

Chairman's Takeaways

SSOW Live 2020

September 1-4

**Brad DeMent, Chairman
ScottMadden Partner**



Brad DeMent,
Chairman and
ScottMadden
Partner

SHARED SERVICES WEEK 2020

SSOW Attendees,

The following pages capture quotes and highlights from the sessions at SSOW Live 2020 to provide you insight into trends impacting our industry. We hope you find them useful as you continue your shared services journey.

– Brad

COVID-19 Response

Running projects in **agile** environment helped prepare for CV-19 quick responses
- Brenton, Keurig Dr. Pepper

This has been an **equalizing opportunity** to become more connection with offices in disperse time zones, and for **tech shy countries** to adopt technology
- Kenny, World Bank

Still challenged by **processing speeds at home** that are needed in financial sector
- Sophie, Morgan Stanley

The pandemic brought on a **team mindset** in our organization – how can I help someone else get their work done?
- Sophia, Morgan Stanley



We **relied on leadership** in disperse locations to make the right decision.
- Sophia, Morgan Stanley

PayPal is **now a pre-requisite** (vs. a preference) to working with us across borders
- Kenny, World Bank

40% of messaging work was **moved to digital assistants**
- Kapil, Infosys

We used IA to provide a safer work environment. Technology that sorted paperwork that drivers used to have to come into the office to sort
- Dave, Polaris

Managing a Remote Workforce

Had we been remote before designing GBS, **would our models look like they do now?**

– Jay from JTI and Chip from KPMG

Connectivity does not equate to connection.

Consider flexible benefits in childcare, flex hours, etc. Make employees feel cared for

– Jay from JTI and Chip from KPMG

We have employees that commute from France to Geneva HQ, and **must work in an office 4 days/week to determine tax allocation**

– Jay from JTI and Chip from KPMG

Don't rush into big **real estate** decisions!

– Jay from JTI and Chip from KPMG



Our 'pivot point' will be when **WFH decisions are made with intention...** we are still in a **reactive** mode

– Jay from JTI and Chip from KPMG

The **talent pool has expanded** with remote work as relocation is less of an issue

– Jay from JTI and Chip from KPMG

CFO's are taking note of the **real estate cost** and **savings potential** opportunity

– Jay from JTI and Chip from KPMG

Many of our employees **prefer the office** for good **infrastructure**, high speed **printing**, **silence!** ... and we can make that happen

– Jay from JTI and Chip from KPMG

... **but 60%** of people would **prefer the virtual** component forever

– Jay from JTI and Chip from KPMG

Managing Remote Work

Our employees **largely prefer the remote** environment for work/life. We were **planning to move to new HQ** next year but **re-evaluating**
- Tammy, Martin Marietta

Our **KPI's have not changed** due to the Work from Home model
- Jodi, Ford Motor Company

Remote environment has made **process documentation and knowledgebase** access **more important**. Not fun mapping it, but critical now
- Tammy, Martin Marietta

2/3 of our management team onboarded during the pandemic and have **not been in a room with their team**
- Tammy, Martin Marietta



We have been able to fill positions with a **broader sourcing from remote environments**
- Tammy, Martin Marietta

We found that many of our 17,000 GBS employees miss the comradery and **prefer to return to work**. **Don't assume** everyone wants to **work from home**
- Suzanne, UPS

Not muting your mic is the new "reply all"
- Tammy, Martin Marietta

Return to Office using Neuroscience

Irritated Brain

Passive resistance (vs. active resistance) is a natural brain response and requires no decision. **When ordered to change, the natural reaction is “no”**

- Travis, Google

Change triggers the same part of your brain that generates pain... so **natural response is to avoid**

- Travis, Google

When **faced with ambiguity**, the brain starts processing and will **create a story** (the rumor mill)

- Travis, Google

The brain **processes a loss** (security, competence or direction) with much **more intensity than a gain**. So the “silver lining” argument will fall short

- Travis, Google

If an emergency is perceived, the Amygdala hijacks the cortex and **shuts down everything but fight or flight**

- Travis, Google



Happy Brain

Repetition helps – brand communications, SWAG, etc. **Rollout slowly** and allow time to digest in **smaller pieces**

- Travis, Google

Listening to employees and **caring** for employees can **calm a brain that is in avoidance mode**

- Travis, Google

Pick one approach and stick to it. Changing approaches increases ambiguity. **Standing return to office meetings** and town halls

- Travis, Google

Make decisions transparent and re-enforce with leadership **walking the walk**. Hold return to office **orientations**, so brain is not overwhelmed

- Travis, Google

Grouping lessens the “hijacking” – returning to office every other week for **full week is easier** to process than returning **Mon/Wed/Fri**.

- Travis, Google

Reworking Your Service Models

We have used this opportunity to **equalize work across the regions between centers**
– *Michael, Cubic*

We empowered our **SSO staff to support sales** staff with small/mid size sales (cross-training)
– *Jana, Ingram Micro*

We **supported the Marketing's Creative department** with our SSO staff. Our focus is on the top line as well as the bottom line
– *Jana, Ingram Micro*

Revenue declines do not put you out of business...
as fast as running out of cash. Cash was King!
– *Michael, Cubic*



Our **smaller GBS clients** are now getting **more attention** (equalizer)
– *Jana, Ingram Micro*

Largest impact was our **offshore operation** in the Philippines. Government **ordered workers home with little warning.** Went dark for a period of time
– *Tracy, Tribune Publishing*

Vendors should have **contractual obligation to grow with you**
– *Tracy, Tribune Publishing*

Communications are now more **open ...** and actually **paid attention to**
– *Wayne, NBA Development League*

Reworking Your Service Models

Why not **“Consumer to Cash”** vs. “Order to Cash”
– *Angela, Mars*

With **GPO’s**, we had to really ensure we were truly looking end-to-end. They **should know everything** about Source-to-Pay or Hire-to-Retire
– *Angela, Mars*

We can have **complex conversations** around tough decisions **much easier remotely** than we could flying to a conference room
– *Kenny, World Bank*

Pandemic was managed in Uruguay, and BPO operations **from office** are up and running
– *JoAanna, Uruguay-31*



GBS is not an organizational construct. It can change to **cater to business needs**
– *Angela, Mars*

It’s a **backbone, not a “back-office”**
– *Angela, Mars*

The transition team made it very clear that we were a stop gap in the acquisition... **Finance, IT were waiting on us!**
– *Brenton, Keurig Dr. Pepper*

We met with our HR leadership team every day for the last 4 months of project **to expedite decision making**
– *Brenton, Keurig Dr. Pepper*

Reworking Your Service Models

We had **Cash Flow KPI's**, but now they are **top priority** and more detailed, particularly for O2C. We are also tracking to 100% paperless
- Moret, Essilor

My dream at Ford is to have **one number and/or portable** that directs user to the right place for an answer 100% of the time. **Not there yet...**
- Jodi, Ford Motor Company

Country **tax regulations are changing frequently**, and **SSO's must be on top of this**. Self service filing is becoming popular (elimination of manual steps)
- Moret, Essilor

We are using **“virtual reality goggles” to tour** through plants and allow engineers to note modifications to our next car designs
- Jodi, Ford Motor Company



We have also been forced to review **SoX compliance** due to changes in process from the **Work from Home environment**
- Moret, Essilor

We differentiate between WFH and **“Work from Anywhere”**. Sensitivity to experiencing **lockdowns in other countries** and **network security**
- Marco, 3M

Write a **stakeholder engagement playbook**. We have processes for everything, but **don't have processes to engage GBS stakeholders**
- Deborah, Sourcing Change

Now's the time to increase GBS marketing! What can we and are we doing for the business units. **Get the BU's to talk about the wins**
- Suzanne, UPS

Improving and Automating Processes

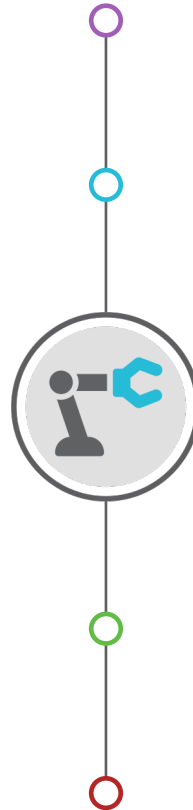
We are preparing for the most **rapid growth** of AI solutions ever seen
– *Wes, Alliance*

Integration points were the bottom side of the iceberg. Get started on this early
– *Brenton, Keurig Dr. Pepper*

Avoid complex processes – **start with simple** rule-based problems
– *Wes, Alliance*

We have grown to **40% self service** interaction
– *Angela, Mars*

We use **robots to push orders** out and move freight. Work off any backlogs
– *Dave, Polaris*



We use a **Process Mining** tool, but requires you to know what you are solving for
– *Angela, Mars*

Put things in a “**I need that**” vs. “I want that” category to prioritize and align with IT
– *Brenton, Keurig Dr. Pepper*

Financial payment assistance (forbearance) requests spiked, so we built a **chatbot to understand the request** and address them - work down the backlogs
– *Wes, Alliance*

Improving and Automating Processes

Our **RPA program** helped us **rapidly change payment terms** in a cash flow intensive environment

- *Moret, Essilor*

Involve Internal Controls in your RPA program from Day One, or you will hit roadblocks

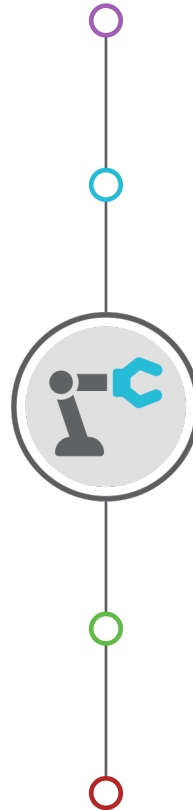
- *Todd, Underwriter Laboratories*

Star Mind can **track skill sets** across the organization and **route questions to those most capable** of closing

- *Star Mind*

We encourage IA (**RPA**) development in the business units **“citizen developers”**

- *Todd, Underwriter Laboratories*



Process mining will become **more and more critical** to find trends and **opportunities for IA** technology

- *Moret, Essilor*

Our RPA COE measures a) Idea **pipeline**, and b) Productive **hours gained**. **Measure value, not number of robots**

- *Todd, Underwriter Laboratories*

Ask vendors to give you technology they will need **5 years in the future**. Technology you need now can be **outdated by the time implemented**

- *Rock, Take Two Games*

Before automating with **RPA** we ask if right for **a) RPA, b) ERP, or c) process improvement...** or hybrid

- *Todd, Underwriter Laboratories*

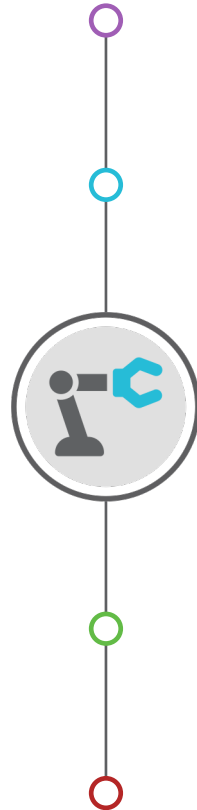
Improving and Automating Processes

We use AI tools to **prioritize and stack candidate matches** with open positions
– *Jean, Flowserve*

BI tools became increasingly necessary – quick information with **easy visualization**
– *Jana, Ingram Micro*

Our business did not aspire to frightening change, but rather **change forced our transformation**
– *Jean, Flowserve*

We provide **pre-trained robots** to execute standard tasks in any organization
– *Roots Automation*



AI tools can take the administration out of recruiting (**scheduling interviews and collecting pre-interview information**)
– *Jean, Flowserve*

Infrastructure matters even more now. Slow infrastructure has a **direct impact on floor productivity**
– *AJ, Univar*

Process Mining & Mapping Tools

Mining

Our mining tool discovered... **120 unique sets of payment terms** across the regions (63 in APAC alone)

– *Nikki & Beth, Chart Industries*

Our mining tool discovered ...we were **not accounting for Credit Card payment fees** when offering discounts

– *Nikki & Beth, Chart Industries*

Our mining tool discovered...we were starting the **calc of late payments too early** on “Due upon Receipt” immediately, so allowed 14 days to receive

– *Nikki & Beth, Chart Industries*

Our mining tool discovered... **multiple sources “of truth”** for category spend data

– *Nikki & Beth, Chart Industries*

Insights are real (...**not guessing**), and **KPI’s are real**

– *Nikki & Beth, Chart Industries*

Mapping

We built a **chatbot interface** to our process tool (ProMap) to enable queries “**how do I onboard staff?**”

– *Beth & Leslie, Coca-Cola Bottler*

Our **process tool** can be used for training with ‘double-clicks’ on **control points and narratives**

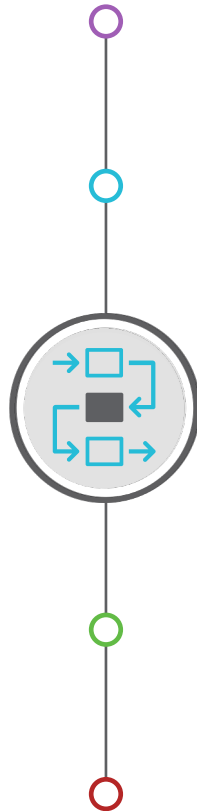
– *Beth & Leslie, Coca-Cola Bottler*

The process database **remedies STP** (Same Ten People) that know the answers – if **they go away, or emails purge annually, we still have the processes**

– *Beth & Leslie, Coca-Cola Bottler*

We can enter steps, roles, salaries, times and monitor **cost per process with more detail**

– *Beth & Leslie, Coca-Cola Bottler*



Preparing and Managing Your Workforce

I show people our budgets and timelines to open the door and engage employees – **make no secrets**
– *Jean, Flowserve*

My **“secret sauce”** is my people and culture department, who pre-onboarded by conducting **virtual orientations over a 3-day period**
– *Jay, JTI*

We are using technology to **launch candidate searches in 13 languages** simultaneously
– *Jean, Flowserve*

We conduct **“little experiments”** to evolve the workforce and the organization (**bite size** “learning nuggets” exchanges)
– *Jay, JTI*



We use **“Watson Candidate Assistance”** to help candidates understand **if and how to engage with us**
– *Jean, Flowserve*

Time off is encouraged, even if a “stay-cation”. **Leadership is encouraged to lead by example** to employees are comfortable taking time off
– *Jay, JTI*

Our new **flexible staffing** models are an opportunity to **manage business seasonality**
– *Jana, Ingram Micro*

64% say this is the **most stressful time** of their career
– *Victoria, IBM*

Preparing and Managing Your Workforce

We bought 25% of our **leadership** in from outside
– wanted **disrupters and “cultural adds”**
– *Angela, Mars*

Do not let anyone define you by what you have
not been doing...**you can pivot!**
– *Angela, Mars*

Our human capital search will shift to **recruit
creative problem solvers**
– *Wes, Alliance*

Companies are reporting **spikes in productivity,**
but a need to manage employee **burnout**
– *Barbara, SSON Analytics*



Megatrends

Connectivity is improving as we are fighting a **global common enemy for the first time**
– Peter, XPRIZE

We are going through 3-5 years of change in 3-5 months. Slow old school thinking **will fail fast**
– Peter, XPRIZE

Linear technology will soon be **destroyed by exponential technology** (AI, Cognitive, Robot, Blockchain, etc.)
– Peter, XPRIZE

“Netflix is not even on our competitive Radar”
– Jim Keys, CEO Blockbuster, 2008

Moore’s law – Number of transistors on a **microchip doubles every 2 years**
– Peter, XPRIZE



Megatrend – Connectivity: Starlink program will put 12,000 satellites in orbit within 5 years giving us connectivity for every square meter – **4.2B new minds contributing**

– Peter, XPRIZE

Megatrend – Robots: “Ana the Avatar” will be able to **beam into another office** to conduct a meeting
– Peter, XPRIZE

Megatrend – 3D Printing: Prosthetic arms for \$100’s, a **new house for \$10K** (furnished), a **rocket within 60 days**
– disrupting manufacturing industry
– Peter, XPRIZE

Megatrend – Gene Therapy: We are approaching technology to change one letter in the genetic code **eliminating 89% of genetic defects**, potentially **slowing or halting aging**
– Peter, XPRIZE

Megatrend – AI: **Either adopt or go out of business.** LawGeeks uses AI to find 94% of contract errors in 26 sec. vs. human finding 85% in 92 minutes
– Peter, XPRIZE

...More Peter Diamandis

If we feed **AI biased data sets**, it will give us **biased results**. E.g. if you watch the news all the time, you will have a negative mindset

– Peter, XPRIZE

AI will lead to protectionist laws from companies with old school solutions. This will last for a while, but they will eventually fold

– Peter, XPRIZE

It will **take time to develop government regulations around AI**, just like it did with the disruption of TV and the internet

– Peter, XPRIZE

We are **2-3 years away** from full adoption of **autonomous cars** – much safer than human drivers

– Peter, XPRIZE

We'll hit a **peak population in 20 years** and begin decline. People will have **fewer children**, like Japan

– Peter, XPRIZE



Not concerned about energy shortage. We went from whale oil, to coal, to drilling. The **sun is largely untapped** (hits the earth with 8000x more energy than humanity needs in a year)

– Peter, XPRIZE

We can also **produce energy with tides, gravity** and other creative means

– Peter, XPRIZE

Elon Musk predicts **100 “Gigafactories”** could **serve the world with stored energy**. Possible in **10 years?**

– Peter, XPRIZE

Find your MTP (Massively Transformative Purpose), **educate yourself for free** with internet, and **use social media to build a plan** and execute

– Peter, XPRIZE

*I’m looking forward to **uploading and downloading my brain cortex to the cloud!***

– Peter, XPRIZE

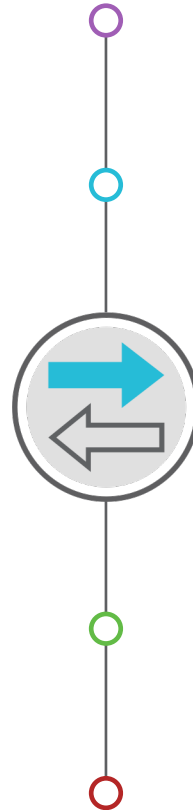
Managing Change

Once you get **too comfortable**, you know there's a problem
– *Angela, Mars*

It was not that people were not open to change, it was the **speed of change** that surprised some
– *Brenton, Keurig Dr. Pepper*

We have over 10,000 “Design Thinking Ambassadors”... you **don't have to be an expert** to try, just come with a problem
– *Angela, Mars*

Created a **daily drumbeat** as our rollout unfolded “what's the one thing you should do today”
– *Brenton, Keurig Dr. Pepper*



Rollout change in **digestible portions** – too much can disturb the organization
– *Brenton, Keurig Dr. Pepper*

Align on the term “Transformation” early. Does not mean the same thing to all stakeholders
– *Brenton, Keurig Dr. Pepper*

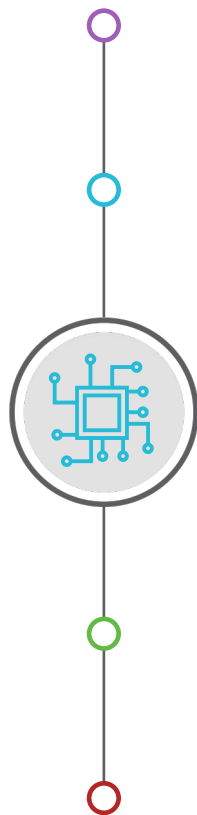
Illiterate of the future will not be those that can't read/write, but those that **cannot learn & unlearn**
– *Alvin Toffler*





Securing our Systems and Data

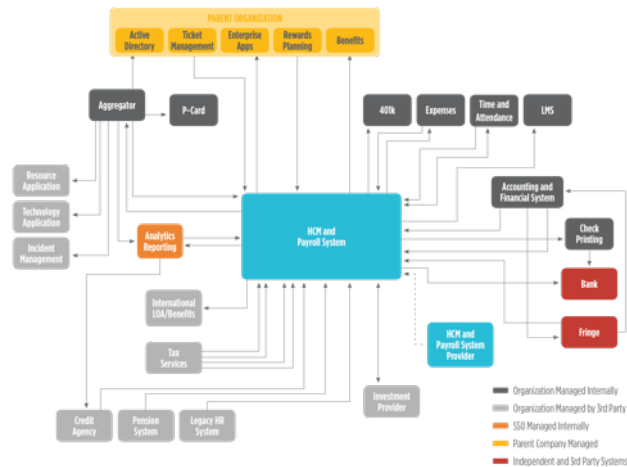
We know **cyber-security threats have increased** in this environment, so we have opened up **online security training** and taught employees to manage their desktops
– *Dave, Polaris*

This has been an **equalizing opportunity** to address **minimum security standards** for our global partners
– *Kenny, World Bank*

We will be figuring out how to deal with **secure information from home** a long time from now
– *Jacob, ASRC Federal*



-  **Financial, personal, and competitive data**
-  **Complex systems and processes**
-  **Various communication channels**
-  **Low employee IT security engagement**



A Few Tech Demo Takeaways

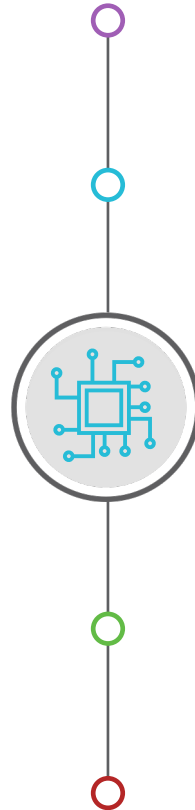
Our expense management application is **100% free**
– *Mike Divvy*

Our technology optimizes the process handoffs between **people and robots** (RPA)
– *AI, Jiffy.AI*

We teach systems **what to look for** on a document, not where to look (OCR)
– *Aaron, Antworks*

We sort out “**document salad**” – documents in, data out with 98% accuracy
– *Martha, Glynt.AI*

Have turned AP operations into **profit centers** by finding highlighting discount opportunities
– *Alan, Direct Commerce*



Can connect ERPs to one platform and **eliminate 100% of lockbox fees**
– *Brent, Dade Systems*

We use machine learning to **predict process decisions** and find bottlenecks
– *Nasir, Catalytic*

We have turned AP departments **into profit centers** by finding discount opportunities
– *Alan, Direct Commerce*

AppZen uses AI “Star match” to **flag T&E risk** scenarios and spend opportunities
– *Uri, AppZen*

Machine learning to predict process decision making or create cases in other systems
– *Nasir, Catalytic*