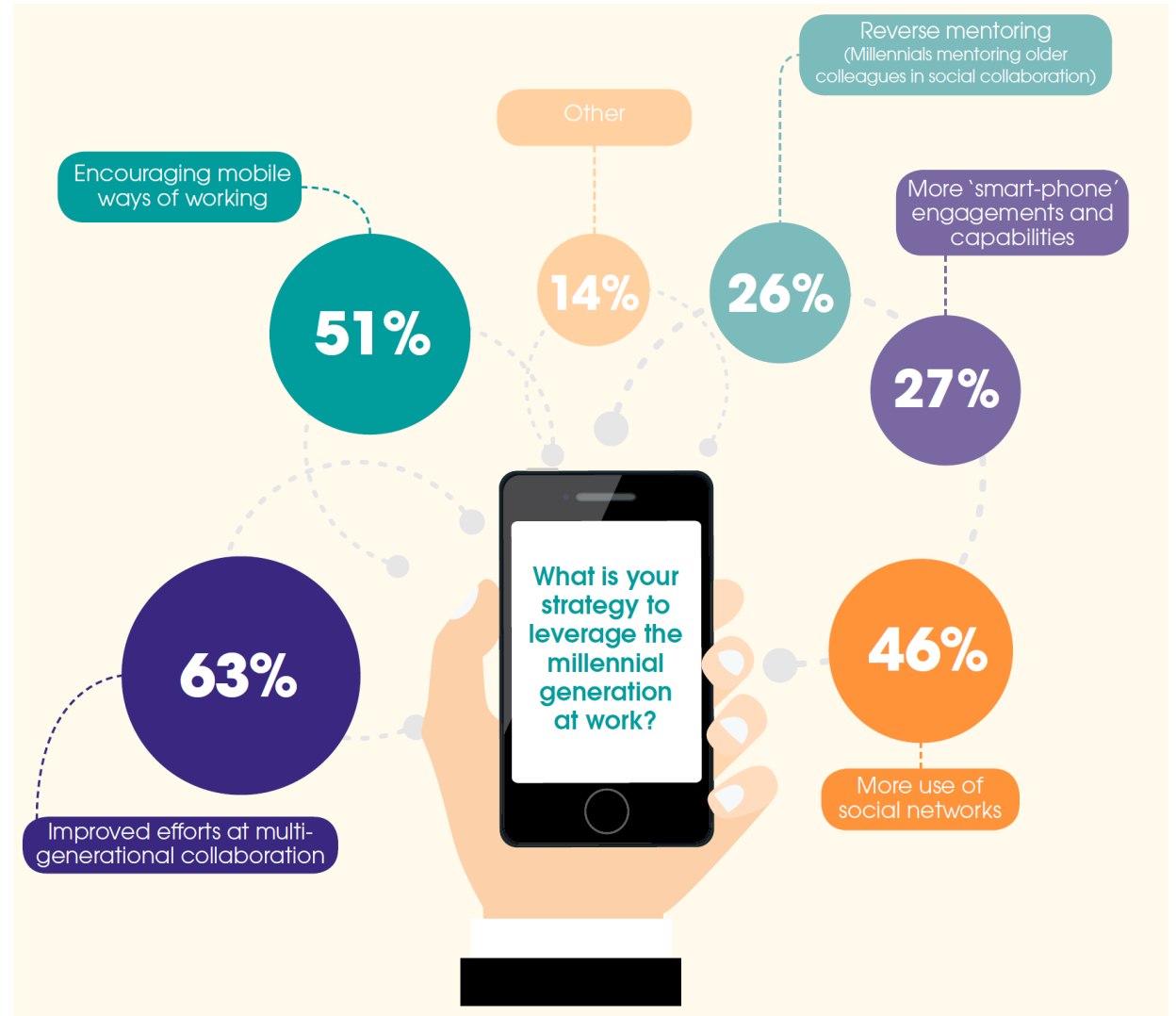


The diagram above is not hierarchical, but rather an example of a career path.

# Responding to Millennials

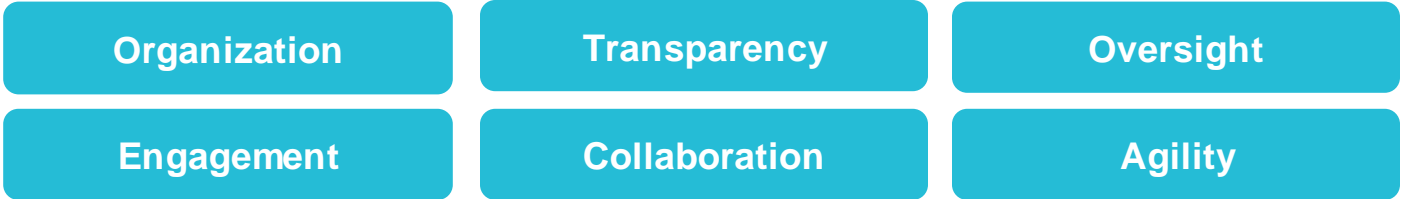
## Leading shared services organizations have developed talent management strategies to adapt to a new way of working

- 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 shared services organizations



# Responding to New Generations – Agile Activity Management

Shared services organizations are using a variety of online tools to increase productivity, collaboration, and transparency, and to provide real time status and ongoing touchpoints for flexible work styles.



Service Now HR > General ...

Conversations Files SharePoint Wiki SNOW HR OneNote 2 more +

we e Cogn... out building anything before we have

Reply

Link to file folders organizing supporting materials

SW - we added some additional training material to SharePoint in General > 04 - Training. It is an extra set of with additional scenarios. We are thinking about possibly scheduling a time next to step through together.

Reply

Yesterday

terday 5:35 PM

All, by close of business on Monday, March 19th, I each stream to align with a new set of project guidelines for HRS pro navigate. All your existing files and folders you have created will be n all files and folders have been migrated. Sorry in advance for any inco

Reply

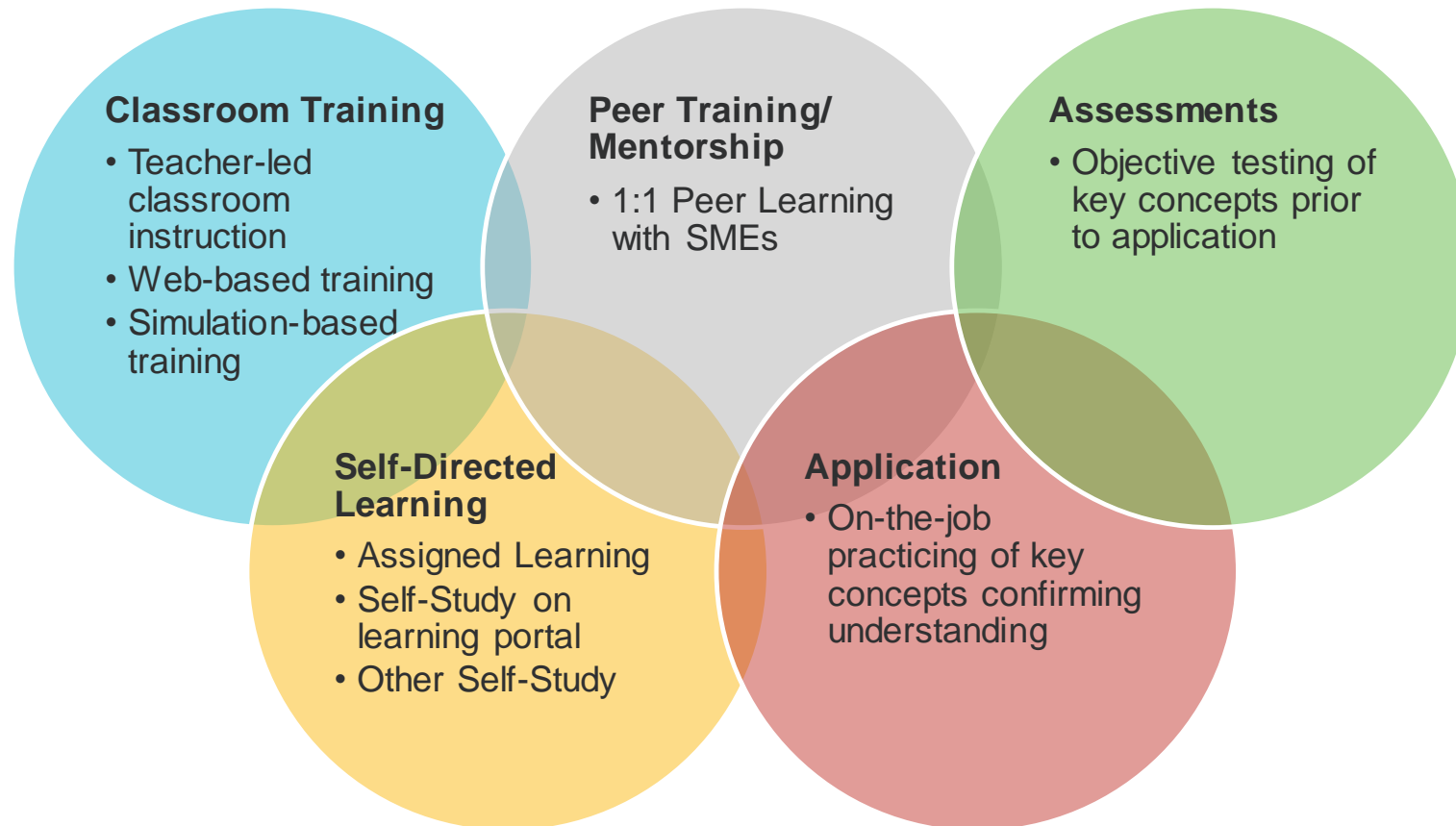
Chat functionality

Start a new conversation. Type @ to mention someone.

Add team

# Integrating a Modern Learning Approach – A Collage

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.





# SSO Accelerator



# Benefits of SSO Accelerator

## BENEFITS



**1.** Identify gaps and drive continuous improvement



**2.** Understand how you compare to benchmarks and leading practices



**3.** Gain perspective from shared services experts



**4.** Prioritize improvement initiatives



**5.** Support business case for continued investment

# SSO Accelerator Benefits All

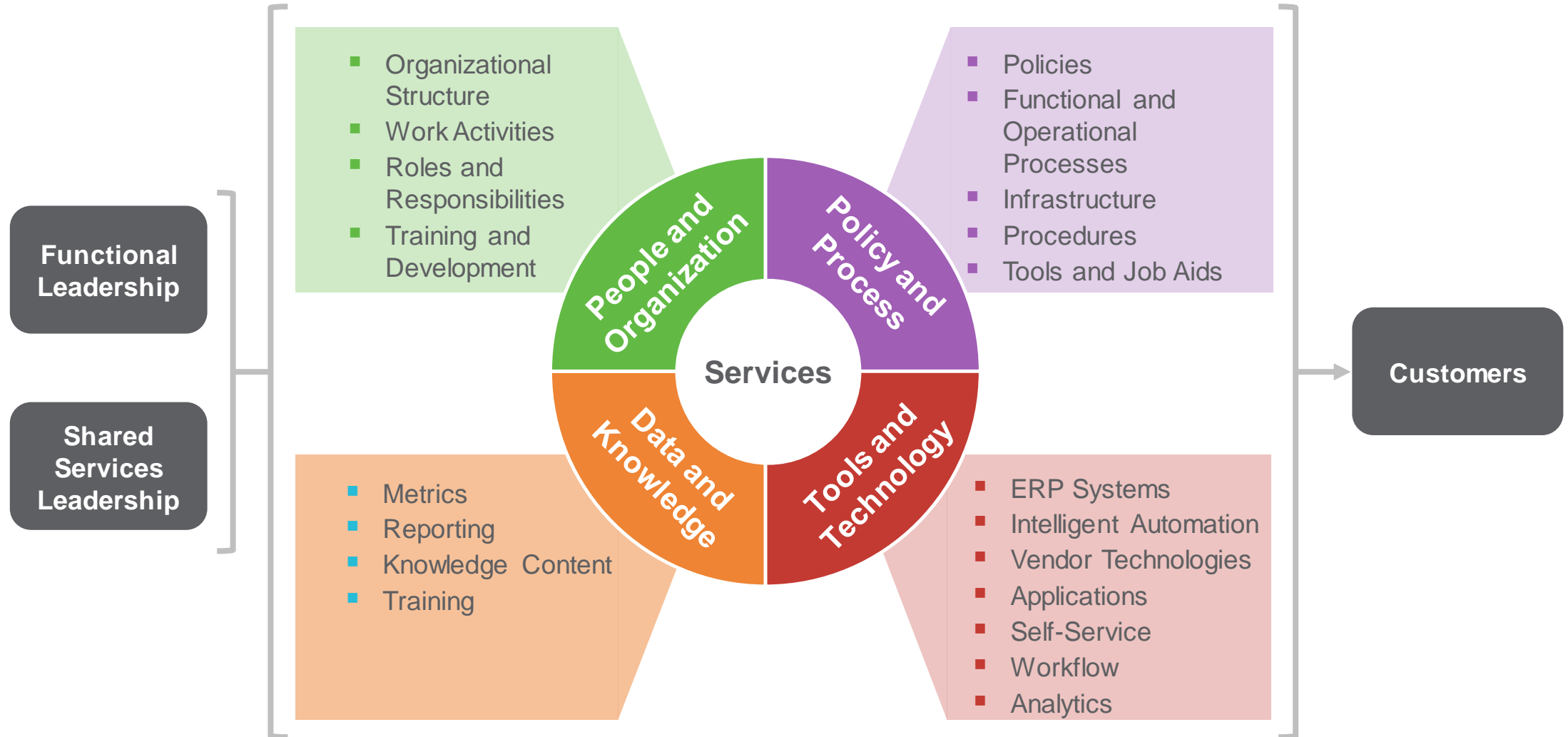


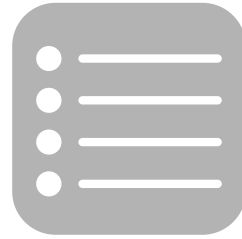
- Policy harmonization
- Process redesign
- Service delivery model review
- Organizational structure
- Technology implementation
- Governance model

- Process redesign
- Expansion opportunities
- Leverage of leading practices and benchmarks
- Training and staff retention
- Other technology investments
- Multifunction integration
- Governance clarification

- Continuous improvement
- Expansion opportunities
- Customer satisfaction
- Leverage of leading practices and benchmarks
- Career pathing
- Technology optimization
- Multifunction optimization

# SSO Accelerator Components





# Wrap Up



# Wrapping Up

## Housekeeping items to help us improve!

- Please complete the following items before you leave:
  - Workshop assessment/evaluation form
  - Collateral request card



## ScottMadden activities you can participate in:

- Stop by ScottMadden's booth for additional information or to learn more
  - Finance and HR benchmarking studies
  - Information on Getting Started
  - Shared Services Performance Accelerator (demo drive)



Thank you for participating in today's workshop and enjoy the rest of the conference!