

ssen

Shared Services & Outsourcing Week

September 11 - 14, 2023 | Las Vegas, NV



Leading Your Organization Through the Shared Services Journey and Avoiding Pitfalls

-
- 1 Shared Services Overview
 - 2 Building a Long-Term Strategy for Success
 - 3 Competency Building
 - 4 Diversity and Inclusion
 - 5 Common Pitfalls and Mitigations
-

YOUR DISCUSSION LEADERS



Courtney Jackson
Partner, PAL



Laura Campbell
Partner



Kim Davenport
Partner



Who We Are

We deliver a **broad array of shared services consulting services**, from assessments and strategic planning through implementation, across many and functions.

.....

W E D O

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

.....

SHARED SERVICES

EXPERIENCE

We were a pioneer in 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, including hundreds of large, multi-year implementations. Our areas of expertise span across functions (HR, Finance, etc.).

SERVICES

We have helped our clients with assessing opportunities, business case development, shared services design, shared services build support, and implementation.

PERSONALIZED APPROACH

We sit down and listen to our clients' needs and challenges. We engage with our clients like no other firm does, working side-by-side to create practical, real results.

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

Experience in Shared Services

ASSESS & PLAN

- Strategic planning
- Feasibility analysis
- Benchmarking
- Leading practice assessment
- Performance evaluation
- Project planning
- Leadership education and buy-in
- Staff evaluation
- Change readiness assessment
- Site visits

BUILD

- Project management
- Detailed organizational design
- Staffing
- Process redesign
- Technology design, selection, implementation, and support
- Education and training
- Facility design and setup
- Change management

DESIGN

- Current state analysis
- Future state design
- Business case development
- Service delivery model design
- Work scope delineation
- Organizational design
- Technology evaluation
- Implementation planning
- Change management
- Governance

IMPROVE

- Analytics setup and deployment
- Operations improvement
- Service expansion
- Cost reduction
- Process optimization
- Technology upgrade
- Resource development
- Customer satisfaction measurement



Our deep understanding of building and improving shared services models enables us to provide realistic, implementable solutions that are tailored to best-fit the organization.

Sample of Higher Education Clients

Representative sample of our higher-education clients (not all-inclusive).
Excludes numerous well-known clients due to confidentiality agreements.



We Understand Higher Education and Shared Services

Universities have complex organizations, diverse objectives and stakeholder groups, and proud, long-standing cultures. We are adept at working with university leadership, deans, faculty, staff, students, and other stakeholders.



FINANCIAL CONSTRAINTS

Funding is dwindling; universities faced with cutting administrative costs, while maintaining high service standards.



CHANGING EXPECTATIONS

Leadership, faculty, staff, and students have diverse needs and evolving expectations in the modern service environment.



LONG-STANDING CULTURES

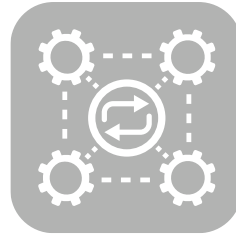
Traditions and long-tenured faculty can make change seem even more difficult.



COMPLEX GOVERNANCE

Decision making takes time, and often must include various stakeholders, including central administration and deans.

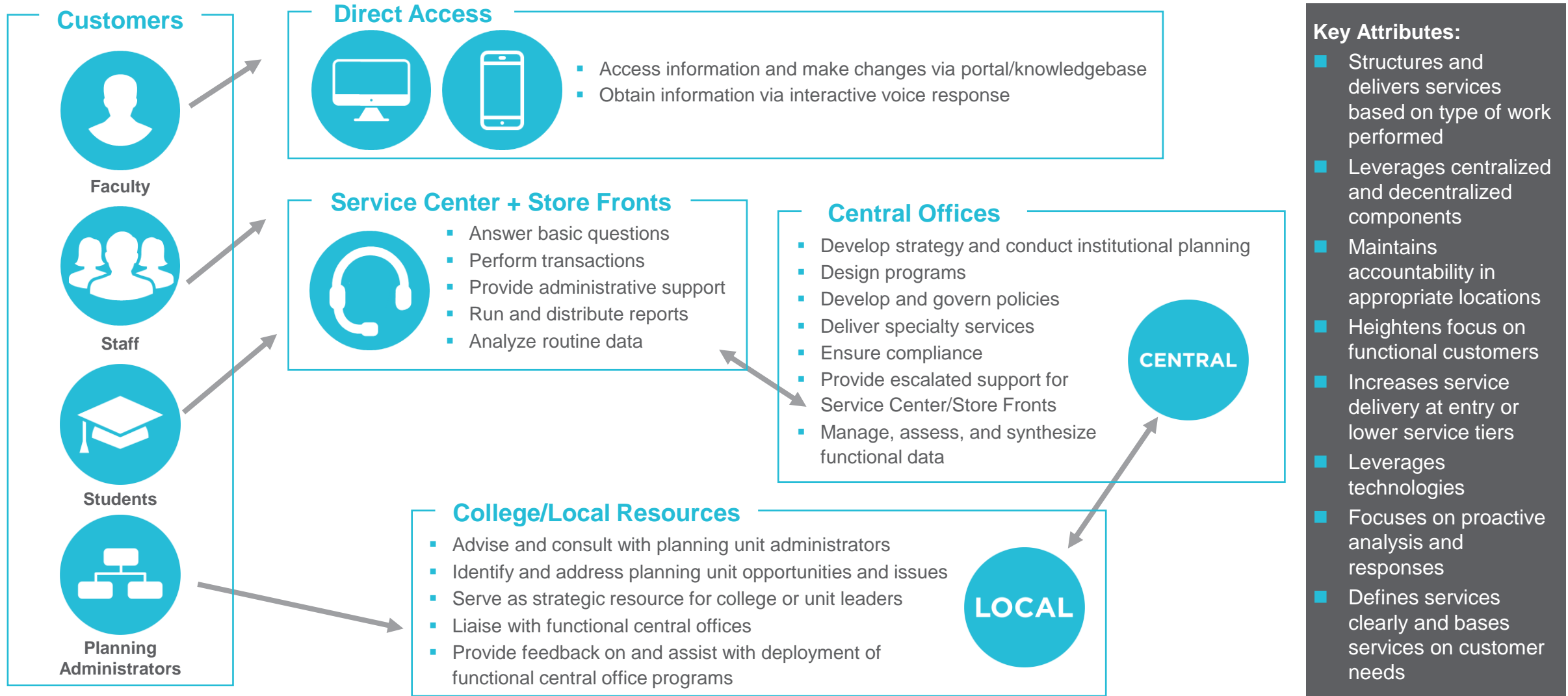
ScottMadden has been working with higher-education clients in the public, private, domestic, and international environments across our array of services for more than 20 years.



Shared Services Overview



Leading Practice Shared Services Model



Common Higher Education Shared Services Functions

Below are examples of functions commonly included in shared services, with sub-functions often included in a service center (list not all-inclusive).

FINANCE & ACCOUNTING

- Accounts Payable
- General Ledger
- Fixed Assets
- Accounts Receivable
- Purchasing
- Cash Management
- Travel and Entertainment

HUMAN RESOURCES

- Payroll Processing
- Compensation/Benefits Admin
- Recruiting/Staffing
- Training and Development
- Relocation
- HRIS and Reporting
- Leaves Administration
- Global Mobility Support

RESEARCH (Contracts/Grants)

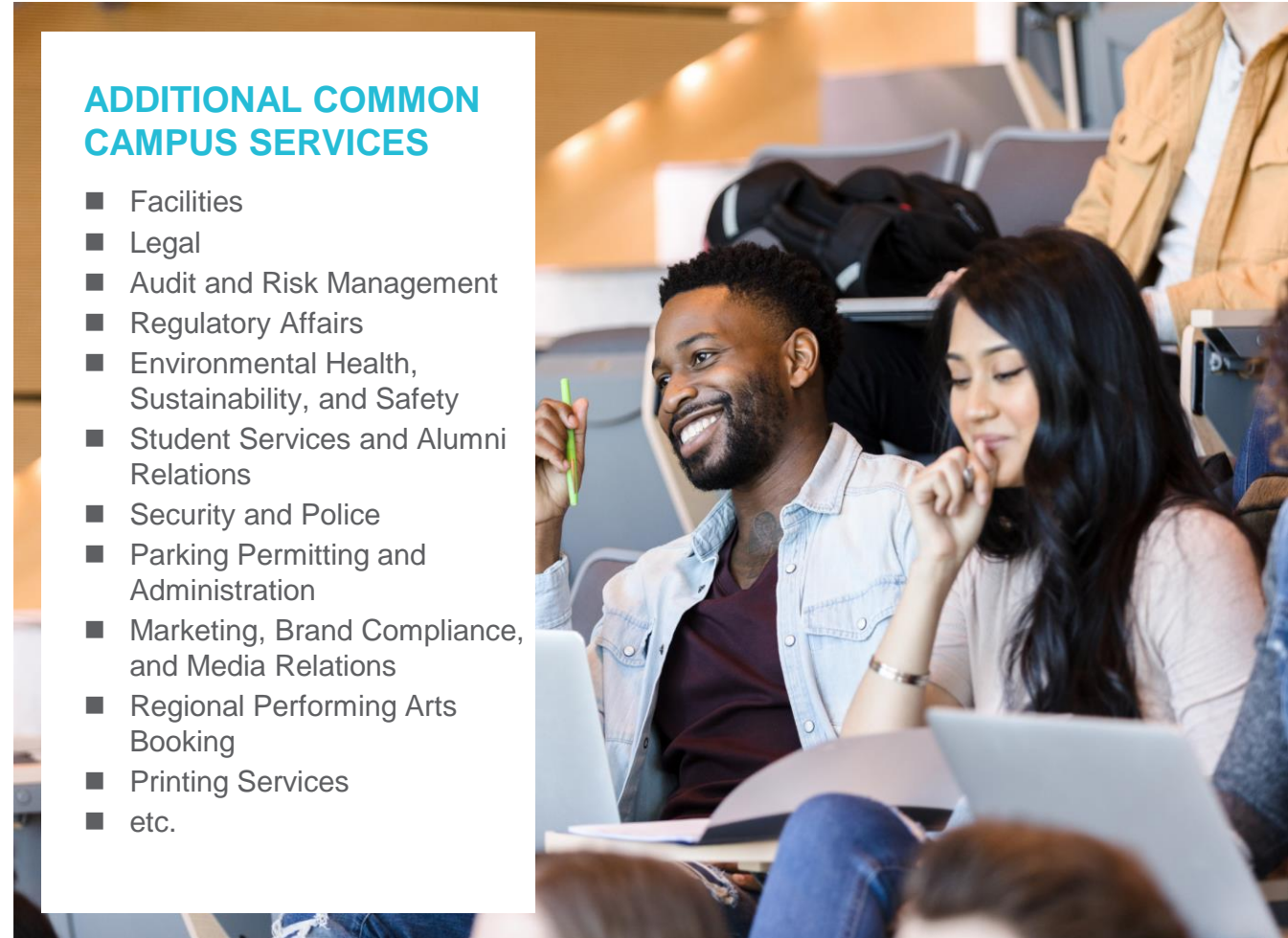
- Pre-Award
- Post-Award Policies/Procedures
- Sub-Award
- Research Corp Sub-Award
- Sub-Recipient Billing/Invoicing
- Sponsor Billing/Invoicing

INFORMATION TECHNOLOGY

- Service Desk
- Technology Acquisition
- Application Maintenance/Operations
- Network Operations Center
- Systems Administration
- Security Operations

ADDITIONAL COMMON CAMPUS SERVICES

- Facilities
- Legal
- Audit and Risk Management
- Regulatory Affairs
- Environmental Health, Sustainability, and Safety
- Student Services and Alumni Relations
- Security and Police
- Parking Permitting and Administration
- Marketing, Brand Compliance, and Media Relations
- Regional Performing Arts Booking
- Printing Services
- etc.



Benefits of a Shared Services Model

Improve Service Delivery & Transparency

- Better customer experience
- Standard processes
- Common model for expansion
- Performance metrics

Gain Control & Leverage Data

- Improve reporting and analytics
- Improve compliance
- Better decision making



Cost Control and Scalability

- Skillset and work alignment
- Economies of scale
- Automation of process
- Elimination of redundant work

End-to-End Accountability

- Less rework caused by upstream process issues
- Improved end-to-end process coordination
- Focus on root cause problem resolution

And more...

Shared Services Benchmark Overview

The following slides will provide a simple analysis of key benchmarks using our survey data and how top performers compare.

Survey Respondents Overview

- 125 Shared Services Centers
- 47% established SSOs, operating five or more years
- Primarily three governance structures amongst SSOs
 - Report to multifunction SSO lead
 - Report to HR executive
 - Matrix reporting model between HR and multifunction



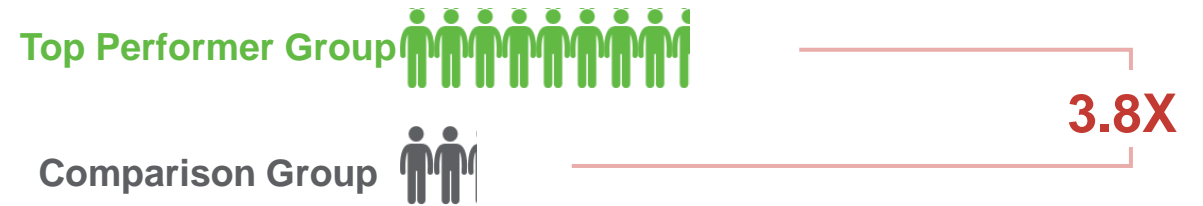
Top performers were identified by assigning a score for their performance across 7 KPIs. Quartiles were identified from the aggregate score and those participants in the top quartile were identified as the “top performers” while the other three quartiles were assigned to the “comparison group”

Adopting Leading Practices Has a Significant Impact

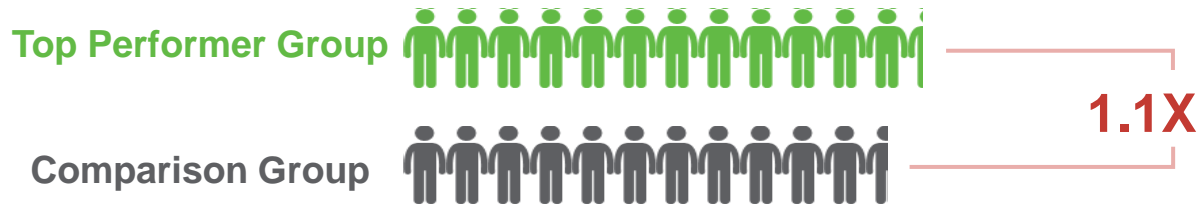
Total Employees Served per Total HR Headcount



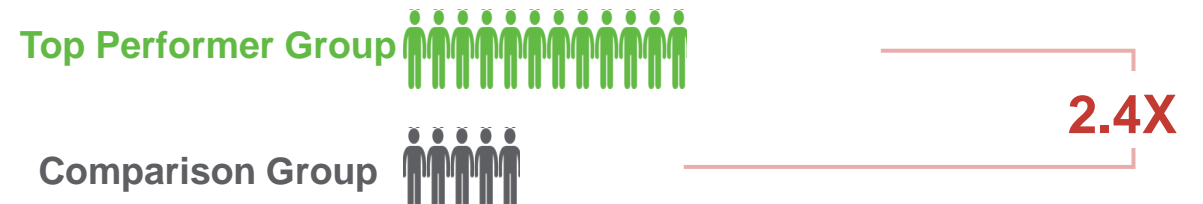
Total Employees Served per Total Finance FTE



Number of Employees Served per HR Service Center Employee



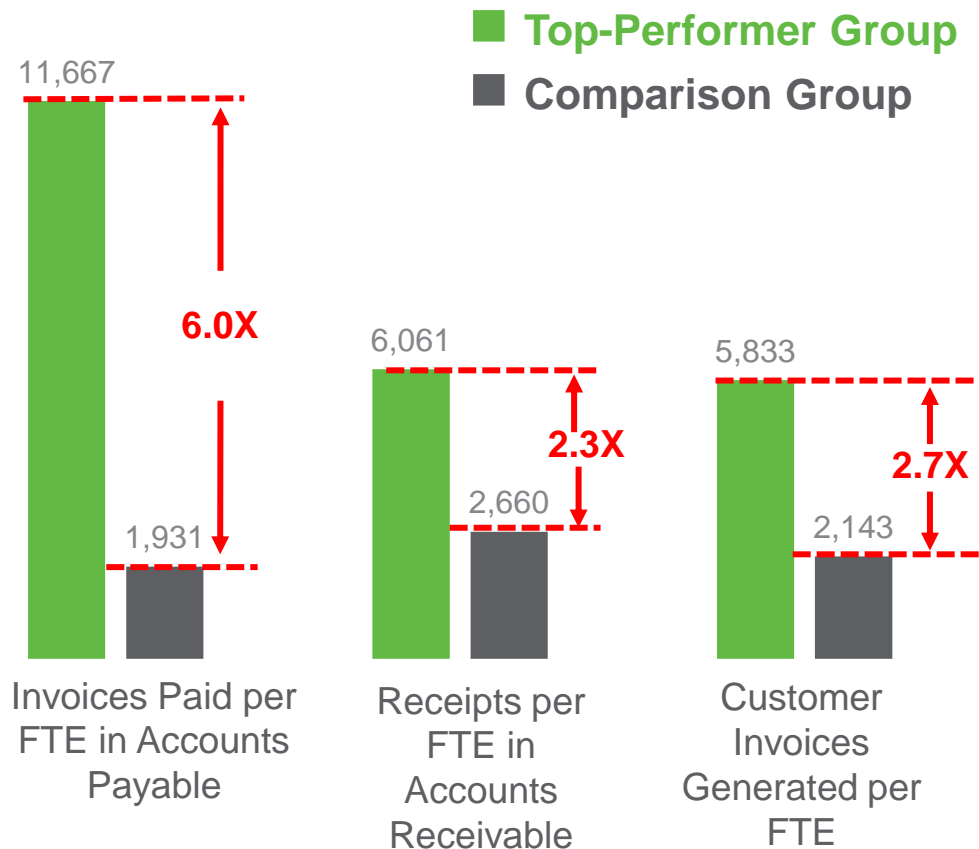
Number of Employees Served per Finance Service Center Employee



Benefits of Shared Services – Finance and HR Benchmarks

Top-performing service centers operate more efficiently and provide a better customer experience.

Finance Processing Efficiencies



Customer Experience in HR



Opportunities Exist, Regardless of Your Maturity



Start-Up

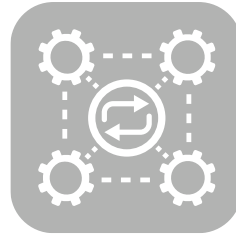
- Policy harmonization
- Process redesign
- Service delivery model review
- Organizational structure
- Technology implementation
- Governance model

Growth

- Process redesign
- Expansion opportunities
- Leverage of leading practices and benchmarks
- Training and staff retention
- Other technology investments
- Multifunction integration
- Governance clarification

Mature

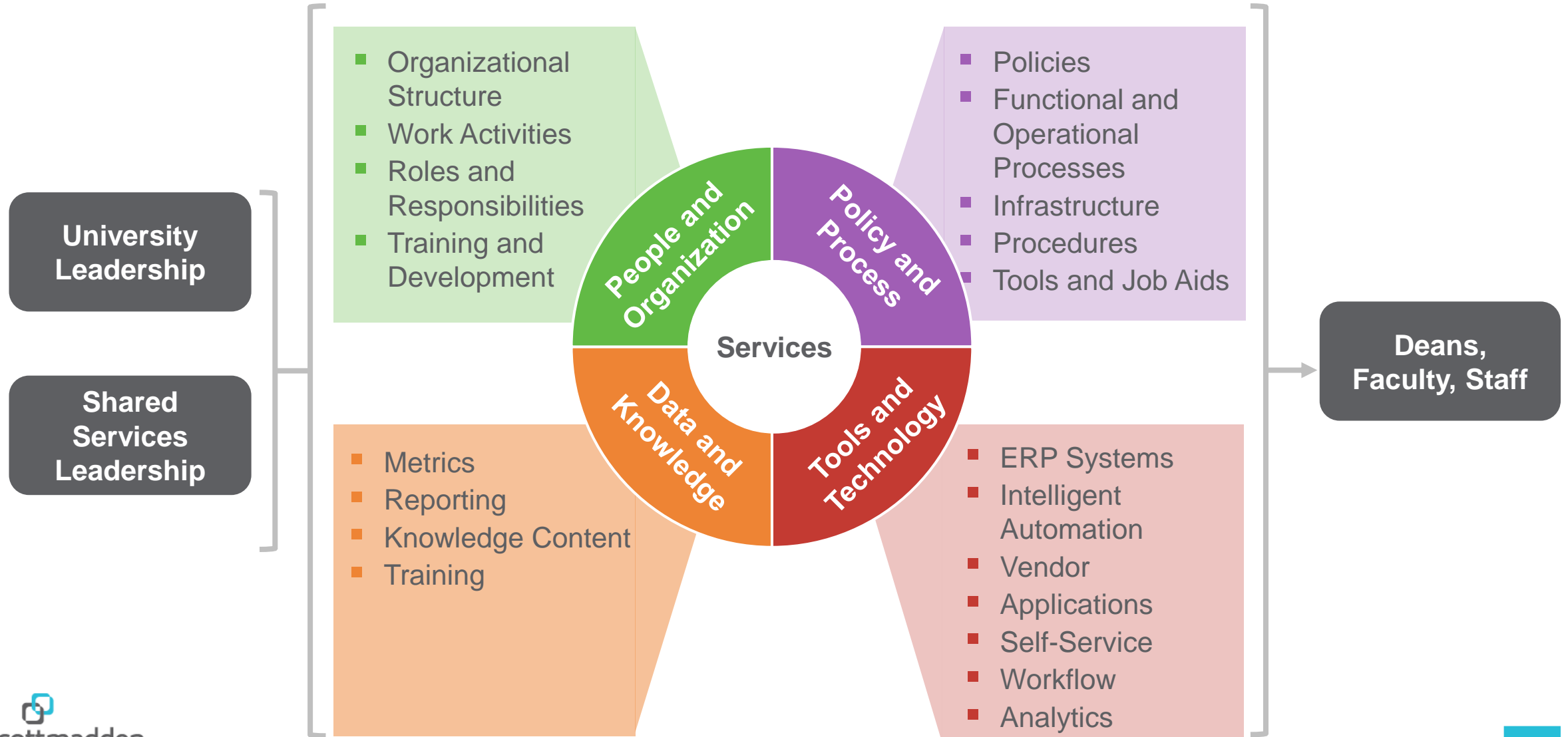
- Continuous improvement
- Expansion opportunities
- Customer satisfaction
- Leverage of leading practices and benchmarks
- Career pathing
- Technology optimization
- Multifunction optimization



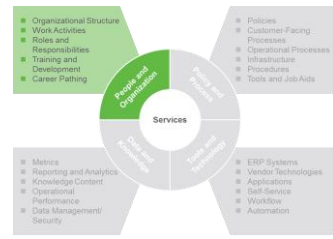
Building a Long-Term Strategy for Success



Leading Practice Framework for Optimizing Shared Services



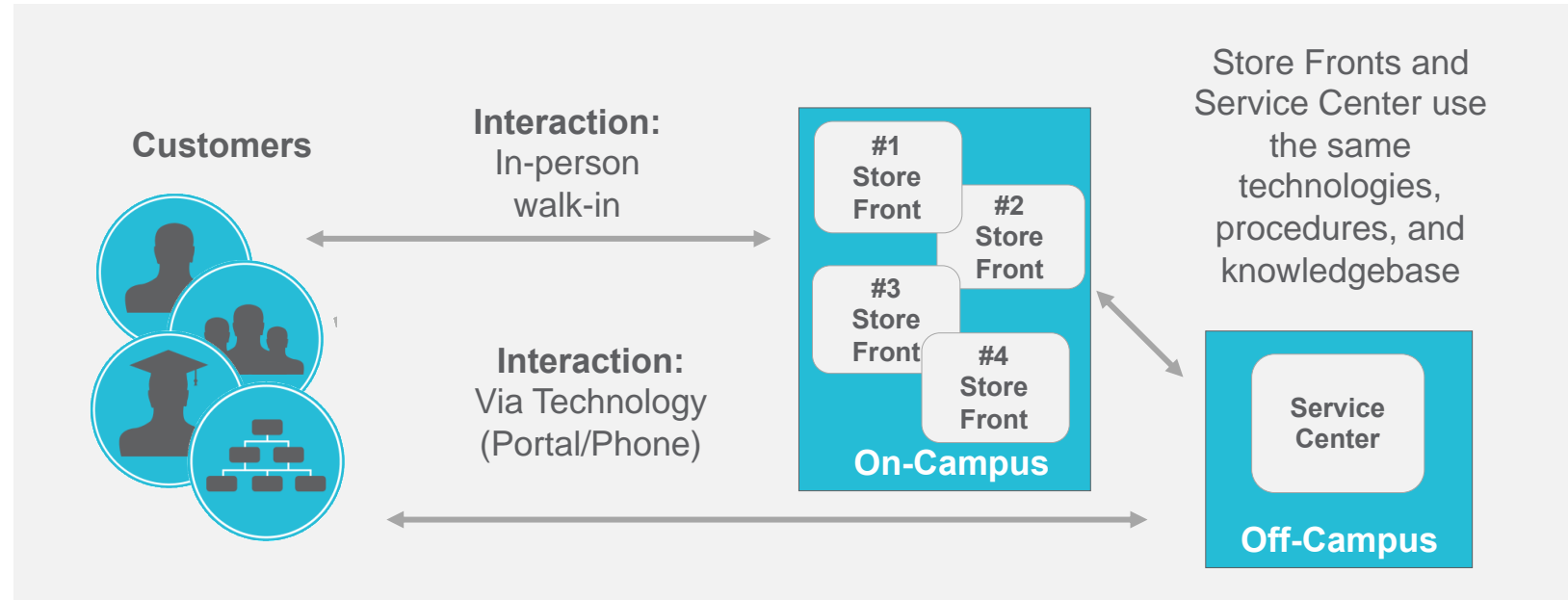
What Good Looks Like – Leading Practices Model



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

Benefits

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



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

Optimizing Strategic Business Advisors Is Critical to the Model



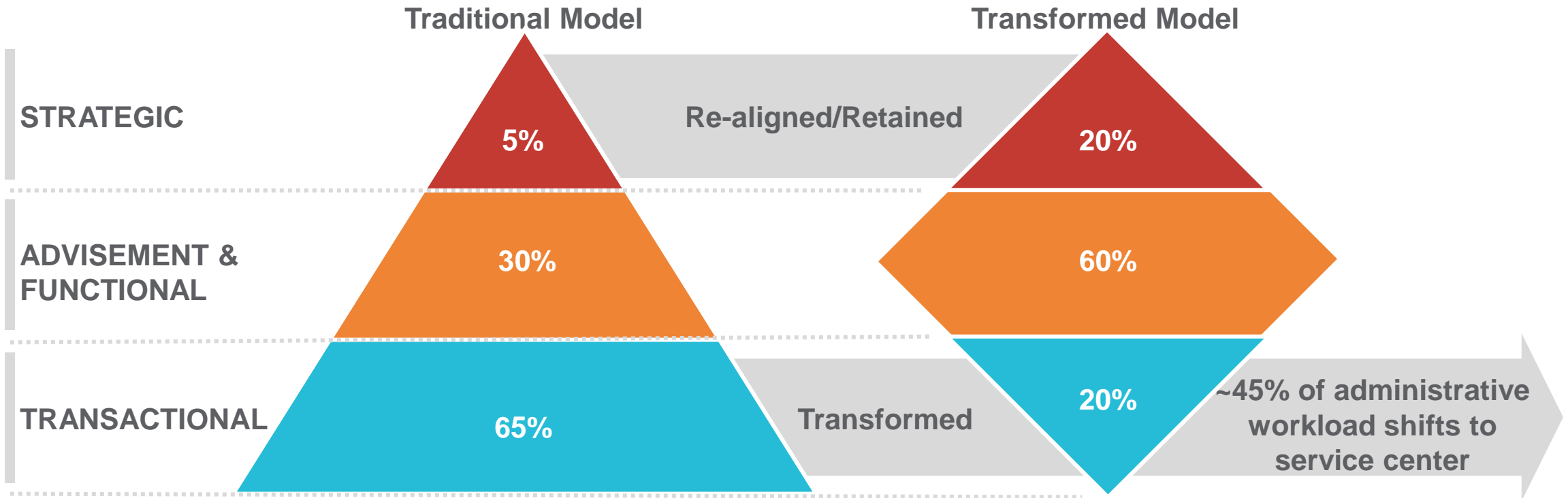
Strategic Business Advisors (SBAs) remain focused on business strategies

Manage Talent

Manage Budgets

Drive Performance

Optimize Local Knowledge



Marketable Skills and Career Paths

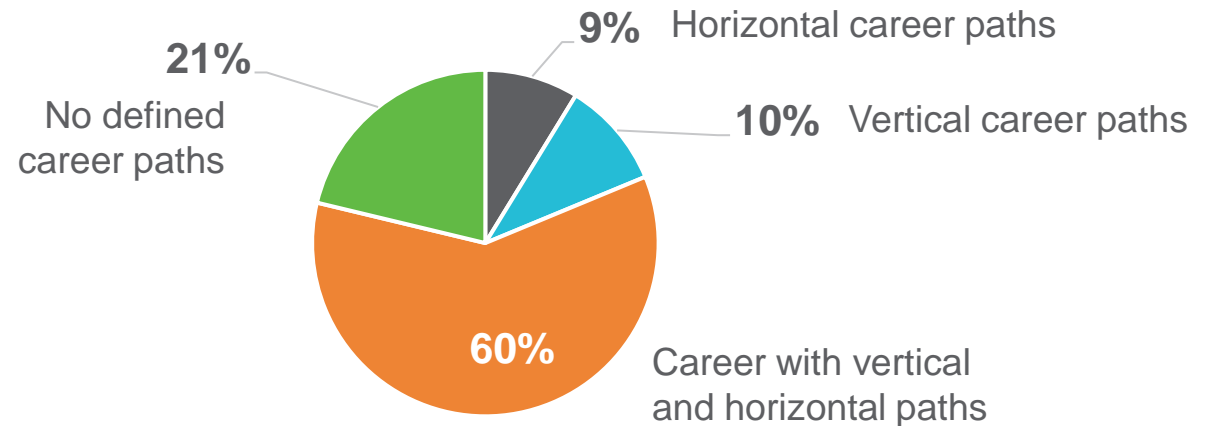


Promoting the highly marketable skills of SSO roles can help the SSO attract top talent (e.g., data science and governance, financial forecasting, customer service, etc.).

Almost 80% of participants report having defined career paths

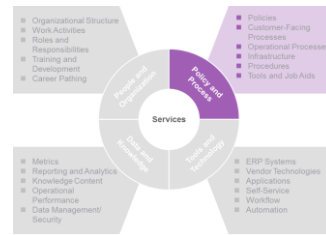
- A mix of vertical and horizontal career paths is the predominate choice
- Multifunction and less mature operations are less likely to have career paths

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



Opportunity to create robust career pathing to attract and retain your service center employees

“But We Are Unique!”



Determine policy exceptions and create guidelines for exceptions:

- Establish policy review committee, including policy owners and key stakeholders (Admin units, legal, college representatives)
- Determine which policies will be harmonized and therefore will not allow exceptions by unit
- Determine what deviations will be allowed and under what circumstances, as well as guidelines that put boundaries around the exceptions

For each policy exception, document specific criteria answering:

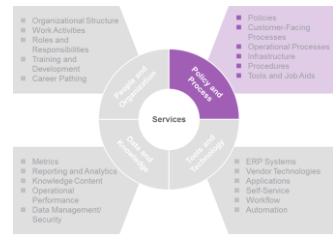
- Who is eligible for an exception?
- Under what circumstances can an exception be granted?
- What types of exceptions are allowed?
- Who must approve an exception?
- How will the exception be communicated and documented?

Set Scope and Clarify Responsibilities

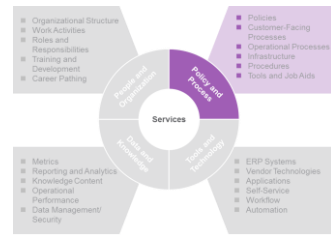
Setting the scope of work for each service delivery channel serves as the blueprint for all transformation activities.

The scope should:

- Demonstrate who is responsible for what work
- Align with the overall transformation road map
- Depict how work will shift from the current to the future service delivery model
- Include work owned by third-party providers (e.g., Benefits)
- Validate functionality of planned technologies
- Be socialized with key leaders and constituencies



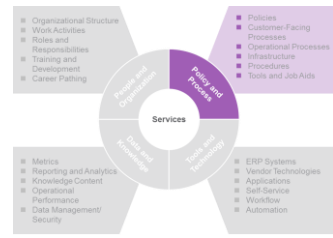
Develop Processes



Document redesigned processes using leading practice principles. Ensure that:

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

Ingrain Continuous Improvement



Continuous improvement uses performance measures to drive organizational strategy.

PROGRAM CHARACTERISTICS

A university-wide management system:

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

Strategy

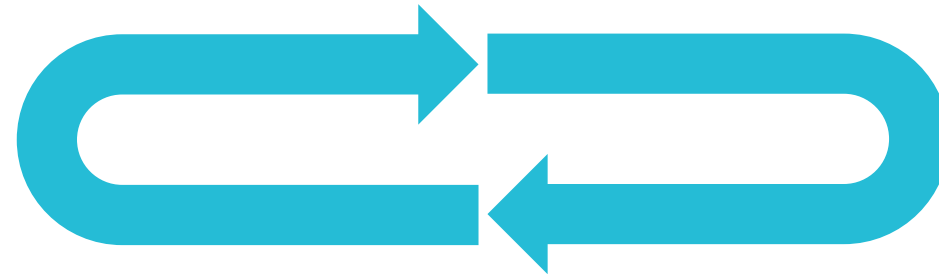


An ongoing process:

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

Set Measures and Targets

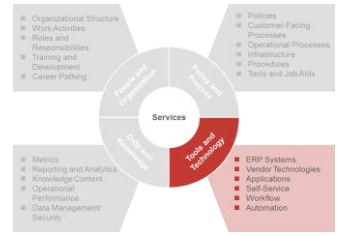
Reward and Coach



Plan and Execute

Monitor and Evaluate

What Good Looks Like: Critical Elements



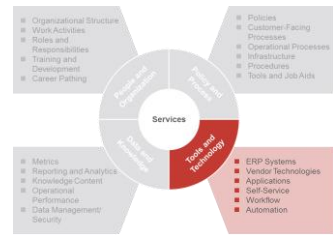
Customer Inquiry Methods (Phone, Chat, Email)	Multi-Channel Management	ID, Authenticate, Route, Queue (Phone, Chat, E-mail)
Web Forms/ Self-Service	Case Management System	Track, Respond to, Resolve Cases
Policy/ Process Content	Knowledgebase	Research Answers, Improve Enterprise Portal Content
Web Forms	ESS/MSS	Provide Support for Self-Service
Web Reports	HRIS	View Data, Perform Transactions
Links	Ancillary HR Systems	Assist/Complete Transactions
Employee Information	Employee Personnel Files	Retrieve and View Documents



Customer Care



Consider the Impacts of “Disruptive Technology”



2015



2016-2018



2019



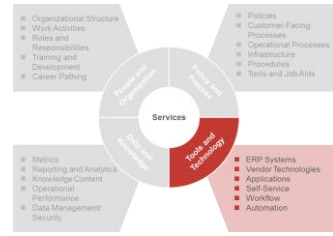
2023



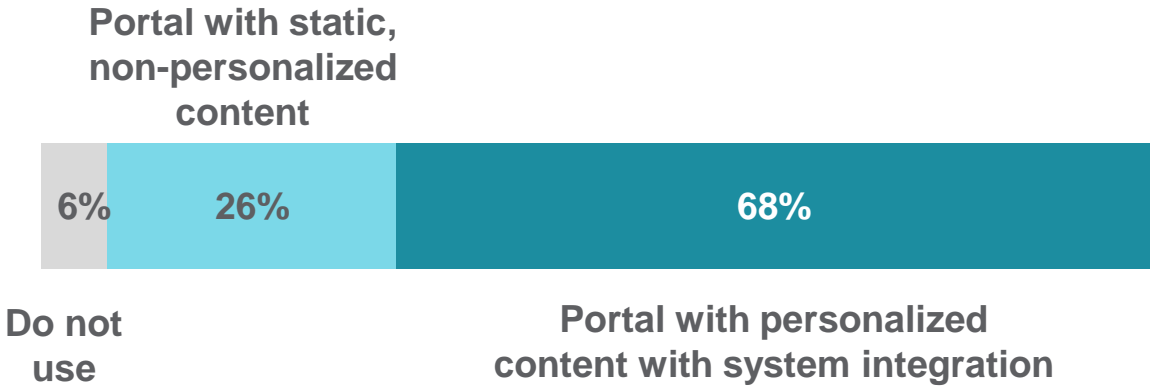
CATEGORY →	Robotic Process Automation (RPA)	Virtual Agents and Chatbots	Conditional Artificial Intelligence (AI)	Generative Artificial Intelligence (AI)
Characteristics of Data Input	Structured, rule driven, and static	Structured data with cognitive computing	Largely structured data with hidden patterns	Unstructured/structured data, driven by prompts
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 Global support requires training data in multiple languages 	<ul style="list-style-type: none"> Problem areas are pre-identified Non-routine inquiries Access to expansive sets of data Answers are identifiable by patterns 	<ul style="list-style-type: none"> Generates content with open data searches Can point to an organization's secure data Human-like responses Complex Q&A
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) Problem solving patterns 	<ul style="list-style-type: none"> Content generation Forecast Customer Service Optimization

Data structure and integrity is essential across all Intelligent Automation.

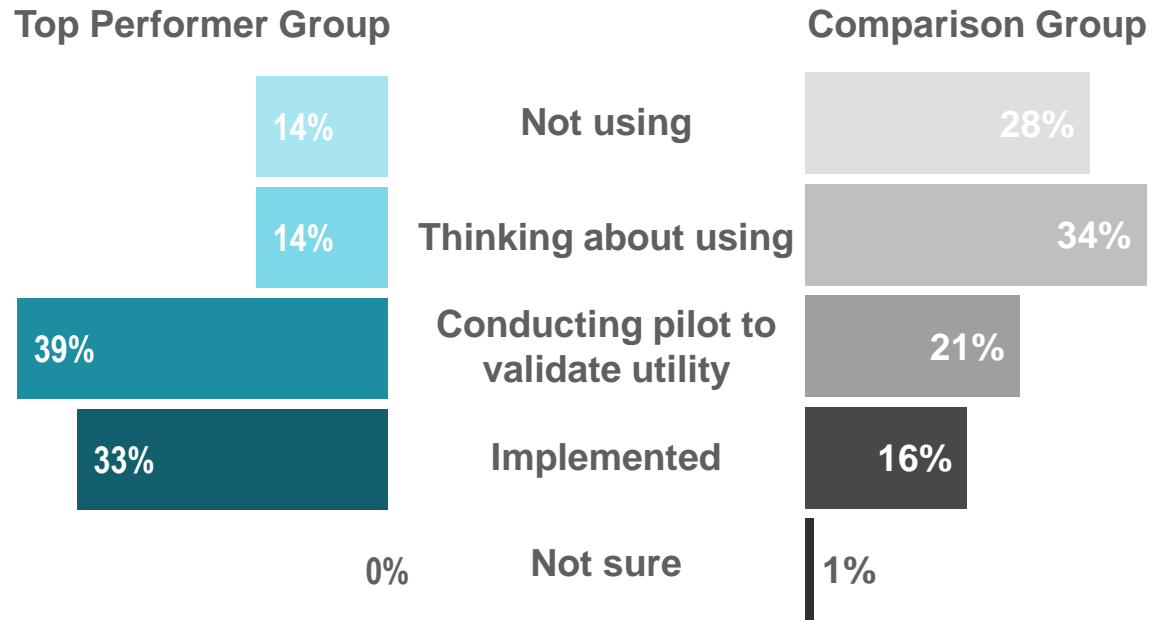
What Good Looks Like: Portal Use and Automation



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



What extent is shared services organization using intelligent automation opportunities?



What Good Looks Like

Critical elements contributing to an effective service delivery model.



Knowledge

Know-how, experience, insight, understanding, and contextualized information

Information

Contextualized, categorized, calculated, and condensed data

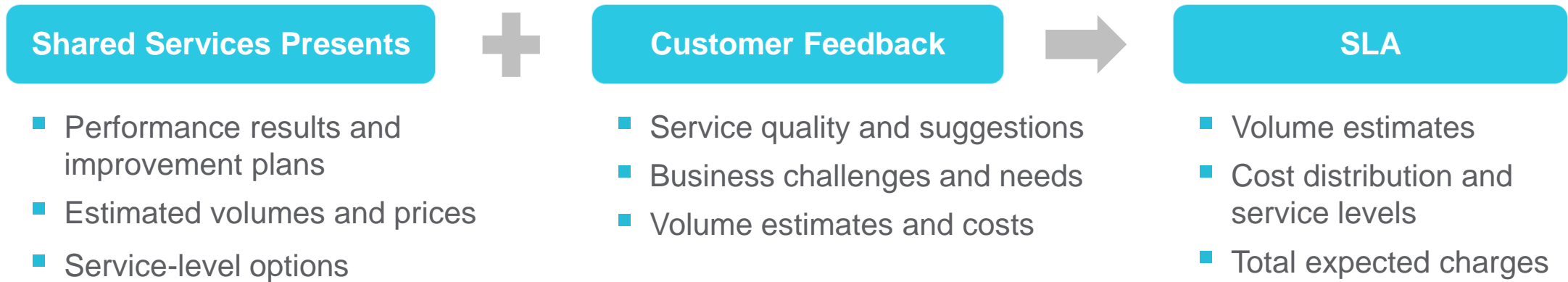
Data

Facts and figures, which relay something specific, but are not organized in any way

Service Level Agreements



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

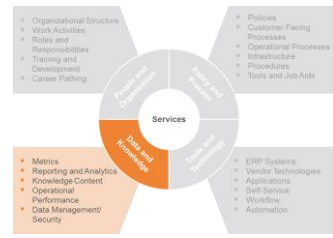


SLAs are:

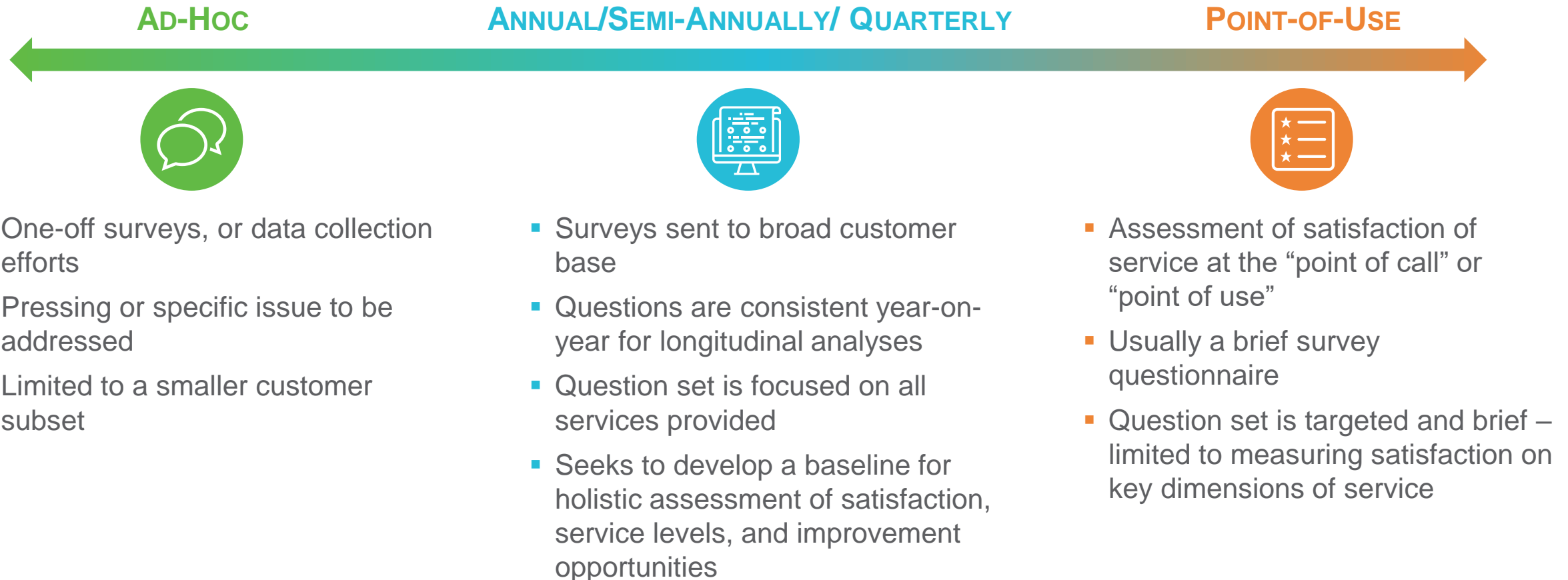
- Concise
- Negotiated, not dictated
- Vehicle for understanding and managing demand
- Regular discussions with customers
- Effectively maintained
- Standard across internal customers

Improved Performance Leads to Better Confidence and Trust

Leverage Multiple Methods of Measurement



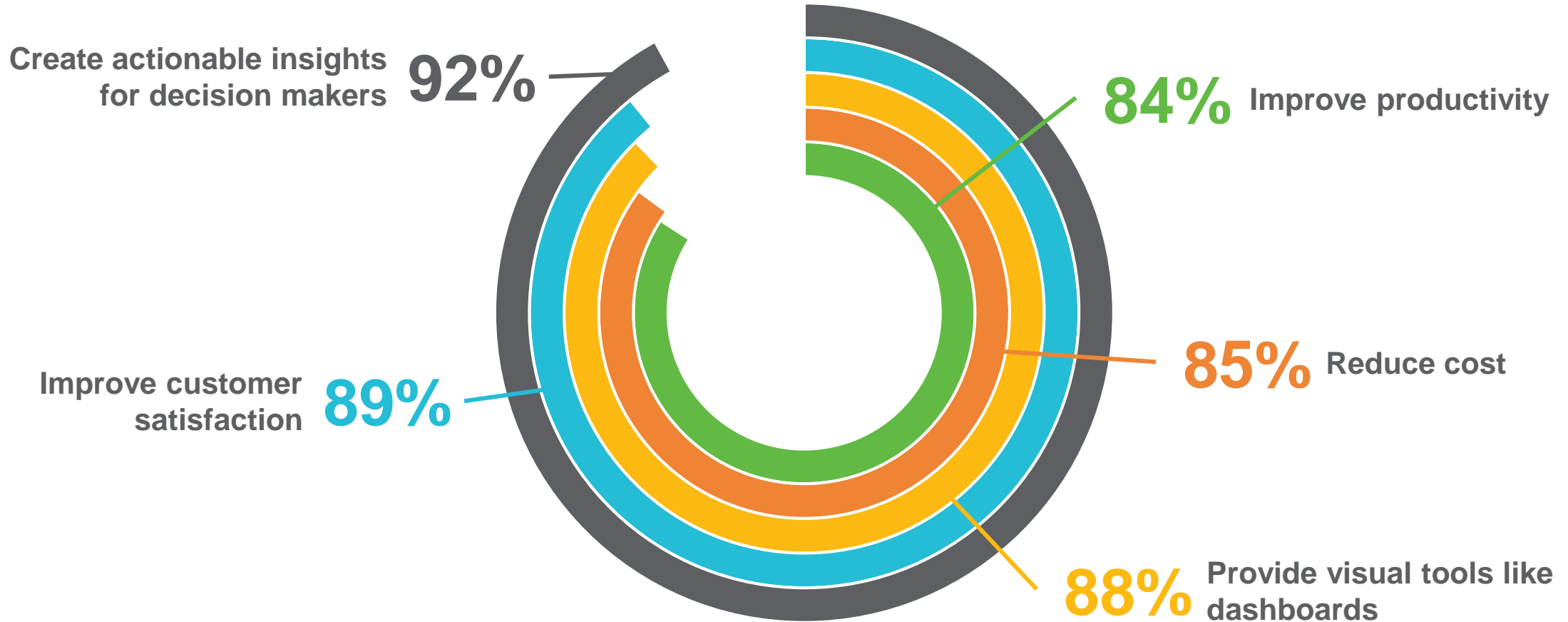
Shared services can benefit from a more holistic picture of performance and satisfaction.

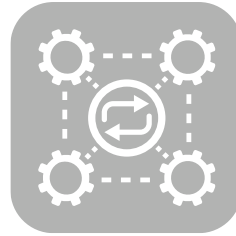


Supporting Organizational Goals and Activities



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





Competency Building



HR Business Partner Competencies and Skills



A recent higher education client realized HR Business Partner (HRBP) knowledge and skills varied across colleges and business units. With hopes of **evaluating and eventually upskilling**, ScottMadden issued a survey to all HRBPs to measure the organization's level of proficiency in key HR competencies.

Nine Society for Human Resource Management (SHRM) Competencies Evaluated:

Business Skills

- Business Acumen
- Critical Evaluation
- Consultation

Interpersonal Skills

- Communication
- DE&I
- Relationship Mgmt

Leadership Skills

- Leadership Navigation
- Ethical Practice

Technical Skills

- HR Expertise, which can be modified for non-HRBPs

Survey Results Lead to HRBP Certificate Program



Curriculum options organized by competency and by level (early, mid, senior)

PLAN



Attend scheduled trainings or use the self-paced track, and engage with a cohort

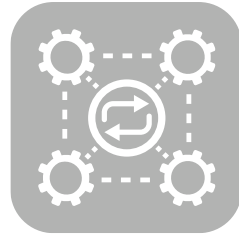
LEARN & ENGAGE



Show the competency on the job, as verified by leaders/peers, and receive a certificate of completion

SHOW

This program will help to ensure that leadership at the university can **expect a consistent, top-quality level of service and knowledge** from all HRBPs, regardless of whether they have the same organizational reporting lines.



Diversity and Inclusion



Optimizing Shared Services Through Diversity & Inclusion



A diverse and inclusive culture will both inspire and drive innovation in your shared services organizations:

Inspire

- ✓ Attract strong talent
- ✓ Improve retention
- ✓ Increase employee satisfaction
- ✓ Nurture professional development
- ✓ Improve morale

Innovate

- ✓ Leverage different experiences and perspectives
- ✓ Engage unique insights
- ✓ Drive continuous improvement
- ✓ Improve problem solving

Inclusion fosters a culture of engagement. How inclusive is your organization? Points to consider:



Commitment to Diversity and Inclusion



Discrimination and Harassment



Recruitment and Hiring



Leadership



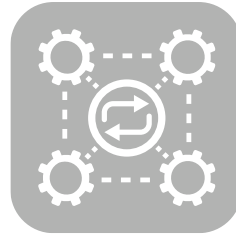
Diversity and Inclusion Awareness



Belonging



Development



Common Pitfalls and Mitigations



Our Experience Enables us to Plan for and Navigate Common Challenges

Shifting support functions from a distributed model is challenging but, if well-planned, produces value across the organization.

COMMON CHALLENGES

Resistance

Silo Mentality

Lack of
Standardization

Internal Focus

Lack of
Accountability

Limited Innovation
and Stagnation

Poor Organization
or Skill Alignment

Limited
Current State

While there are no silver bullets, the following have helped mitigate these challenges.

MITIGATION TACTICS

- Strong, sustained leadership and sponsorship
- Executive sanctioning of the new process
- Stretch goals and aggressive timing
- Effective measurement and rewards
- Leveraging leading practices
- Customer participation
- Work-focused; not functional teams
- Removing current state service delivery pathways (not aligned with future state) at the first opportunity
- Cascaded, frequent communication
- Willingness to spend time and effort in evaluation of current operations
- Visits to successful operations
- Detailed current state assessments and future state design

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:

- Building a Culture of Continuous Improvement in HR Shared Services
 - Speaker: Patrick McClain, University of California, San Francisco
 - Thursday, September 14th at 2:50pm



Stop by ScottMadden's booth to:

- Participate in our demo drive
- Drop a card to gain access to shared services insights and helpful resources
- Enter 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!



Why ScottMadden?

Our success is the direct result of our people. Our work is guided by these values:



We will **exceed our clients' expectations**, we will do what we say we will do, and we will do it extraordinarily well.



We will place the **long-term good of our clients** above our own interest and conduct our business **ethically with humility, empathy and fairness**.



We will be **accountable to our clients and each other** and operate in a manner that conveys a **genuine focus on service** founded on **mutual respect and trust**.



We will maintain a **challenging, diverse, and inclusive work environment** centered on client success while **promoting collegiality, creativity, and responsibility**.