

# Welcome to SSOW 2019!

Brad DeMent, *Chairman*

# It's a BIG Conference – Let's Simplify the Concepts

**01**

THE DELIVERY MODEL

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**02**

THE TECHNOLOGY

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**03**

THE PEOPLE & CUSTOMERS

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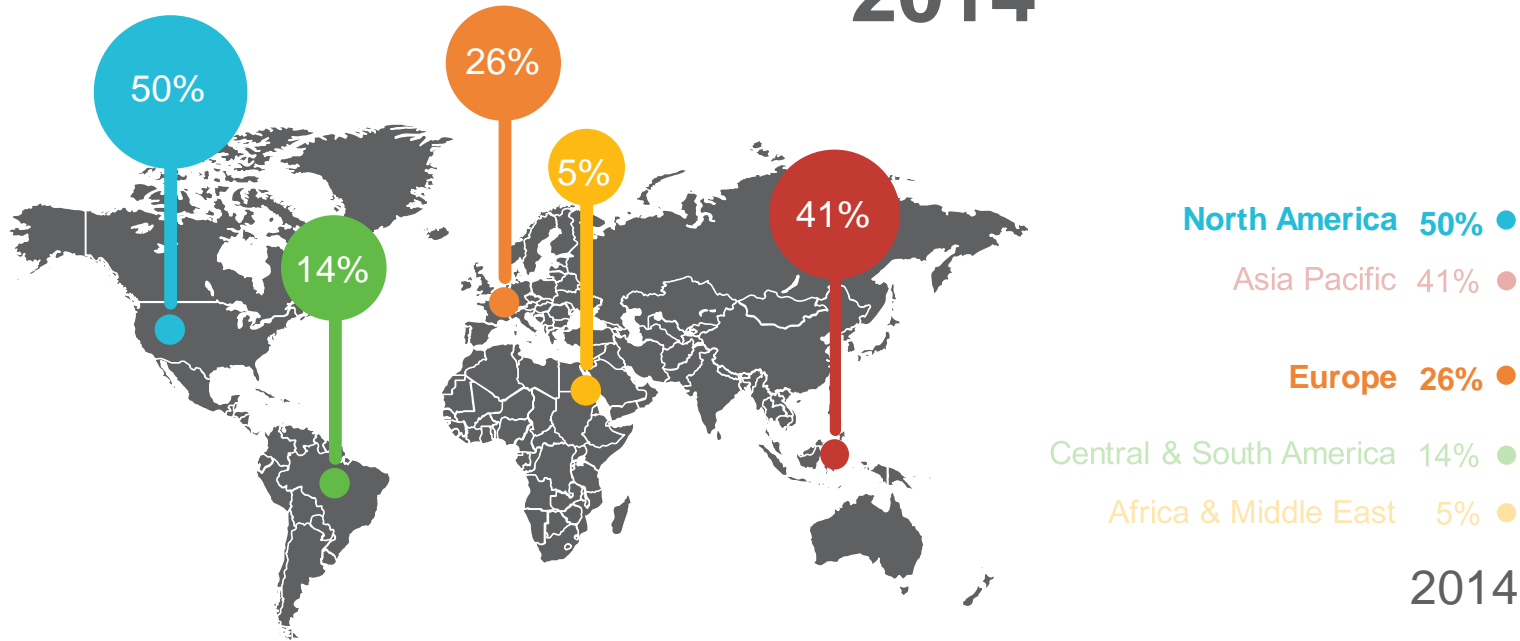
# The Delivery Model



# Different Location Trends

In which regions are your SSCs located?

## 2014



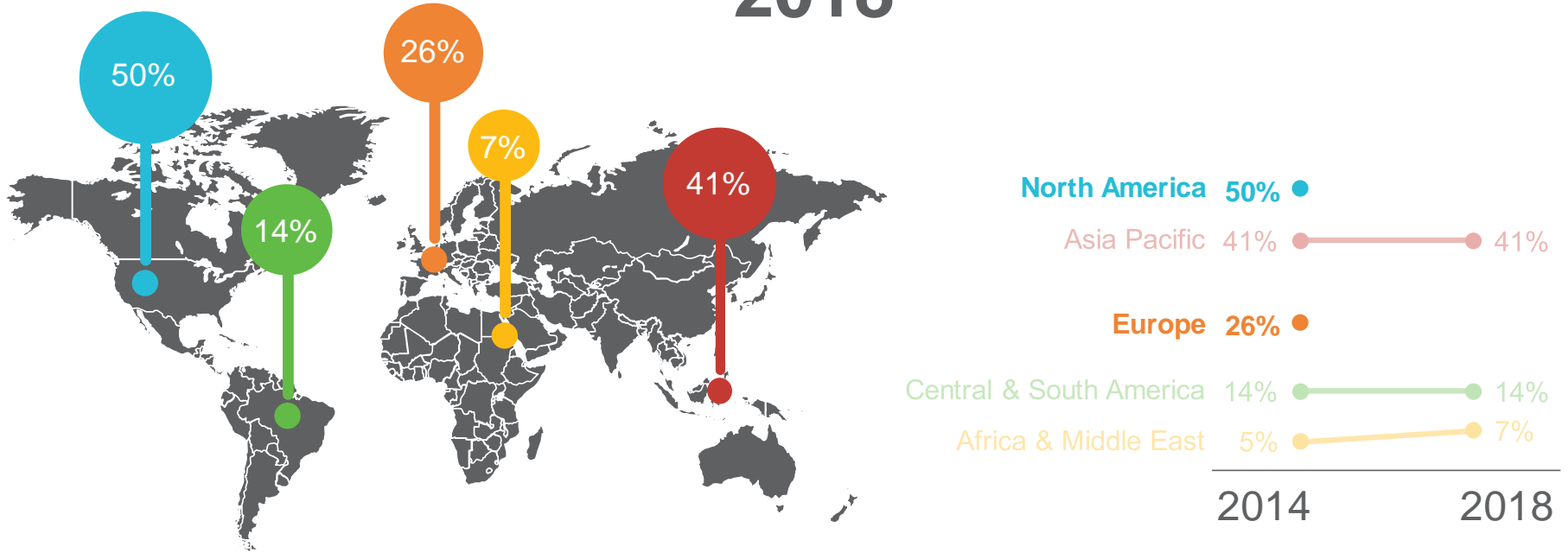
2014



# Different Location Trends

## In which regions are your SSCs located?

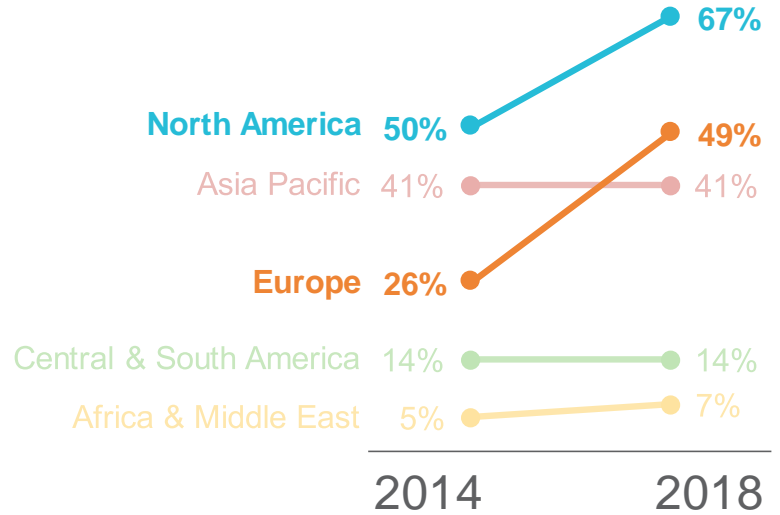
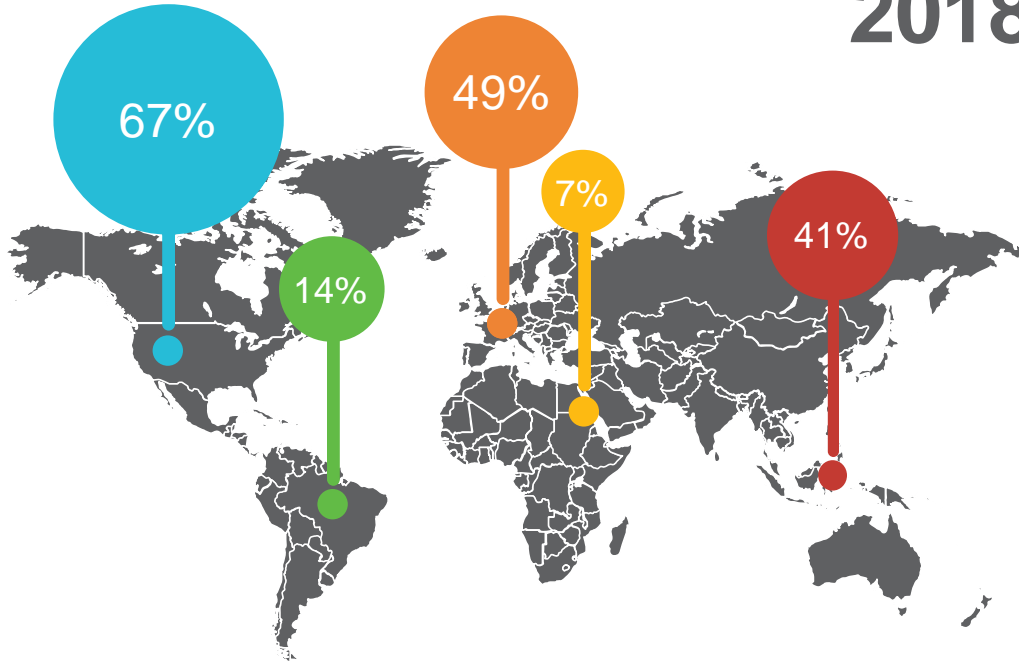
# 2018



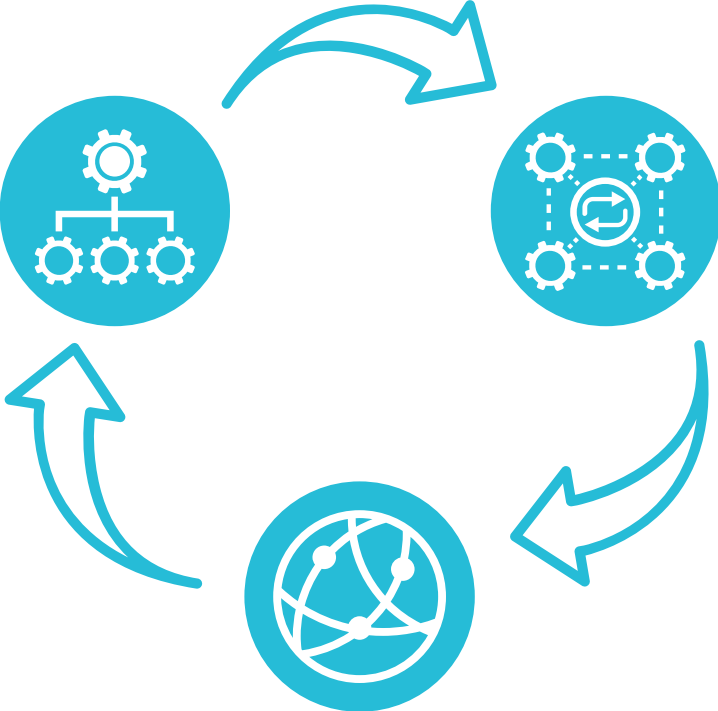
# Different Location Trends

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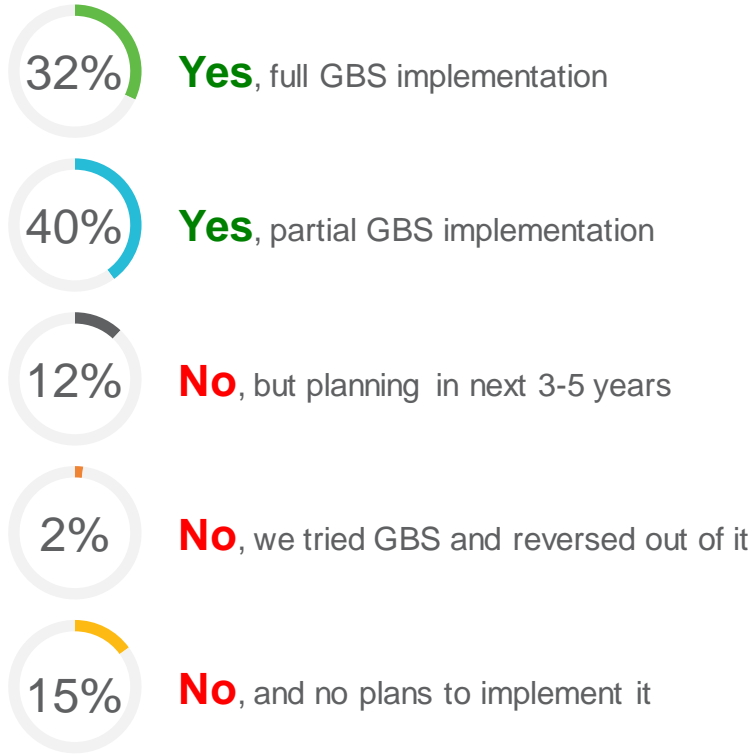


# Single Function, Multi-Function, GBS... and Back Again?



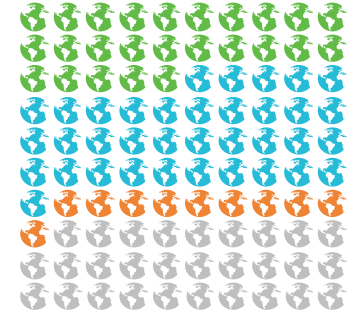
# Our Observations on GBS

## What Does SSON See



## What Does ScottMadden See

**25%**  
operate with a **single global center**



**46%**  
have **regional or country-specific centers** with global management integration

**29%**  
have **non-GBS models**

- 20% run independent regional centers
- 5% run local country-specific centers
- 4% don't have global operations



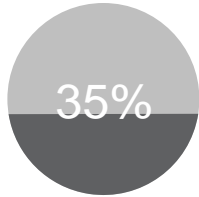
# Strong Commitment to Center of Expertise



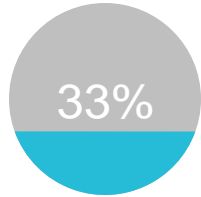
**2/3**

of North American SSOs are

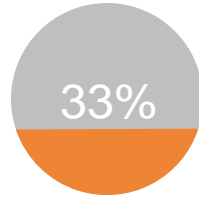
leveraging a **COE**, compared to **40%** from last year



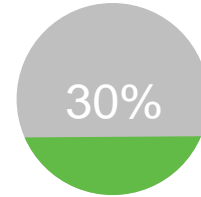
HR  
Expertise



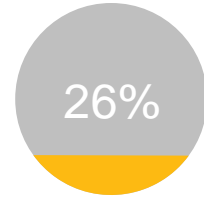
Finance  
Expertise



RPA/AI



Data Analytics

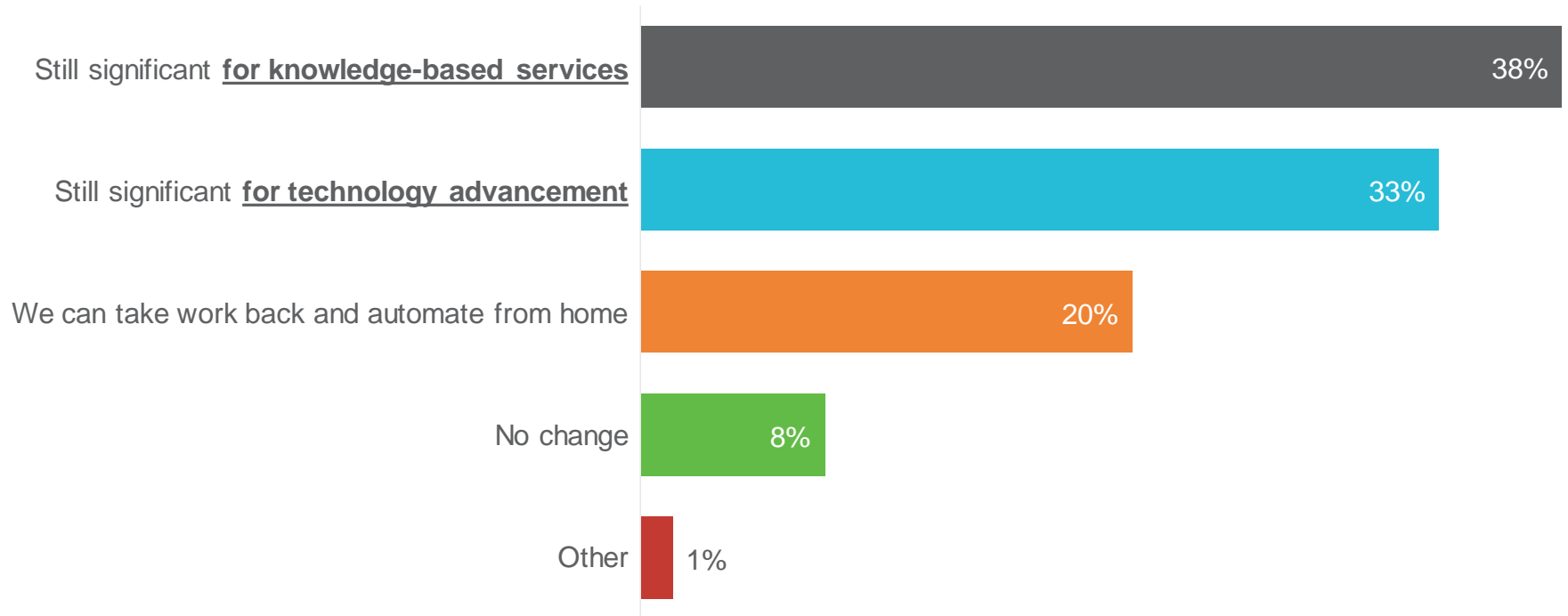


Continuous  
Improvement



# Changing BPO or Offshoring Partner Arrangements

In the age of automation, how do you rate outsourcing?



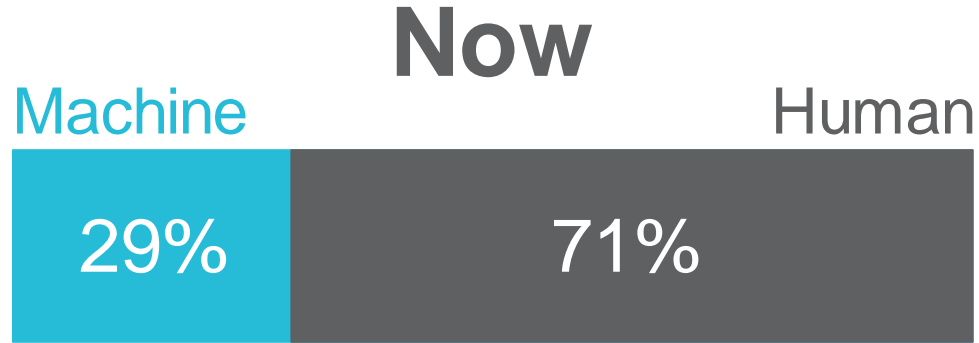


# The Technology



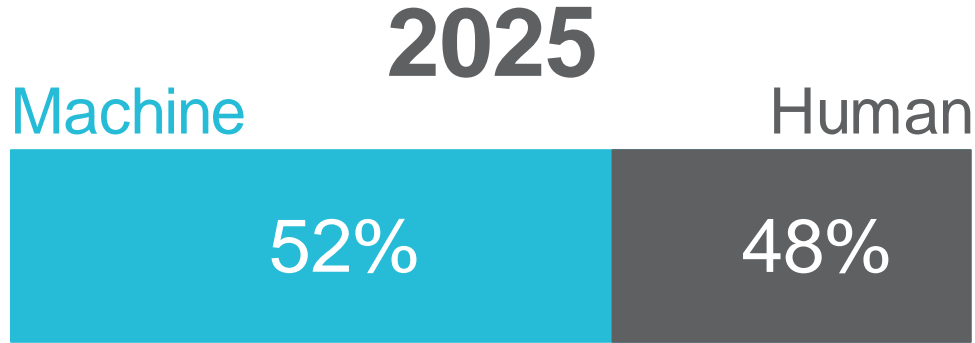
# Rate of Automation

According to World Economic Forum's Future of Jobs Report...



# Rate of Automation

According to World Economic Forum's Future of Jobs Report...



## Top Declining Roles

Data Entry Clerks

Accounting, Bookkeeping, and Payroll Clerks

Administrative Assistants

Client Information and Customer Service Workers



## AI Impact on Processes

~30%  
of HR work



*Candidate screening, training program customization, benefit plan recommendations, workforce planning, personalized onboarding, etc.*



## AI Impact on Processes

~40%  
of F&A work

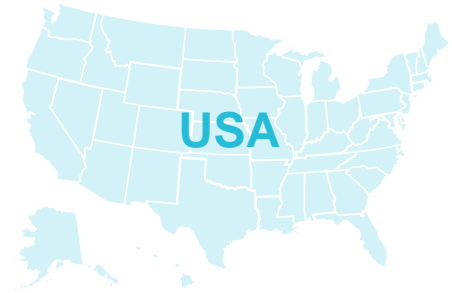
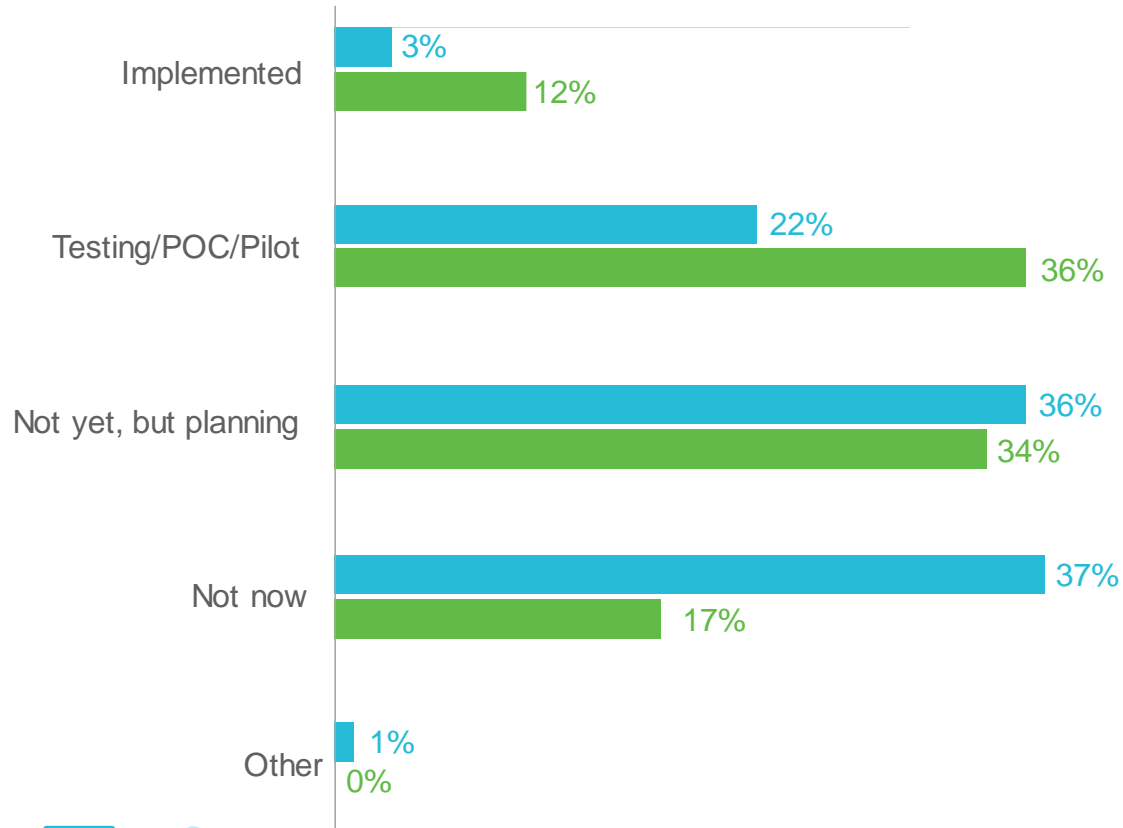


*Invoice error resolution, customer credit approval, expense report auditing, forecasting, planning and budgeting, tax planning, financial risk evaluation, etc.*



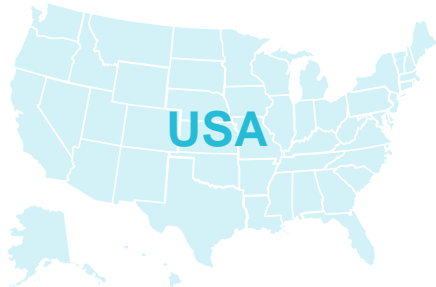
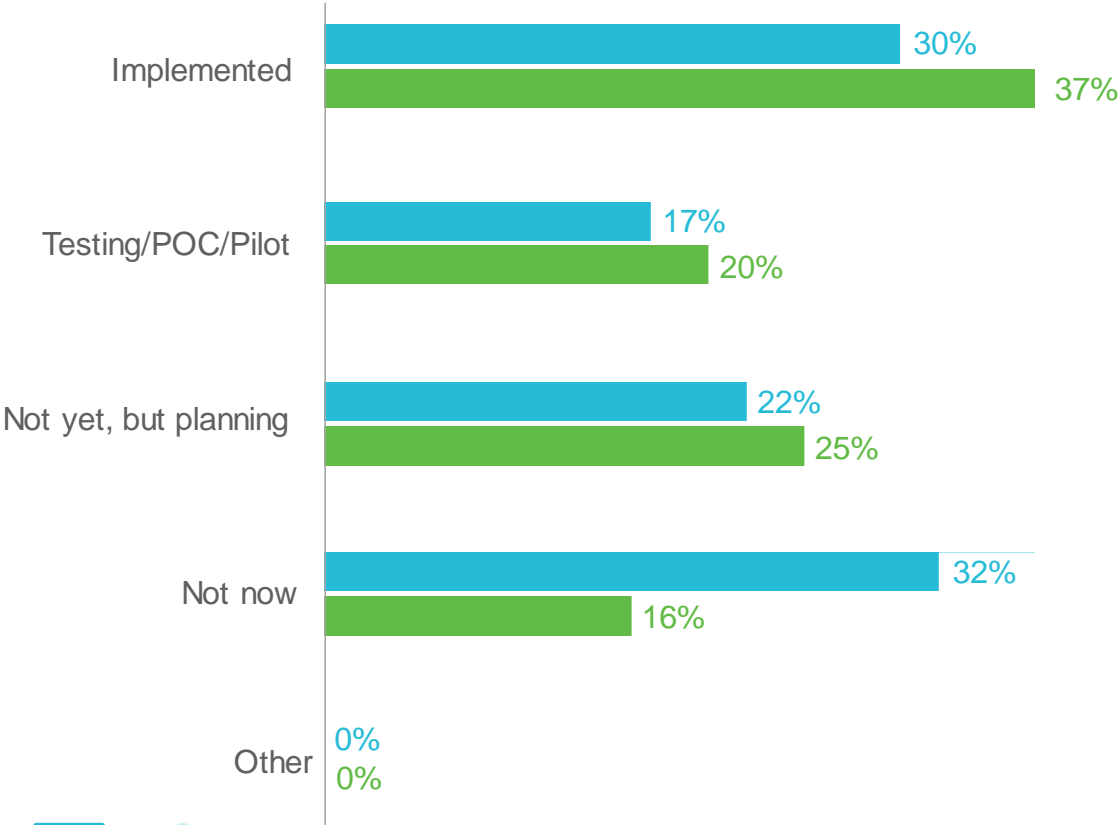
# IA Adoption Among SSOs

Last Year



# IA Adoption Among SSOs

Today



# RPA is Beginning to “Move the Needle”



**41%**

average **productivity**  
improvement



**40%**

average **cost savings**



**70%** of organizations  
reported **payback periods** of  
**less than one year**

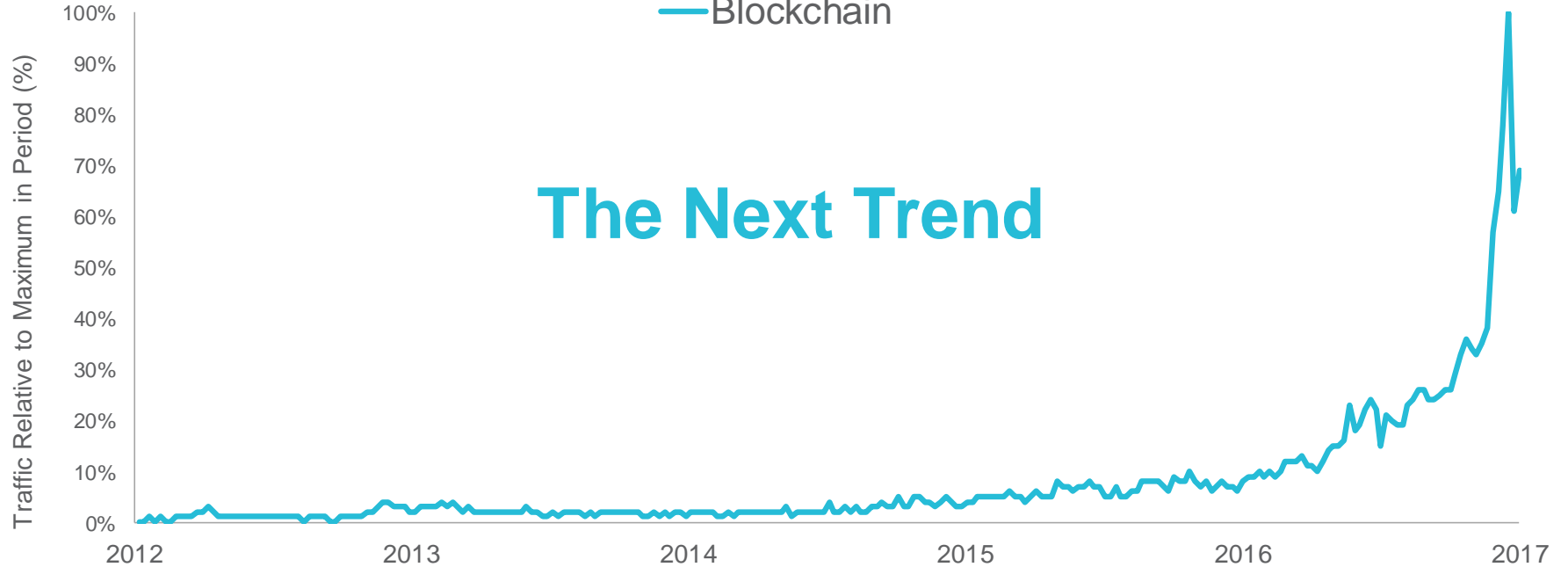


# The Rise of Blockchain

## Global Google Search Trends

Google Trends

—Blockchain



# The Next Trend



# Blockchain Positive Perception



## Secure

*Secure and detailed recordings*



## ERP “Agnostic”

*Can connect to multiple ERPs*



## Approved-ONLY

*Electronic contracts*



## Auditable

*Immutable history of every action*



## Blockchain Positive Perception



### Secure

*Secure and detailed recordings*



### ERP “Agnostic”

*Can connect to multiple ERPs*



### Approved-ONLY

*Electronic contracts*



### Auditable

*Immutable history of every action*

## Blockchain Concerns



### Complexity

*Hard to explain to decision makers (or anyone else)*



### Bandwidth

*Questions about infrastructure to support future growth*



### Competing Tech

*In the end, is it better than what we have today*



### Security Perception

*Concern of visibility on a distributed network*



# Blockchain Applied to Shared Services

## Supply Chain

- ✓ Cargo tracking
- ✓ Commercial distribution management
- ✓ Digital manufacturing
- ✓ Logistics
- ✓ Supply chain management
- ✓ Traceability of products
- ✓ Track car fleets



## Will we see more of this?

### Administrative

- ✓ Document management and exchange system
- ✓ Data storage and verification

### Human Resources

- ✓ Background checks and verification of employment histories
- ✓ Payroll transactions

### Finance

- ✓ Account settlements and reconciliation
- ✓ Asset transfer
- ✓ Real-time gross settlement (RTGS) system



**MAERSK**



# The Cyber Attack Landscape

In the first half of 2018...

**945**

Data Breaches

**4.5**

Billion Records

## Types of Attacks

Malware, Ransomware, Web Threats,  
Mobile, Email, IoT...



Average Cost of a Data Breach:

**\$3.9M**

Insider Threat,  
25%



External Attackers,  
75%

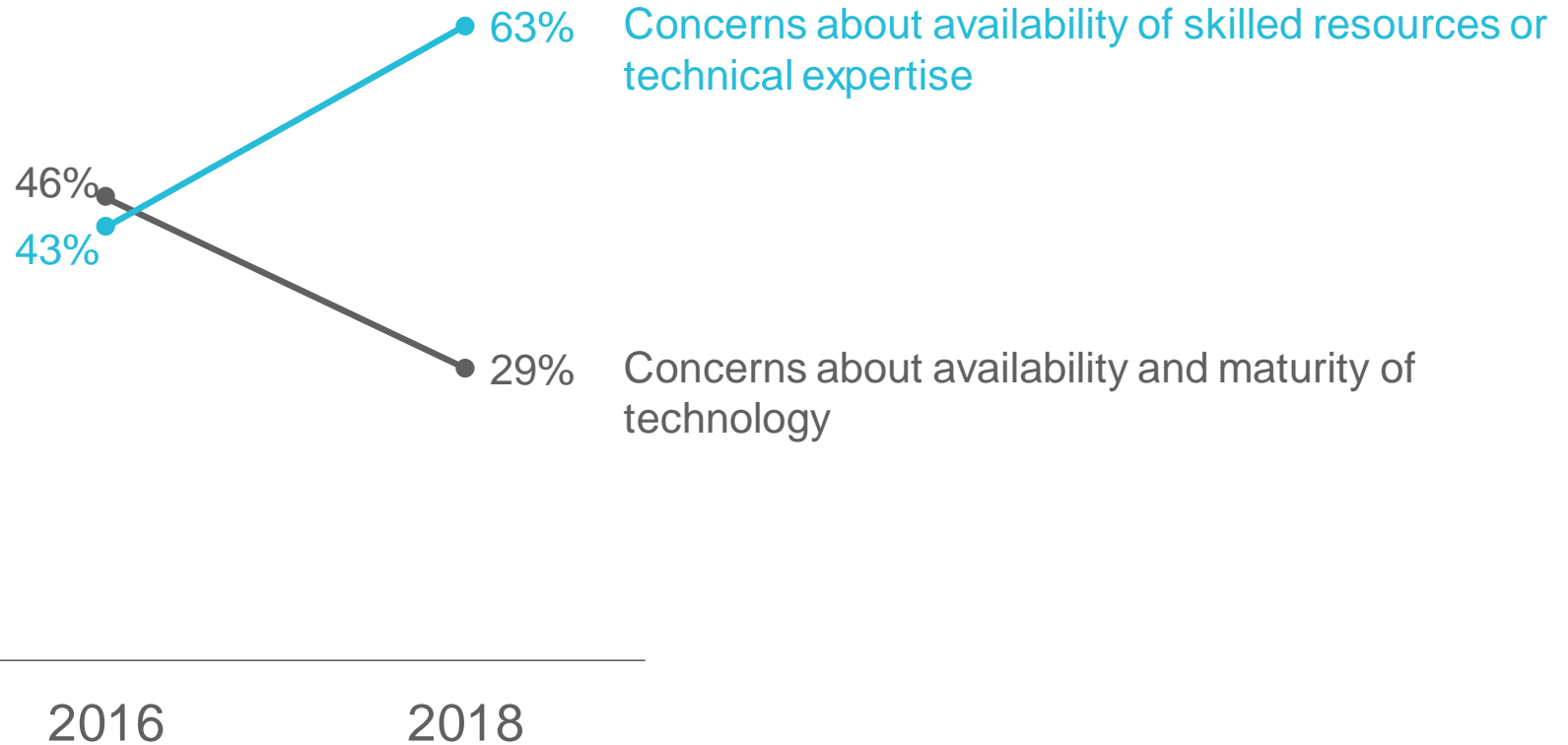




# The People & Customers



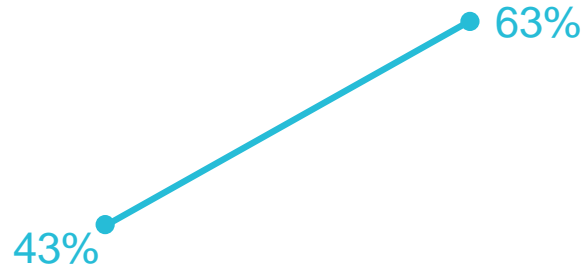
# Technology Maturity vs. Talent Availability



2016

2018

# Technology Maturity vs. Talent Availability



Concerns about availability of skilled resources or technical expertise

- Recruiting or up-skilling talent for higher-value services
- Reconfiguring the workforce after digital transformation
- Managing/reducing attrition

2016

2018



# Data Analytics (31%)



Technology/Automation (31%)

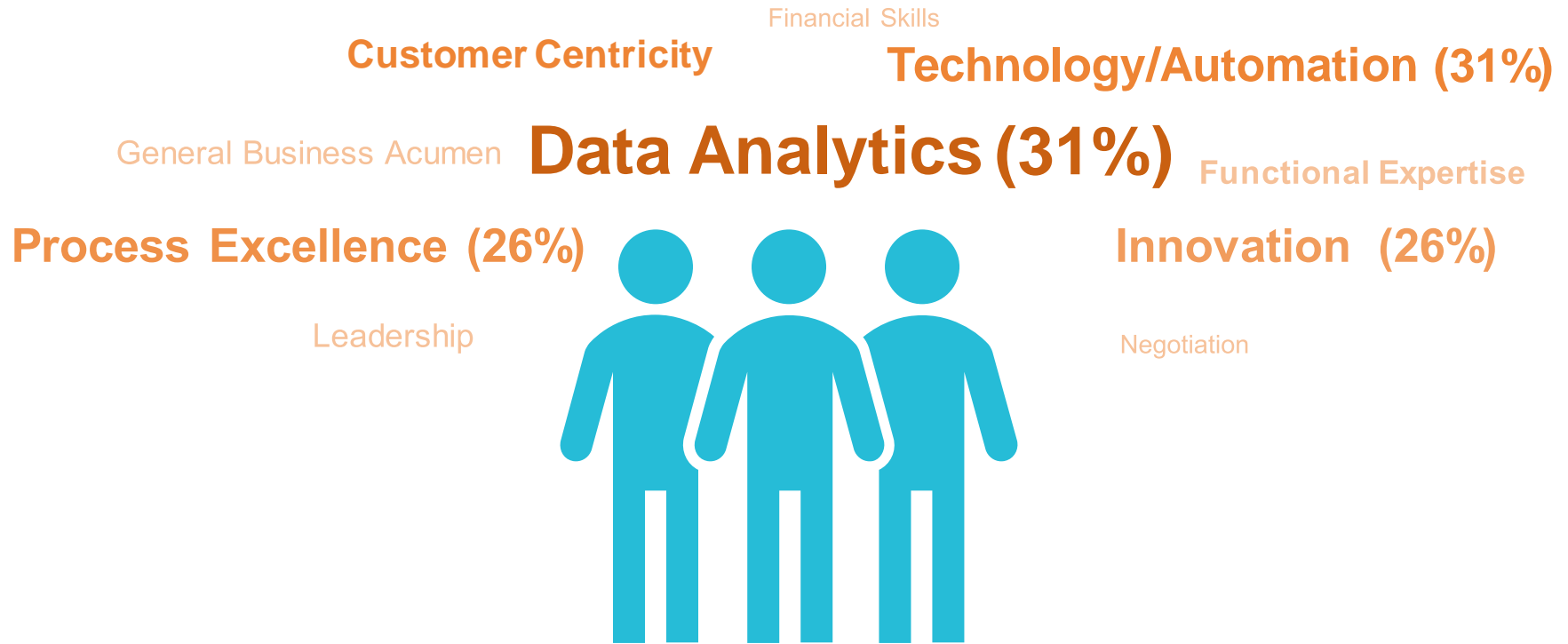
**Data Analytics (31%)**

Process Excellence (26%)

Innovation (26%)

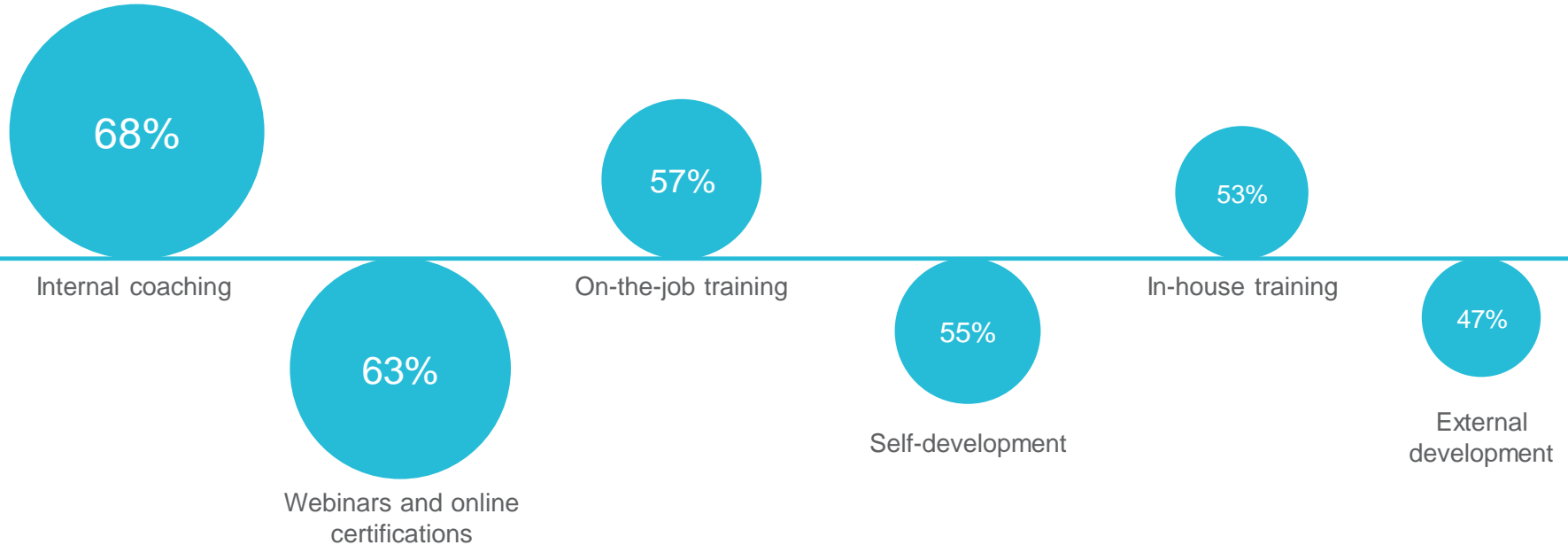


# SSO Skill Gaps



# Popular SSO Workforce Strategies

How are you reskilling your workforce?  
*(multiple answers were allowed)*



# Customer Service as a Key Benefit of Shared Services

Last year **33%** of SSOs listed customer service as a key benefit



## Customer Service as a Key Benefit of Shared Services

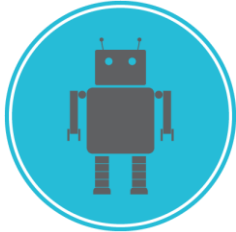
Last year **33%** of SSOs listed customer service as a key benefit

This year **45%** do



# Technologies and Customer Services

## By Next Year...



**25%** of customer service operations will use **virtual agents**



**23%** are already using **chatbots**; another 28% are planning

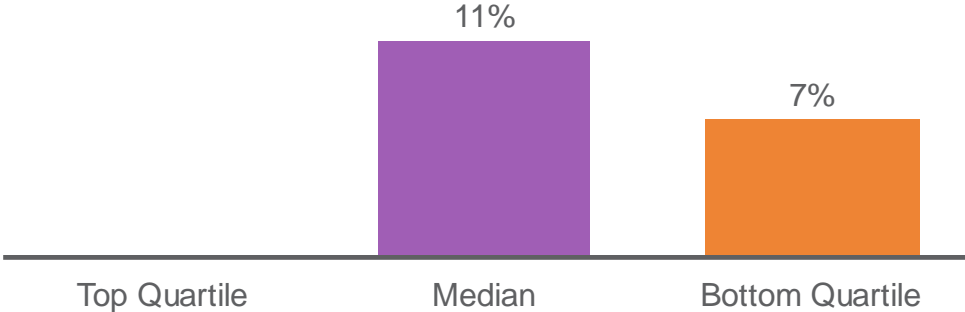


After implementing virtual customer assistants,  
**70% reduction of calls/emails is reported**



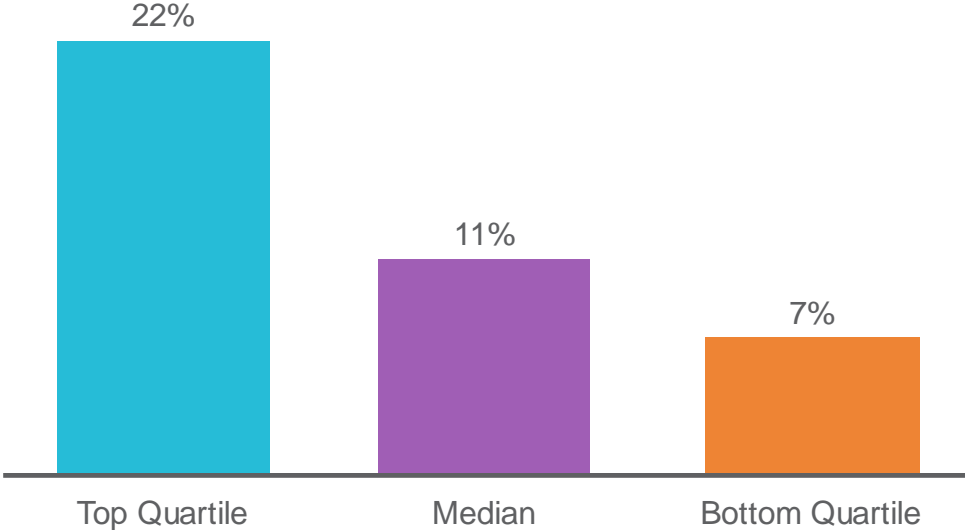
# SSO Customer Care

% of SSO employees dedicated to "customer care" inquiries



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## Tips for New Attendees

1

Take home **one idea**  
to implement in 2019

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Meet **two new** contacts for **long-term** idea sharing

## Tips for New Attendees

1

Take home **one idea** to implement in 2019

2

Meet **two new** contacts for **long-term** idea sharing

3

Grab **three meaningful metrics** to sell the case

# *Using Transformation as an Opportunity in Shared Services & GBS*

Krishna Nacha, **Wipro**

Suzanne Leopoldi-Nichols, **UPS**

Steven Jo, **Silicon Valley Bank**

Kamila Grembowicz, **Adidas Group**

Kelly Litster, **MGM Resorts International**

Cathy Bilotta, **Raytheon**