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Did the Pandemic Fast Track a Better Finance Operation?

Let's Keep the Following Practices...

Shared Services for Finance & Accounting, 2020

June 17, 2020



What Our Clients Learned from the Pandemic...

- "Decisions that have dragged on for years were made and **implemented in two weeks**" – *VP, Finance GBS*
- "Our continuity plan included a pandemic, but one that would move **slowly from region to region**" – *SVP, GBS*
- "This put a spotlight on **inefficient collections practices**... but received intense focus and repaired quickly" – *VP, Finance GBS*
- "Our FP&A department 'red-lined' with **request to produce forecast**" – *VP, GPS Finance*
- "We **fully enabled our technology**... became Msoft Teams experts in a week" – *VP, Finance*
- "Gave **clarity to KPI's** that mattered...others KPI's were dropped overnight" – *Finance VP*
- "We are **not planning** to return to **original staffing levels**" – *Regional Finance VP*
- "**Virtual work will not stick** [not at this magnitude]" – *SVP, GBS*
- "**BPO's did not flex** as well as captive organizations" – *VP, Finance*



Today's Discussion

- Introduction to ScottMadden
- Practices that Hit the “*fast track*”
 - Delivery model
 - Outsourcing
 - Digital transformation
 - Remote work
- Summary

Our Areas of Focus

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/outsourced delivery models, and other solutions, we help you increase value for your company.

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.

MULTIFUNCTION/GLOBAL BUSINESS SERVICES (GBS)

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

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 can also help you optimize your projects to focus on delivering business outcomes not just installed technology.

BUSINESS SUPPORT 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, sales and marketing, insurance, customer service, research, and others.



What We Do



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
- Location assessment
- Business case development
- Service delivery model design
- Work scope delineation
- Intelligent automation (IA) 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
- IA opportunities/ implementation
- Technology upgrade
- Merger and acquisition integration
- Field resource development
- Voice of the customer surveys
- Metrics and performance management

A Small Sample of Our 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



Practices that Hit the “Fast Track”



On the “Fast Track”

Delivery Models will Shift

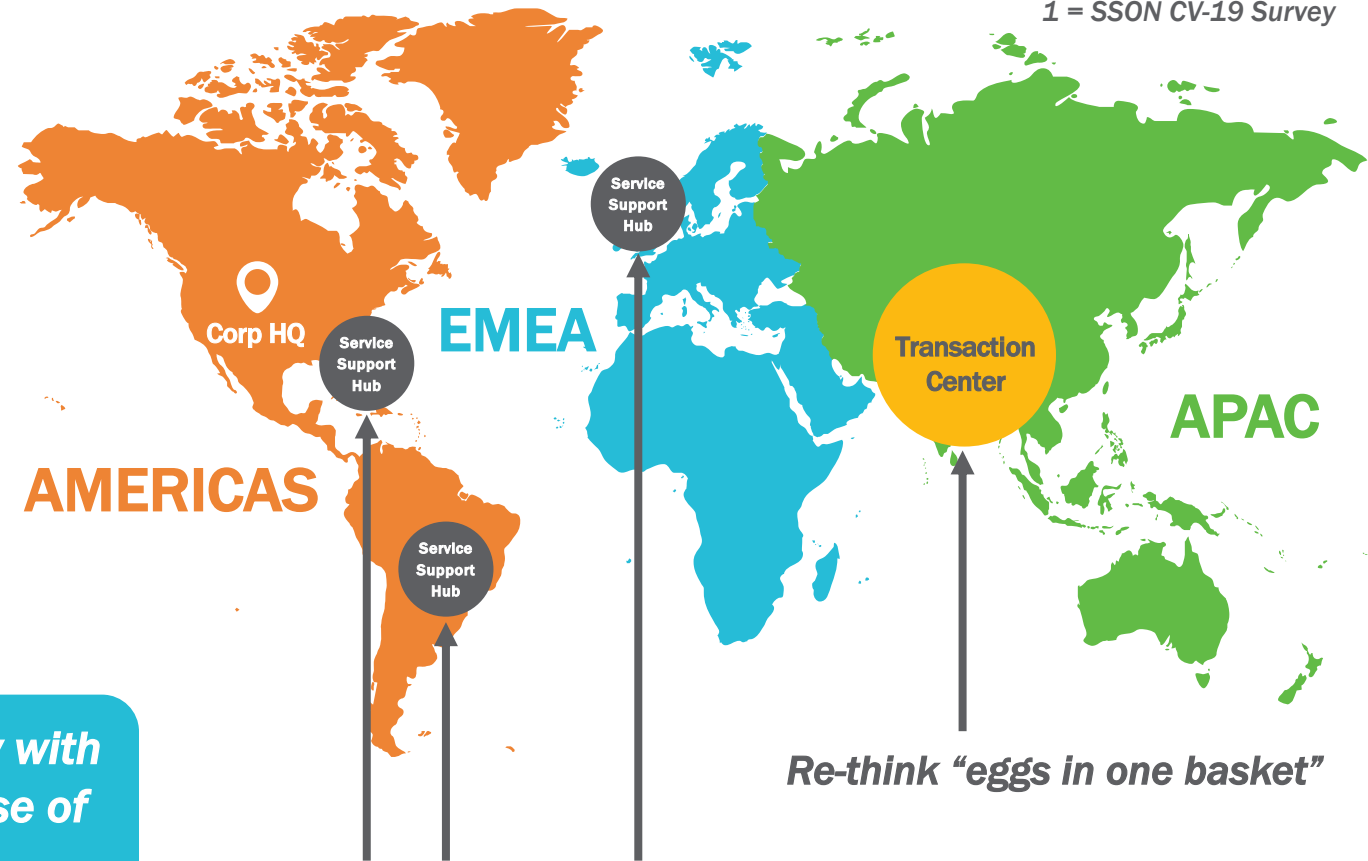
A Catalyst for Service Change

- Monitor front-office activity remotely
- Enable more regional/country autonomy
- Re-tool the service catalogue – what’s critical?
- Jettison unused KPI’s
- Increase cross-training for critical services
- Increase use of chat-bots and virtual agents
- Eliminate optionality of self-service applications
- Increase use of video as a channel

The business will insist upon closer connectivity with operations, while GBS & SSO will insist upon use of new service channels

81% Believe SSO and GBS will Change¹

1 = SSON CV-19 Survey



Re-think “eggs in one basket”

*Stronger roles and new channels
(video, chat-bots, virtual agents)*

Outsourcing will Remain... with Some Changes

Re-think the Role of Outsourcing

- Get non value added activities out of the business now
- Get customization out of the processes and systems now
- Re-value the dependency on BPO physical location
- Make BPO contracts shorter and more flexible
 - Captive use of self-service via virtual agents and chat-bots
 - Ability to scale rapidly up or down by distributing workload
- Push more near-shore (vs. far shore) to improve reaction time
- Push complex issue resolution to BPO to improve resiliency
- Re-vamp BPO continuity plans (laptops, virtual feasibility)

7% Intend to Transition Far-Shore BPO
To Near-Shore or On-Shore²



BPO contracts will need to instill more flexibility and improved business continuity plans, but should also trust BPO providers with more complex analysis and decision making

Digital Transformation will Accelerate

Automation is accelerating... and redefining the traditional requirements of physical proximity and co-location



CLOUD AND DIGITAL

- Transition to cloud technologies which are proven to be more resilient than legacy, on-premise systems
- Fast-track elimination of paper, e.g., paper invoices, paper checks → e-invoicing, ACH



COLLABORATION AND VIDEO

- Collaborate internally with tools that enable virtual whiteboard sessions, document sharing, and group chats
- Adopt video to help personalize virtual experiences
 - Customer service improves when you are able to put a “face to a name”
 - Internal teams feel more connected... but “Zoom fatigue” is real



ANALYTICS

- Embrace analytics to understand the past, inform plans to adjust, and predict future outcomes
- Establish an analytics CoE that combines strong modeling capabilities with business acumen

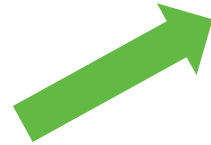
Digital transformation enables an “agile” operating model that can adapt quickly to a changing environment... but appropriate governance must be in place

Remote Work is Here to Stay... but What are the Consequences?



REMOTE WORK

Work from Home (WFH) has proven to be **equally, or even more productive**, than work in a traditional office setting



FACILITIES IMPACT

Shared services facilities may be changed forever

- Smaller footprints reduce facility-related costs
- More collaboration spaces and tools improve connectedness when in the office
- Open plans will be re-imagined and cleaning requirements will be enhanced



CULTURE IMPACT

The “secret sauce” that defines a company’s culture may be negatively impacted

- Older generations are more comfortable working from home than Gen Z – FOMO is increased with fewer daily connections
- Loss of connectedness can make an employee feel like an independent contractor, not a valued employee
- Turnover may increase... which is good (fresh talent, lower rates) and bad (hiring costs, knowledge loss)

While remote work may have led to short-term productivity increases, leading companies will develop strategies to measure and improve employee engagement and connectedness



Summary



If You Are Watching... Here's Five Things to Do

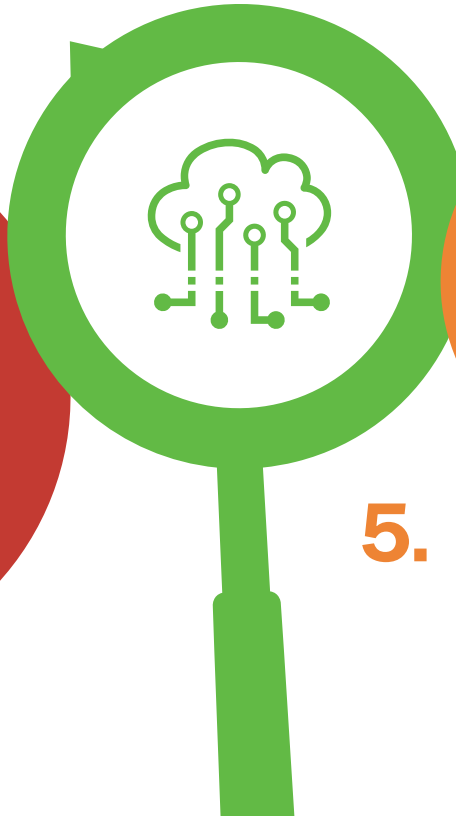
- 1.** Emphasize the use of self-service technology and enable more agile regional hubs that increase “connection” with the local business environment



- 2.** Restructure BPO contracts to ensure more flexibility in location and volume fluctuation, while empowering BPO's to make more complex analysis and decisions



- 3.** Identify and catalogue any remaining work that requires physical handoff or is paper-based, and develop a plan for automating and digitizing



- 4.** Document lessons learned from business continuity plans that were implemented by design or necessity, and ensure technology, connectivity, and security are included



- 5.** Create a WFH strategy that balances business continuity and employee flexibility while maintaining a strong corporate culture and improving employee engagement



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