



scottmadden
MANAGEMENT CONSULTANTS

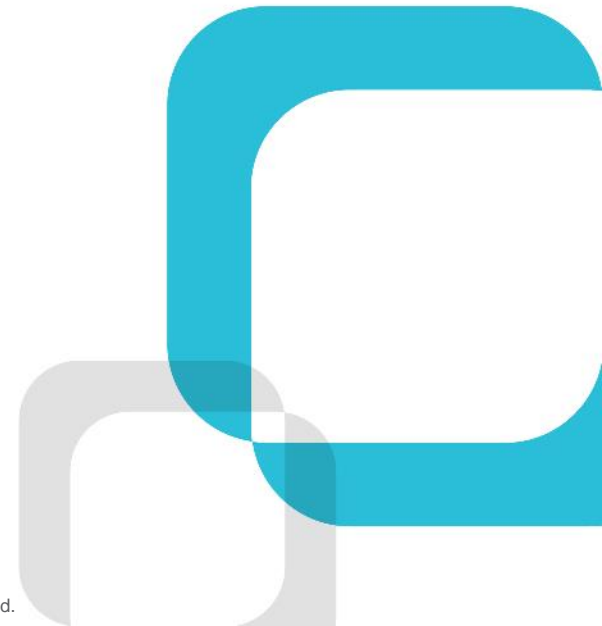
Smart. Focused. Done Right.®



Driving Shared Services Success at Every Stage of the Journey

Strategies and Tactics for Long-Term Success

April 2020



Agenda

01
ABOUT
SCOTTMADDEN



02
BUILDING A LONG-TERM
STRATEGY FOR SUCCESS



03
LEADING PRACTICE FRAMEWORK
FOR OPTIMIZING SERVICE DELIVERY



04
WHAT TO DO NEXT

YOUR DISCUSSION LEADERS



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Who We Are

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.

.....

WE DO

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

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 1,900 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 shared services knowledge, expertise, and experience are unmatched—no other firm has helped more clients with more unique solutions.

Sample of Higher Education Clients



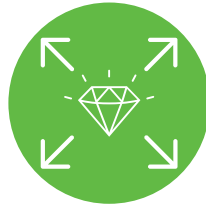
Note: Representative sample; not all-inclusive of clients served. Excludes numerous well-known clients due to confidentiality agreements

Our Higher Education Service Offerings

ScottMadden offers a range of services designed to help your institution improve performance and stay current with today's changing environment.

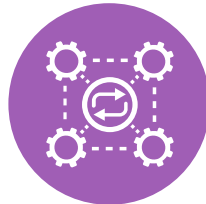
Operational Excellence

Establishing the right frameworks and tools for you to manage performance



Shared Services

Designing and implementing a shared services delivery model for your needs



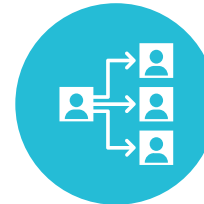
Technology

Navigating the best systems and approaches so you can harness digital capabilities



Organizational Optimization

Assessing and improving your structure and performance to optimize your organization



Opportunities Exist, Regardless of Your Maturity



- 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

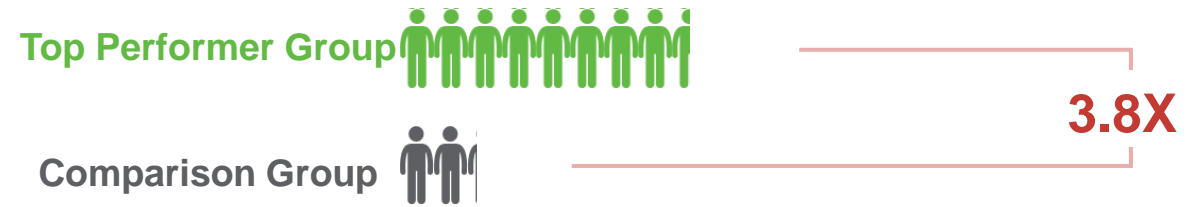
- Continuous improvement
- Expansion opportunities
- Customer satisfaction
- Leverage of leading practices and benchmarks
- Career pathing
- Technology optimization
- Multifunction optimization

Adopting Leading Practices Has a Significant Impact

Total Employees Served per Total HR Headcount



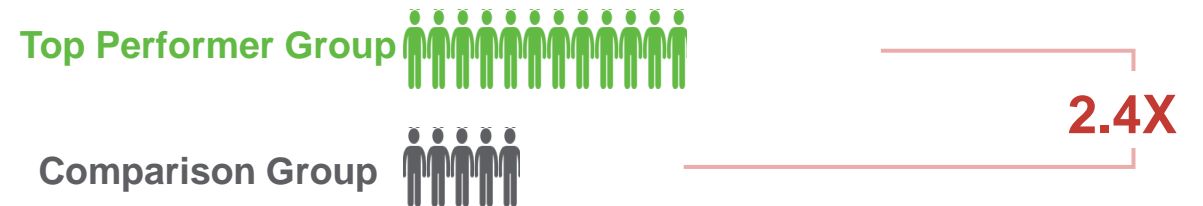
Total Employees Served per Total Finance FTE



Number of Employees Served per HR Service Center Employee

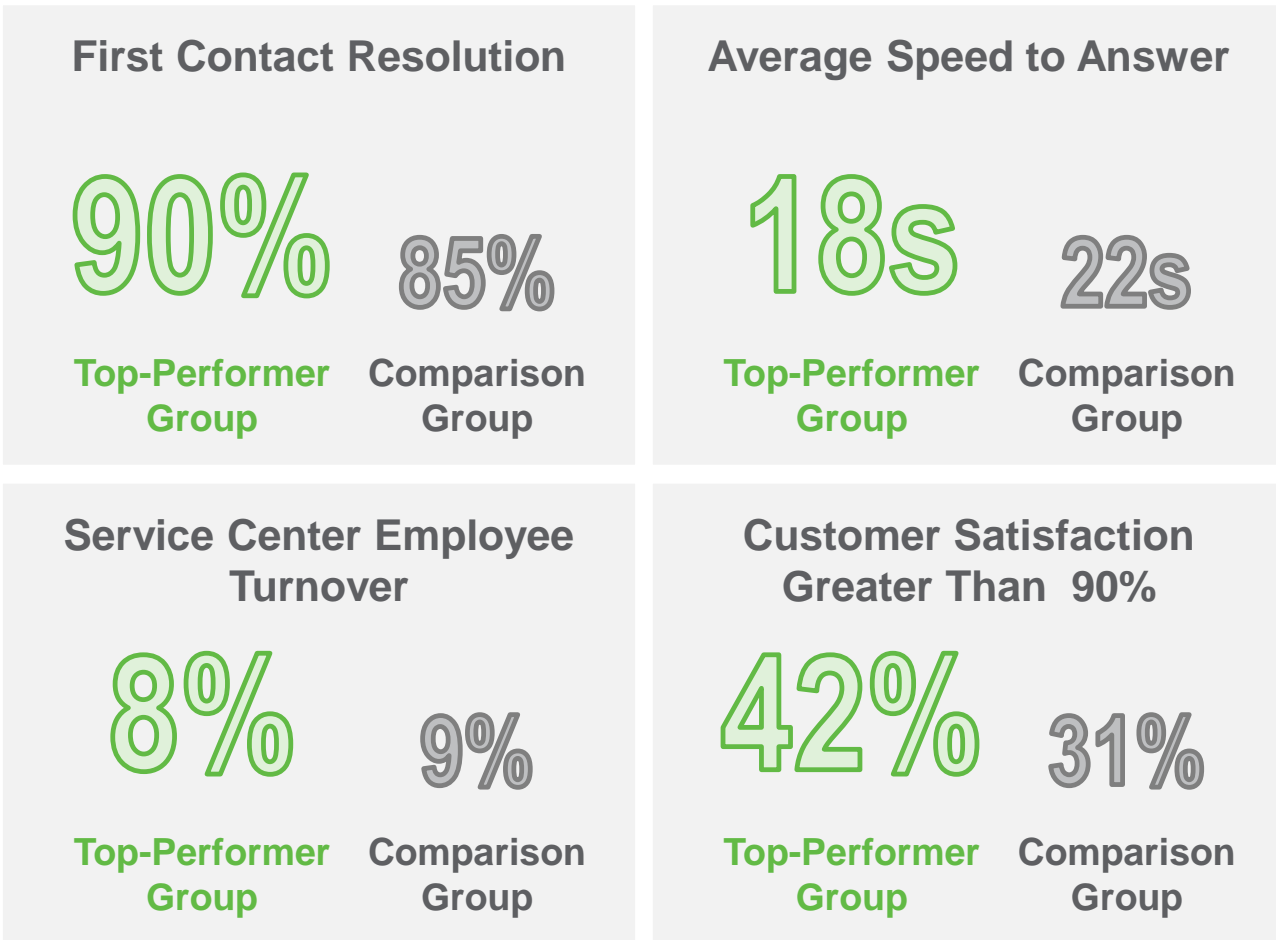


Number of Employees Served per Finance Service Center Employee

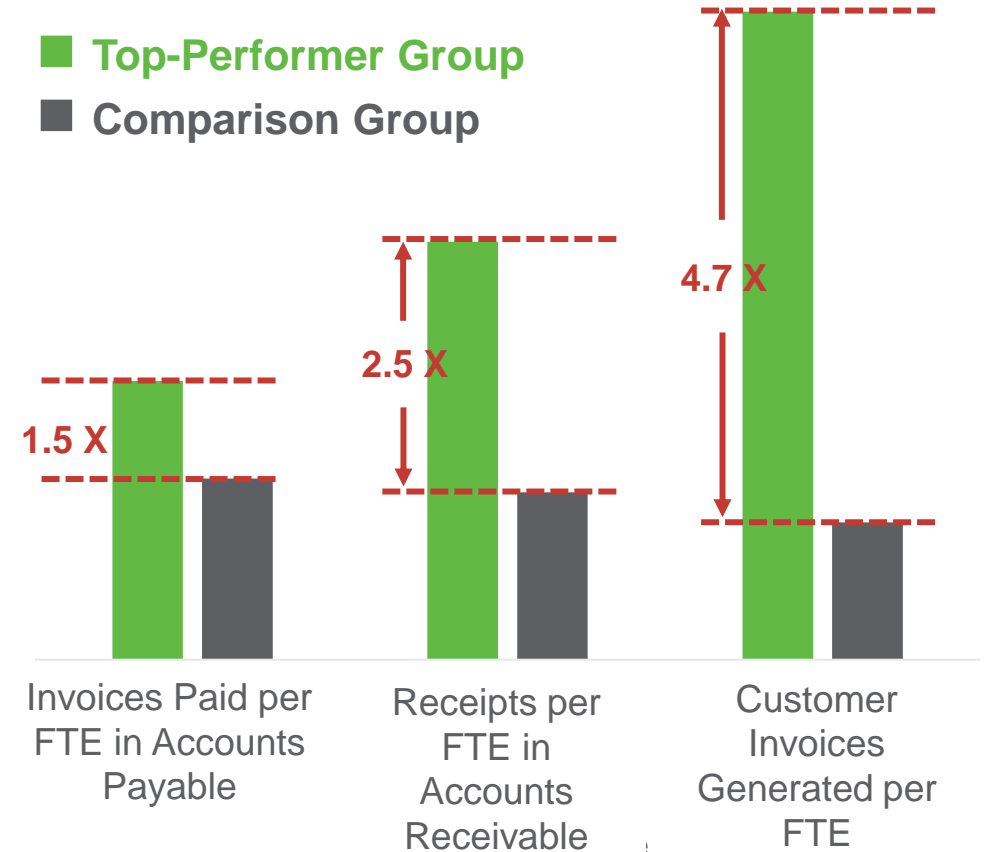


Adopting Leading Practices Has a Significant Impact (Cont'd)

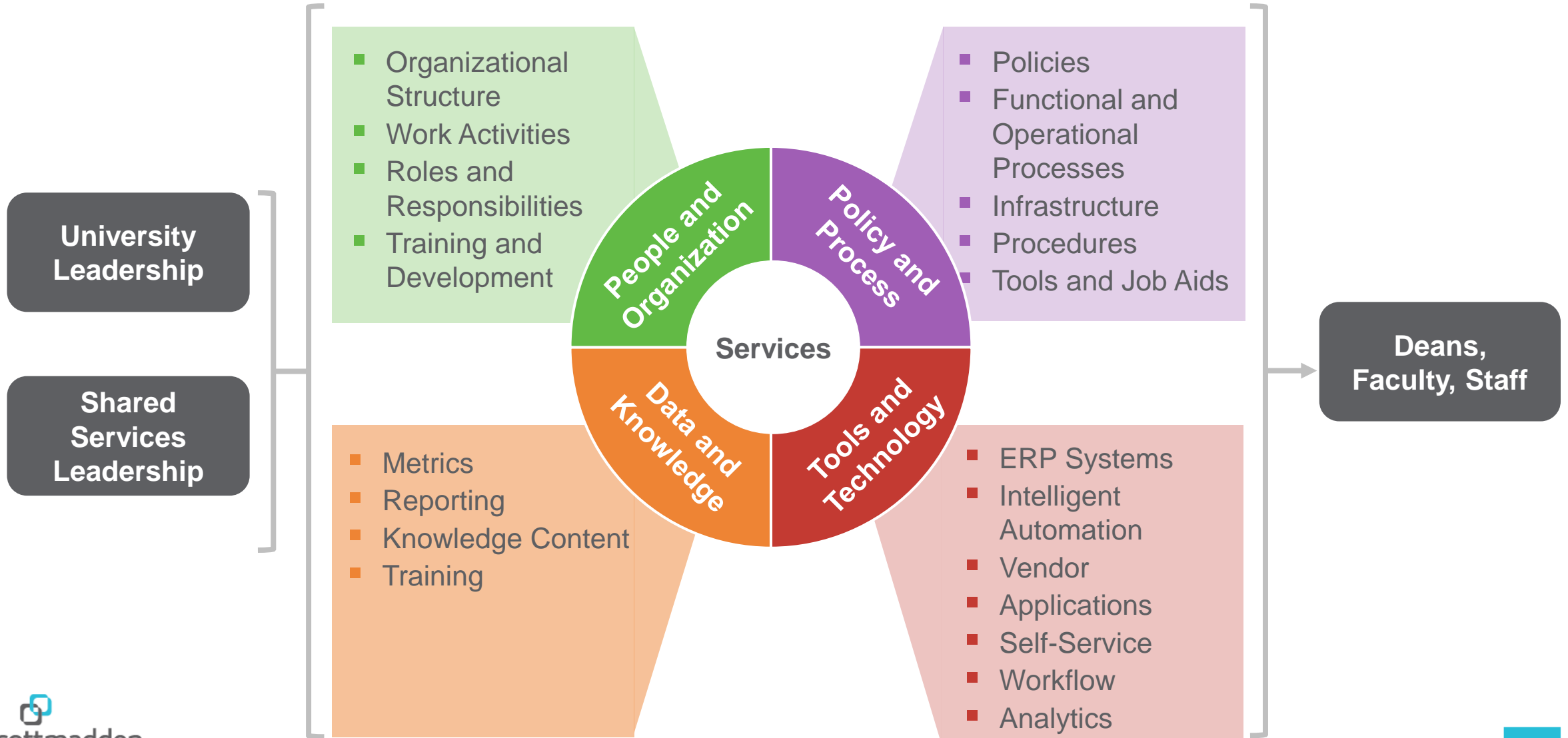
Customer Experience in HR



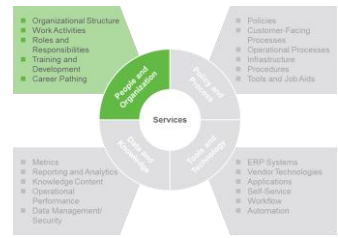
Finance Processing Efficiencies



Leading Practice Framework for Optimizing Shared Services



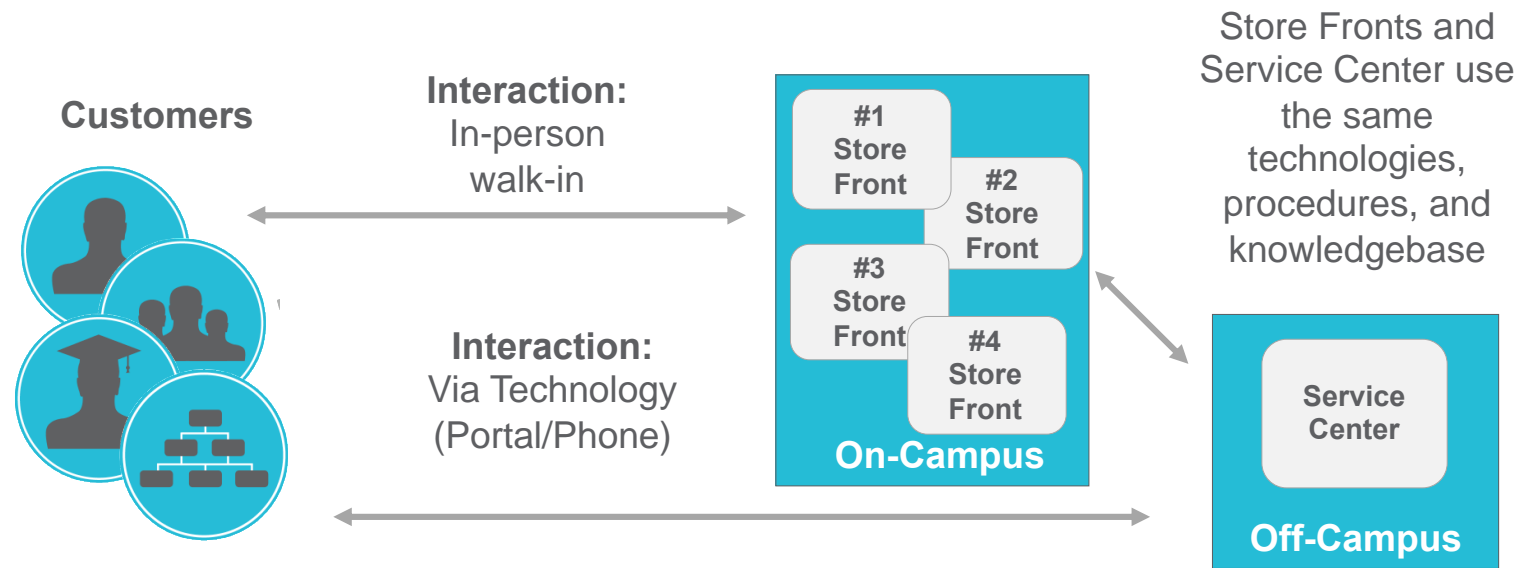
What Good Looks Like – Leading Practices Model



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

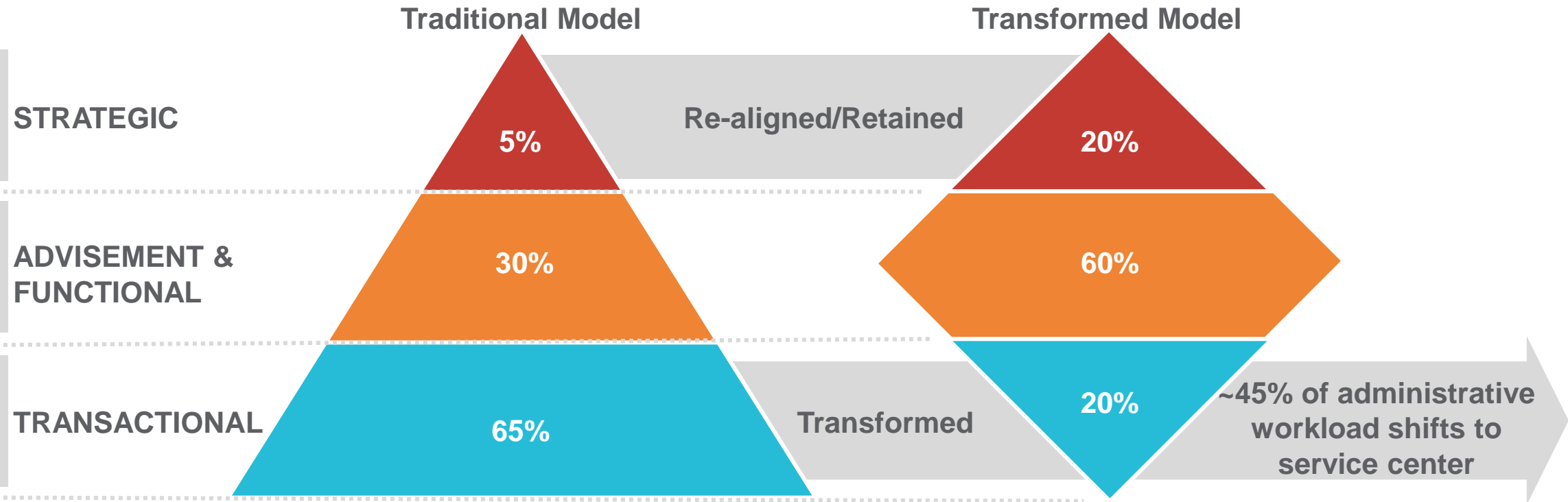
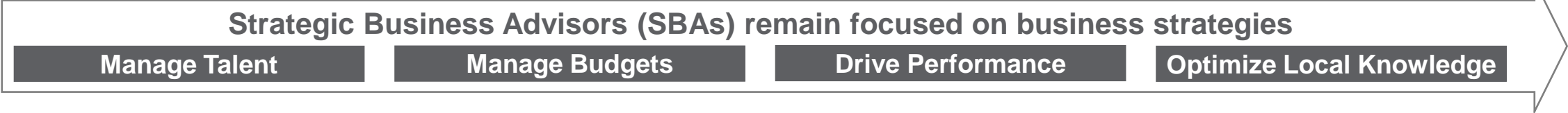
Benefits:

- In-person contact
- Less expensive and more efficient
- Research “office hours” for faculty
- Direct access via technology for inquiries
- Simpler governance/process consistency



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

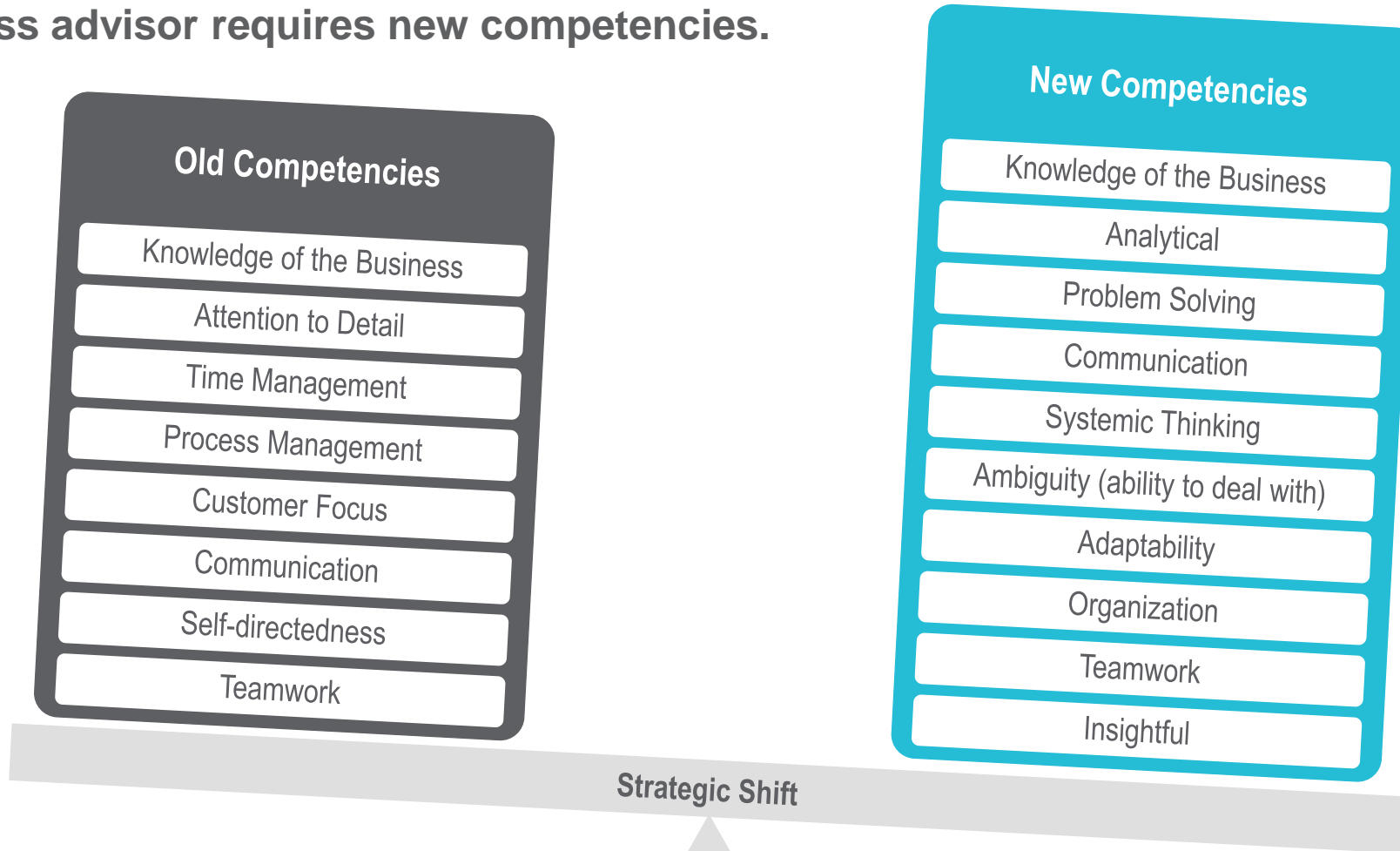
Optimizing Strategic Business Advisors Is Critical to the Model



Optimize Your Competencies



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



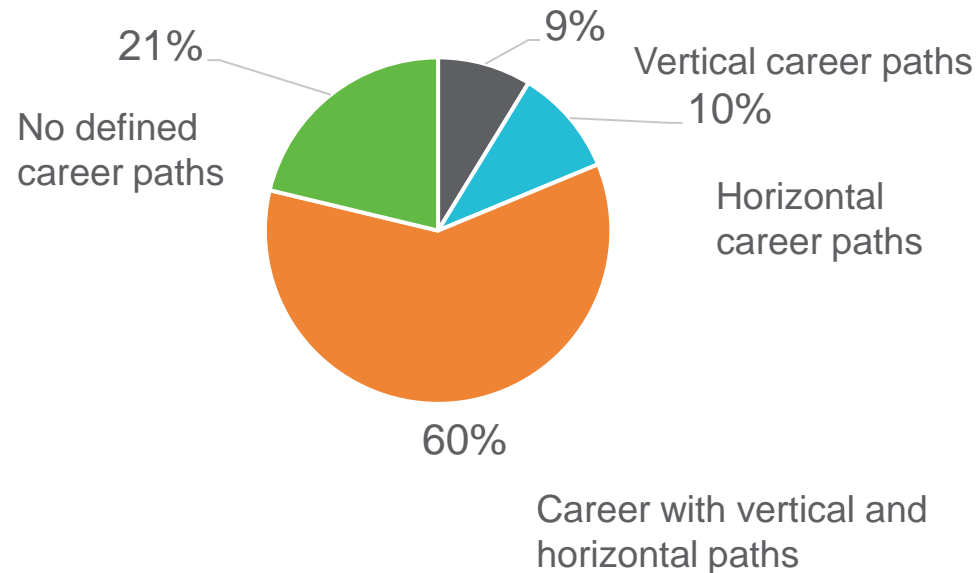
Use Career Paths



Almost 80% of participants report having defined career paths

- A mix of vertical and horizontal career paths is the predominate choice
- Multifunction, less mature, and small operations are less likely to have career paths

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



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

Promote New and Marketable Skills through SSO



NEW POSITIONS

- Account Manager
- Functional Leader
- Data Analytics Role
- Robotic Process Automation COE
- Business Intelligence COE
- Customer Services Roles
- Master Data Management
- Forecasting, Planning, and Analysis COE
- Continuous Improvement
- SLA Liaisons
- Process Owners

= NEW MARKETABLE SKILLS

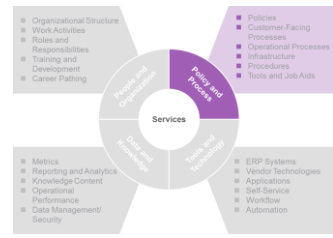
- Enterprise Leadership
- Data Science/Analytics
- Artificial Intelligence Application
- Unit Knowledge
- Customer Relationship Management
- Data Governance
- Financial Forecasting
- Business Case Design
- Negotiation
- Local Unit Culture & Knowledge

BENEFITS



The University

Set Scope and Clarify Responsibilities

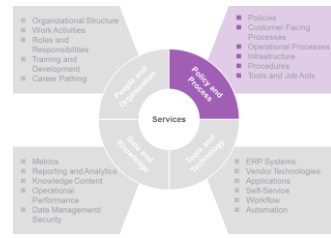


Setting the scope of work for each service delivery channel serves as the blueprint for all transformation activities (e.g., design of the future organization, process redesign, and technology design). The scope should:

- 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



“But We Are Unique!”



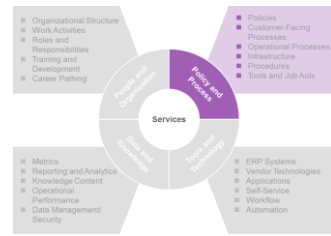
Determine policy exceptions:

- 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?

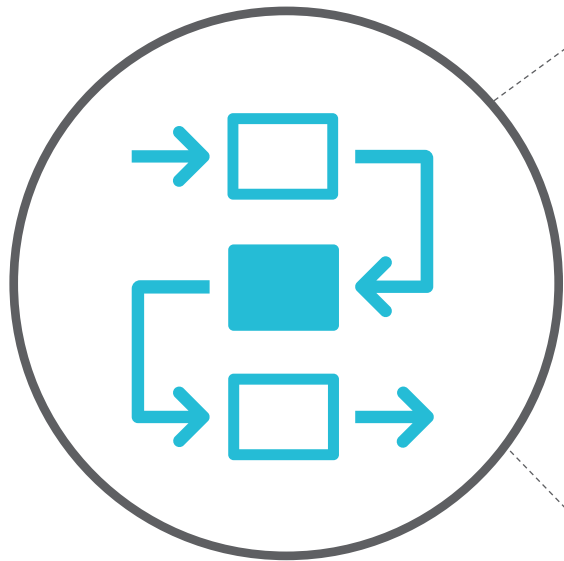
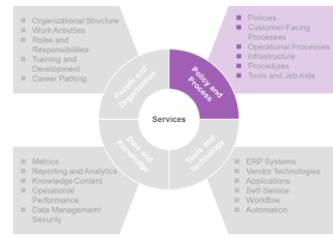
Develop Processes



Document redesigned processes using leading practice principles; ensure that:

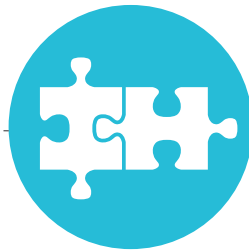
- There are **single, enterprise-wide processes**
- **Intake mechanisms** for each process are clearly defined
- **Roles and responsibilities** are clearly defined
- **Service level agreements (SLAs) and cycle times** for process steps are captured
- **Variation** among processes is **minimized**
- **Technology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

Optimize Processes



Governance

- Maintain standards
- Create an exception process
- Develop and execute process maintenance



End-to-End Strategy

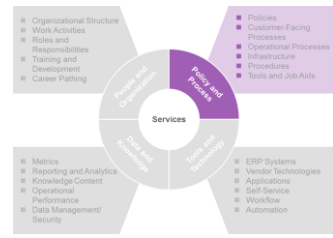
- Eliminate silos by organizing around processes
- Assign an owner to end-to-end enterprise processes, responsible for: process performance, design, investments, etc.
- Ensure processes become the enterprise language



Continuous Improvement

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

Ingrain Continuous Improvement



Continuous improvement uses performance measures to drive an organization’s strategy.

PROGRAM CHARACTERISTICS

A university-wide management system:

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

Strategy

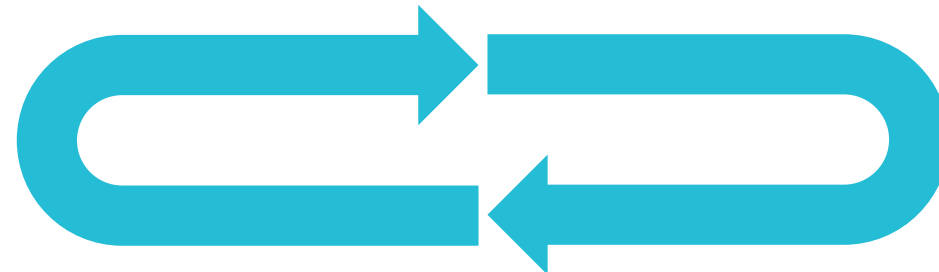


An ongoing process:

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

Set Measures and Targets

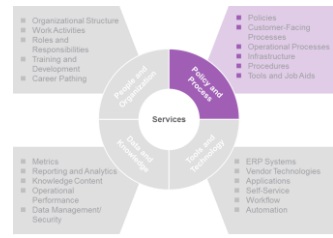
Reward and Coach



Plan and Execute

Monitor and Evaluate

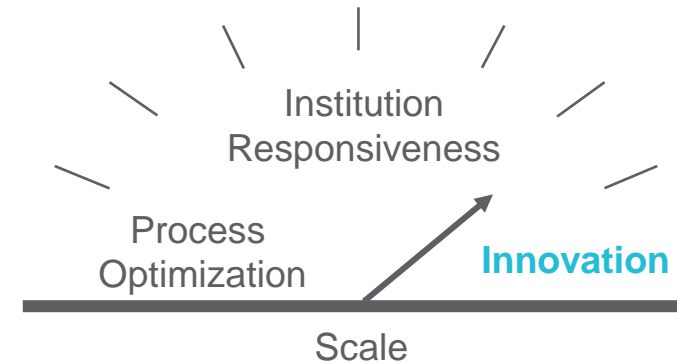
Continue to Move up the Value Chain



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

What is innovation in shared services?

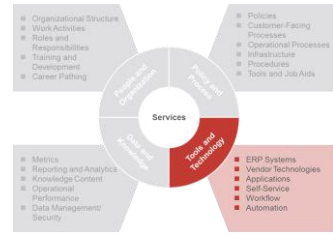
- Consultative services through COEs
- Predictive and prescriptive data analytics
- Virtual teams
- New value streams through commercialization
- A start-up mentality
- Innovation workshops or “failure conferences”
- Embracing advanced technologies



Higher-value services include:

- Employee Relations / Labor Relations
- Research – Pre- and Post Awards
- Data Analytics
- Robotics Processing Automation

What Good Looks Like: Portal Use



Which best describes your organization's use of an employee portal?



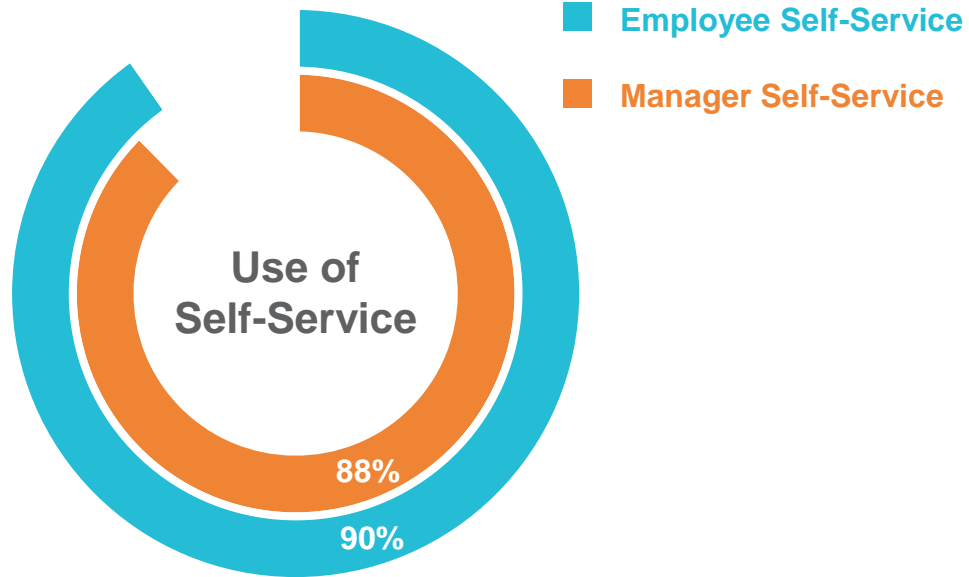
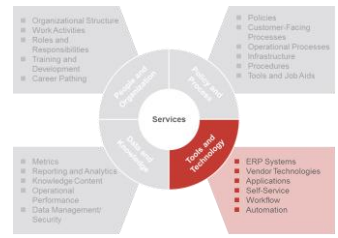
Robust Portal

86% of top performing shared services organizations have a robust portal, while **78%** of shared services organizations in the comparison group reported having a robust portal

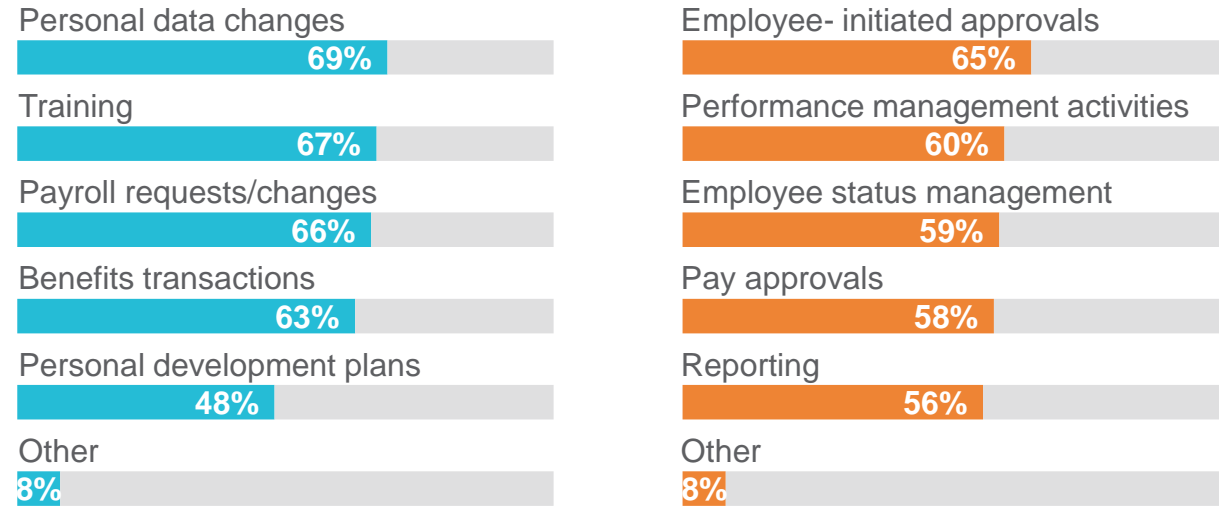
Portal hits per 1,000 employees



What Good Looks Like: Self-Service



Self-Service Capabilities



Self-Service Volume

Self-service transaction volume per 1,000 employees served

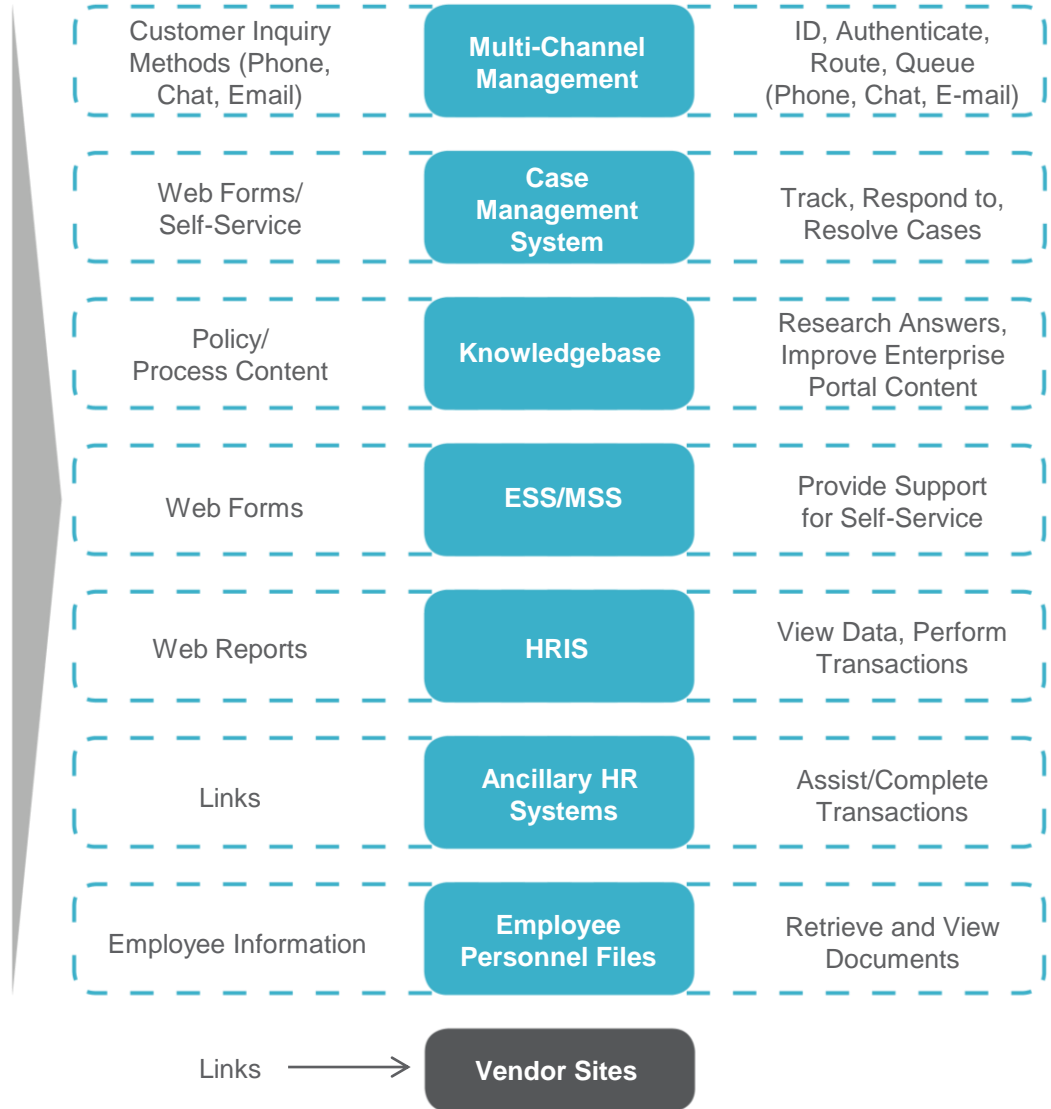
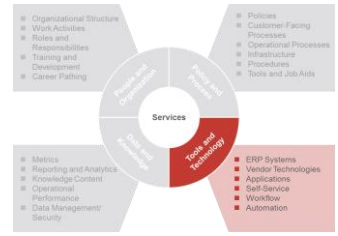


Self-service inquiry volume per 1,000 employees served

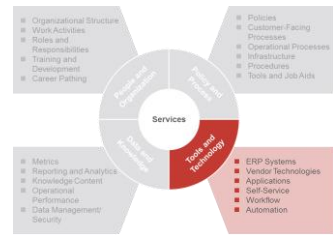


■ Top Performer Group ■ Comparison Group

What Good Looks Like: Critical Elements



Consider the Impacts of “Disruptive Technology”

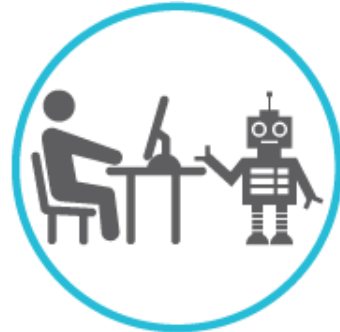


Intelligent Automation Continuum¹



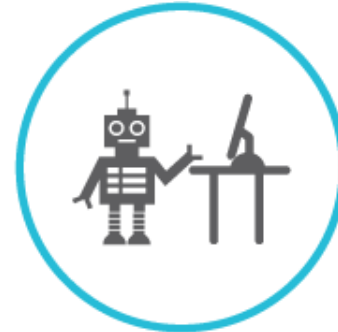
Manual

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

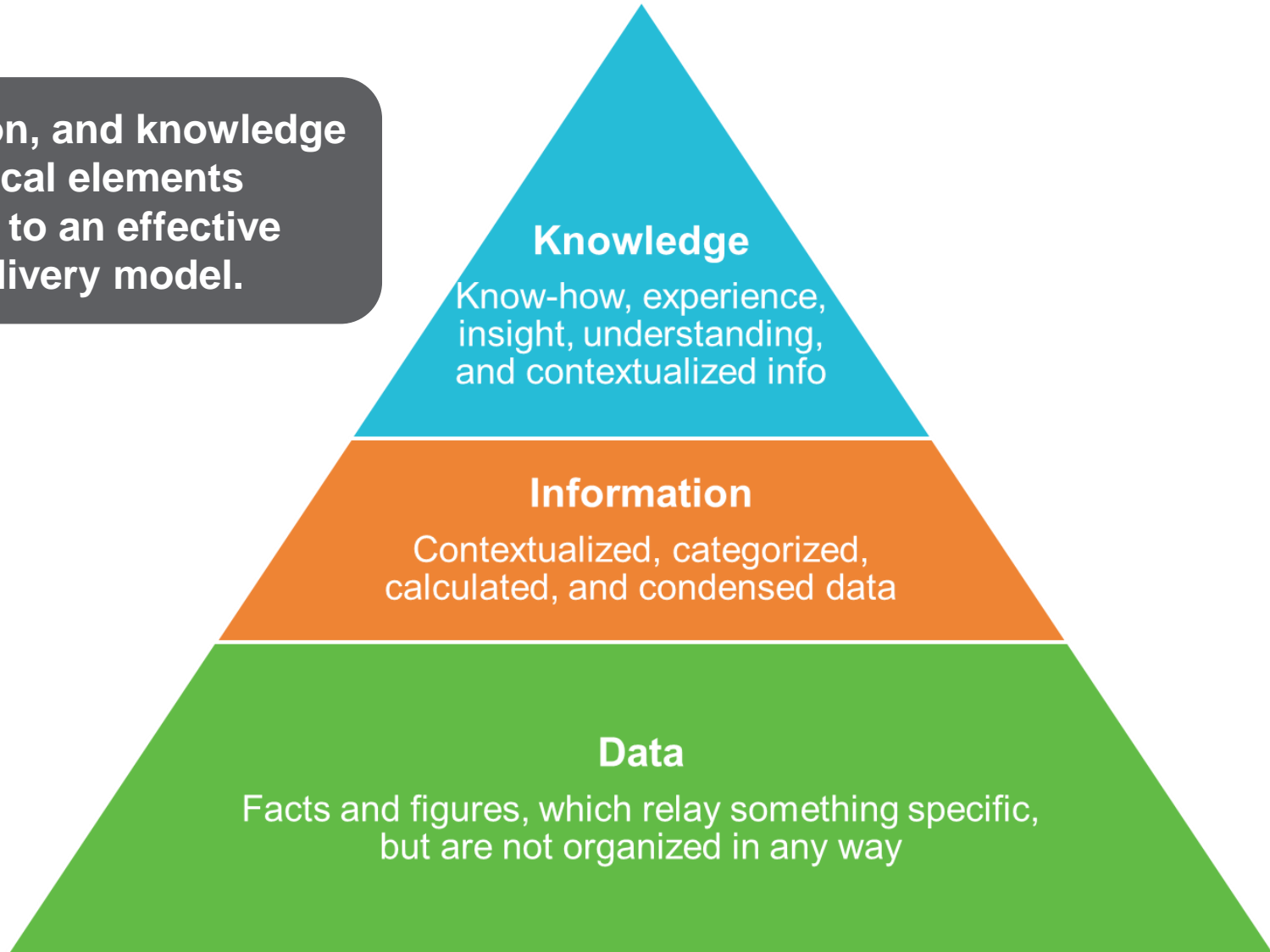
Pattern matching
Unstructured
Self-learning

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

– Symphony Ventures

What Good Looks Like

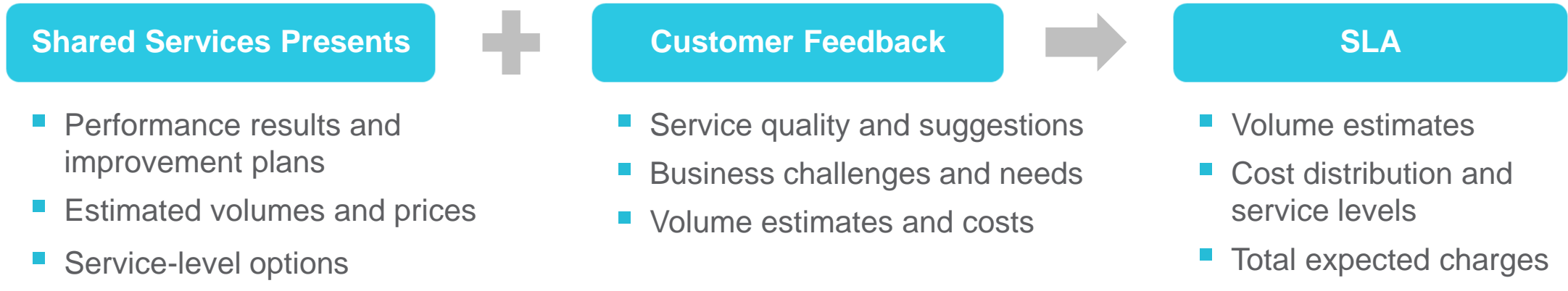
Data, information, and knowledge are all critical elements contributing to an effective service delivery model.



Service Level Agreements



An agreement exists between the provider of a service and a customer that quantifies the target, quality, and cost of services. Dialogue, planning, and continuous improvement are outcomes that will drive success.



SLAs are:

- Concise
- Negotiated, not dictated
- Vehicle for understanding and managing demand

- Regular discussions with customers
- Effectively maintained
- Standard across internal customers

Improved Performance Leads to Better Confidence and Trust

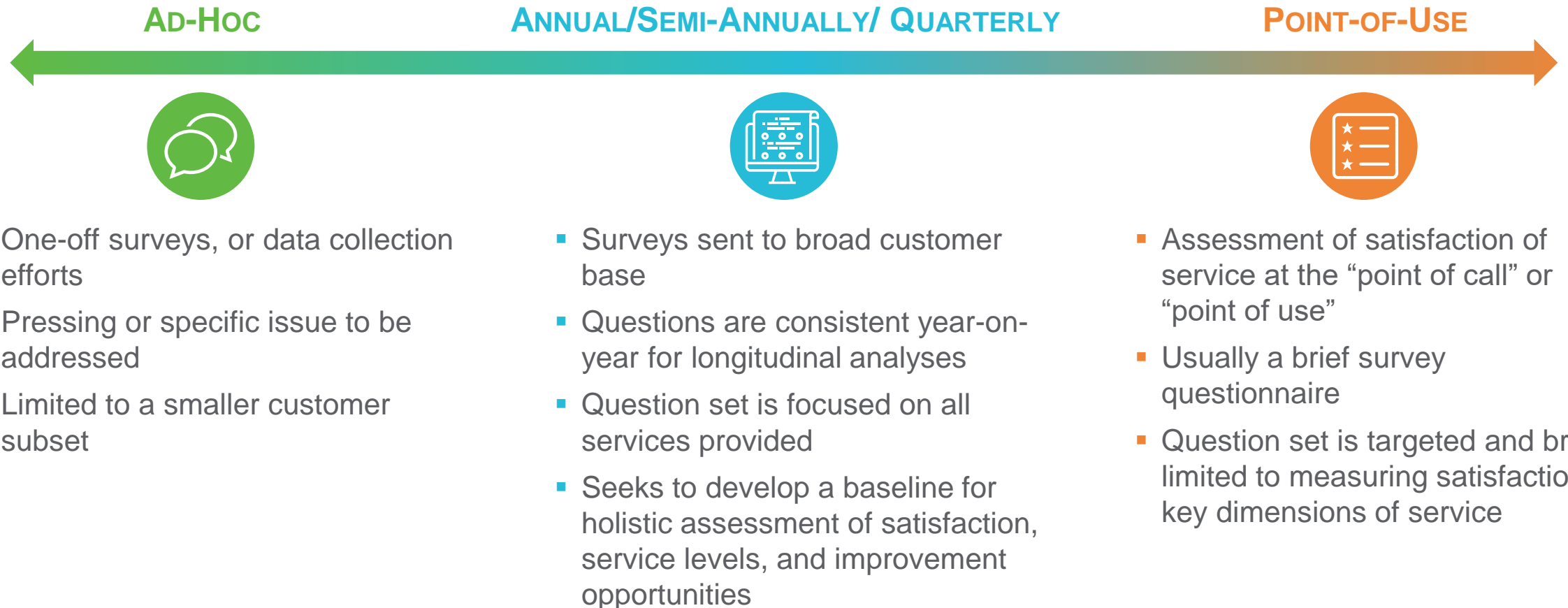
Develop Metrics and Reporting Capabilities



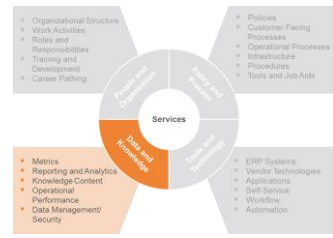
Leverage Multiple Methods of Measurement



As survey mechanisms are implemented, shared services can benefit from a more holistic picture of performance and satisfaction.



Understand Analytics



Analytics vs. Metrics

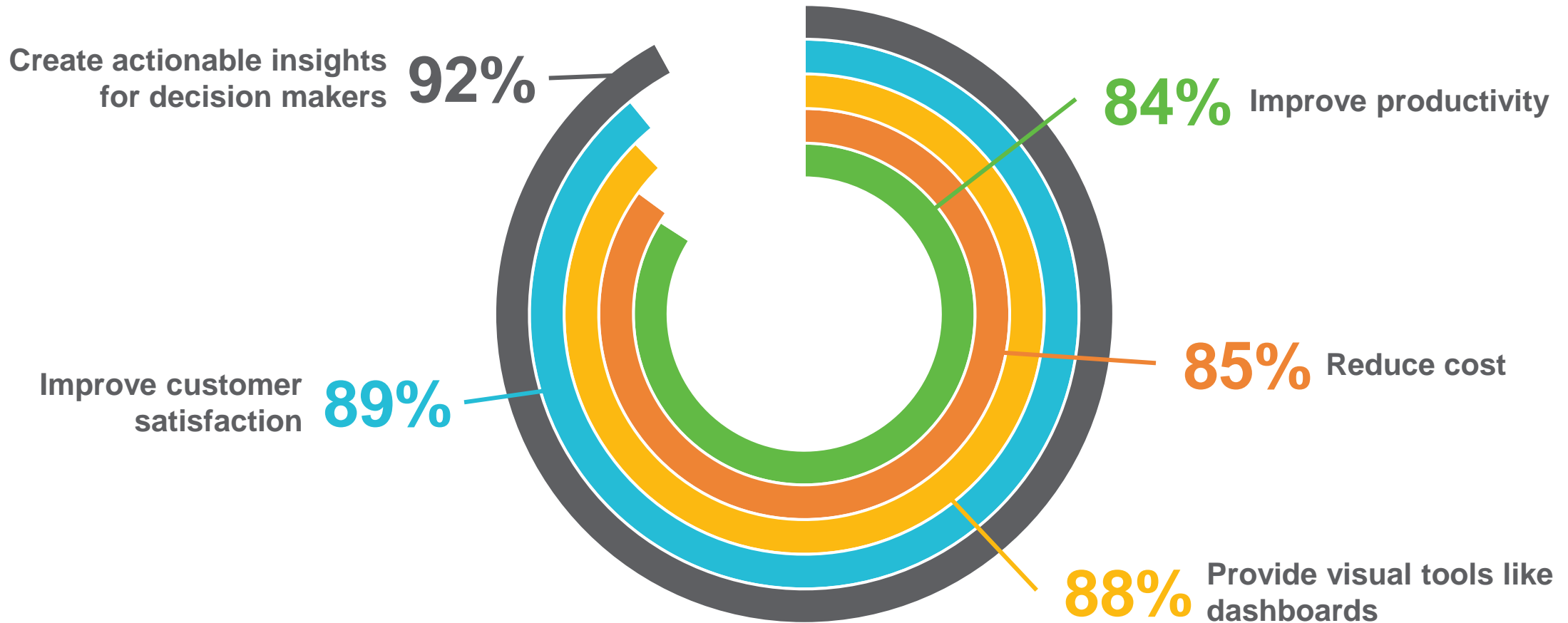
- Analytics is not simply metrics...it is about driving insight and action
- Analytics is quite different from metrics in the way it changes how a company behaves and reacts to data

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

Supporting Organizational Goals and Activities



Analytics is predominantly used as a tool for decision-makers to create actionable insights. Below are the top five roles analytics plays in an organization.



How ScottMadden Can Help

After evaluating your operations, consider where you currently sit on the shared services maturity curve.

Let us know if we can help you determine the best next steps for you and your organization!

