



**scottmadden**  
MANAGEMENT CONSULTANTS

**Smart. Focused. Done Right.®**

# Shared Services 501

Taking Your Shared Services Operations to the Next Level  
Workshop E

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March 22, 2022

# YOUR DISCUSSION LEADS



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# Introduction to ScottMadden



# 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.

.....

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 2,200 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.**

# Areas of Focus

## 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.

## 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/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 global business services 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.

## 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.

## 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.



# Corporate and Shared Services Capabilities



## Assess and Plan

- Strategic planning
- Feasibility analysis
- Benchmarking
- Statistical and analytical modeling
- 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
- Metrics and dashboarding

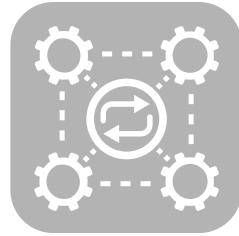
## Improve

- 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
- Voice of the customer surveys
- Metrics and performance management

# Representative Clients

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

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



# Next Generation Concepts



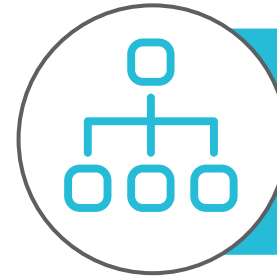
# Before We Get Started

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Before advancing your shared services organization with next generation concepts, the following foundational principles must be in place:



**Refine business operations, governance, work alignment, and structure**



**Optimize processes and building a culture of continuous improvement**

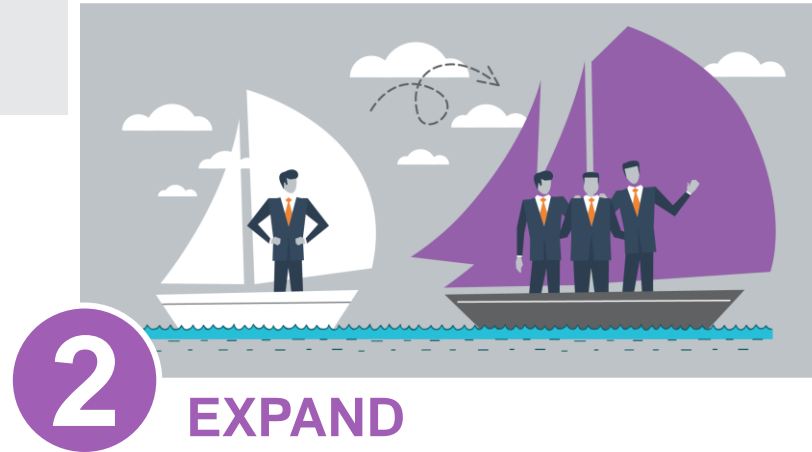


**Leverage technology for service delivery**



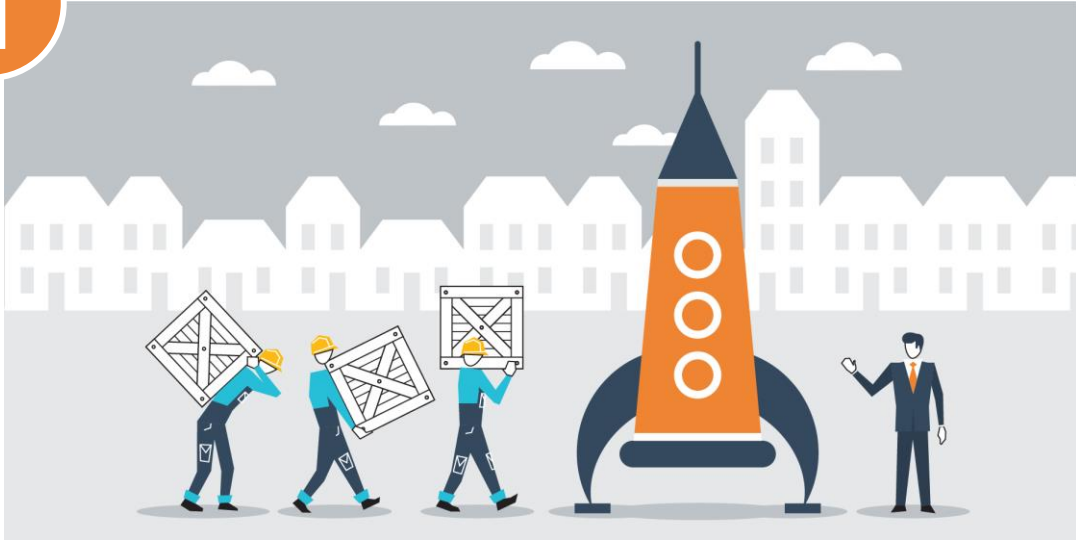
**Focus on customer satisfaction and performance**

# Next Generation Concepts



# Next Generation Concepts

## 1 INNOVATE



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

*– Steve Jobs*

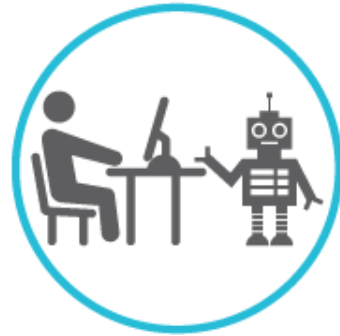
# Assessing “Disruptive Technology” Impact on Delivery Models

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



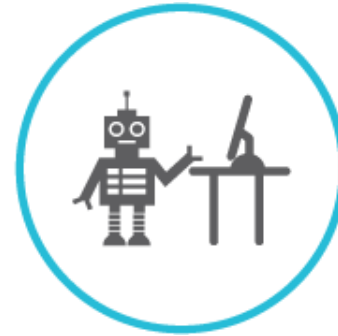
### Manual

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

# What's Really Out There... And Being Used

	 <b>Robotic Process Automation</b>	 <b>Virtual Agents and Chatbots</b>	 <b>Artificial Intelligence</b>
<b>Level of Adoption</b>	80% <sup>1</sup>	45% <sup>1</sup>	43% <sup>1</sup>
<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>▪ Document research (contracts)</li> <li>▪ Forecasting (turnover)</li> <li>▪ Analytics (process mining)</li> </ul>

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

<sup>1</sup> = Source; HfS research 2020

# Talent Acquisition – An Automation Example

## Sourcing

Chatbots engage passive and active candidates in intelligent conversation via web, mobile, or social media platforms

## Scheduling

Virtual assistants schedule candidates, reserve meeting rooms, send communications/notifications, and process reschedule requests

## Onboarding

RPA automates repetitive, administrative tasks like generating offer letters, creating new employee records, and gathering needed documentation



## Identifying

Automated data mining technology reviews social profiles to identify top candidates



## Screening

Automated text conversations ask specific questions to evaluate qualifications and identify top candidates for open positions



## Engaging

AI communicates with an unlimited number of candidates through text and chat to answer questions and provide insight on job opportunities



# Beyond the “Big 3” – Process Mining

“Process mining software can help organizations easily capture information from enterprise transaction systems and provides detailed — and data-driven — information about how key processes are performing.” – HBR

Works by creating event logs as work is executed

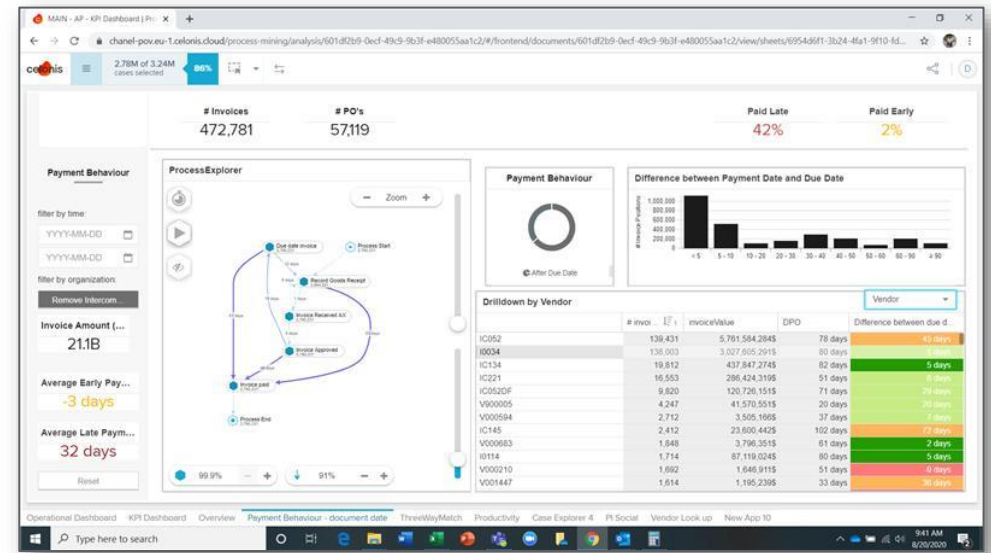
- Orders received
- Products delivered
- Payments made

What it tells us...brings visibility to:

- Who did it
- How long it takes
- How it departs from the average

## Analysis opportunities

- Helps identify roots causes (e.g., how certain activities take more time)
- How it departs from the average
- Major value comes from digitized work (i.e., supported by IT systems vs. unstructured work like reviews and approvals)



# Beyond the “Big 3” – Blockchain

Using Distributed Ledger Technology, or “Blockchain”, large organizations with many diverse business units can reduce costs and minimize errors while creating transparency, auditability, and traceability.



## Potential Pilots

- Intercompany accounting
- Purchase to pay
- Travel and expense
- Resume certification
- Banking transfers

Recent intercompany pilot conducted by ScottMadden and Jita



## Intercompany Example

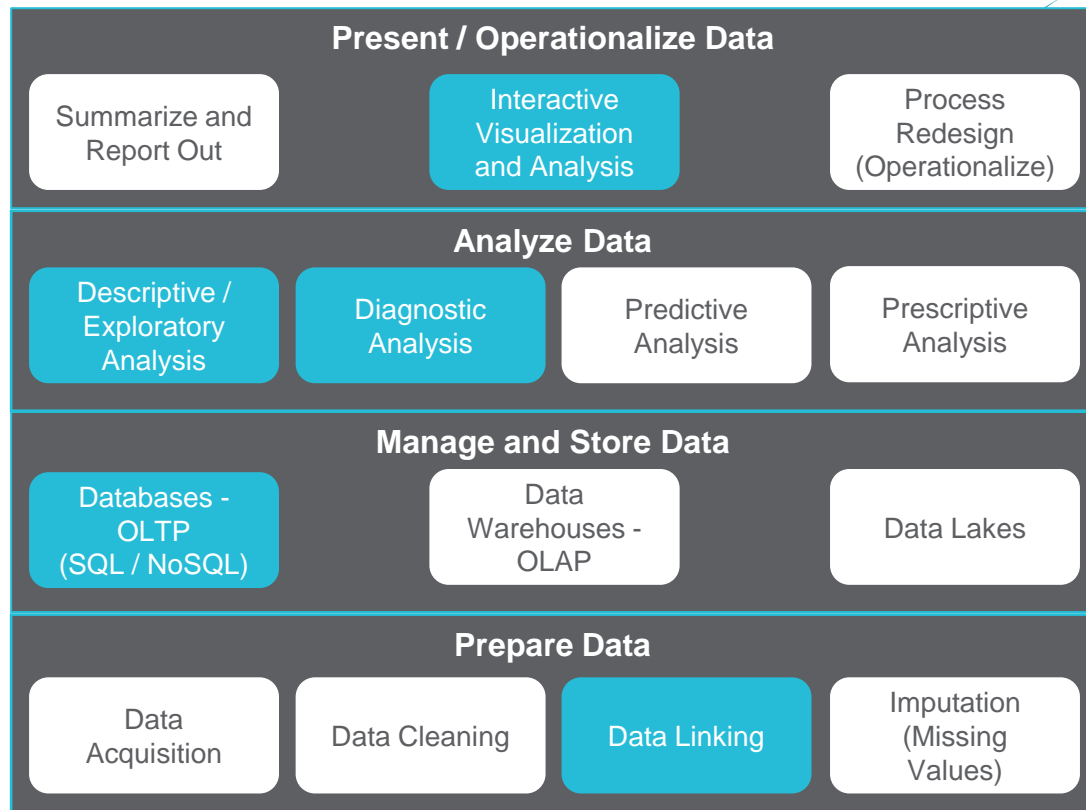
Requests  
6 new requests to review

Sort by ▾

#12568 Created on Oct 26, 03:45 PM	Request from <i>Pierre Lenovo</i>	126,000.00 EUR FR > HK	▾
#33245 Created on Oct 23, 10: 03 AM	Request from <i>Lee-Anne</i>	2,400,000.00 EUR FR > HK	▾
#00235 Created on Oct 21, 02:55 PM	Request from <i>Alexia</i>	12,300,000.00 USD HK > FR	▾
#55432 Created on Oct 13, 1:02 PM	Request from <i>Lee-Anne</i>	5,250,000.00 USD HK > FR	▾
#20023 Created on Oct 13, 09:34 PM	Request from <i>Alexia</i>	3,400,000.00 USD HK > FR	▾
#20023 Created on Oct 13, 10:45 PM	Request from <i>Alexia</i>	1,400,000.00 USD HK > FR	▾

# Beyond the “Big 3” – Data Science and Advanced Analytics

Shared services organizations have access to tremendous amounts of data including employee data, vendor data, customer data, and financial data... and leading companies have harnessed that data to drive better decision-making.

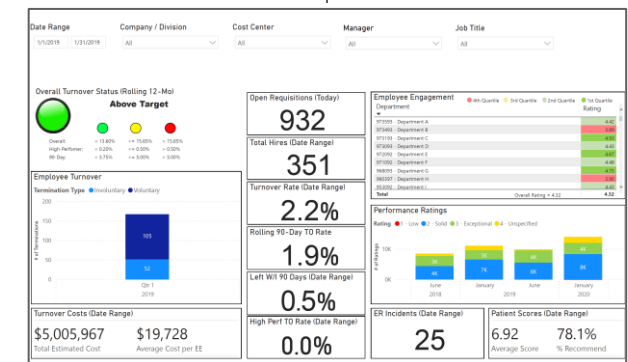
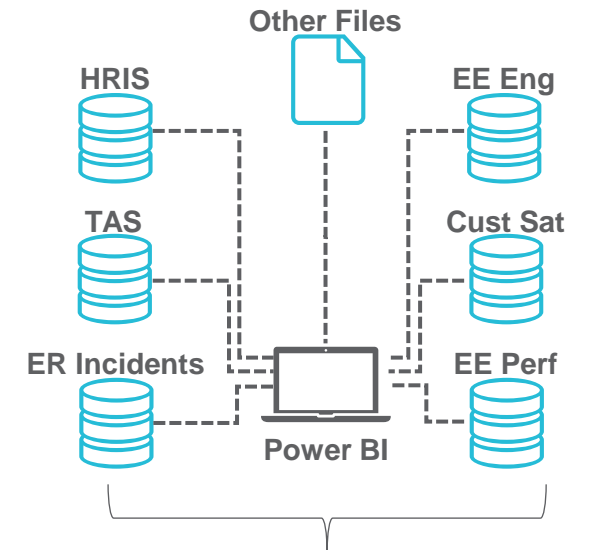


## Challenge

The HR group of a 13,000+ employee organization was seeking a way to easily **identify trends** across the enterprise to **highlight potential issues**.

## Solution

- Deploy a **scalable, self-service** solution for HR to identify trends, emerging issues, and performance concerns **across the enterprise** and down to the **manager level**
- Inform HRBPs on **areas to focus** their attention to perform root cause analysis
- Enable HRBPs to advise departments under their purview of **potential issues**



# Defining Your Strategy – Objectives of Innovation

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

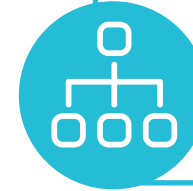
## PEOPLE

- Advocates
- Appropriate skills
- Ability to scale
- RPA expertise



## PROCESS

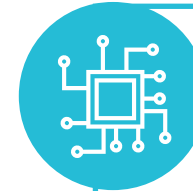
- Prioritization methods
- Templates and checklists
- Process controls
- Best practices



- Standards alignment
- Monitoring
- Control assurance
- Benefits realization



## OVERSIGHT

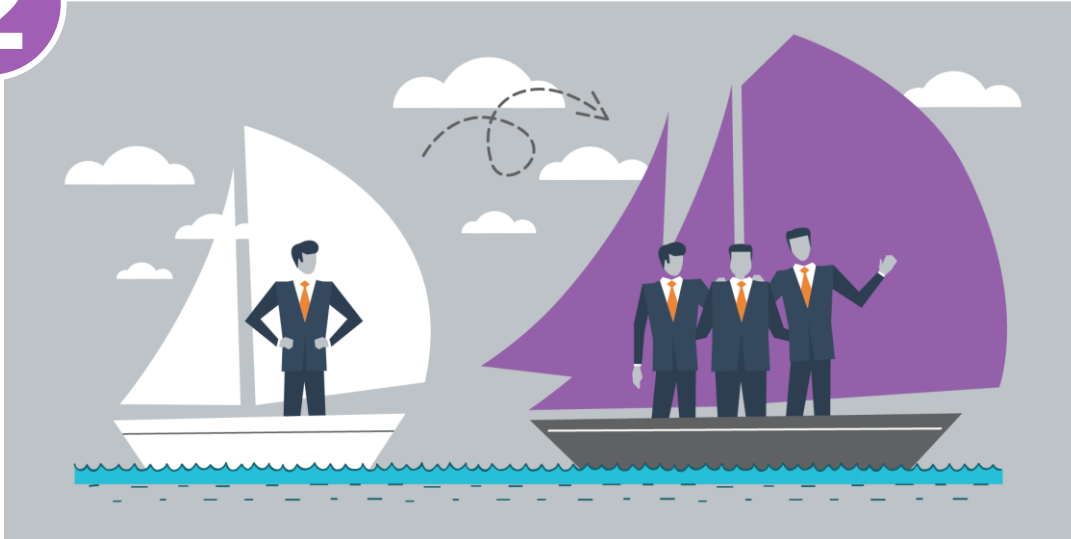


- Technology standards
- Architecture guidelines
- Dev environment
- RPA platform

## TECHNOLOGY

# Next Generation Concepts

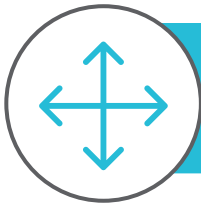
## 2 EXPAND



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

## Evaluating Expansion Methods

After companies implement and refine shared services, they look for opportunities to expand services to better support their customers and to extend their services to 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 external entities

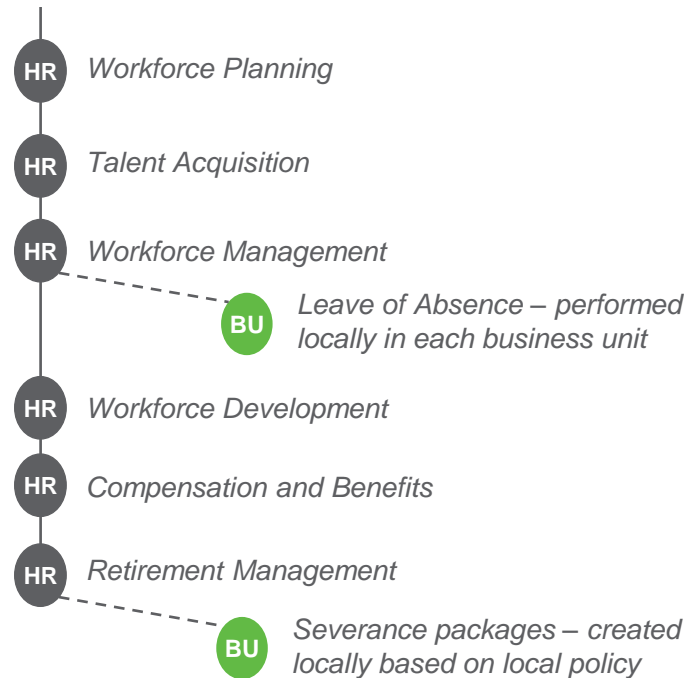
# Considering End-to-End Processes in Expanding Services

In evaluating what further services to incorporate, consider those elements of work that can make most sense from an end-to-end view, and therefore 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

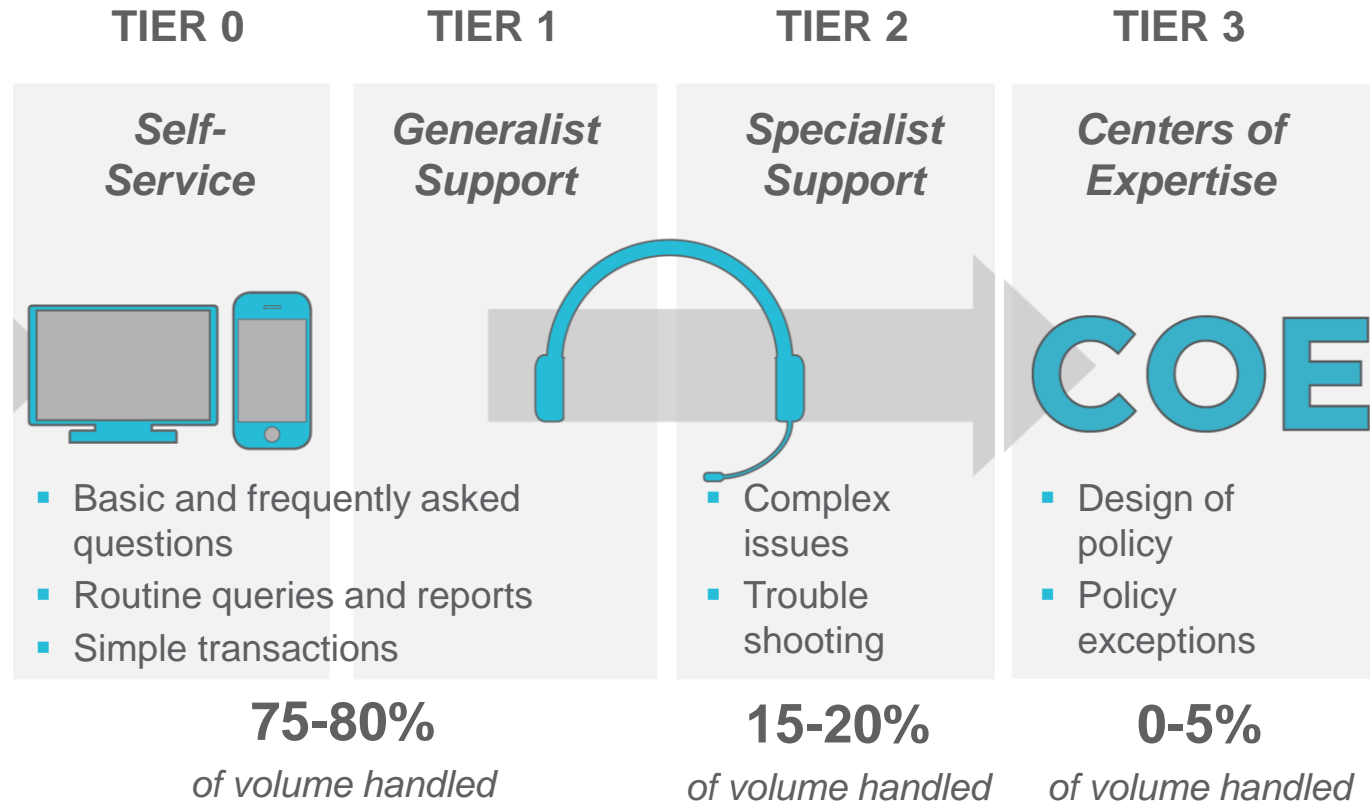
### HR End-to-end process example



### P2P End-to-end process example



# Continuing to Drive Scope Up the Value Chain



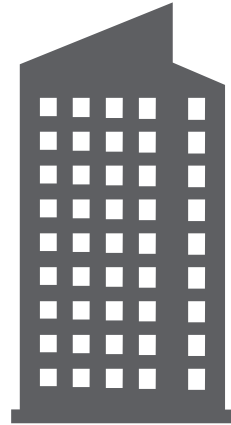
*For example: Growth occurring in HR SSOs – higher value services:*

- **Employee Relations**
- **Labor Relations**
- **Organizational Effectiveness**
- **Business Analytics**

# Understanding the Multi-Function Rate of Adoption

Multi-function has emerged as the standard operating model for internal enterprise services.

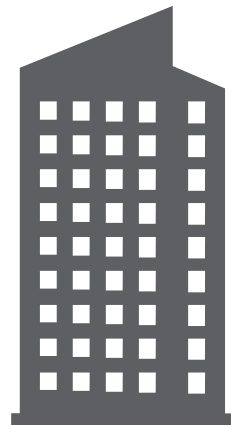
>53%



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

Trend points toward a continuing migration to a multi-function model

>73%



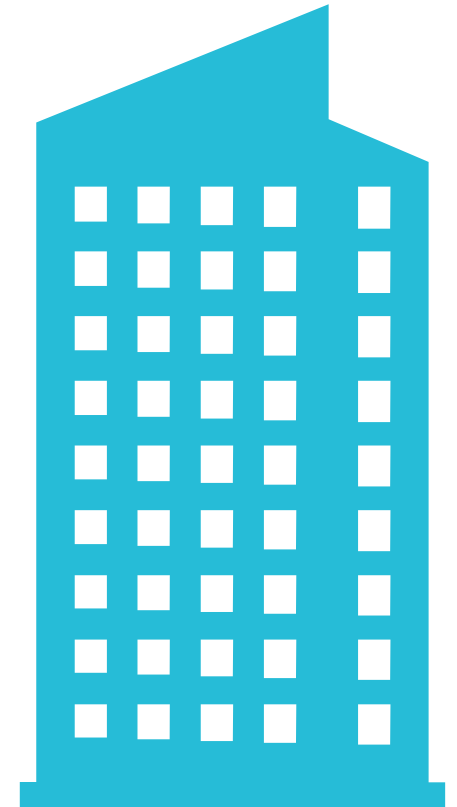
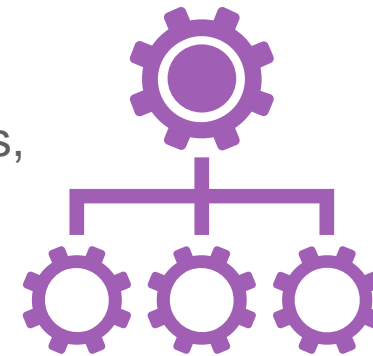
**Top 1000**  
companies with a  
**Multifunction  
Shared Services**  
(2 or more functions)

# Defining Global Business Services

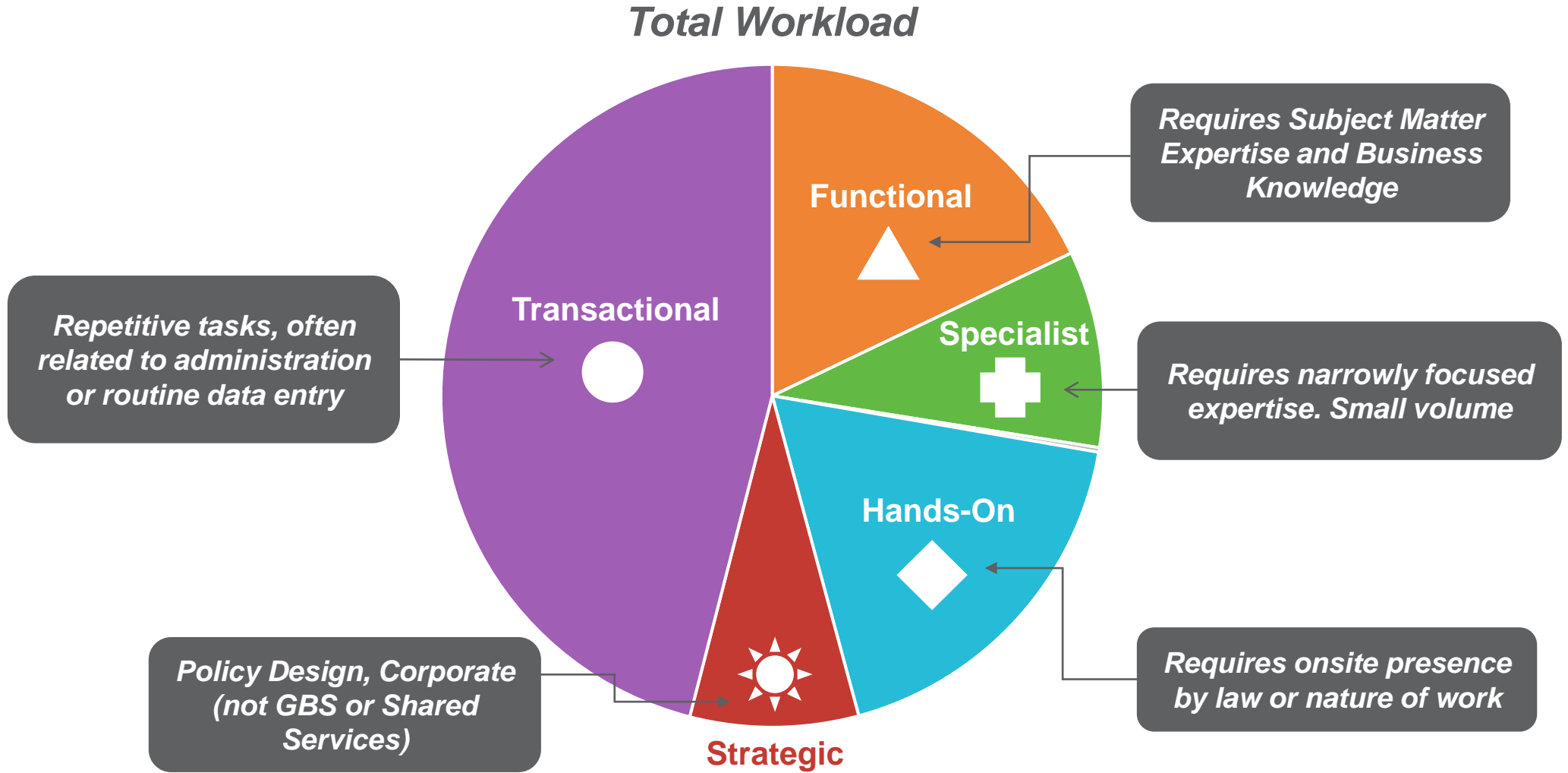
*Global Business Services (GBS) is the integrated services capability of an enterprise, focused on the delivery of transactional and analytical work supporting the business units and corporate, under a single organizational structure.*

**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, technology platforms, and operational enablers
4. Incorporates end-to-end process ownership
5. Includes higher-value activities



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



# Determining the Extent Work Can Be Consolidated

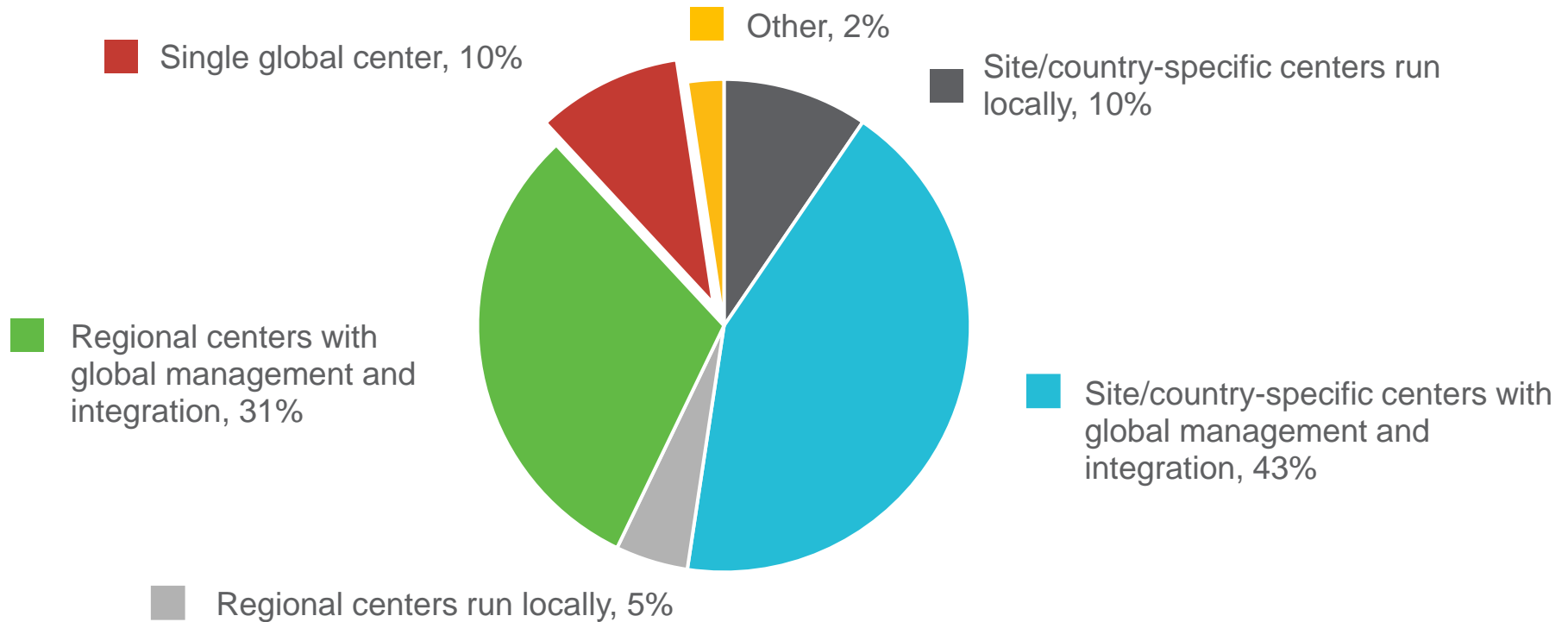
	On Site	Transactional Center	Regional Support Hub	Connected Specialists
Type of Work	<b>Hands on</b>	<b>Transactional</b>	<b>Functional</b>	<b>Specialists</b>
Finance Example Services	<ul style="list-style-type: none"> <li>Mail handling</li> <li>Cash processing</li> <li>Audit facilitation</li> </ul>	<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

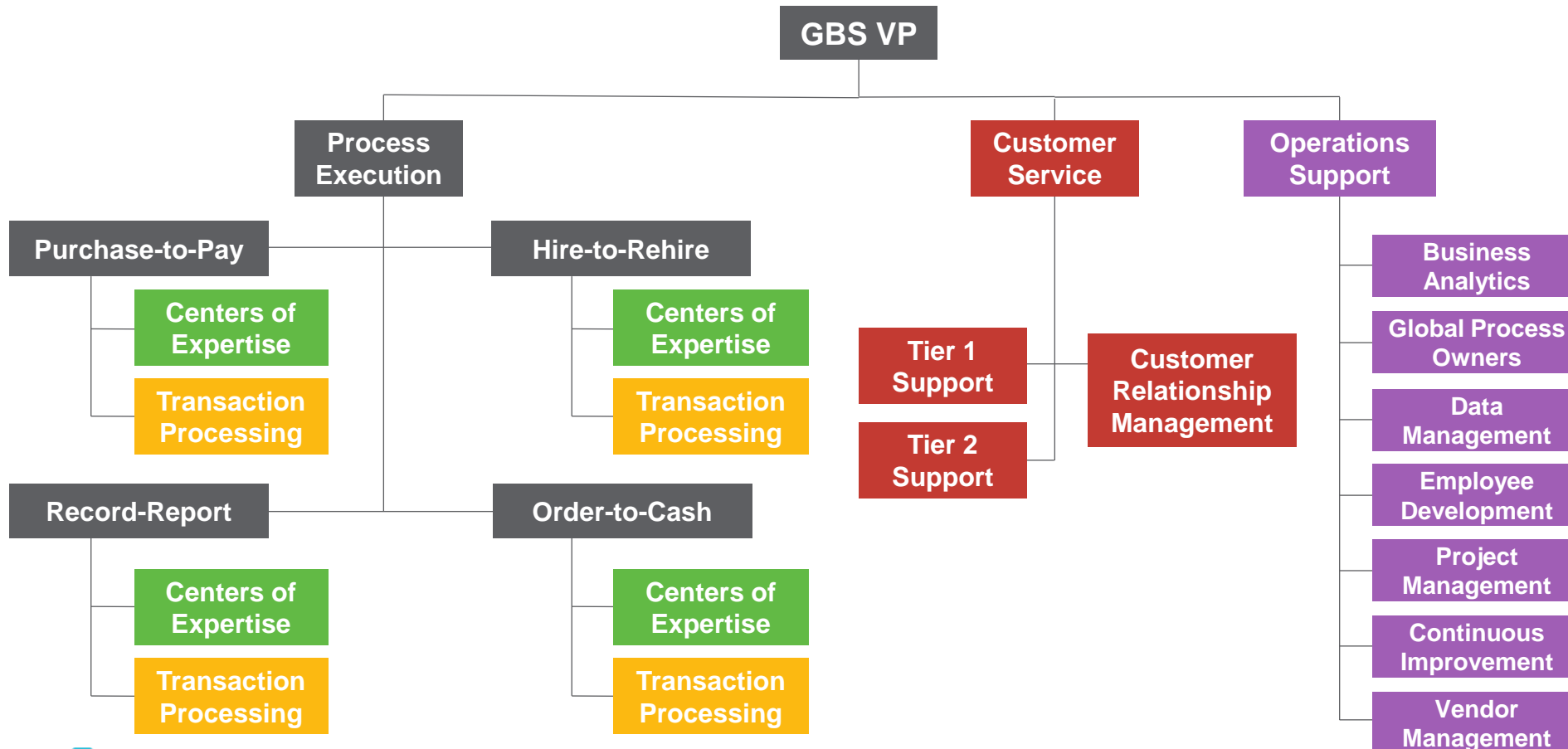
Single “global super centers” are rare, but global coordination is not. We find knowledge of business, country regulations, language, and time zone encourage regional models.

## Geographic Model



# Viewing A Typical GBS Organization

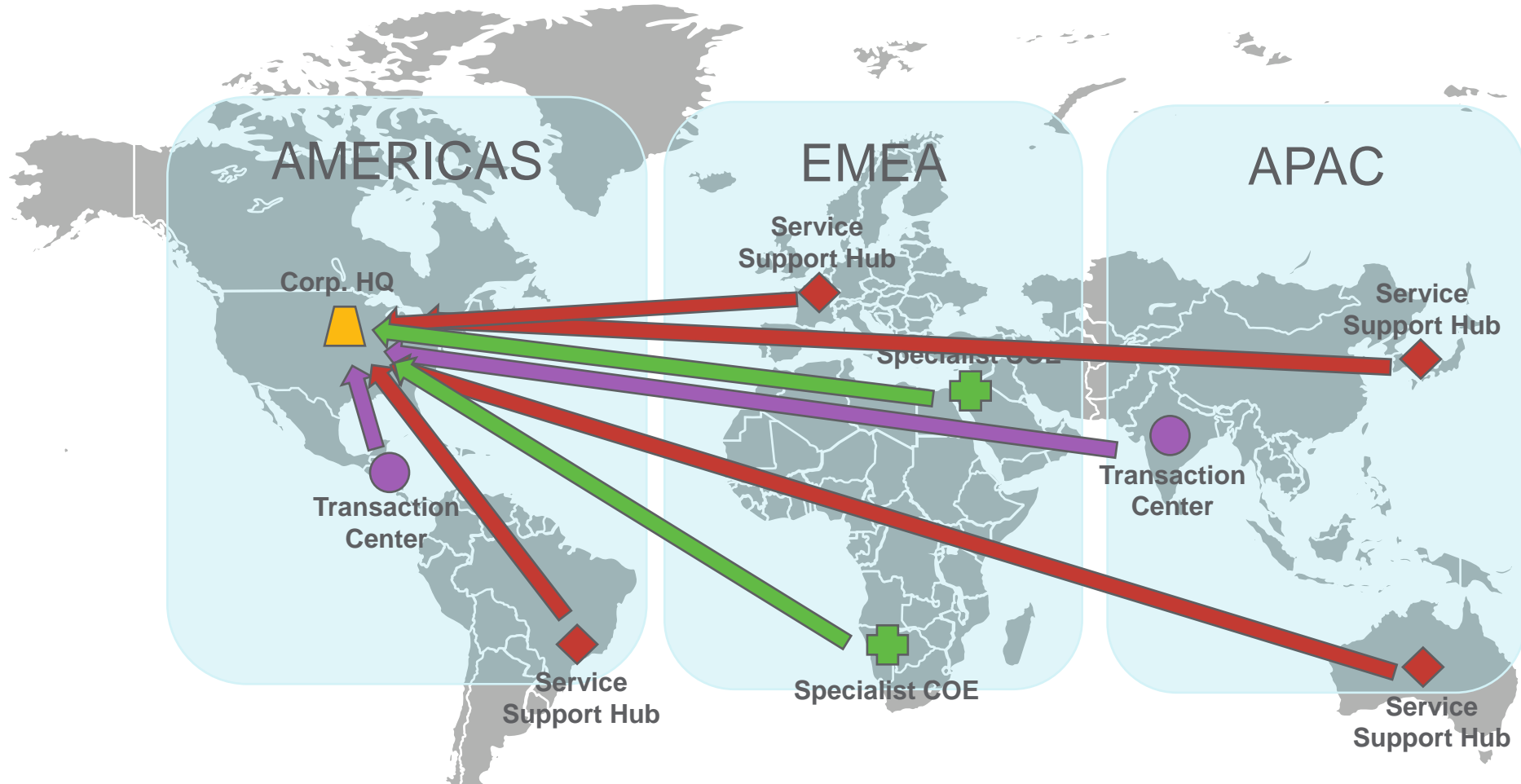
GBS organizations fundamentally shift several processing structures, while maintaining some commonality in operations support with more traditional shared services models.



## Several highlights

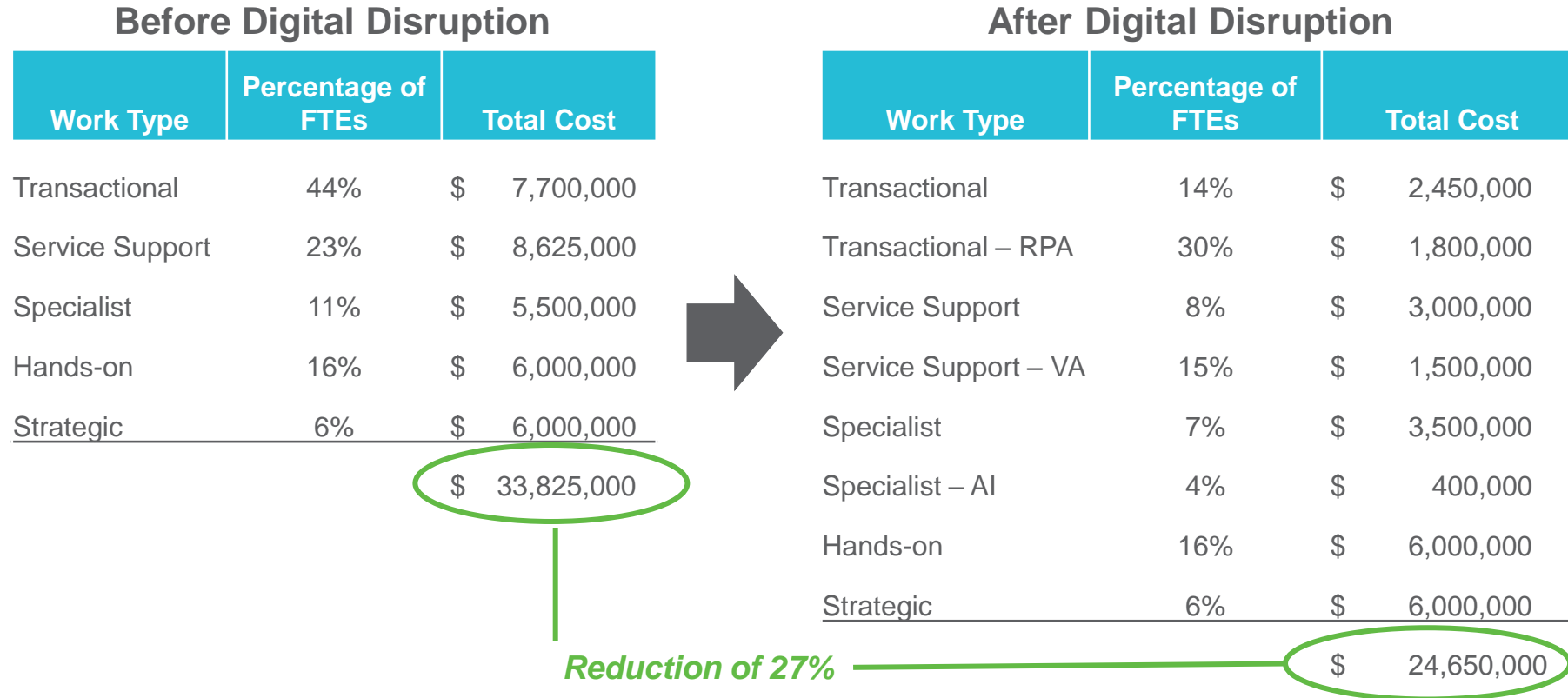
- End-to-end process orientation
- Separate, accountable, customer care
- Enhanced “Operations Support” to factor key elements of the GBS model (e.g., Global Process Owners)

# Leverage Technology to Restructure Your GBS Model Over Time



RPA, AI, and Virtual Agents are location independent – tasks can be completed from anywhere in the world, including high-cost areas like the U.S.

# Example Business Case Savings Resulting from the New GBS Model



**Advancing your GBS through digital transformation yields significant recurring savings across the global operating model.**

Note: Figures are illustrative only.

# Next Generation Concepts

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## 3 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*

# Building an Inspired and Productive SSO

## INCLUSION

*Diverse and inclusive teams are 17% more likely to report that they are high performing, 20% more likely to say they make high-quality decisions, and 29% more likely to report behaving collaboratively<sup>1</sup>*

## ENGAGEMENT

*An inclusive culture promotes engagement by creating a welcoming environment that accepts individual differences, embraces strengths, and encourages involvement*

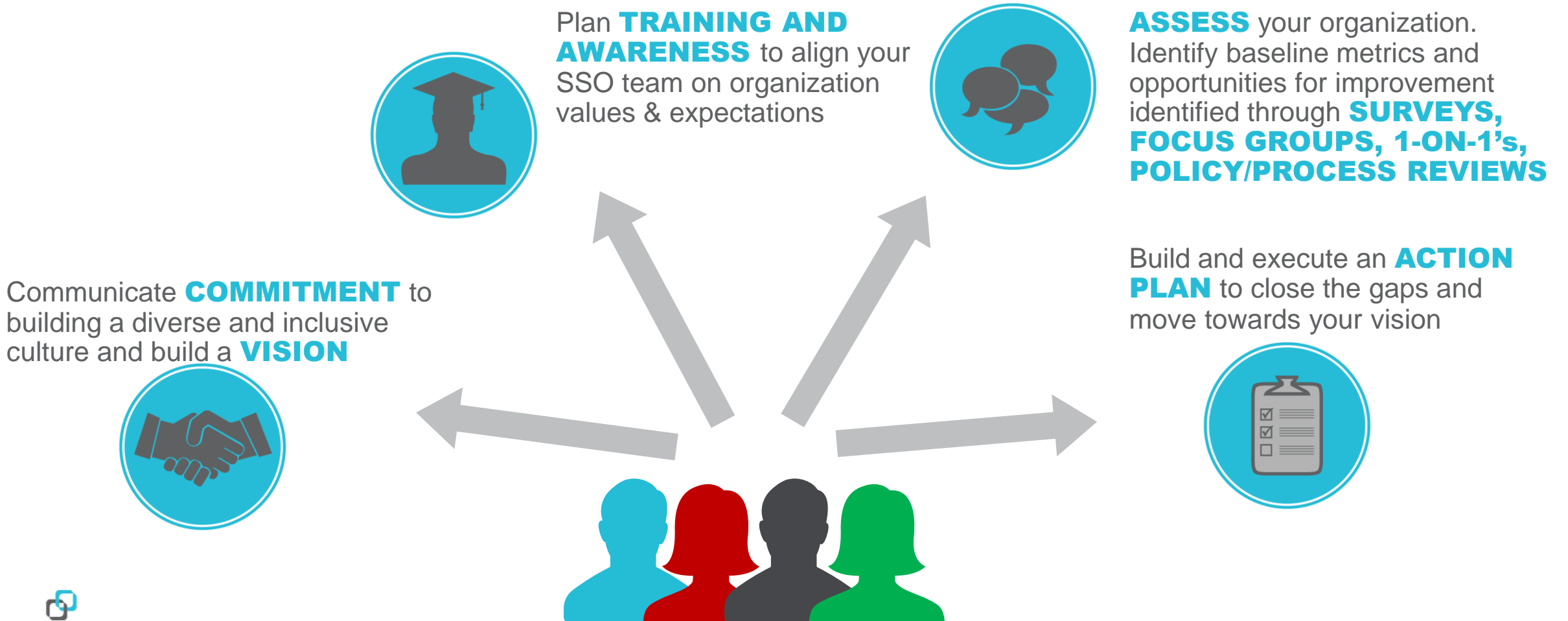
## INSPIRATION

*A highly engaged SSO provides opportunities for all to be inspired to achieve their full potential*



# Inclusion Strategy

A comprehensive inclusion strategy builds a culture in which people in the SSO organization feel valued and inspired to contribute. Strategy includes commitment, education, inclusion surveys, identification of gaps and development of metrics



# 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

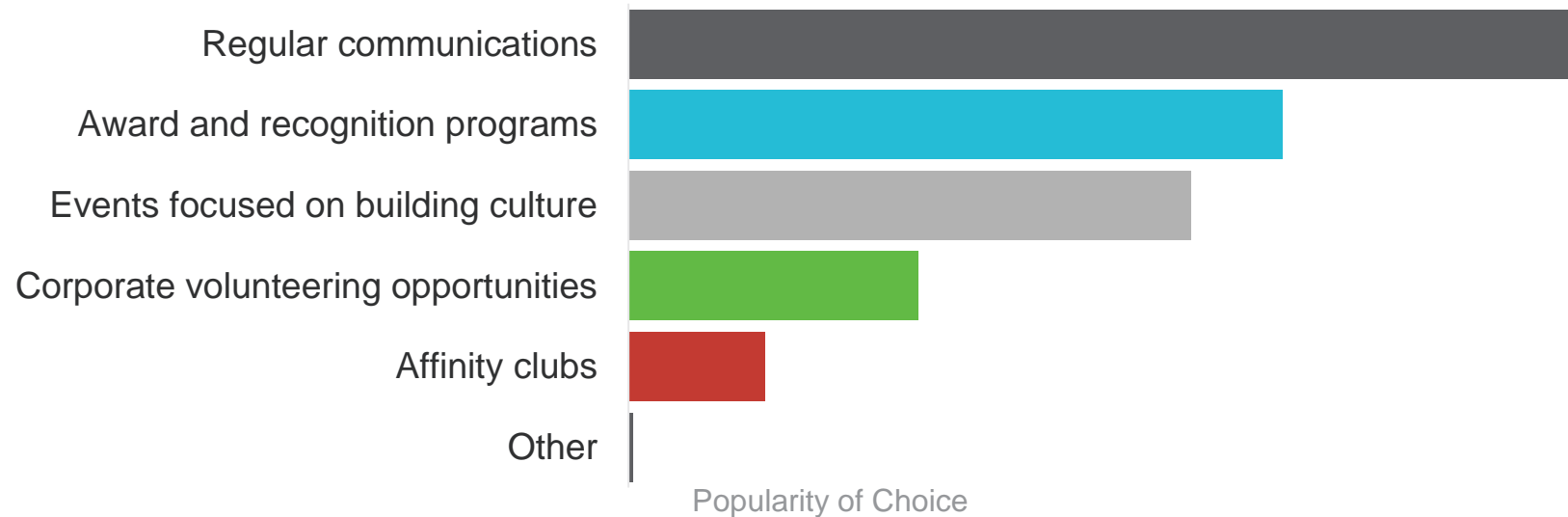


# Cultivating Employee Engagement and Culture in SSOs

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?

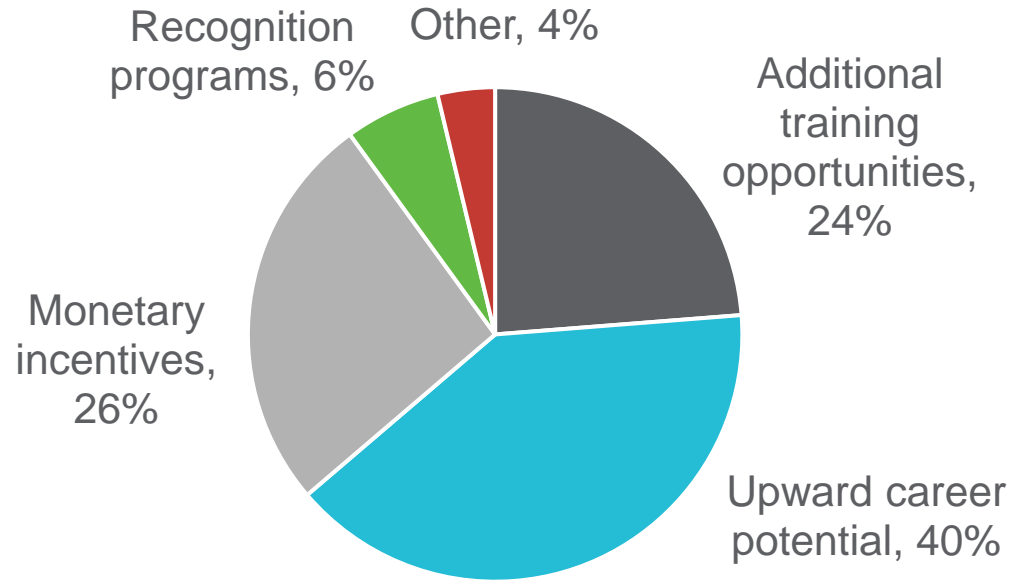


# Validating Your Employee Value Proposition (EVP)

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?



# Emphasizing Career Development

Career development is a key part of your **inclusion to inspiration** strategy. Below is an illustrative example of a potential career path for shared services:



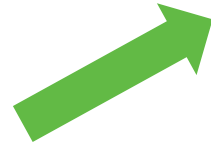
The diagram above is not hierarchical, but rather an example of a career path.

# 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

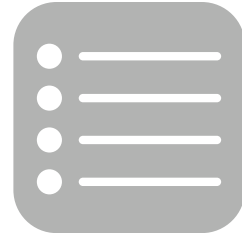


## CULTURE IMPACT

### 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*



# Wrap Up



# What's Next? ... Here's Five Things to Do

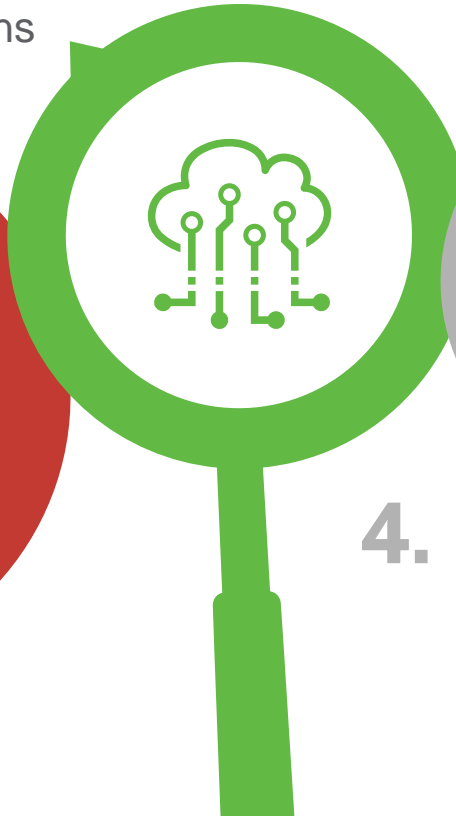
**1.** Develop your shared services strategy – where do you want to be in the next 3-5 years and what will it take to get there?



**2.** Focus on innovations to shared services that enable efficiency, agility, and scale – all while maintaining or improving customer service



**3.** Consider the impact of technology to major decisions including your expansion strategy, service delivery model, BPO contracts, and ERP implementations



**5.** Consider ScottMadden and our **SSO Accelerator** tool for an assessment that will generate recommendations to boost the value of your shared services organization



**4.** Create an inclusion strategy that builds a strong corporate culture and improves employee engagement



# Wrapping Up



## Housekeeping items:

- Complete SSON’s workshop evaluation form to help us improve
- Request access to our complete workshop presentation

## Hear from one of our clients:

- Tuesday, 1:50 pm–2:20 pm
  - **Northrop Grumman:** Ten Things You Can Learn from a Marching Band – *Fine-tuning Your Shared Service With a Bang!*



## Stop by ScottMadden’s booth to:

- Participate in our demo drive to earn tokens you can use at “Shop SSOW” for prizes such as a Solo Stove
- Drop a card to gain access to shared services insights and helpful resources
- Enter for our booth drawing for a chance to win Apple AirPods



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

