



scottmadden
MANAGEMENT CONSULTANTS

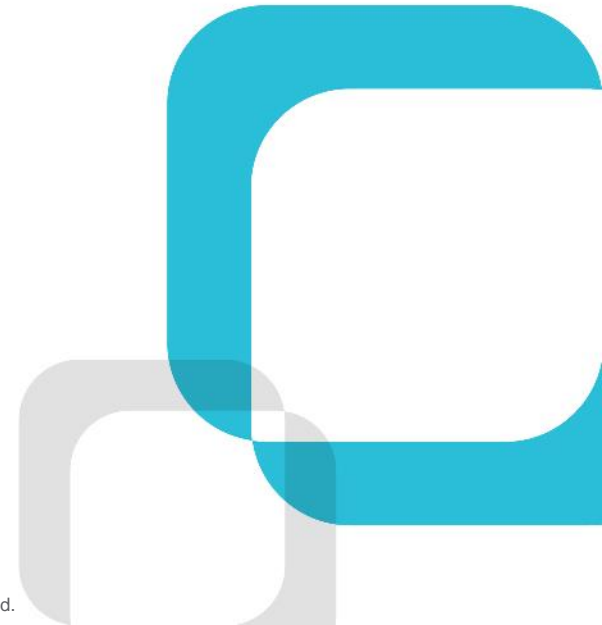
Smart. Focused. Done Right.®

Workshop B

Building a Shared Service Operation ... Then Taking to the Next Level

SSOW LATAM, San Jose, Costa Rica

October 11, 2022



Agenda

- Presentación de ScottMadden
- Construcción e Implementación de SSO
- Preparándose para el Futuro
 - Expandir
 - Innovación
 - Inspiración
- Asegurando el Talento Adecuado





Introduction to ScottMadden



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 **2,100 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

HUMAN CAPITAL

We offer HR transformation and shared services, analytics, HR systems (selection, implementation, and optimization), process design and improvement, talent and employee engagement strategy and programs, and payroll

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

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.

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.

FINANCE AND ACCOUNTING

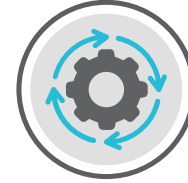
Through enterprise financial business services, strategic centers of expertise, intelligent automation solutions, hybrid insource/outsource delivery models, and other solutions, we help you increase value for your company

BUSINESS SUPPORT SERVICES

We help our clients integrate various administrative services into their shared services model to improve service response performance to the business



Corporate and Shared Services Capabilities



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
- 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

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

Nuestra Alianza Estratégica & Clientes representativos en LATAM

Más de doce (12) años de experiencia en implementación y diseño de Centros de Servicios compartidos en la región LATAM cubriendo varios clientes en más de un país.

Enfoque metodológico para abordar un Proyecto de Servicios Compartidos:

- Antes de comenzar cualquier Proyecto entendemos a profundidad las necesidades y los retos de nuestros clientes
- Trabajamos de la mano con nuestros clientes, como ninguna otra firma lo hace, produciendo resultados prácticos y reales
- No empleamos Metodología “prestablecidas y de texto”. Trabajamos cada caso individualmente, y nos enfocamos en resolver los problemas con conocimiento experto

 Clientes de CSCs
  Países Consolidados
  Alianza Estratégica



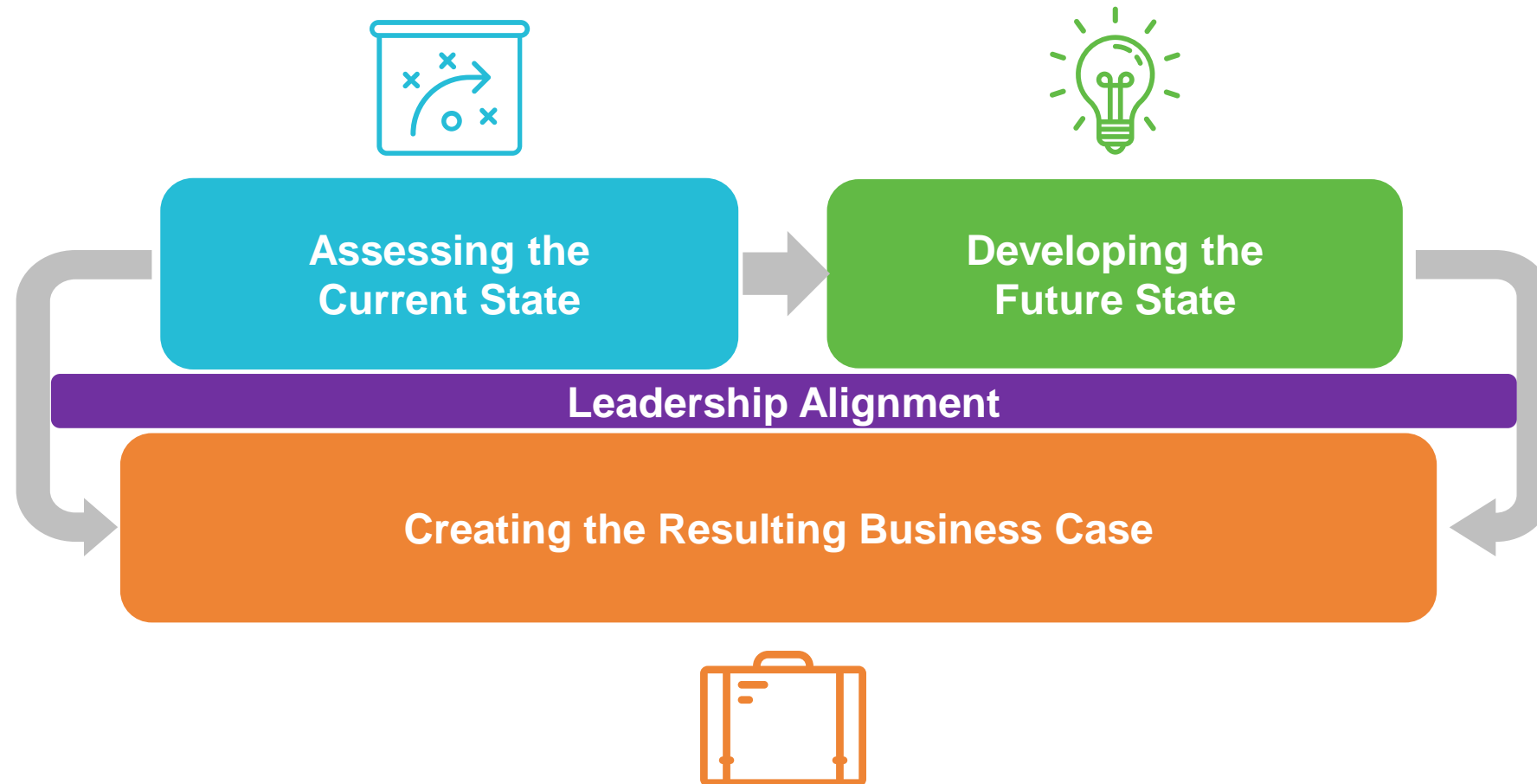


Assessment and Design

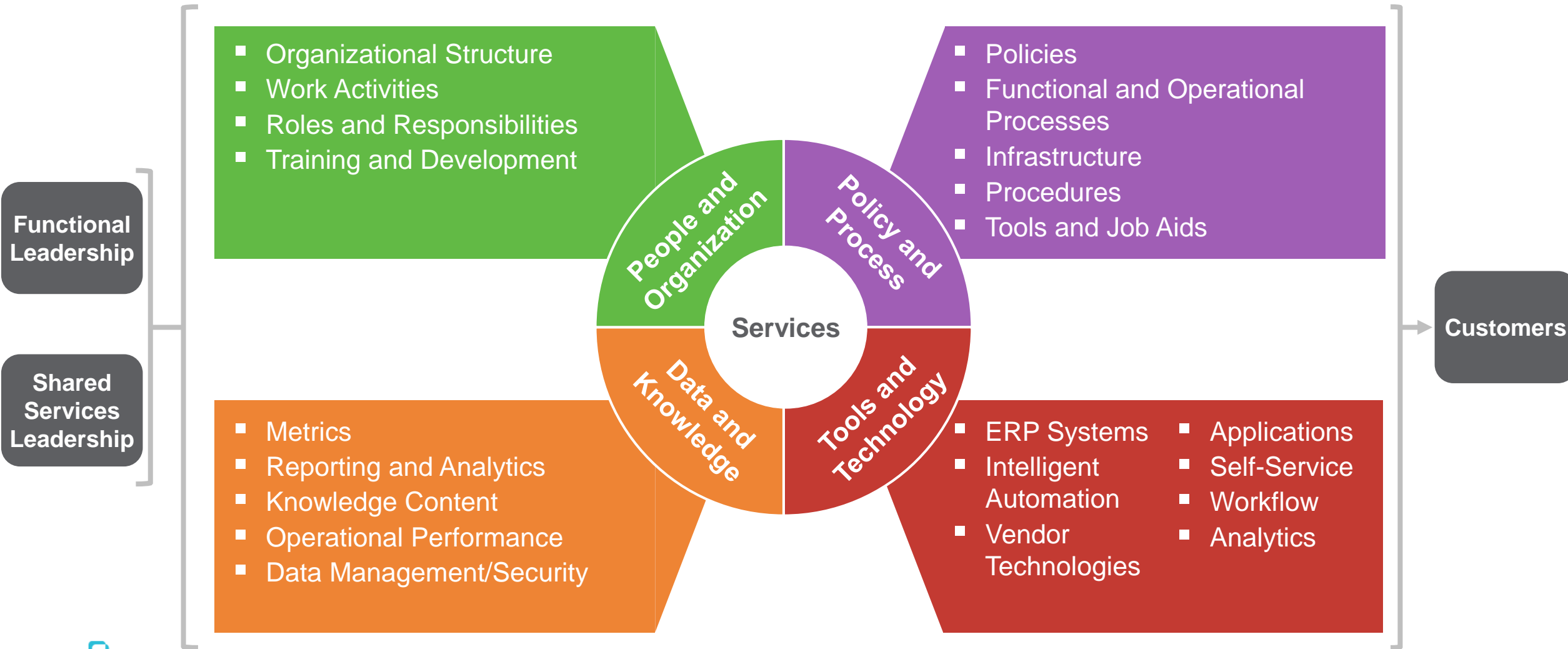


Critical Steps in the Process

Before the business case can be created, it is important to assess the current state, develop the future state design, and align stakeholders. The results of these steps are key inputs to the business case model.

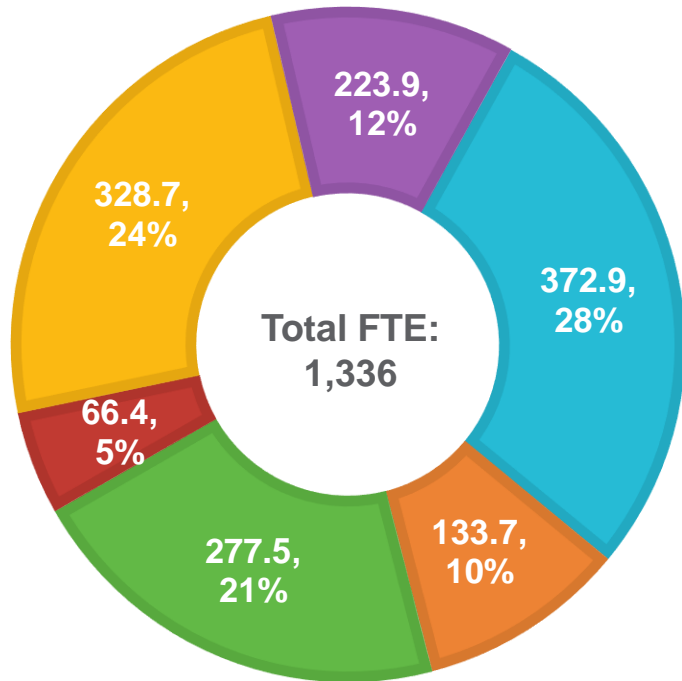


Assessing the Current Operations

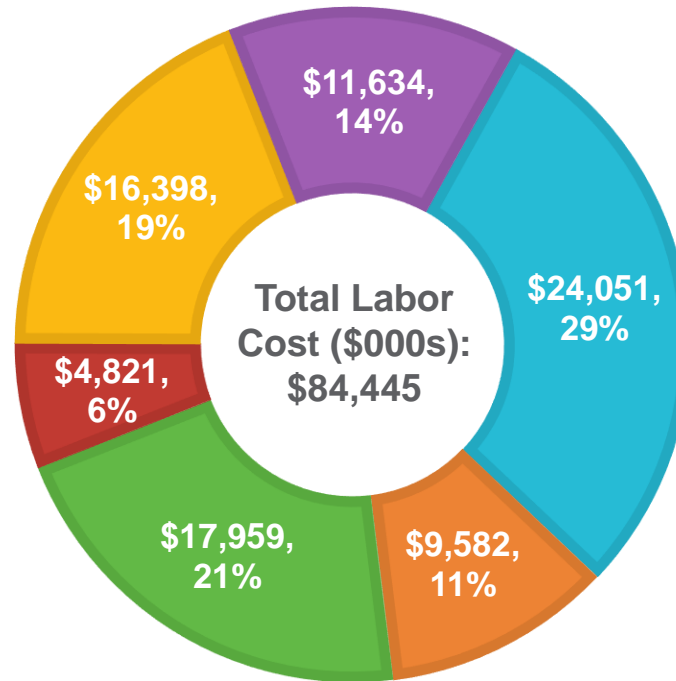


Current State Assessment

An important first step for understanding your organization is to gather data on how employees in your functions are spending their time and gain a clear picture of the labor costs of your services and activities.



- Financial Services
- Communications & Event Planning
- General Admin



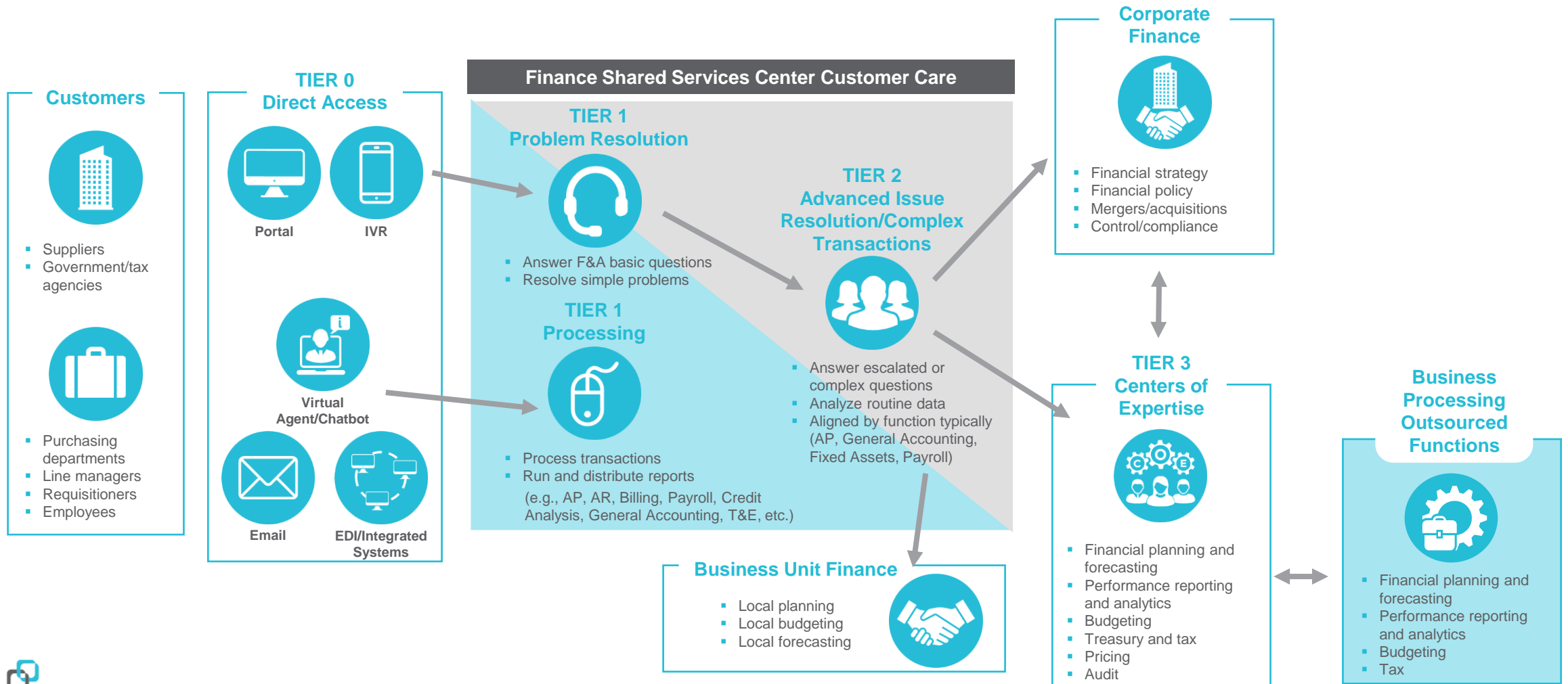
- Contracts & Grants Management
- Facilities
- Human Resources



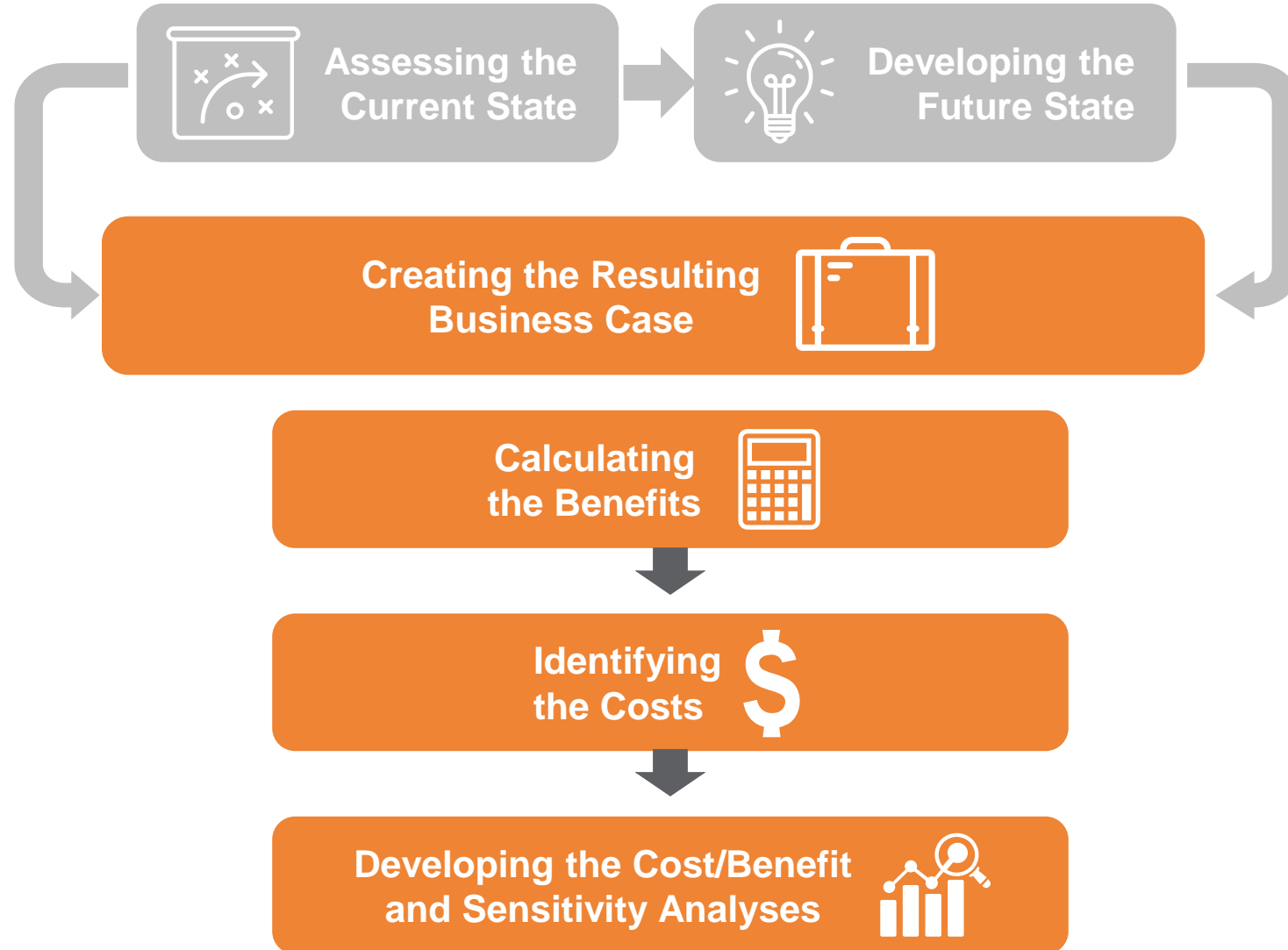
A Work Activity Assessment can be an effective tool to support this step

Leading Practice Finance Service Delivery Model with BPO

The Finance Service Delivery Model can integrate BPOs for Tier 1, 2 and 3 functions. Further unlocking value for the organization.



Business Case Preparation Steps



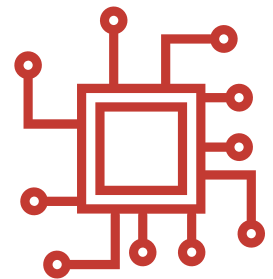
Calculating the Benefits

In quantifying the benefits, the reduction in headcount is often the largest and most important.

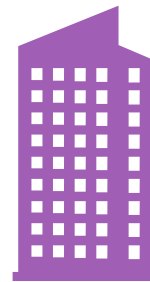
Headcount Benefits (Labor)



Other Quantifiable Benefits:



Technology



Site



Vendors

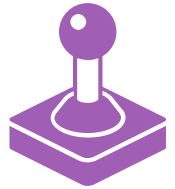
Calculating the Benefits – Soft Benefits

Beyond quantifiable benefits, there are also several intangible benefits that should be reinforced.



Increases customer orientation

- Balance of human interaction and self-service tools
- Continuous improvement through metrics, dashboards, and analytics



Improves controls

- Increases internal controls across the business
- Reduces risks and increases transparency and compliance in processes



Enables strategic decision making

- Improves scalability and nimbleness for acquisitions and major business changes
- Permits better and faster decisions based on company-wide metrics



Enables further, indirect efficiency

- Reduces cycle times of processes for internal and external stakeholders
- Reduces overall operating costs while improving accuracy and speed of service

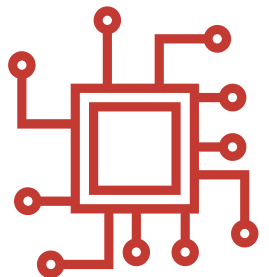
Identifying Costs

Labor is a significant driver for business case savings. Costs, however, are more evenly spread among different areas and must include one-time and recurring inputs.

Headcount Costs (Labor)



Other costs can include:



Technology



Consulting and
Project Team



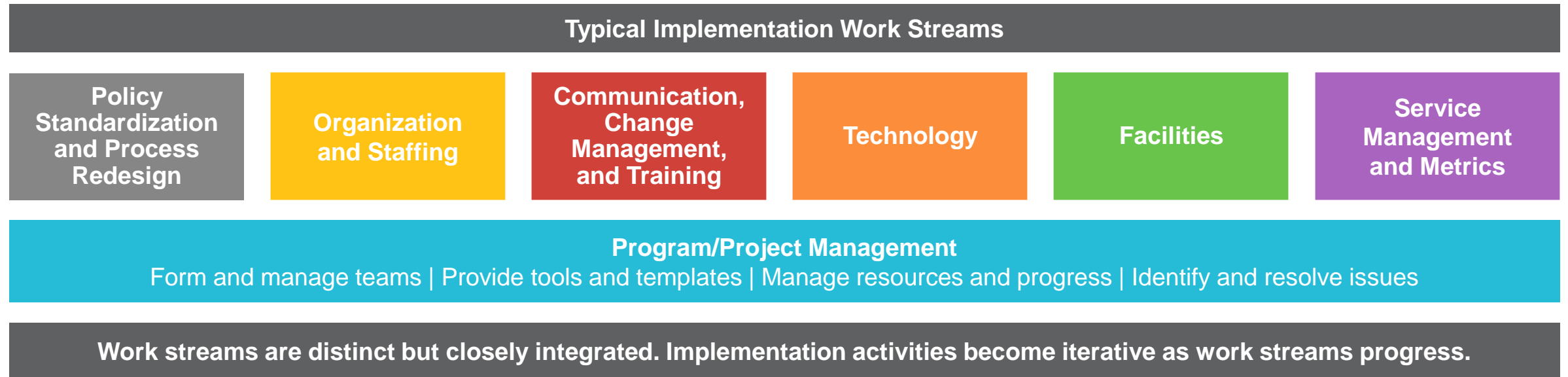
Marketing
and Training



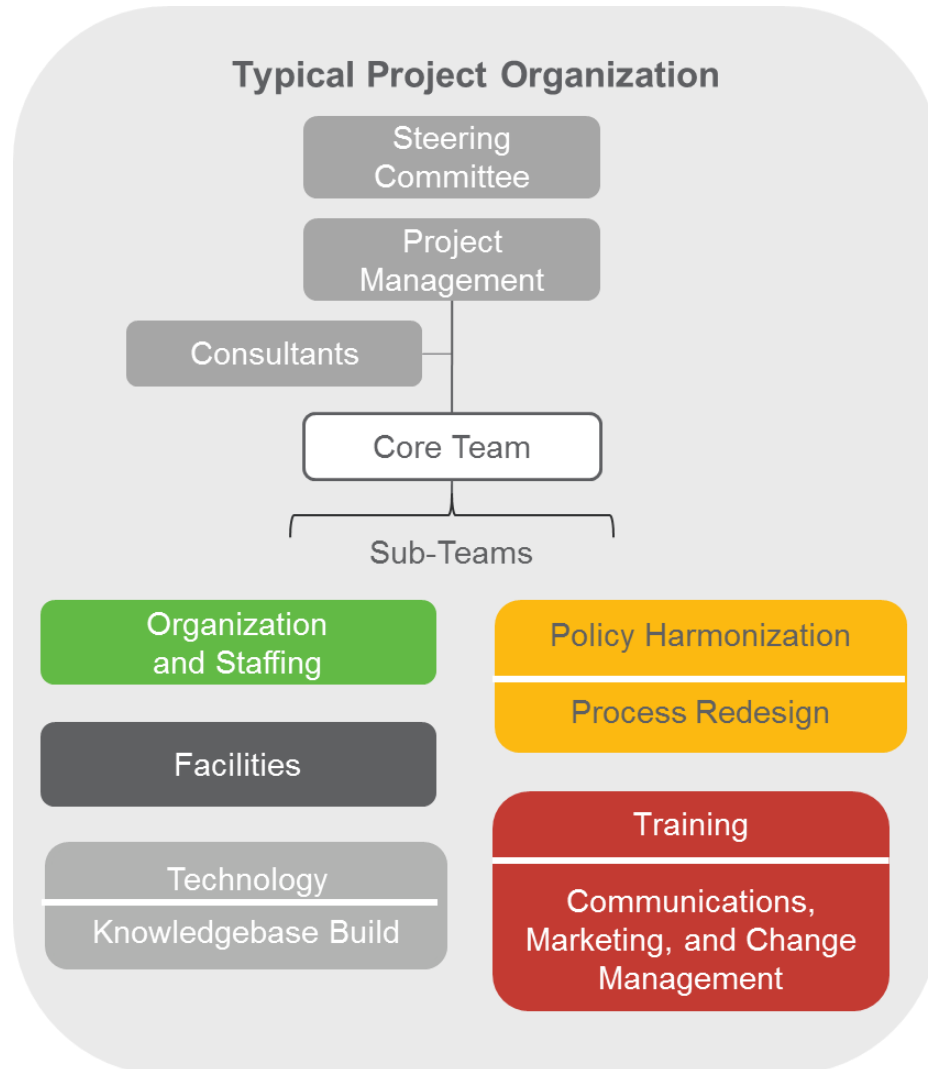
Site

Typical Implementation Work Streams

After the business case and roadmap are complete, service centers are built and launched. Implementations typically consist of major work streams and corresponding key activities.

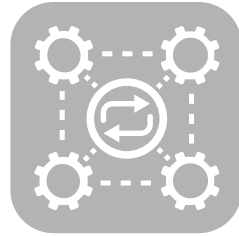


Forming the Right Team



Part-Time Participants and Subject Matter Experts





Next Generation Concepts

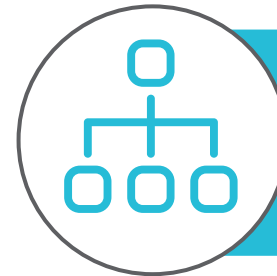


Before We Get Started

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

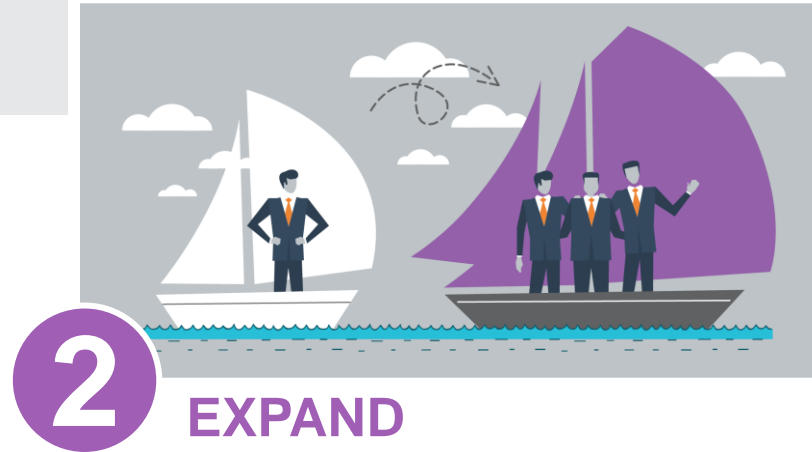
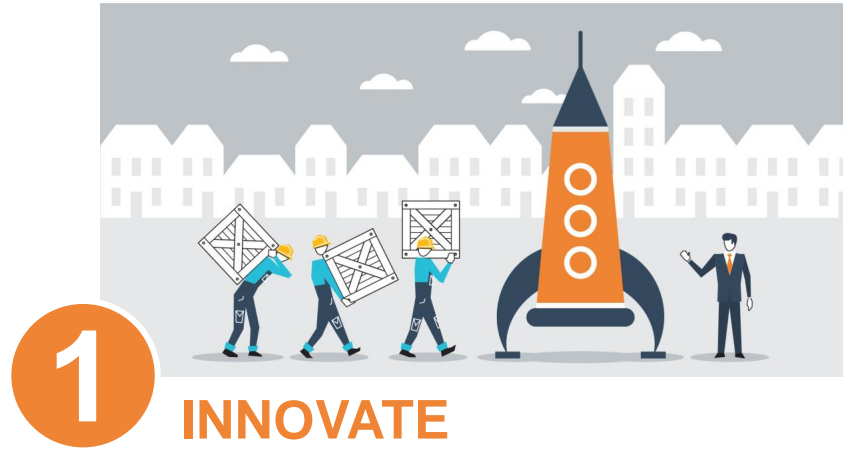


Leverage technology for service delivery



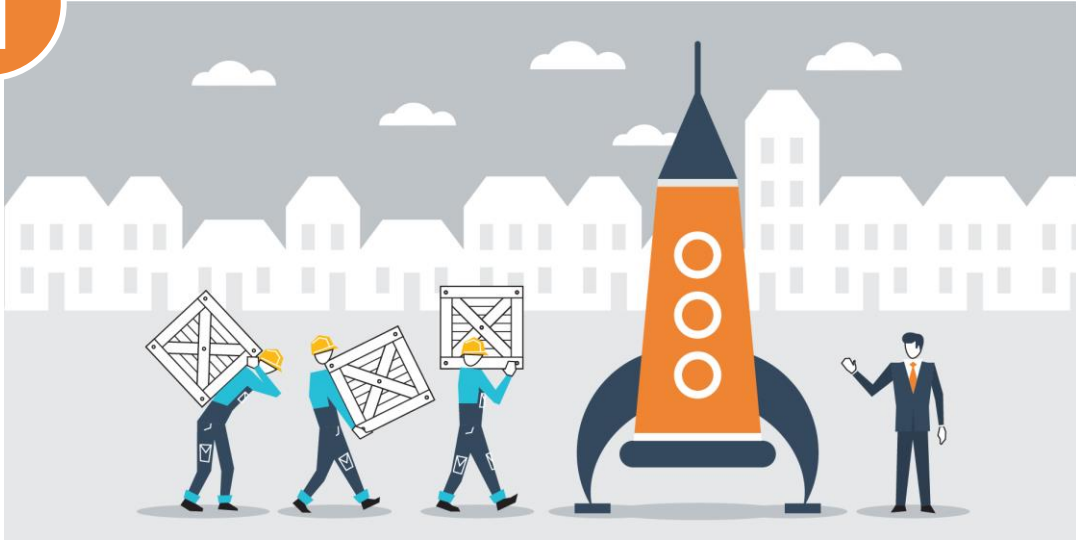
Focus on customer satisfaction and performance

Next Generation Concepts



Next Generation Concepts

1 INNOVATE



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

– Steve Jobs

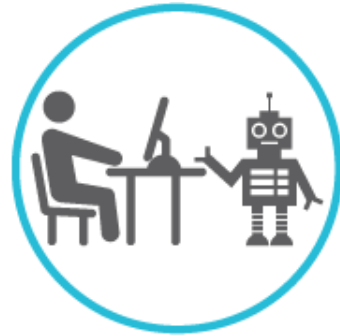
Assessing “Disruptive Technology” Impact on Delivery Models

Intelligent Automation Continuum¹



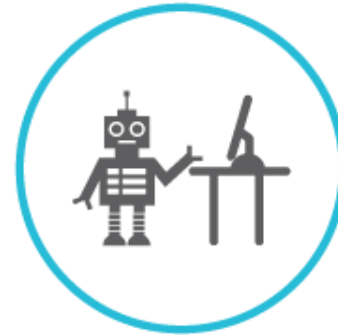
Manual

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

¹HfS

What's Really Out There... And Being Used - "The Big 3"

	 Robotic Process Automation	 Virtual Agents and Chatbots	 Artificial Intelligence
Level of Adoption	80% ¹	45% ¹	43% ¹
Characteristics of Data Input	Structured, rule driven, static	Structured data, but requires cognitive computing	Unstructured/structured data with hidden patterns
Nature of Ideal Process Fit	<ul style="list-style-type: none"> ▪ Digital Repetitive Steps ▪ Rule-Based/Logic Driven ▪ Time Consuming ▪ Documented ▪ Static Rules 	<ul style="list-style-type: none"> ▪ Customer-Interfacing ▪ Requires access to solve? ▪ Multiple languages required ▪ Multiple time zones required 	<ul style="list-style-type: none"> ▪ Requires research ▪ Non-routine inquiries ▪ Formula-driven ▪ Requires pattern and detailed analysis
Process Candidate Examples	<ul style="list-style-type: none"> ▪ AP/AR management ▪ Billing and invoices ▪ Data entry/management 	<ul style="list-style-type: none"> ▪ Customer service ▪ Vendor inquiries ▪ Delivery/scheduling 	<ul style="list-style-type: none"> ▪ Document research (contracts) ▪ Forecasting (turnover) ▪ Analytics (process mining)

Data structure and integrity is essential across all IA.

¹ = 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



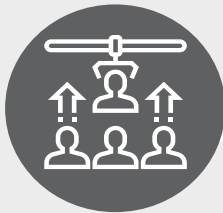
Identifying

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

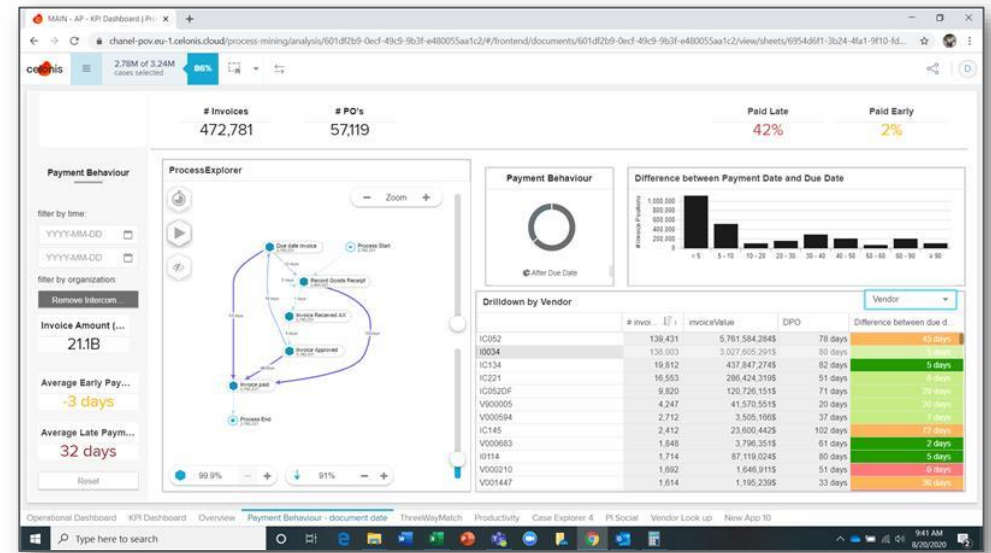
- Orders received
- Products delivered
- Payments made

What it tells us...brings visibility to:

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

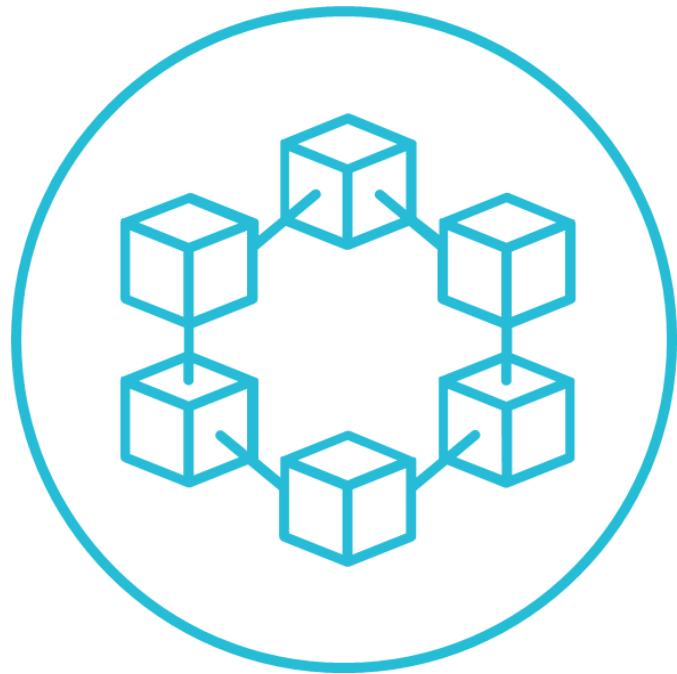
Analysis opportunities

- 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	▾

Defining Your Strategy – Automation COE Hybrid Example

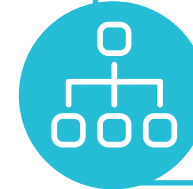
PEOPLE

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



PROCESS

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

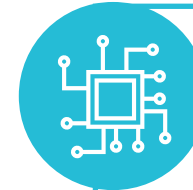


- Standards alignment
- Monitoring
- Control assurance
- Benefits realization

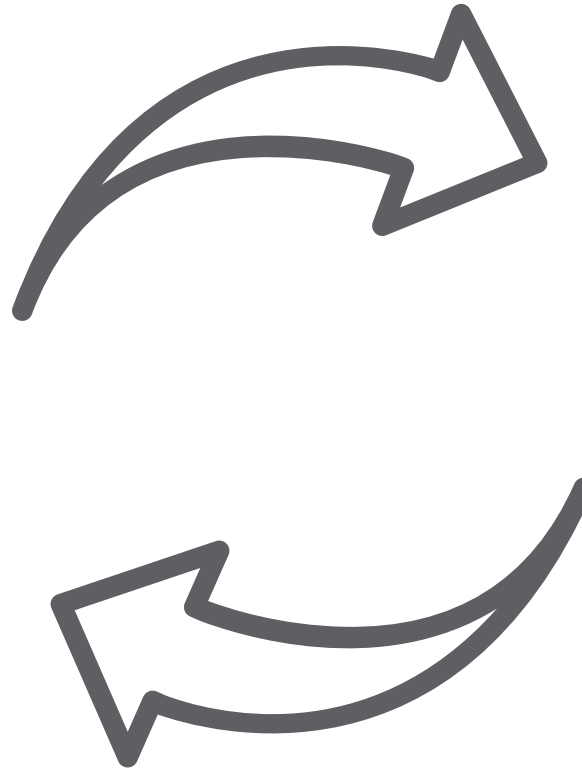


OVERSIGHT

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

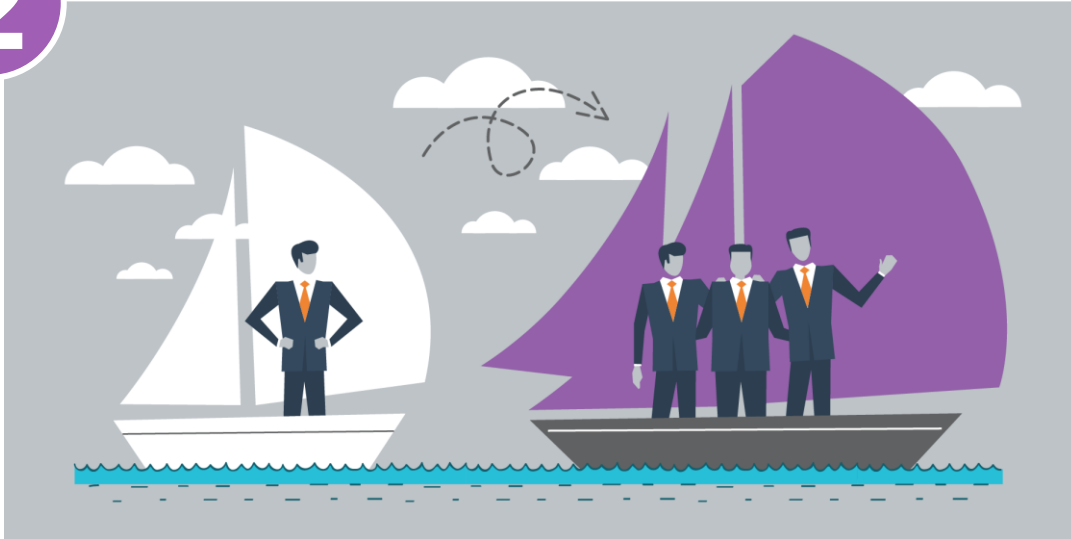


TECHNOLOGY



Avanzando las Operaciones de Servicios Compartidos

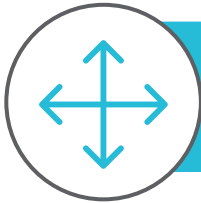
2 EXPANDIR



“El crecimiento no es por simple azar; es el resultado de fuerzas trabajando conjuntamente.”
– James Cash Penney

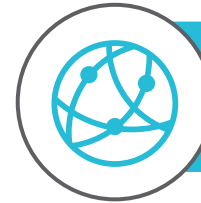
Evaluando Múltiples Métodos de Expansión

Después de implementar Servicios Compartidos, las Compañías buscan oportunidades para expandir y mejorar el soporte a sus clientes. Lo pueden hacer ofreciendo más Servicios o atendiendo más clientes.



Expandir A través de Funciones Más Servicios

- Nuevas funciones para los SSO – HR, IT, Supply Chain, Finanzas, Legal
- Funciones administrativas adicionales
 - Comunicación
 - Medio ambiente, salud y seguridad laboral
 - Cumplimiento de Regulaciones
 - Administración Bienes Raices
 - Facilidades
- Funciones transaccionales adicionales
- Servicios de mayor valor agregado



Expandir Geográficamente Más Clientes

- Clientes adicionales
- Unidades de Negocio adicionales en la Compañía
- Nuevas áreas geográficas
 - Nuevos estados, regiones, países, etc.
 - Servicios Compartidos Globales
- Soporte a otras Compañías (ventas externas)

Considerando Procesos “End-to-End” en la Expansión de Servicios

Cuando considere qué otros Servicios puede incorporar a la Operación de Servicios Compartidos, considere aquellos elementos del trabajo que hacen el mayor sentido desde el punto de vista de procesos “de principio a fin”. De esta manera mejorará la experiencia del cliente y ganará consistencia.

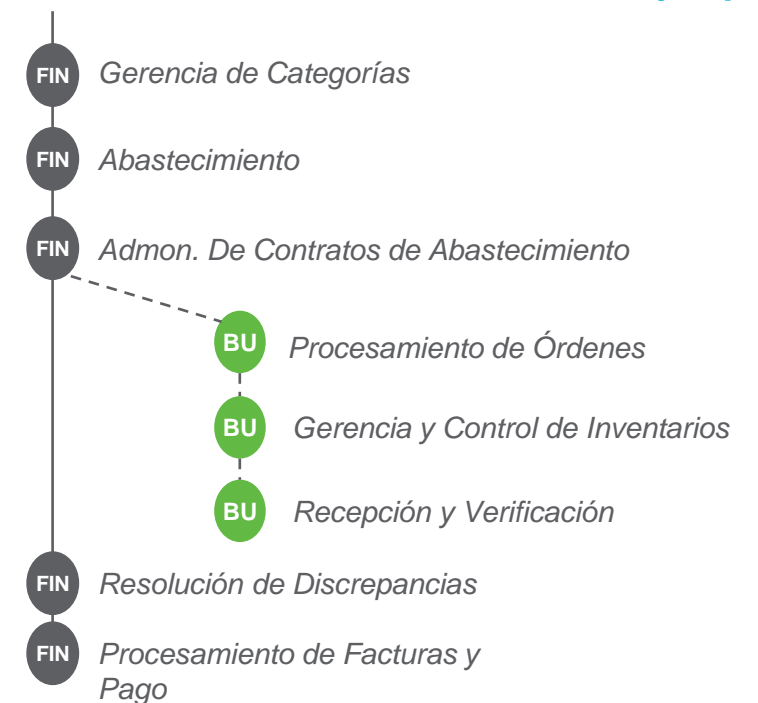
“Lo manejaremos más tarde.”

- A menudo, se quedan actividades fuera en la transición...porque son muy sensitivas y complicadas
- Oportunidad de revisar y expandir
- Es más fácil articular como encajan en todo el proceso

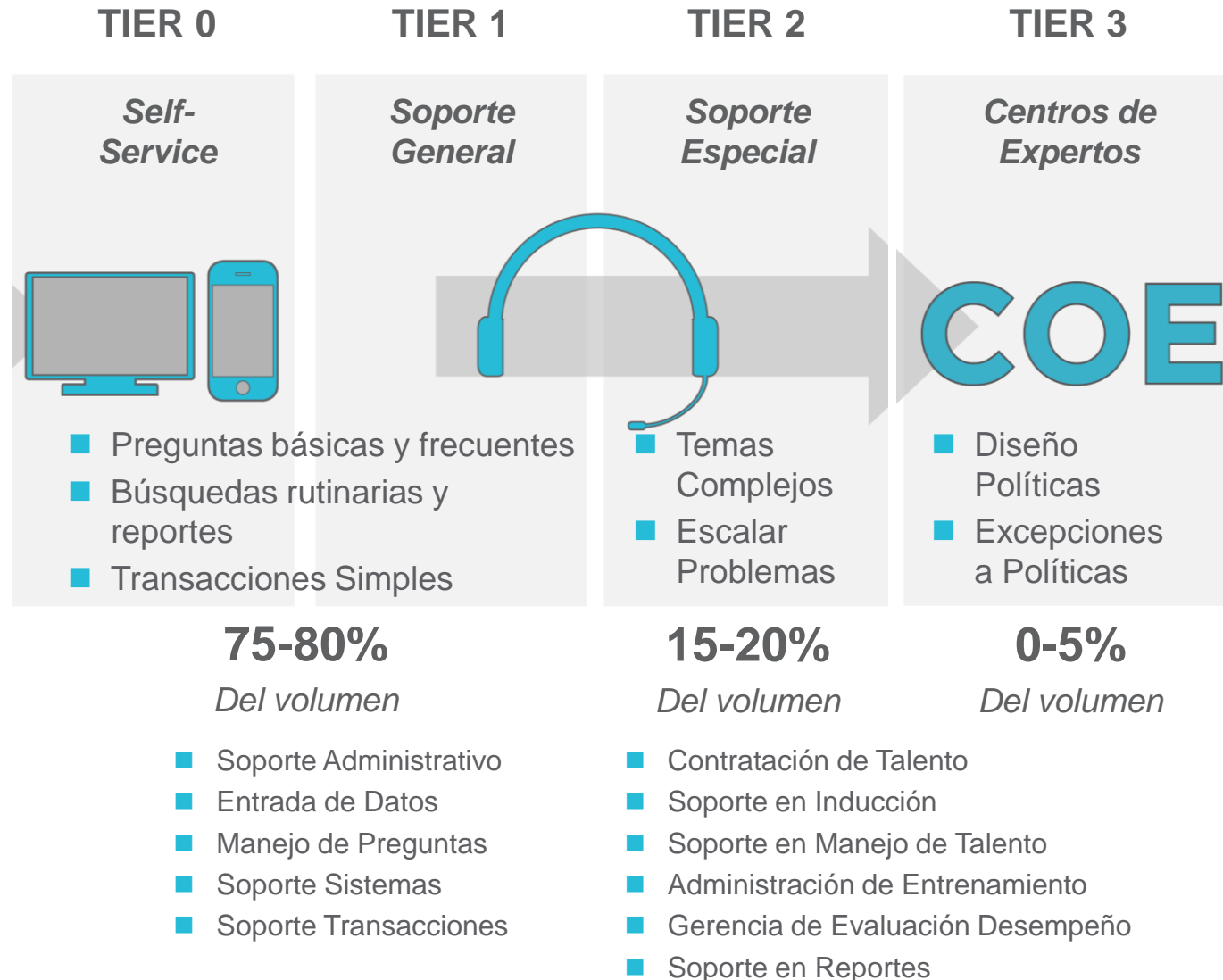
Proceso End-to-end en HR - Ejemplo



Proceso End-to-end en Finanzas - Ejemplo



Continuar subiendo el espectro en la Cadena de Valor



Por ejemplo: Una tendencia similar ocurre en F&A en Servicios de mayor valor :

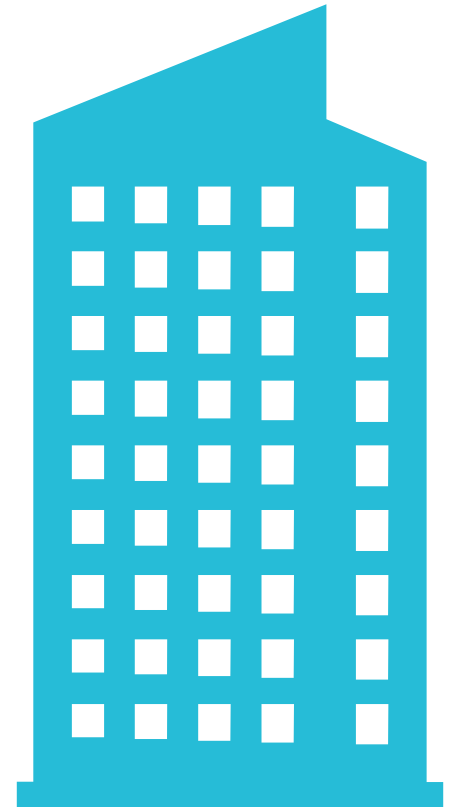
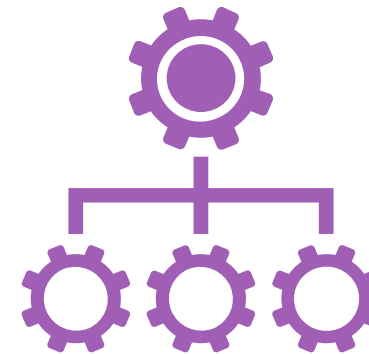
- **FP&A**
- **Mergers / Acquisitions**
- **Pricing**
- **Análisis de Negocios**

Definiendo Global Business Services

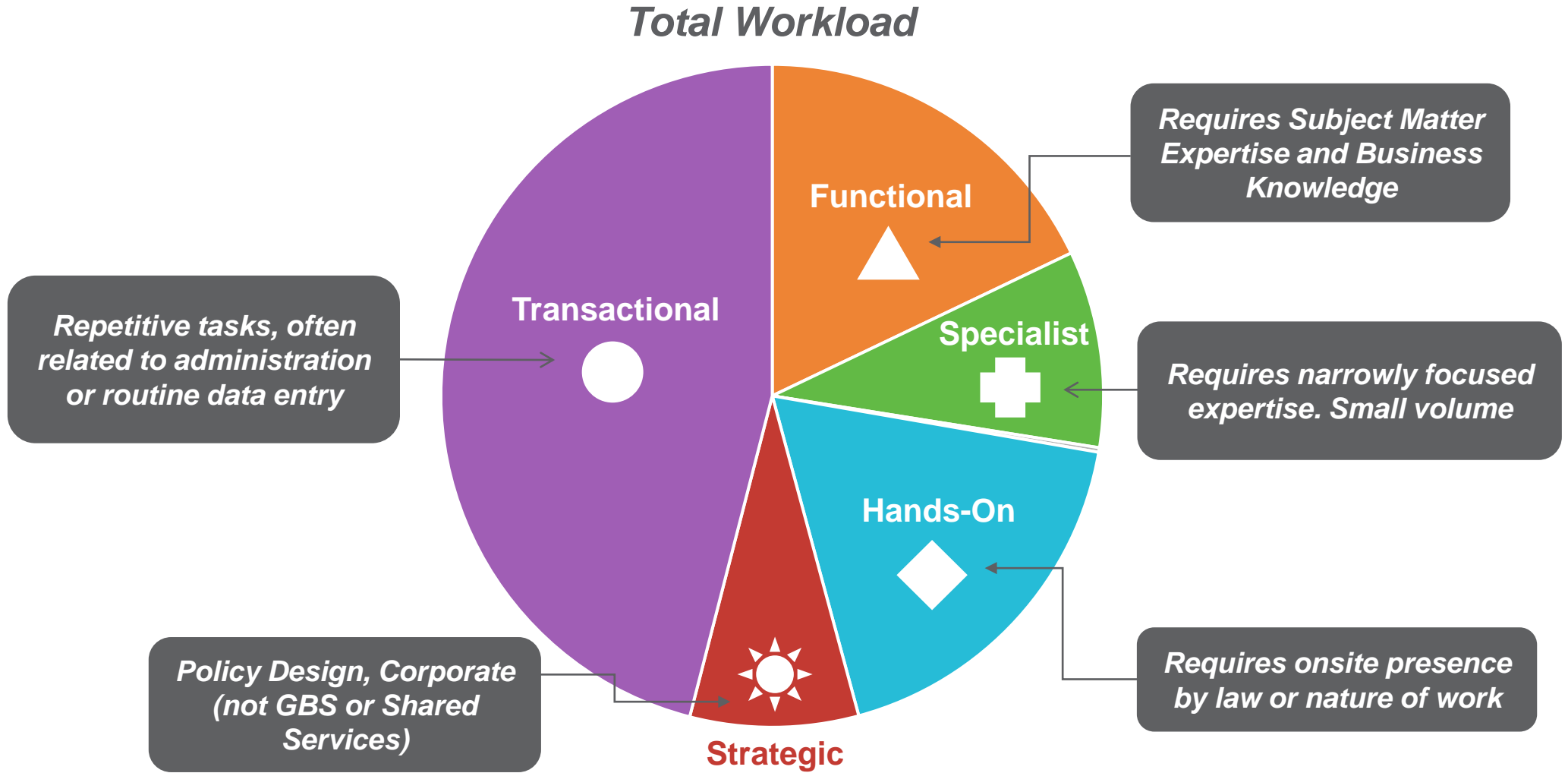
Global Business Services (GBS) es la capacidad integrada de Servicios de una corporación, enfocada en la entrega de un soporte transaccional y analítico para las Unidades de Negocio y el Corporativo , bajo la misma estructura organizacional.

Creemos que un verdadero GBS muestra cinco características:

1. Entrega Servicios sobre una base global de clientes
2. Reporta a una persona con responsabilidad por el presupuesto completo
3. Comparte infraestructura, incluyendo ubicaciones y plataformas tecnológicas
4. Incorpora procesos y responsabilidad “end-to-end”
5. Incluye actividades de alto valor agregado



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



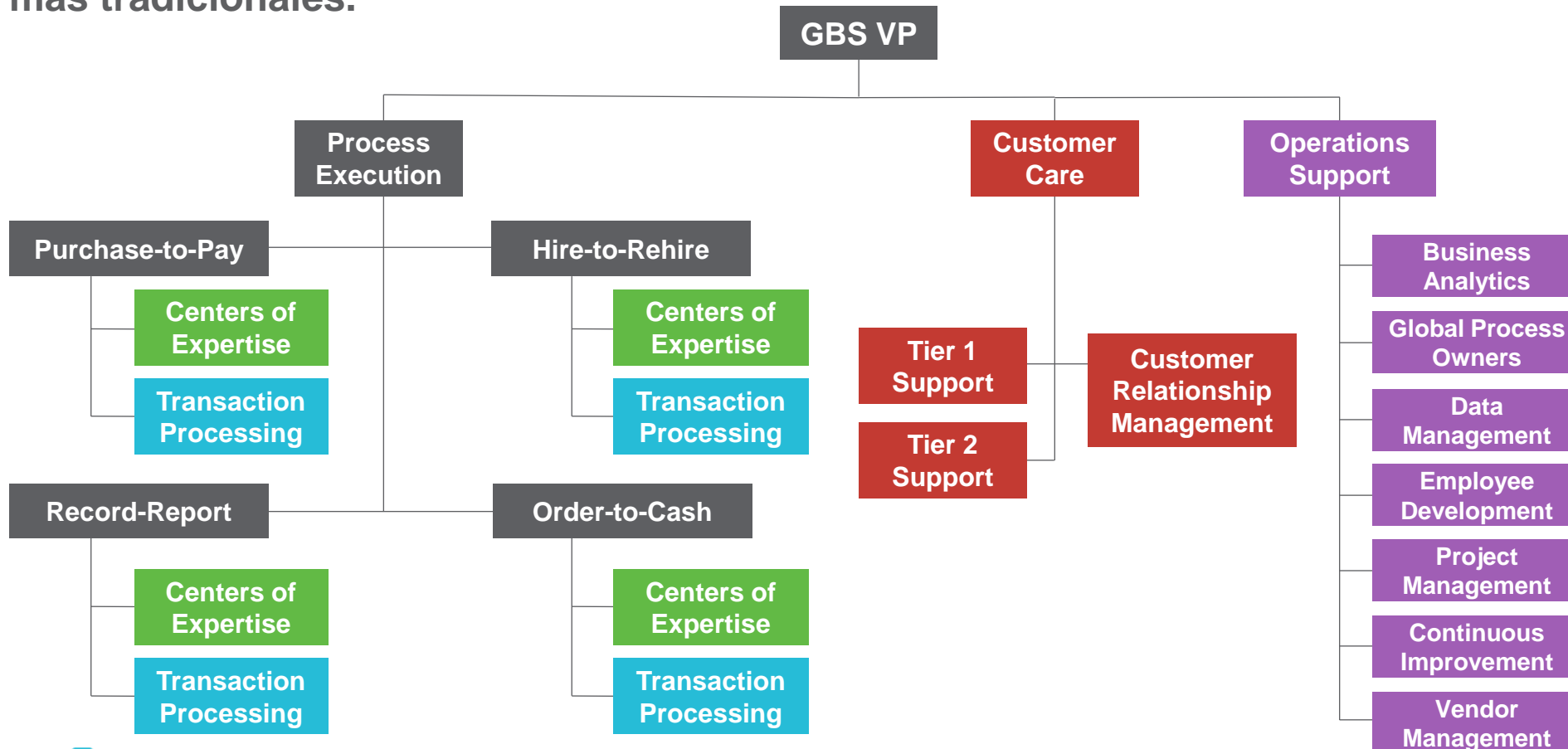
Determining the Extent Work Can Be Consolidated

	On Site	Transactional Center	Regional Support Hub	Connected Specialists
Type of Work	Hands on	Transactional	Functional	Specialists
Finance Example Services	<ul style="list-style-type: none"> Mail handling Cash processing Audit facilitation 	<ul style="list-style-type: none"> Invoice processing Payroll processing Vendor payments 	<ul style="list-style-type: none"> Closing books Financial reporting Solving problems 	<ul style="list-style-type: none"> Tax planning Financial forecasting Cash flow manage
Central?	<ul style="list-style-type: none"> Not possible 	<ul style="list-style-type: none"> Great opportunity 	<ul style="list-style-type: none"> Good opportunity (but know business) 	<ul style="list-style-type: none"> Possible, but can connect virtually



Una Organización Típica de GBS

Las Organizaciones GBS fundamentalmente cambian ciertas estructuras de procesamiento, mientras que mantienen algunas operaciones de soporte compartidas con modelos de Servicios Compartidos más tradicionales.



Algunos aspectos

- Orientación de Procesos End-to-end
- Cuidado al Cliente separado y con responsables
- Operaciones de Soporte con mayor valor agregado para multiplicar factores clave del modelo GBS (e.g., Global Process Owners)

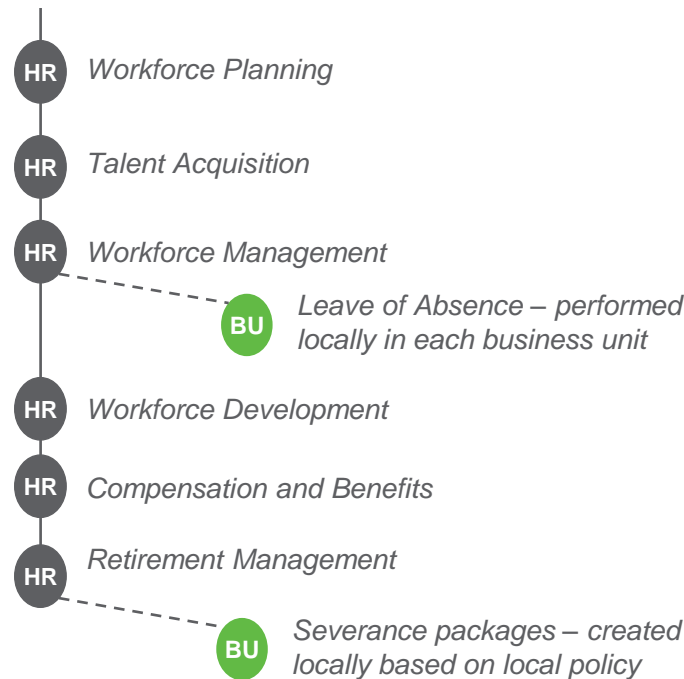
Considering End-to-End Processes in Expanding Services

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



Desafíe las viejas reglas de servicio compartido

¿Deberían todos los servicios ser realmente estandarizados cuando las líneas de negocio son muy diferentes?

Misión

- Brindar servicios estandarizados y no ajustados a clientes internos, pequeños y únicos
- Incubar las mejores prácticas y ayudar a integrarse con clientes
- Desarrollar habilidades interfuncionales



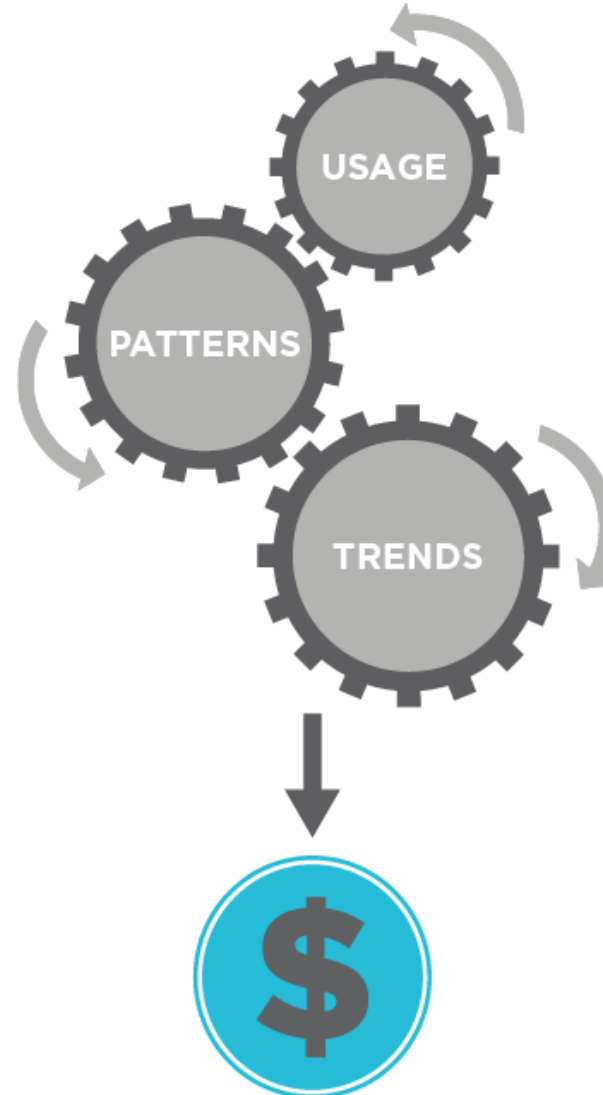
Use los datos que se mueven a través de su servicio compartido

Financieros

- Riesgo de Crédito a Clientes
- Tendencias en Gastos y Viajes
- Flujo de Caja
- Términos de Pago
- Deuda, Intereses e Impuestos
- Depreciación Activos Fijos

Tecnología de Información

- Web hits
- Niveles de uso del servidor
- Uso de Dispositivos Móviles
- Nivel de uso del portal
- E-Commerce
- Hitos en Redes Sociales
- Picos o Valles en Data center



Compras

- Puntaje de calidad del proveedor
- Previsión de demanda de product
- Tendencias de gasto por categoría
- Rotación o Ciclo de Inventario
- Políticas de Materia Prima
- Política de Gastos Administrativos

Recursos Humanos

- Políticas de HR
- Tendencias en Contratación
- Gestión de Desempeño
- Gestión de Competencias
- Demografía de jubilación
- Tiempo de Reclutamiento
- Motivos de Salida de Talento

Transición a un COE con Analytics

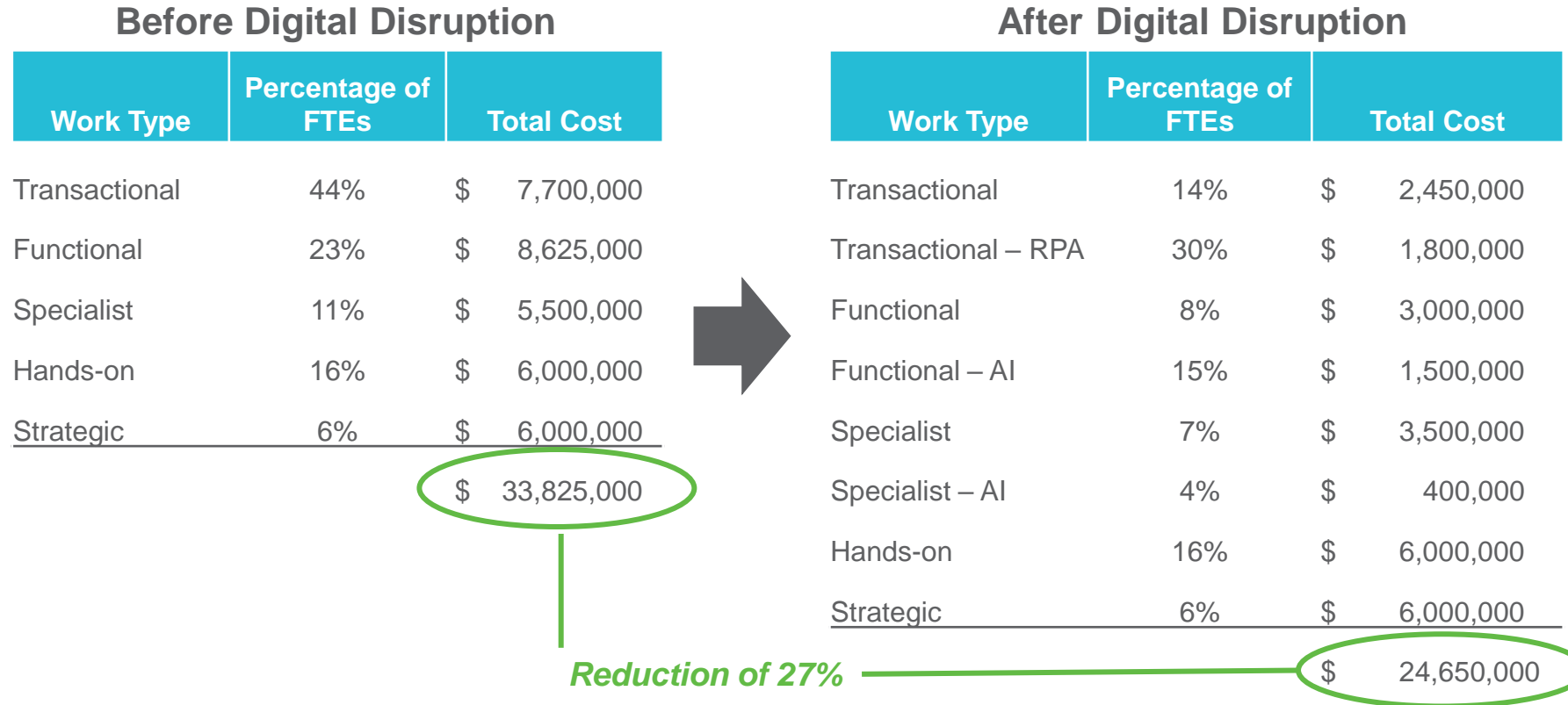
Varios Factores clave de éxito mejorarán la oportunidad de éxito de un grupo analítico nuevo o existente.



Factores Claves de Exito

- Centrarse en desafíos comerciales críticos
- Habilite una junta de gobierno para retroalimentar sobre las prioridades de análisis
- Asegure la conectividad a los sistemas en su lugar
- Establecer objetivos manejables (retroalcanzables y medibles)
- Especialistas en datos o "científicos de datos"

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.

Avanzar en operaciones de servicios compartidos

3 INSPIRAR



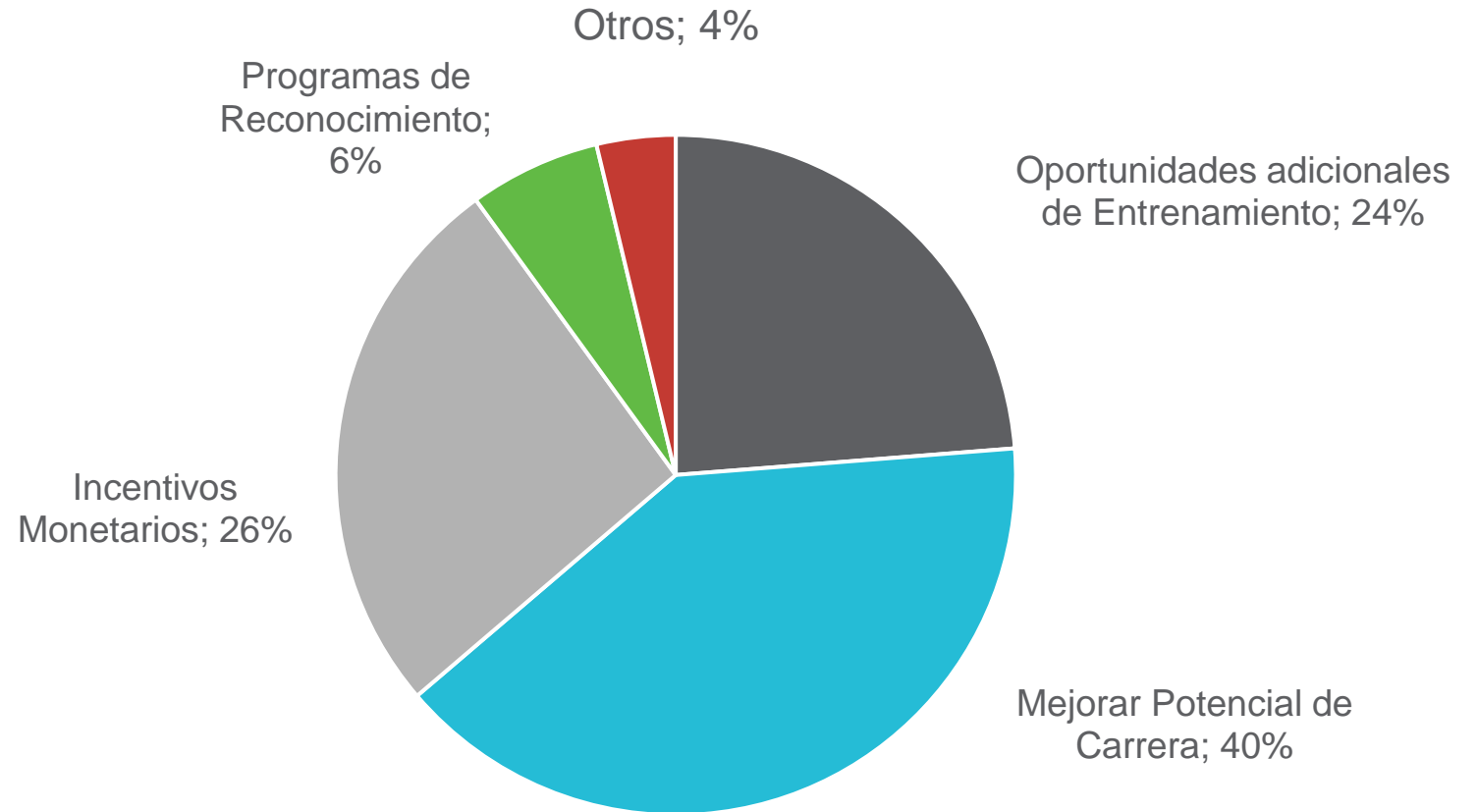
“Encuentra el Wow! - para tener éxito, debes sorprender a las personas en tu organización.”

*– Caroline, Mondelez International
SSON Presentation*

Validar lo que motiva a sus empleados

El Desarrollo profesional, los incentivos monetarios y las oportunidades de capacitación adicionales se reportan como los principales impulsores para retener al personal... **Compensación Total**

¿Cuál es el mayor impulsor para **retener** al personal de su organización?

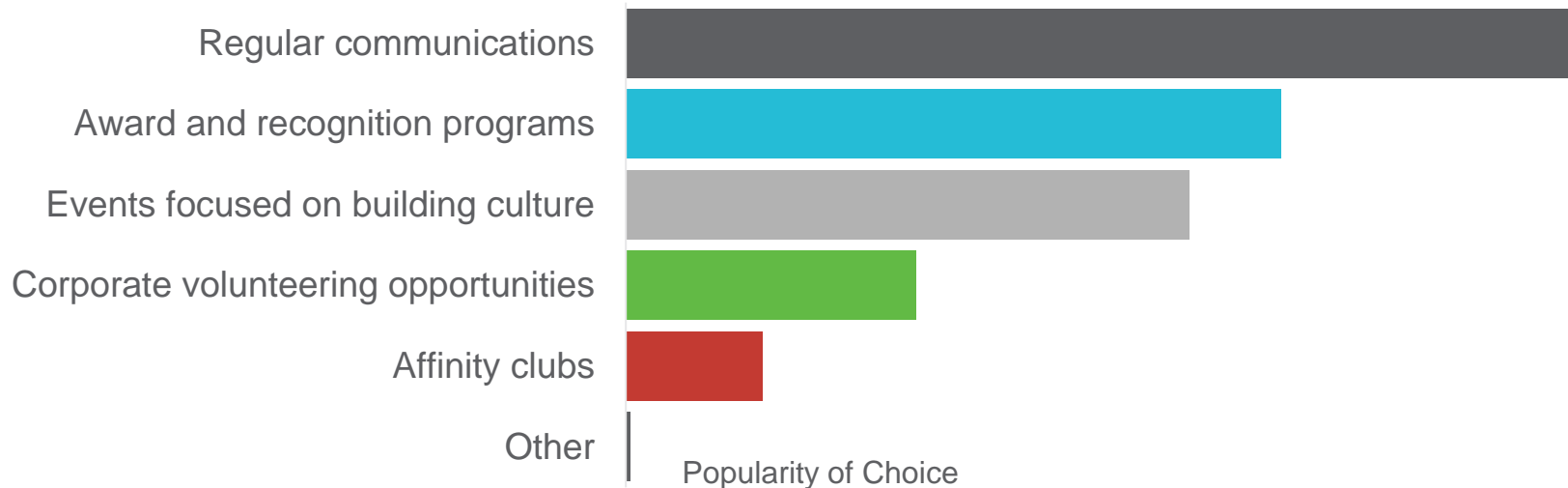


Avanzando más allá de la motivación hacia el “Compromiso”

Una encuesta de Talento hecha por ScottMadden en SSO dice que la comunicación, reconocimiento y el desarrollo cultural son las mejores tácticas de compromiso.

- Para pequeños SSOs los eventos centrados en la construcción de la cultura son más efectivos
- Para Medianos y Grandes SSOs los programas de premios y reconocimientos son los más efectivos

Qué tácticas son más efectivas para involucrar y comprometer a los empleados construyendo cultura dentro de su SSO?



Determinación de habilidades para el futuro de su SSO

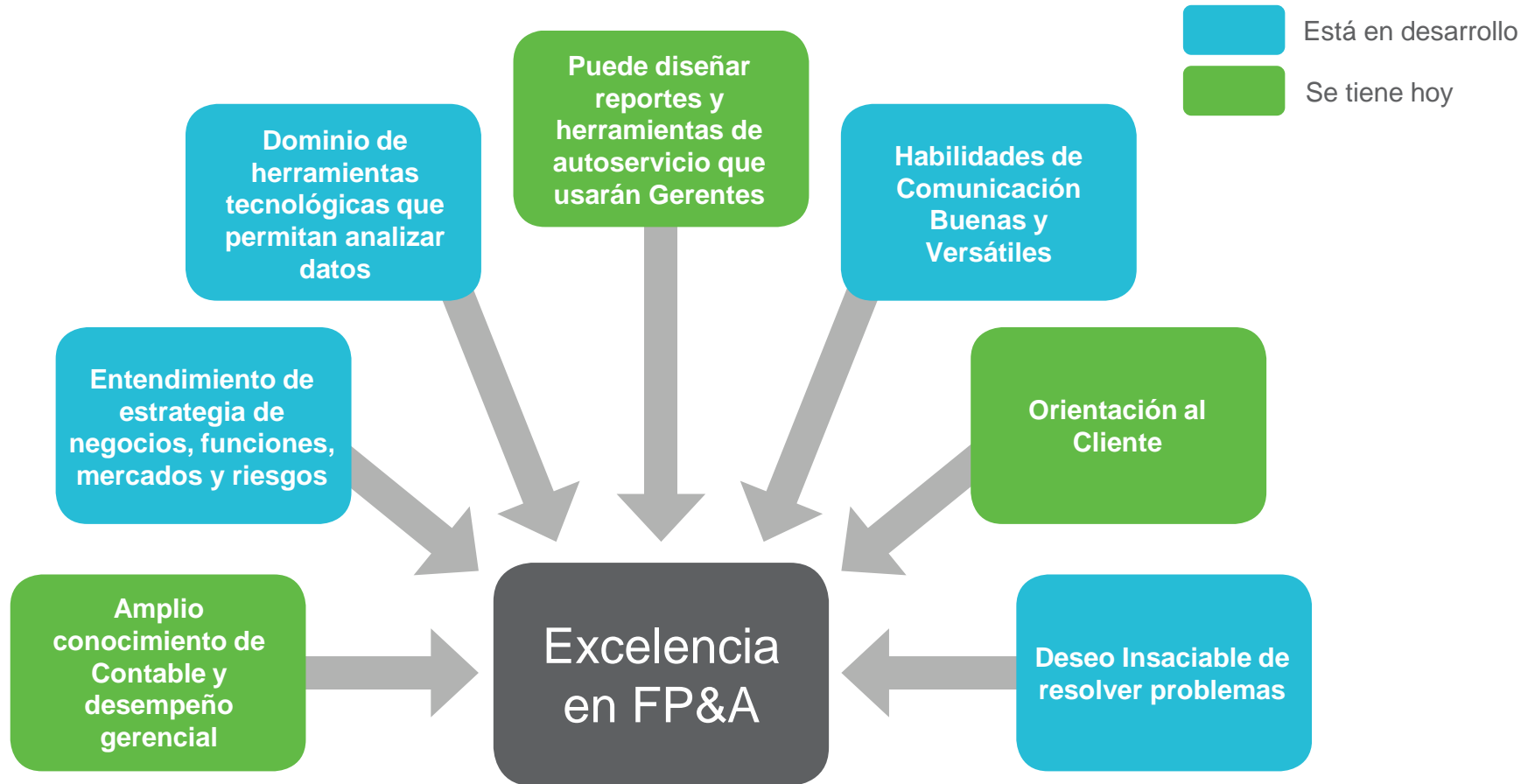
Una encuesta de ScottMadden dice que a nuestros SSO les faltan habilidades en análisis de datos, automatización, excelencia de procesos e innovación.

Las respuestas más populares a "¿Qué habilidades le falta a su SSO"?



Rompiendo Silos y Mezclando Roles – FP&A

Usted puede apoyar servicios nuevos con habilidades que tiene hoy?

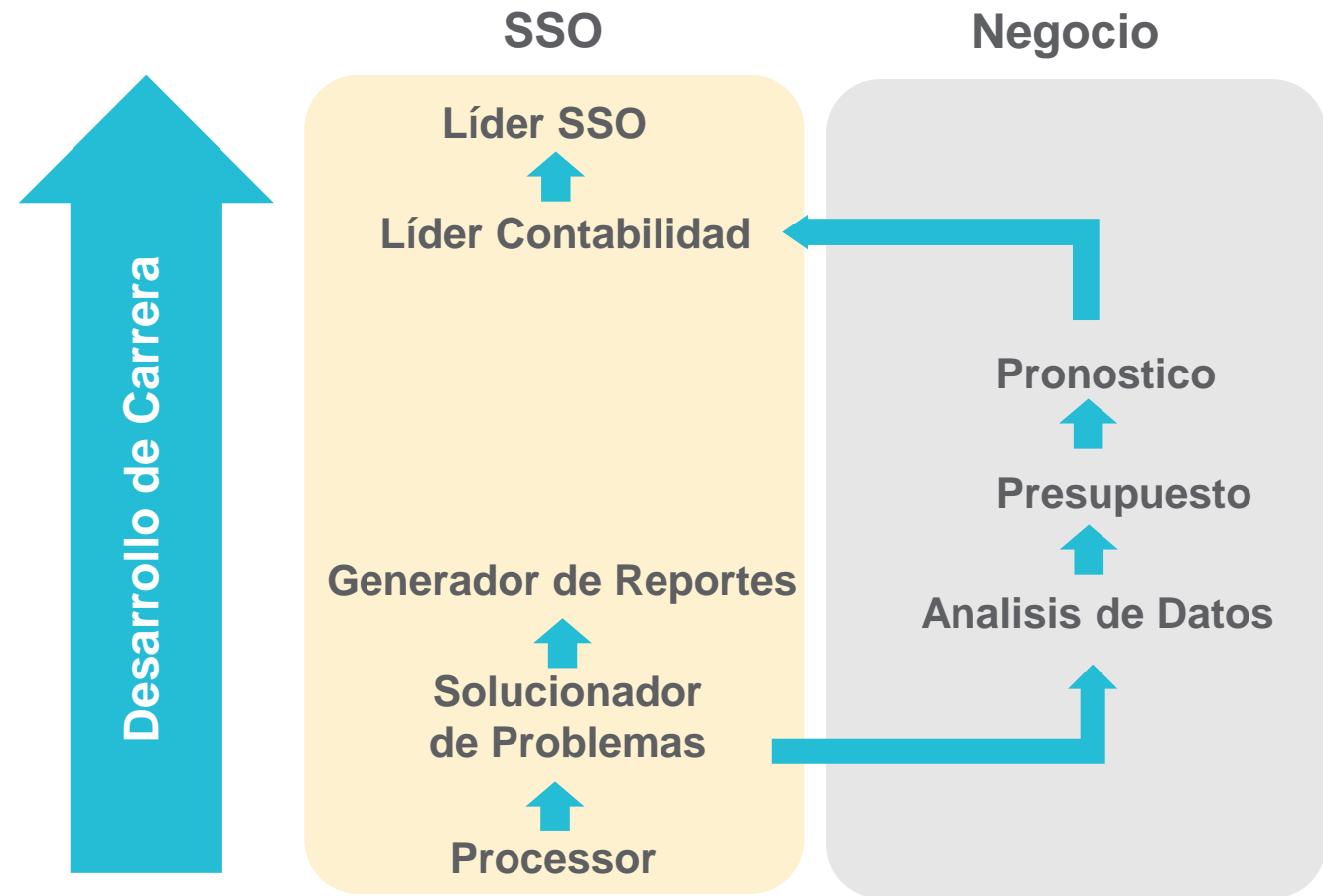
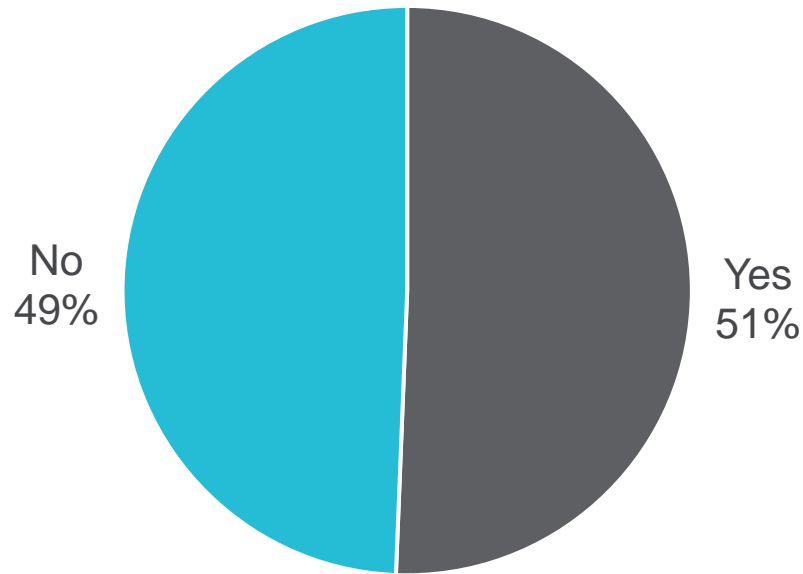


Fuente: The Seven Essential Qualities of a Winning Financial Planning and Analysis Professional, APQC

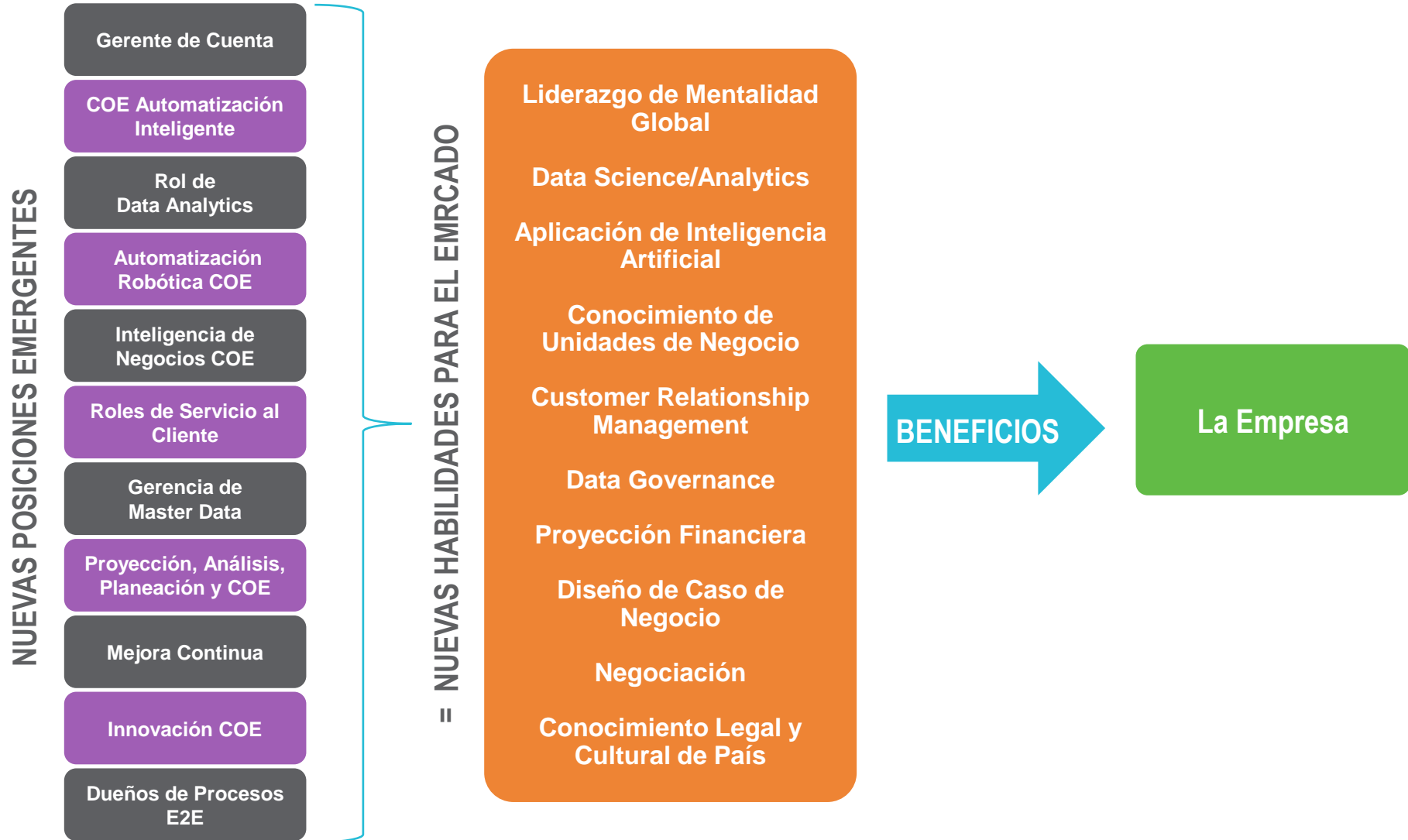
Definiendo Planes de Carrera Rotacionales

En las SSO's aproximadamente la mitad de las rutas de carrera o trayectorias profesionales, incluyen la posibilidad de pasar a otros puestos fuera de sus organizaciones. Las operaciones pequeñas tienen menos probabilidades de progresar a cargos o carreras profesionales fuera del SSO.

¿Su trayectoria profesional incluye la progresión a otro puesto fuera de su SSO?



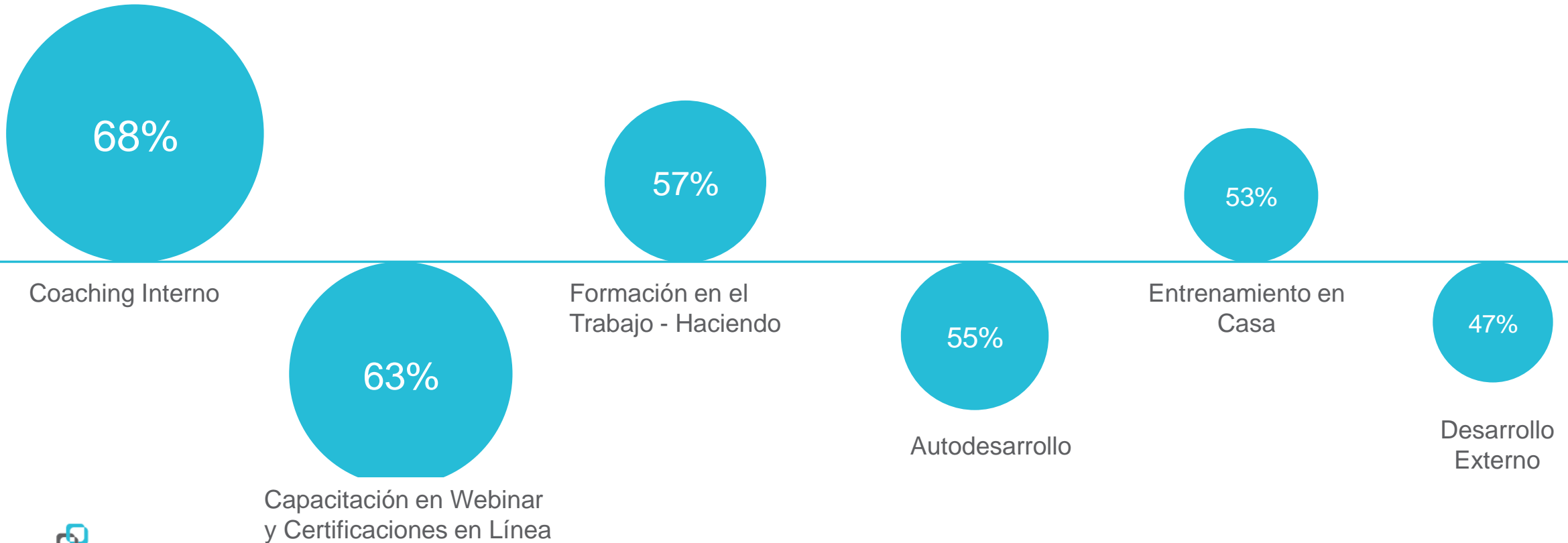
Servicios Compartidos Ofrece nuevas habilidades en el mercado



Integrando un enfoque de aprendizaje moderno

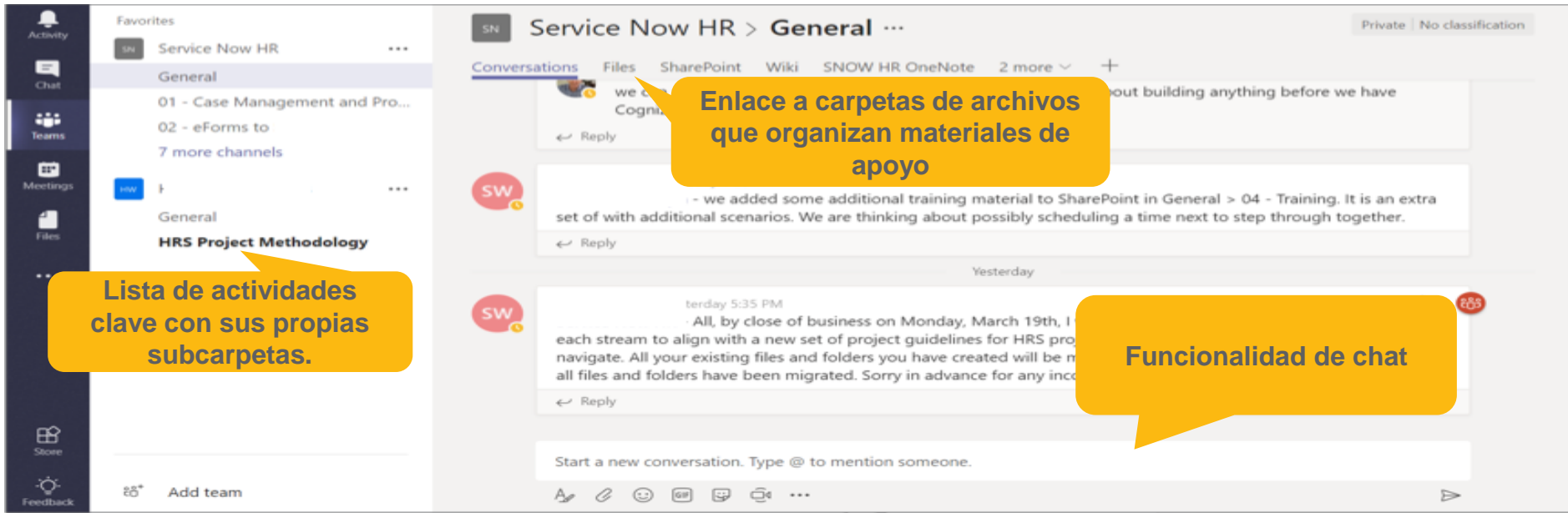
Los diferentes estilos de aprendizaje son más efectivos para los milenials y la Generación Z. Un enfoque múltiple para el aprendizaje y la transferencia de conocimiento, complementado con tecnología para entregar y seguir los logros.

Respuestas de la encuesta de SSO usando diferentes mecanismos de aprendizaje



Herramientas para conectar generaciones

Las organizaciones de servicios compartidos están utilizando una variedad de herramientas “online” para aumentar la productividad, la colaboración y la transparencia, y para dar información en tiempo real y puntos de contacto continuos para estilos de trabajo flexibles.





Wrap Up



Wrapping Up



Housekeeping items:

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



Stop by ScottMadden's booth to:

- Participate in our demo drive to earn tokens you can use at "Shop SSOW" for prizes such as an iRobot Roomba
- Drop a card to gain access to shared services insights and helpful resources
- Enter for our booth drawing for a chance to win a prize

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

