

sson

**Shared Services &  
Outsourcing Week**

September 11 - 14, 2023 | Las Vegas, NV



**Implementing Shared Services and  
Advancing With Next Generation Concepts**

# Agenda

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01

INTRODUCTION TO  
SCOTTMADDEN



02

SHARED SERVICES  
OVERVIEW



03

DETAILED DESIGN AND  
IMPLEMENTATION FUNDAMENTALS



04

STABILIZATION  
SUCCESS FACTORS



05

ADVANCING WITH NEXT-GENERATION  
CONCEPTS





# Introduction to ScottMadden



## Who We Are

**ScottMadden** is a management consulting firm with more than **40 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

## 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.

## SUPPLY CHAIN

We assist clients across the full range of supply chain processes and have the unique ability to create alignment between supply chain and its stakeholders. From crafting new supply chain strategies to restructuring your organization to improving your daily operations, we help you with every step.

## TECHNOLOGY

From IT assessments and strategic direction to governance, cybersecurity, and risk and compliance management, we can help your organization get the most out of its IT investment.

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

## 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

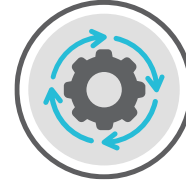
We help companies transform their finance and accounting operations. Through enterprise financial business services, strategic centers of expertise, intelligent automation solutions, hybrid insource/outsource delivery models, and other solutions, we help you increase value for your company.

## 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

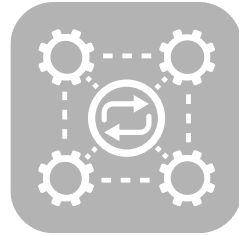
## Improve

- 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



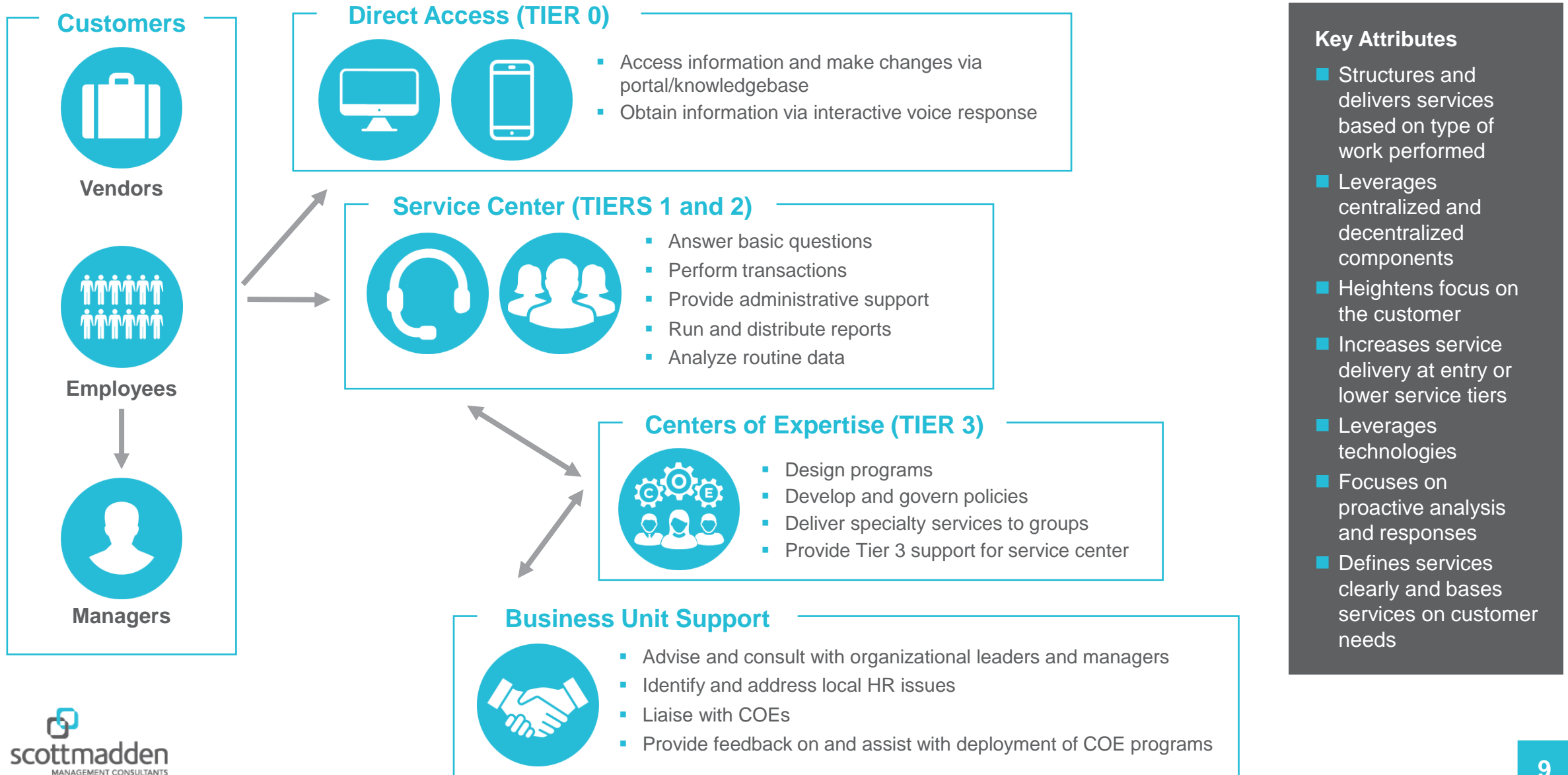
# Shared Services Overview



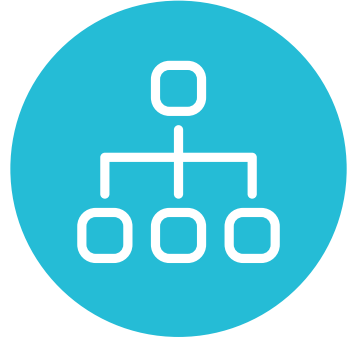
## What Is Shared Services?

*Shared services* is when a *business*  
CONSOLIDATES ITS SUPPORT FUNCTIONS TO BETTER SERVE  
THE CORPORATION AND ITS BUSINESS  
UNITS, OPERATING AS A  **BUSINESS**  
WITHIN A BUSINESS,  
UTILIZING A WELL-DEFINED INFRASTRUCTURE TO ENABLE   
**HIGHER VALUE** *service delivery.* 

# Leading Practice Service Delivery Model



# Who Should Consider Shared Services?



## WHO

Normally large, distributed organizations with multiple business units



## SIZE

Typical...  
**>\$2.5 B in revenue**  
**>10K employees**

...But works with others  
**\$400M to \$270B in revenue**  
**1.2K to more than 600K employees**



## INDUSTRIES

Shared services is industry agnostic and has been adopted across many industries

- Manufacturing
- Industrial products
- Consumer projects/ packaged goods
- Financial services/banking
- Technology
- Healthcare/pharmaceuticals
- Insurance
- Retail and wholesale
- Energy
- Higher education

# Benefits of a Shared Services Model

## Improve Service Delivery & Transparency

- 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

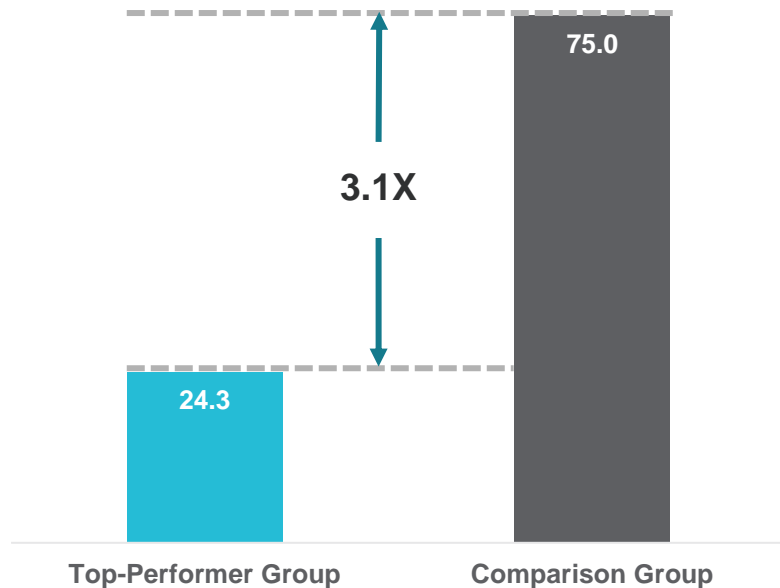
And more...

# Finance Staffing Metrics Comparison

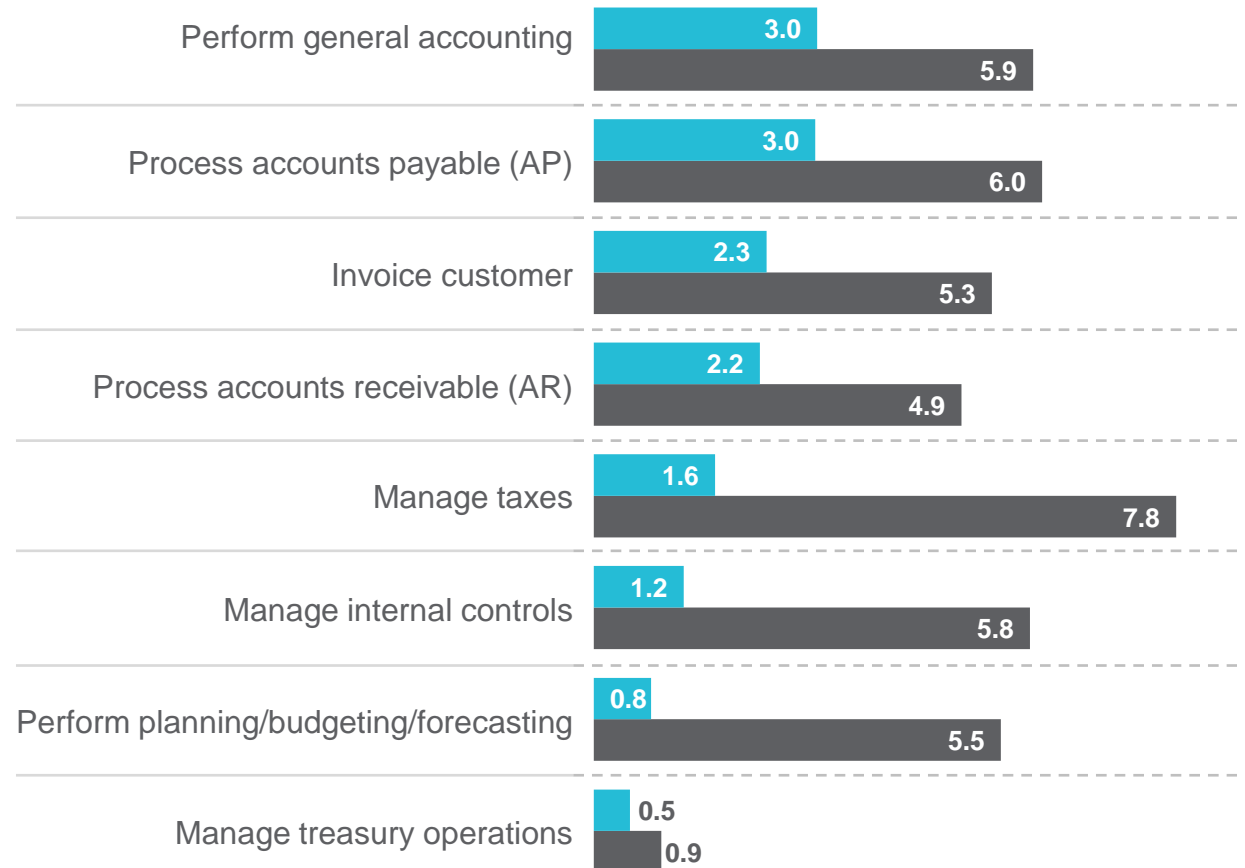
Top-performing finance shared services centers have significantly better staffing ratios according to our recent shared services benchmarking study.

- 3.1X more efficient overall
- Typically, 2-6X more efficient in staffing major finance processes

Median number of finance function FTEs across the entire organization per \$1 billion revenue



Median number of FTEs that perform the following processes per \$1 billion revenue



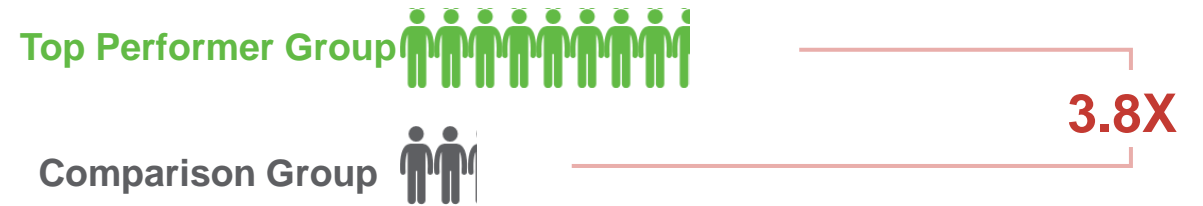
■ Top-Performer Group ■ Comparison Group

# Adopting Leading Practices Has a Significant Impact

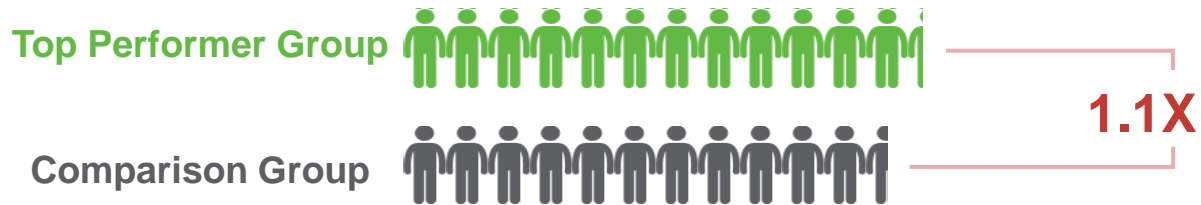
## Total Employees Served per Total HR Headcount



## 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

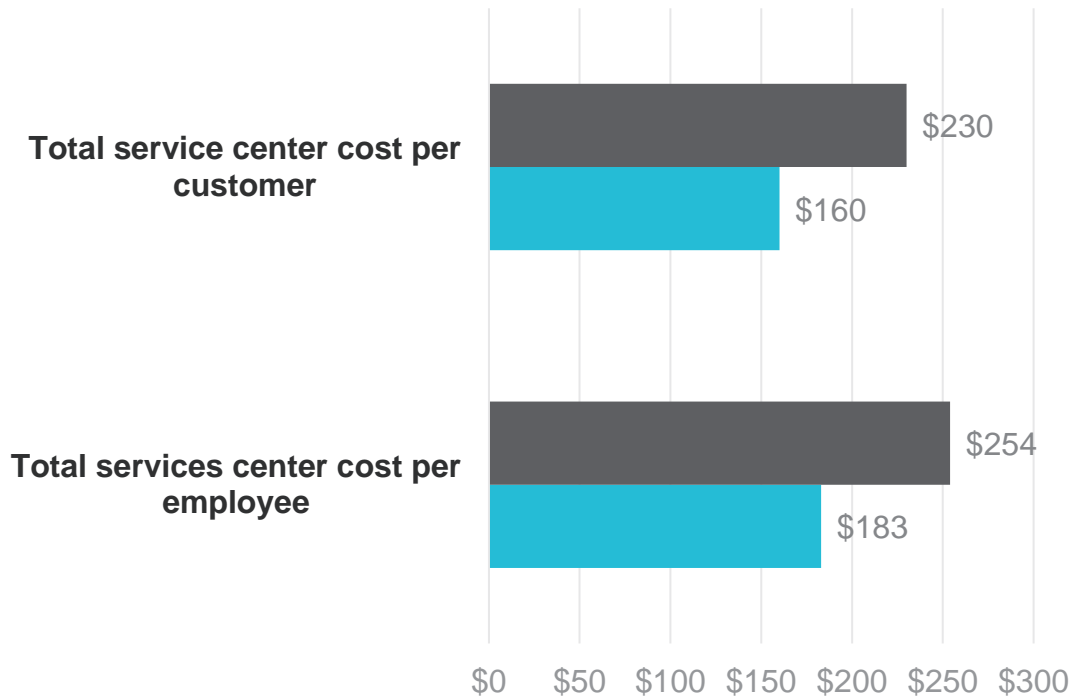


# Benefits of Shared Services

Our benchmarking study revealed that top-performers operate at a *large cost advantage* and *better operational performance*.

## Service Center Cost Comparison

**Top-Performer Group** vs **Comparison Group**



First-Contact Resolution

**82%**




Average Speed To Answer

**34**  
seconds

Service Center Employee Turnover

**6%**

# Benefits of Shared Services – Non-Labor Savings

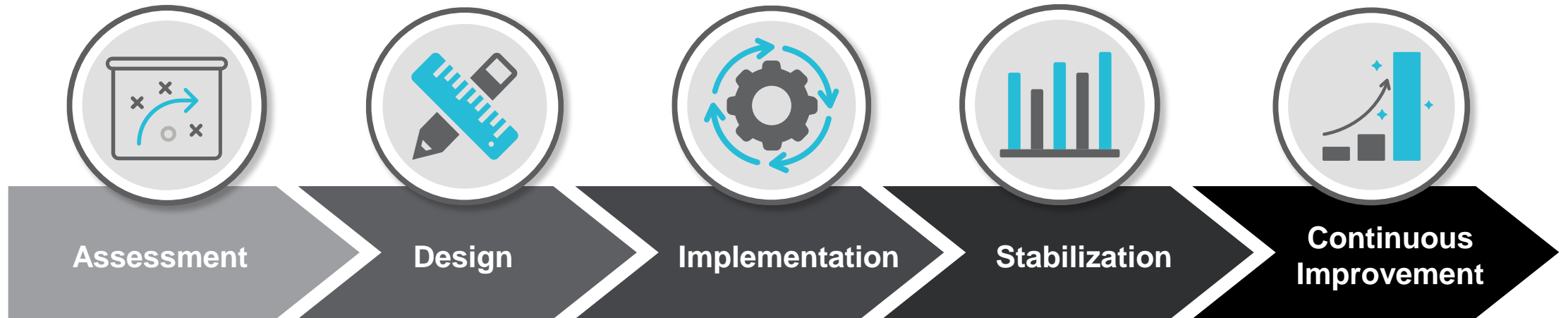
	Category	Savings Type	Example Range of Benefits
	Finance	<ul style="list-style-type: none"> <li>Audit fee reduction</li> <li>T&amp;E expense savings</li> <li>Dynamic discounting savings</li> <li>Working capital improvement</li> </ul>	\$100K–\$3M
	Human Resources	<ul style="list-style-type: none"> <li>Recruiting cost avoidance</li> <li>Training cost reduction</li> <li>Unemployment insurance liability avoidance</li> </ul>	\$50K–\$2M
	Administrative	<ul style="list-style-type: none"> <li>Facility and utility cost reduction</li> <li>Office supply/mailing cost reduction</li> <li>Commuter services reduction</li> <li>Travel expense reduction</li> </ul>	\$40K–\$3M
	Other	<ul style="list-style-type: none"> <li>Legal fee reduction</li> <li>Contract consolidation</li> </ul>	\$60K–\$600K

**Additional soft dollars savings and qualitative benefits include these items:**

- Reduced turnover
- Reduced cycle times
- Improved customer satisfaction
- Reduced risk
- Better compliance
- Improved scalability
- More flexibility
- Faster decisions
- Improved internal controls
- Reduced time to fill jobs
- Transaction error reduction

# The Shared Services “Transformation Journey”

A successful shared services transformation goes through a variety of stages to successfully transition to a leading practice service delivery model:

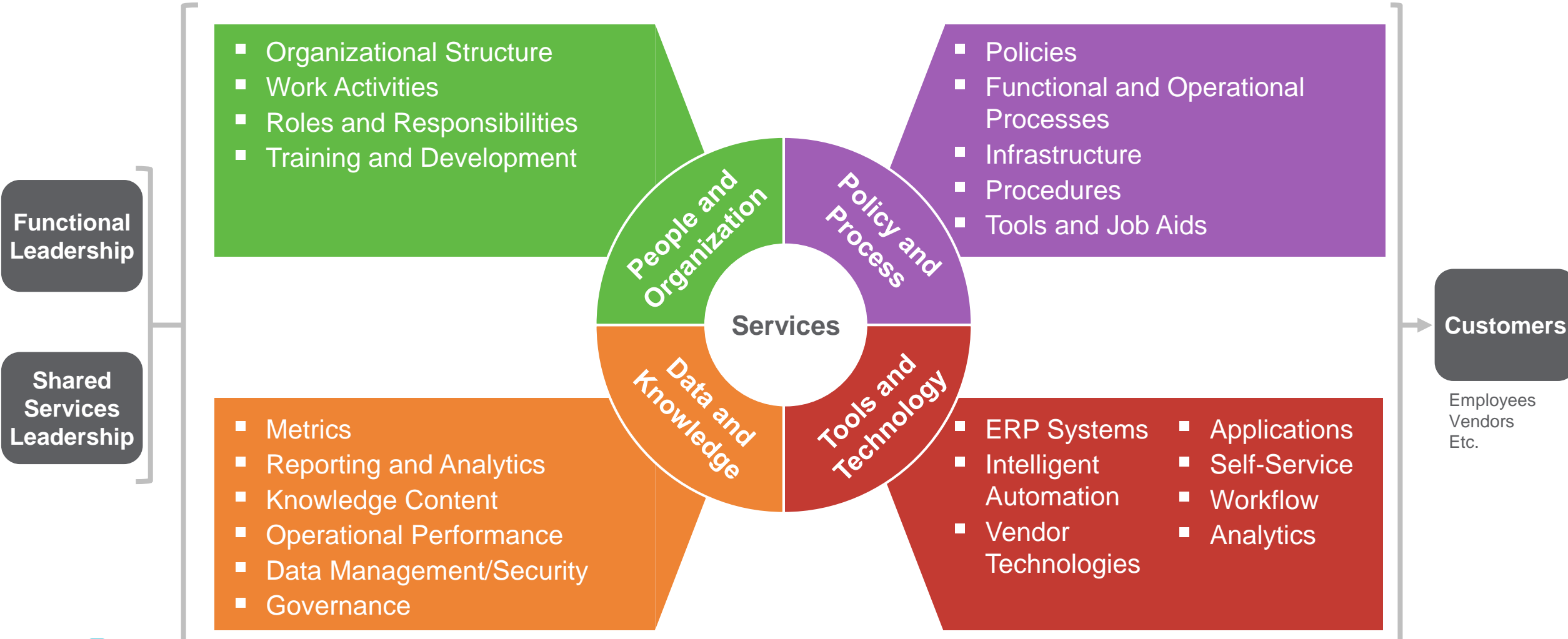




# Assessment

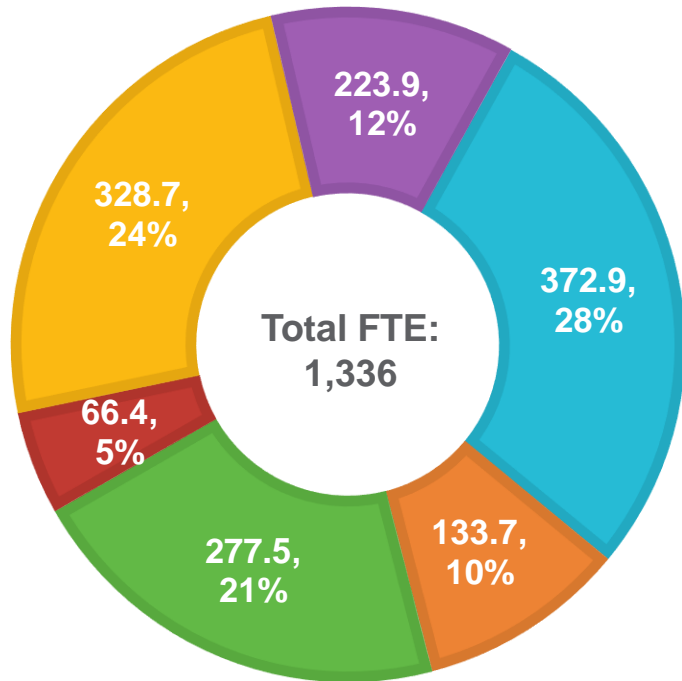


# Assessing the Current Operations

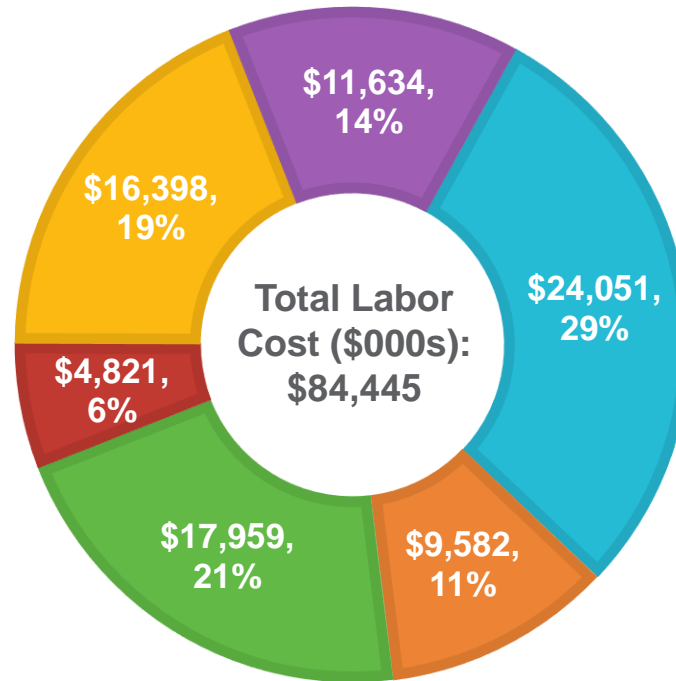


# Current State Assessment

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



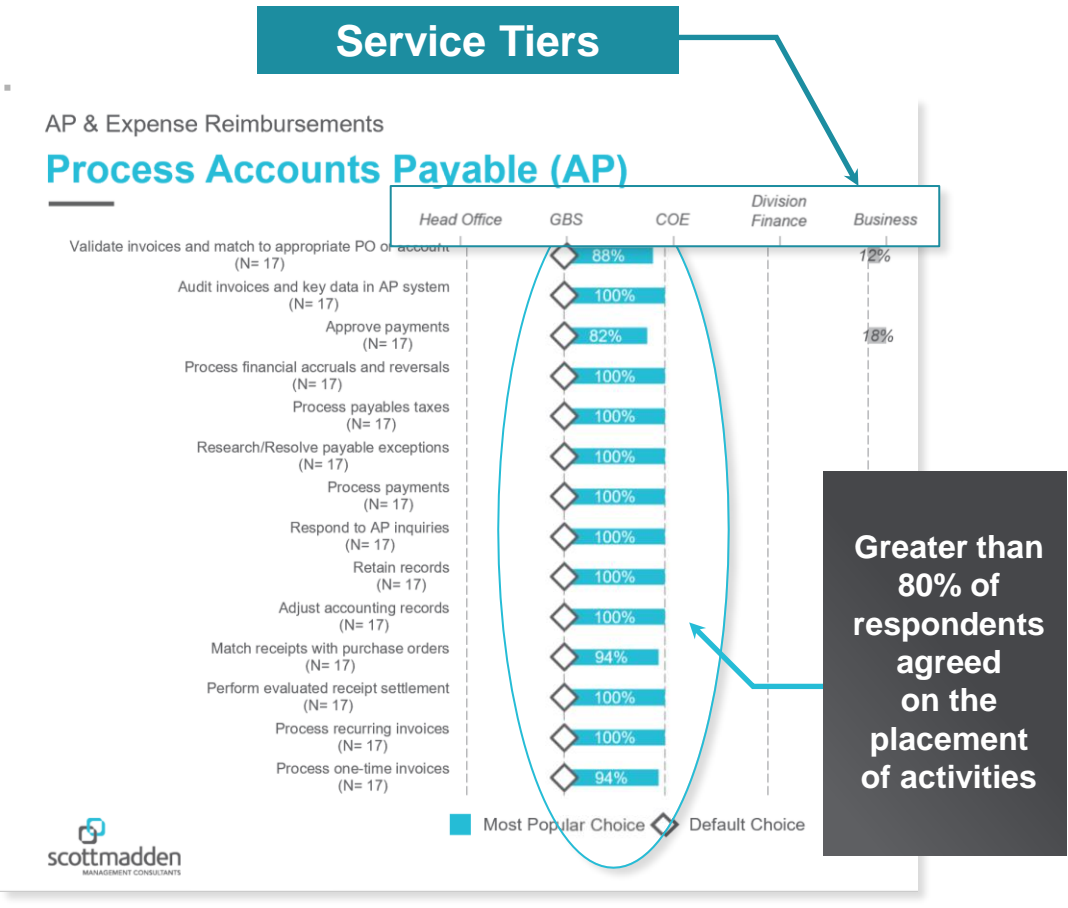
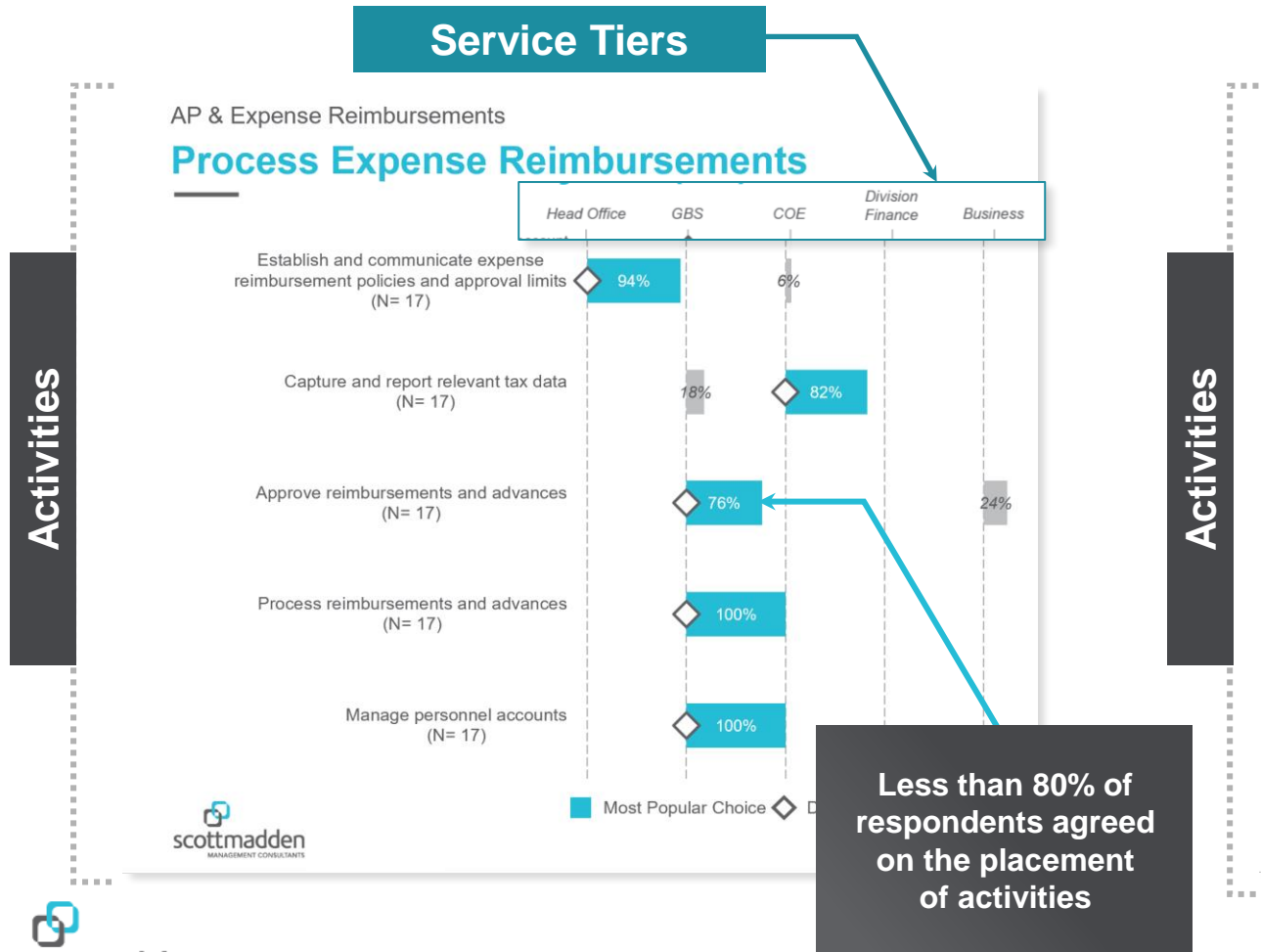
- Contracts & Grants Management
- Facilities
- Human Resources



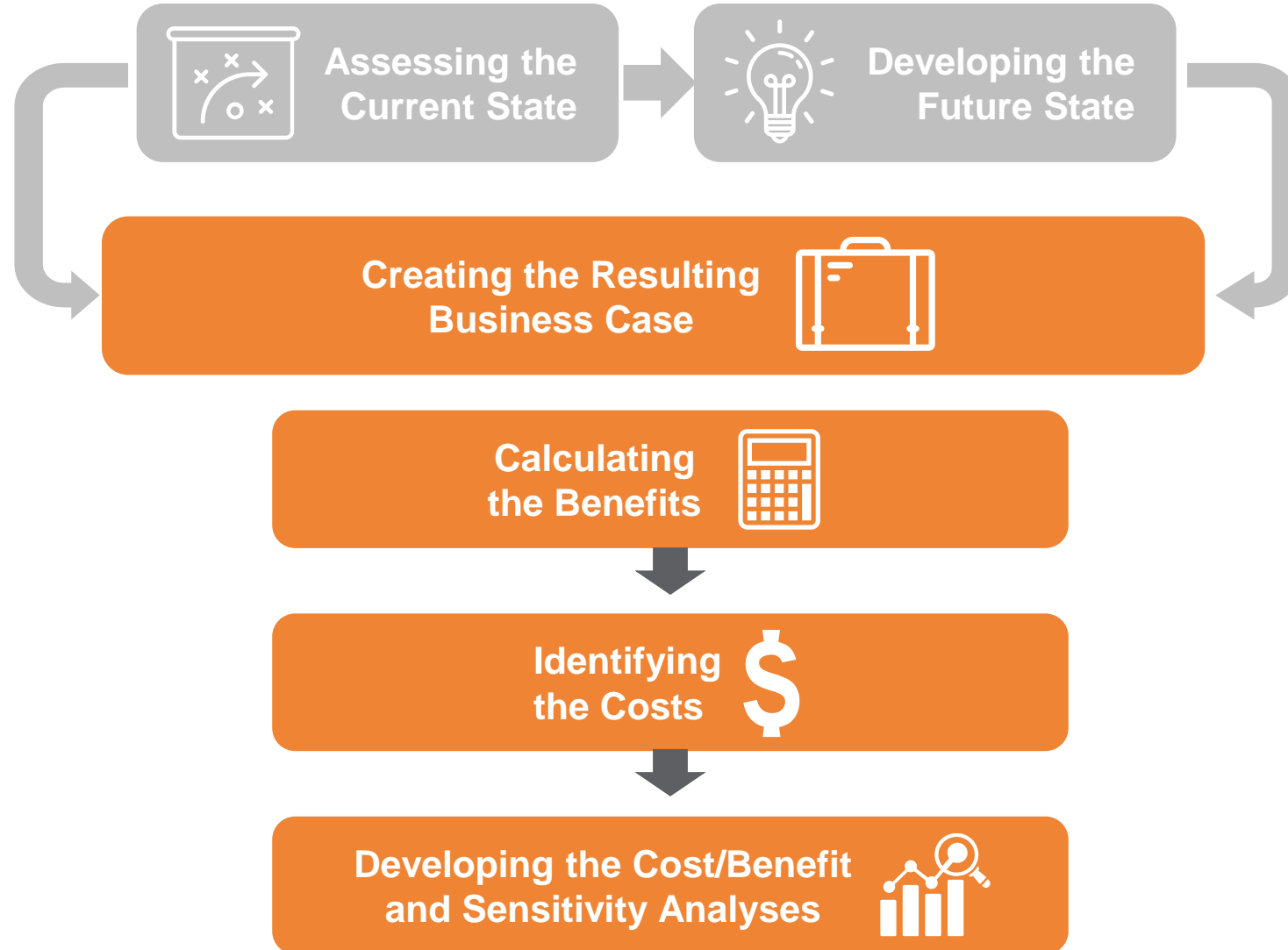
**A Work Activity Assessment can be an effective tool to support this step**

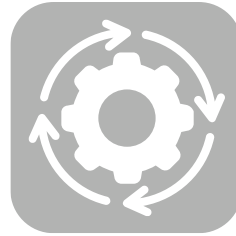
# Design: Scope of Services

Alignment of where discrete activities are placed within in the service model is a key feature of design. Each function and each industry will place activities in the model based on their strategic objectives.



# Business Case Preparation Steps



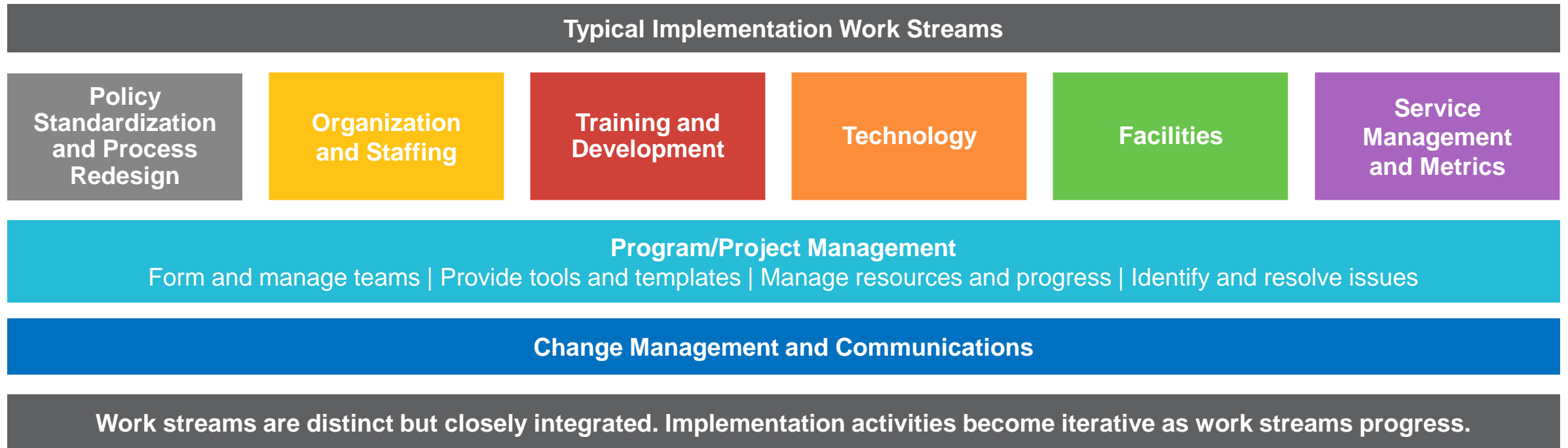


# Detailed Design and Implementation Fundamentals

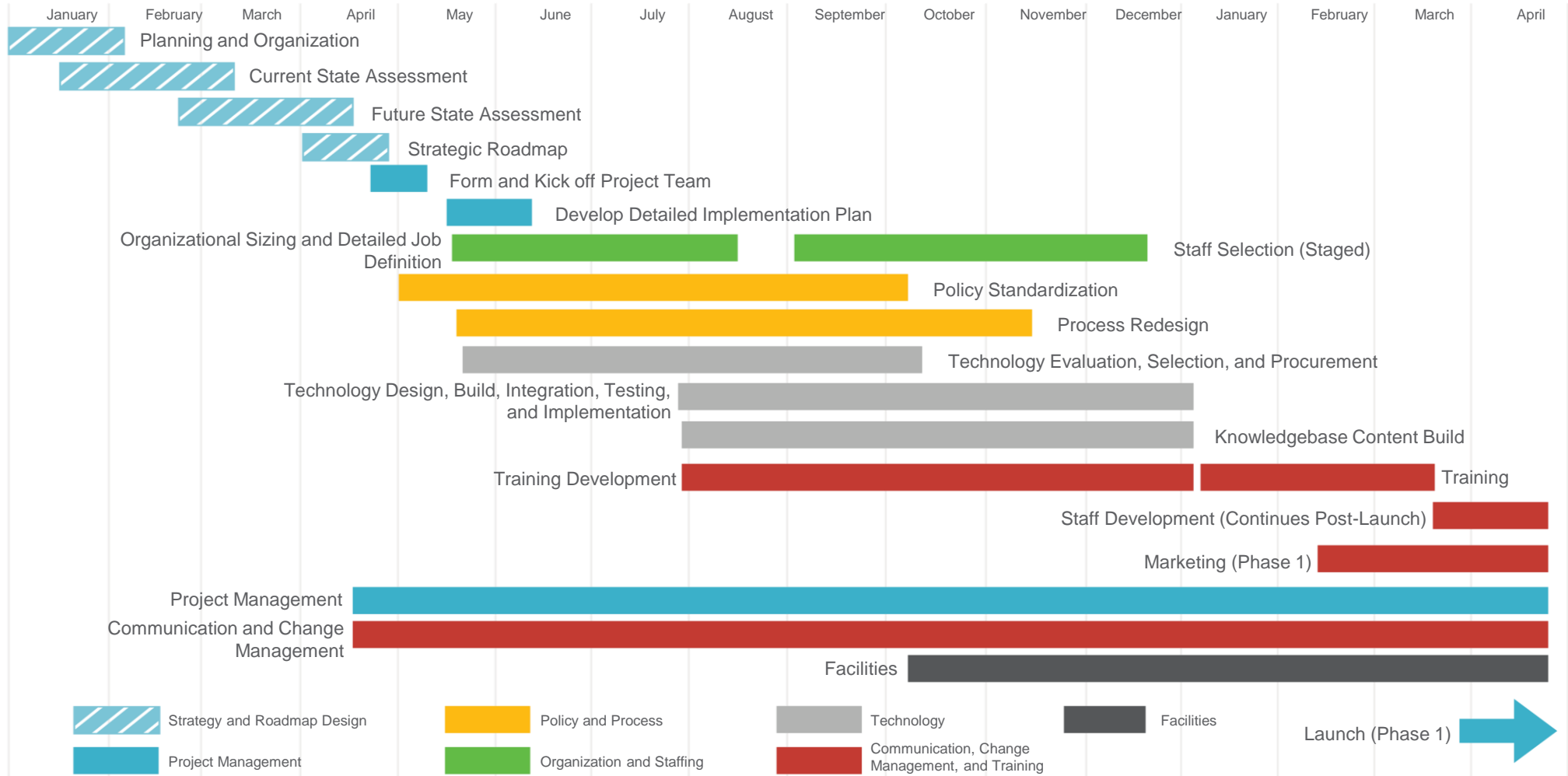


# Typical Implementation Work Streams

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.

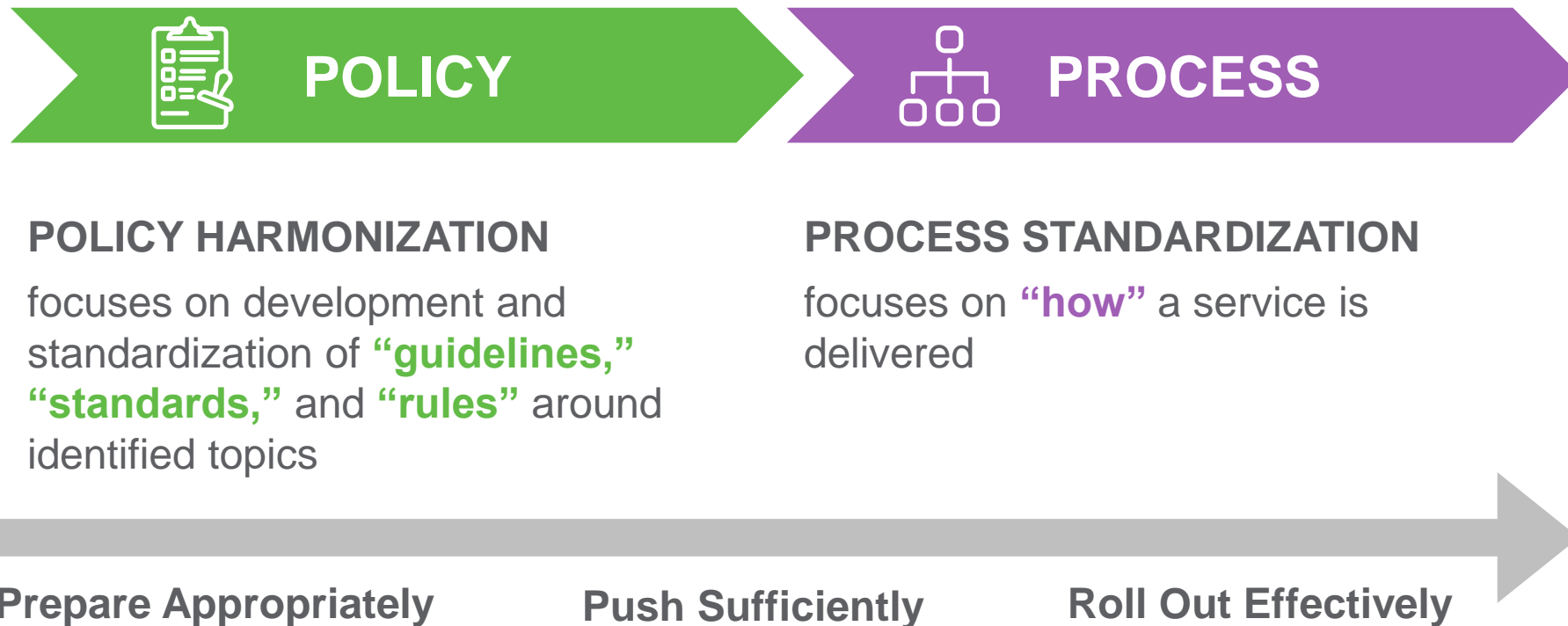


# Example Implementation Timeline



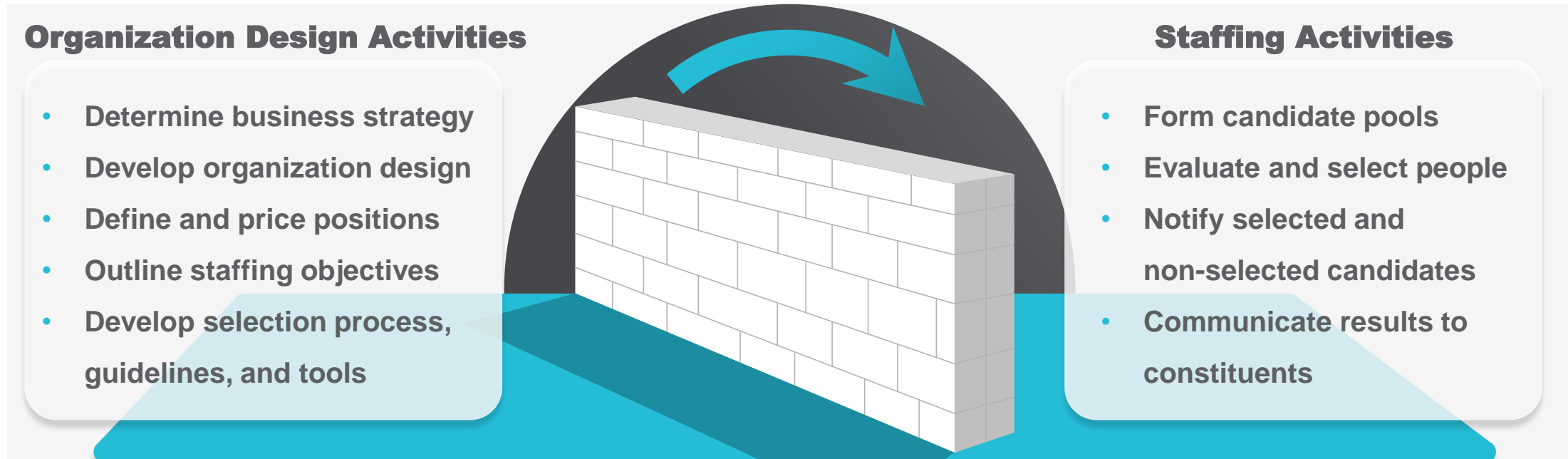
## Policy and Process Considerations

Policy harmonization and process standardization are essential steps toward maximizing the efficiency gains of a new service delivery model. Throughout the policy harmonization process, it is important to remember that policy development and redesign will drive process development.



## Organization and Staffing

The design of the organization and planning for the selection of staff for the new organization must be done in advance of the actual selection process.



**Design tasks must be complete before moving to staffing. You should not jump back and forth over the wall**

# Training and Development

Training, while critical, is often compromised to allow more time and/or resources for other tasks. Training is a key success factor and should never be underestimated or sacrificed.

## Example Training and Development Approach

- Design training content for each topic/module
- Develop training materials
- Produce supporting documentation
- Compile material and finalize testing plan
- Train instructors and conduct training
- Create and compile course evaluations

Assess individual training needs by curriculum.  
Develop a detailed training plan and schedule by module.

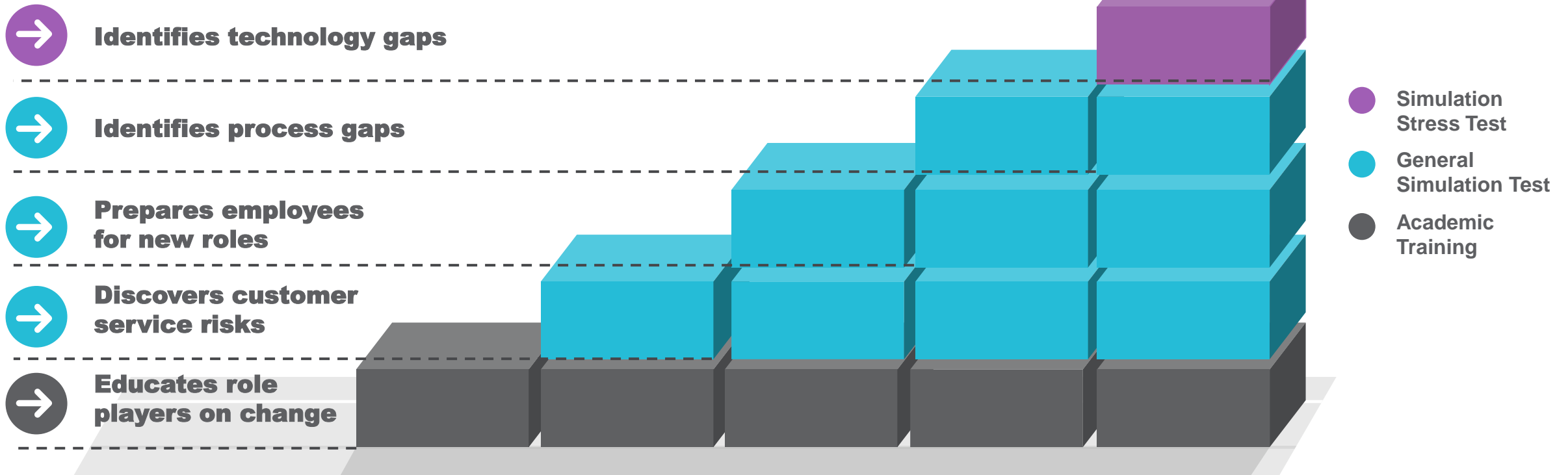
## Example Training Assessment

STAFF	General				Operations							Content					Technology					
	Company	Values and Culture	Service Delivery Model	Customer Service	Answering calls	Retrieving Data	Entering a Case	Escalating an Issue	Transferring a Call	Closing a Case	Scheduling	Functions	Programs	Policies	Processes	KB Content	Telephony	CMS	KB	HRIS/Financial System	Document Management	Equipment

# Conduct a Service Delivery Simulation

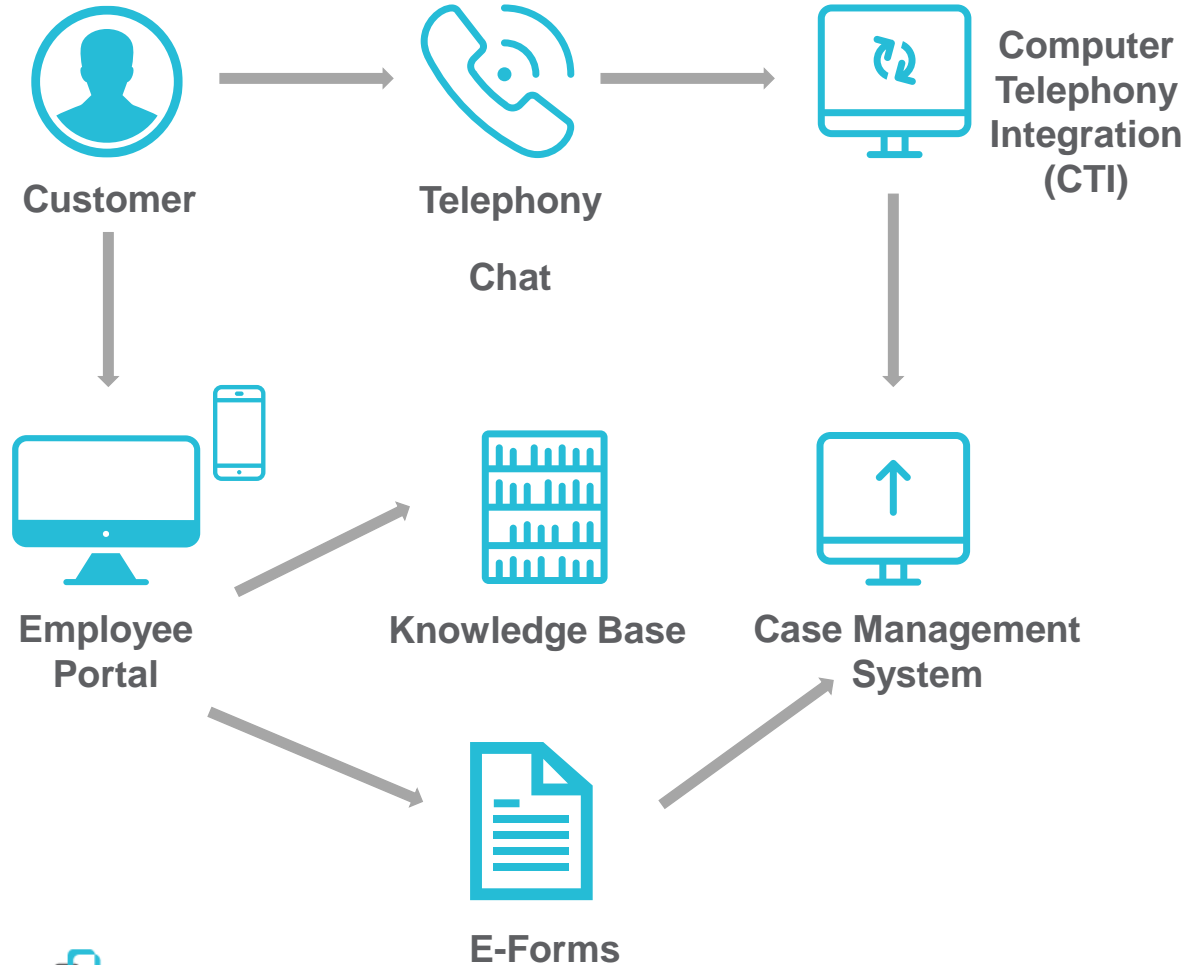
Issues will inevitably materialize despite vigilant planning and execution. To mitigate impact, ScottMadden offers a Service Delivery Simulation, or “dress rehearsal,” that evaluates people, processes, and technologies in a realistic operational environment.

LEVERAGE A BUILDING BLOCK APPROACH FOR LIVE SCENARIO WALKTHROUGHS:



# Customer Care Technology

A shared services delivery model requires a foundation and investment in customer care technologies.



## Telephony System (IVR, ACD, CTI)

- Enables employee data verification with HCM integration
- Supports higher resolution rate on first contact by routing calls to the most appropriate and available representative



## Case Management System (CMS)

- Provides one system to create, track, and review cases
- Offers flexible communication channels (e.g., text, live chat) with customers
- Enables 24/7 support to employees in different time zones or for non-office workers with virtual agent
- Supports better performance management with case metrics tracking and reporting

## Portal and Knowledge Base

- Provides a "one-stop shop" for content
- Offers improved mobile accessibility and robust search function
- Lifts transactional burden across the function

# Traditional Automation Technologies

	 <b>Robotic Process Automation</b>	 <b>Virtual Agents and Chatbots</b>
<b>Characteristics of Data Input</b>	<ul style="list-style-type: none"> <li>▪ Structured, rule driven, static</li> </ul>	<ul style="list-style-type: none"> <li>▪ Structured data, but requires cognitive computing</li> </ul>
<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>
<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>

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

# Facility Selection and Considerations

## Considerations for Update or Creation

- Location – central, pricing, local requirements
- Hybrid work – touchdown spaces for remote employees
- Shared desks

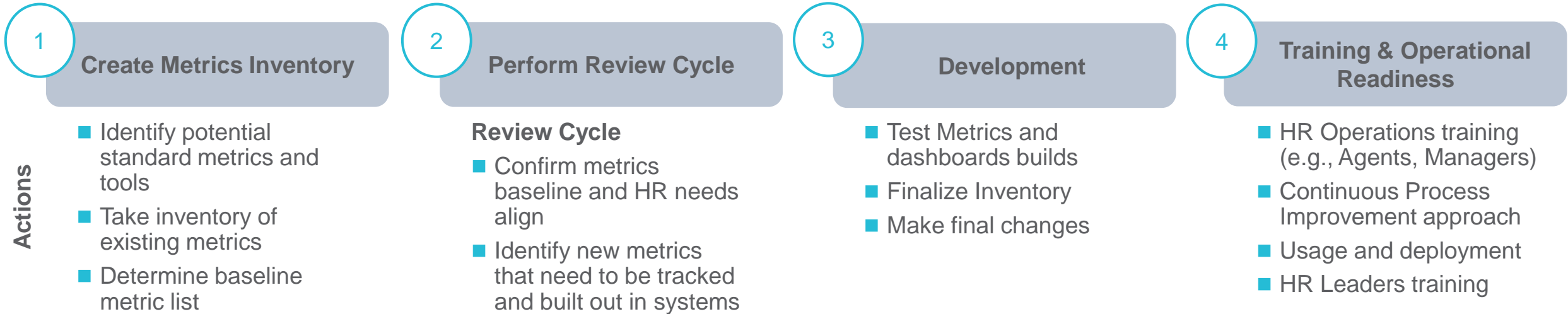
## Trends in Space Design

- Workspaces for different work styles and project needs
- Social hubs to foster positive work culture and creativity
- Modern technology for collaboration and efficiency



# Service Management and Metrics

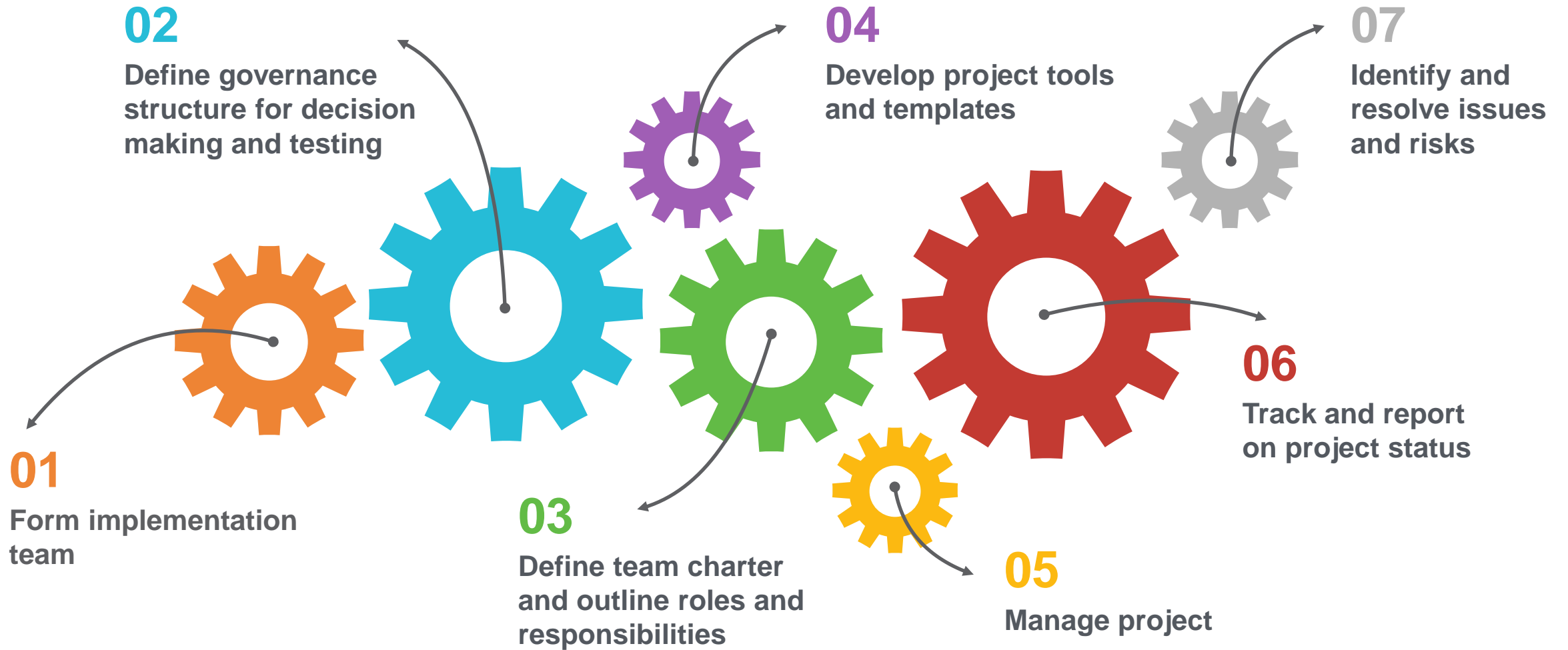
The Service Management and Metrics workstream focuses on vital infrastructure to operating the service center and ensuring integration among the key channels (field services, COEs, and HR Operations) of the service delivery model.



**Key Deliverables:**

- Service levels and “service-level agreements”
- Operational processes
- Performance targets
- Performance reports
- Continuous improvement approach

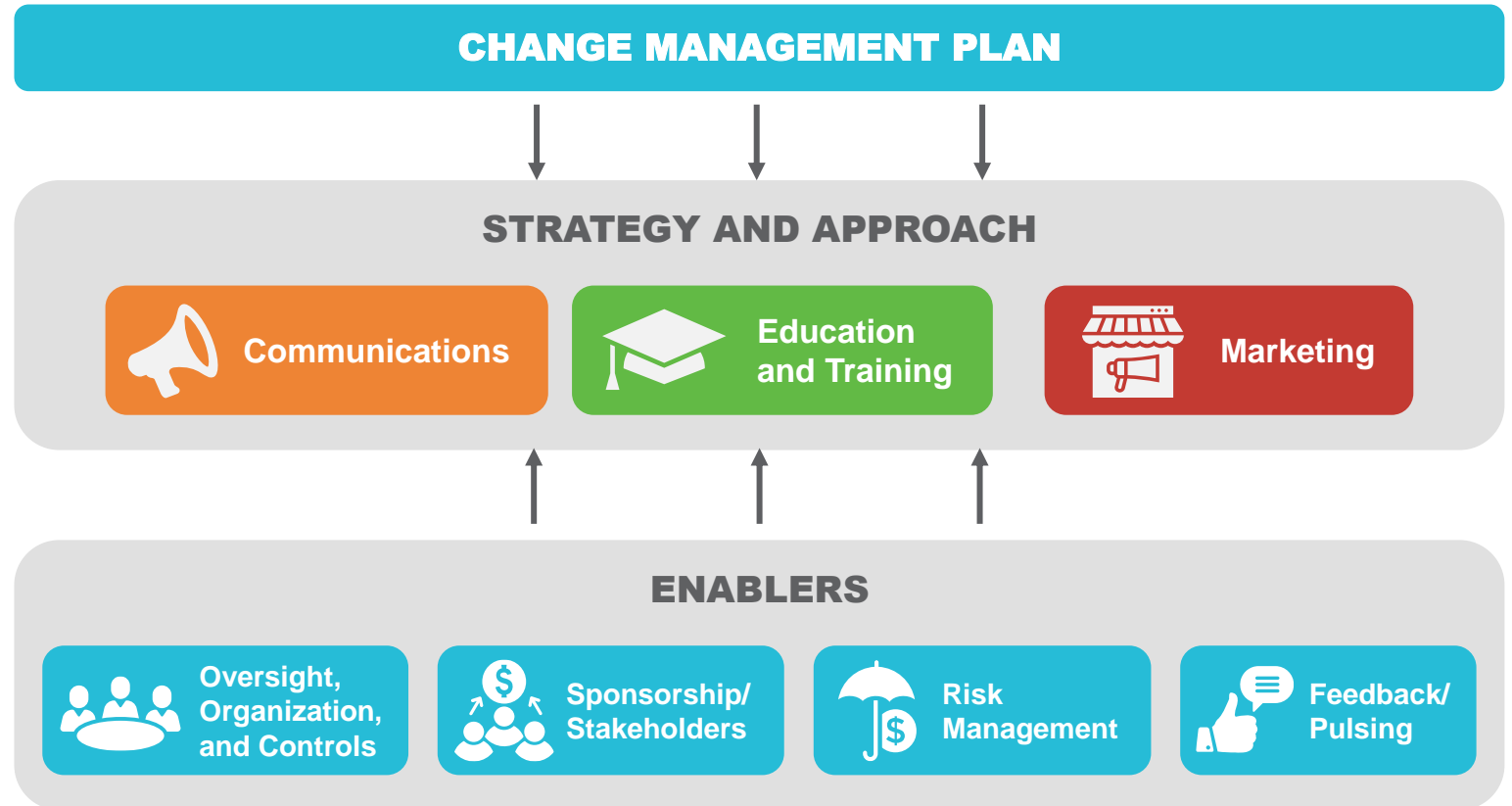
# Project Management Tasks



# Change Management Framework

Successful change management solutions are based on well-planned and integrated initiatives and actions

- Assess impact of overall change on stakeholder groups
- Build awareness
- Build, execute, and monitor communication plan
- Create and launch marketing campaign
- Assess training and education needs
- Build plan
- Conduct training and education





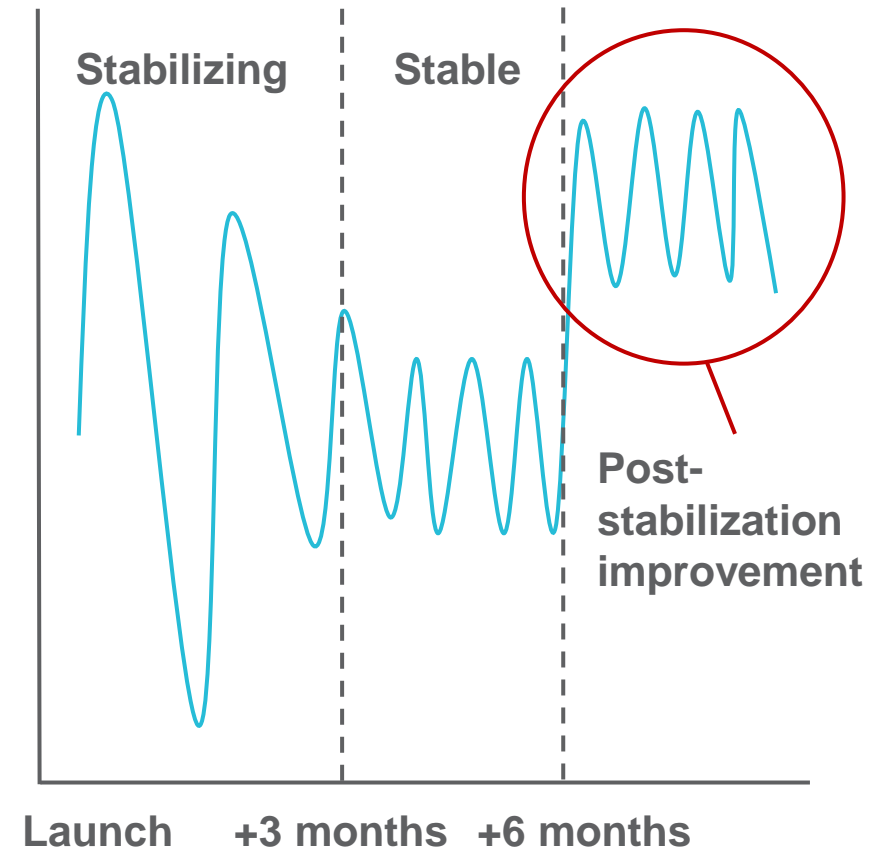
# Stabilization Success Factors



## Establish the Stabilization Plan

After launching, it often takes three to six months to stabilize day-to-day operations.

- **Set expectations** with internal customers
- Establish stabilization **objectives and metrics**
- Schedule recurring **stabilization sessions**
- Establish a **“tiger” team** to address stabilization challenges
- **Update internal customers** on shared services performance and stabilization
- Officially **end stabilization** activities when appropriate



## Ensure Strong Governance Is In Place

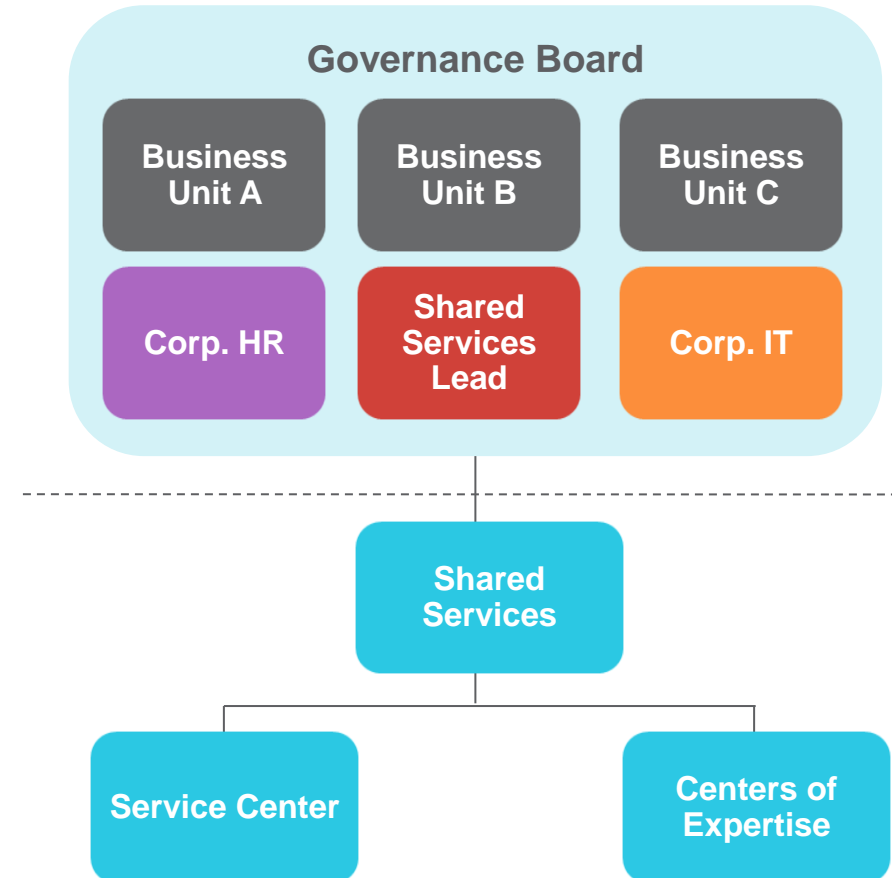
The formality and participating members in an oversight committee are influenced by the size of the organization, the number and complexity of services, organizational culture, and hierarchy.

### Shared Services Governance Board Characteristics

- Represents business units, shared services, and critical support organizations (e.g., IT, HR, etc.)
- Ensures vision and strategies are aligned
- Directs the operational team and serves as a point of escalation

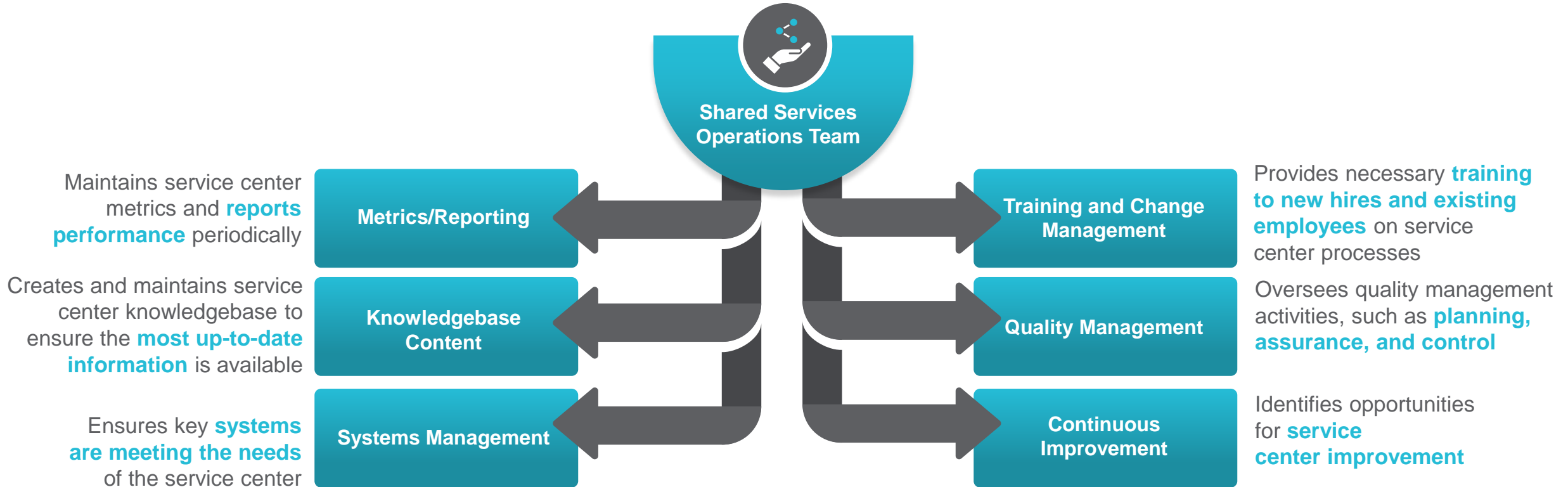
### Key Benefits

- Represents the shared services organization
- Allows customers to influence direction
- Controls spending and prioritizes initiatives
- Integrates with other business initiatives



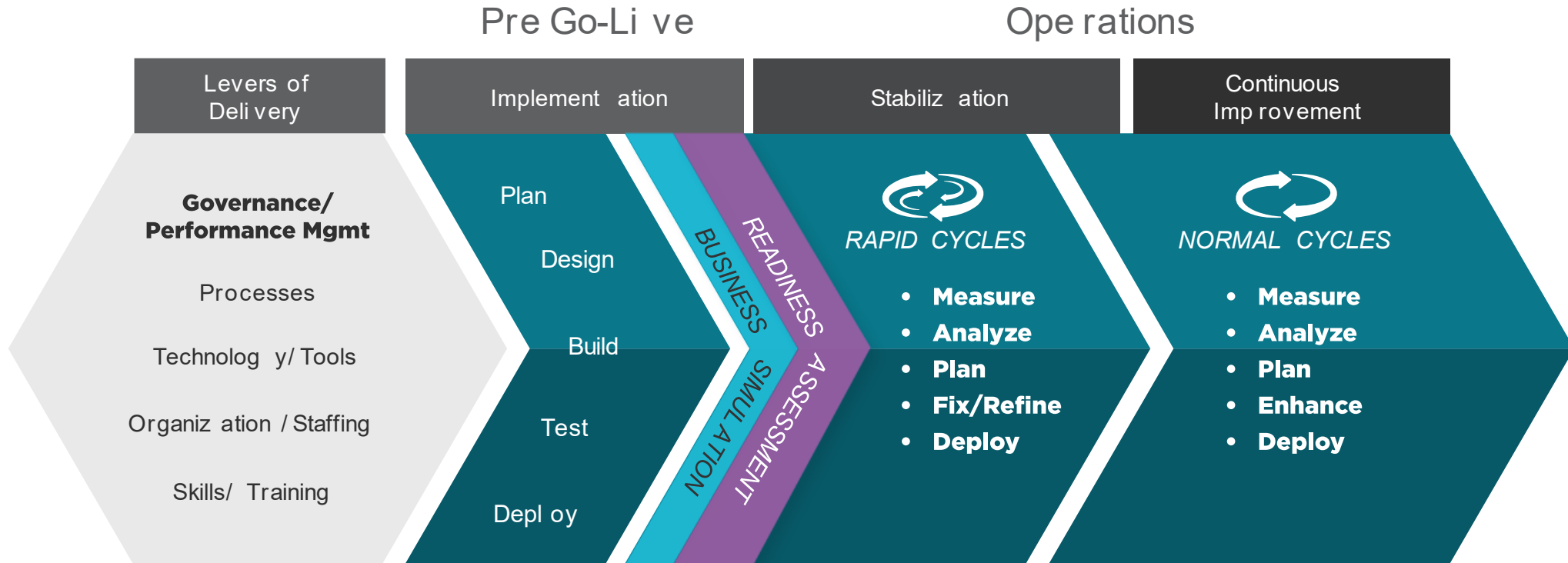
# Operational Support Team

- The operational support team is as an internal resource for the continuous maintenance and improvement of the service center
- The operational support staff monitors service center performance, provides training to service center staff and customers, and ensures key systems and content are up to date and maintained



# Transitioning to Continuous Improvement

- Mindset toward continuous improvement (CI) **starts with implementation and evolves through operations**; the levers of delivery change through each phase
- Processes for identification and prioritization of **requirements change through the transitions**



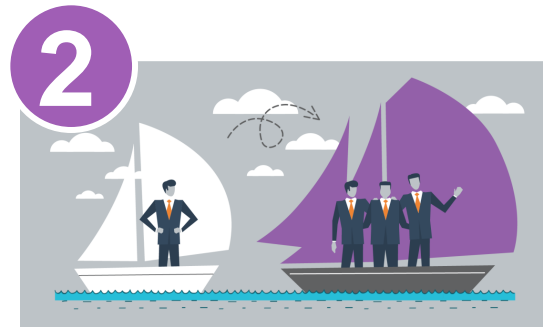
# What's Next for Your SSO?

For those who have implemented and are wondering what's next, consider the following:



## 1 IMPROVE & ADJUST

“Traditional” AI  
Generative AI  
Analytics



## 2 EXPAND

Multi-function  
Global

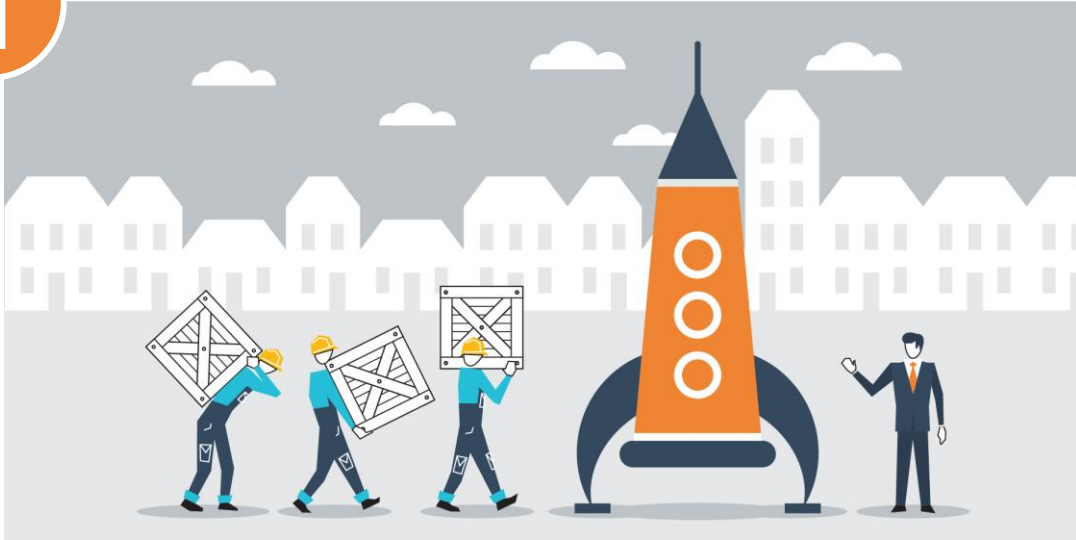


## 3 INSPIRE

Employee engagement

# Next Generation Concepts

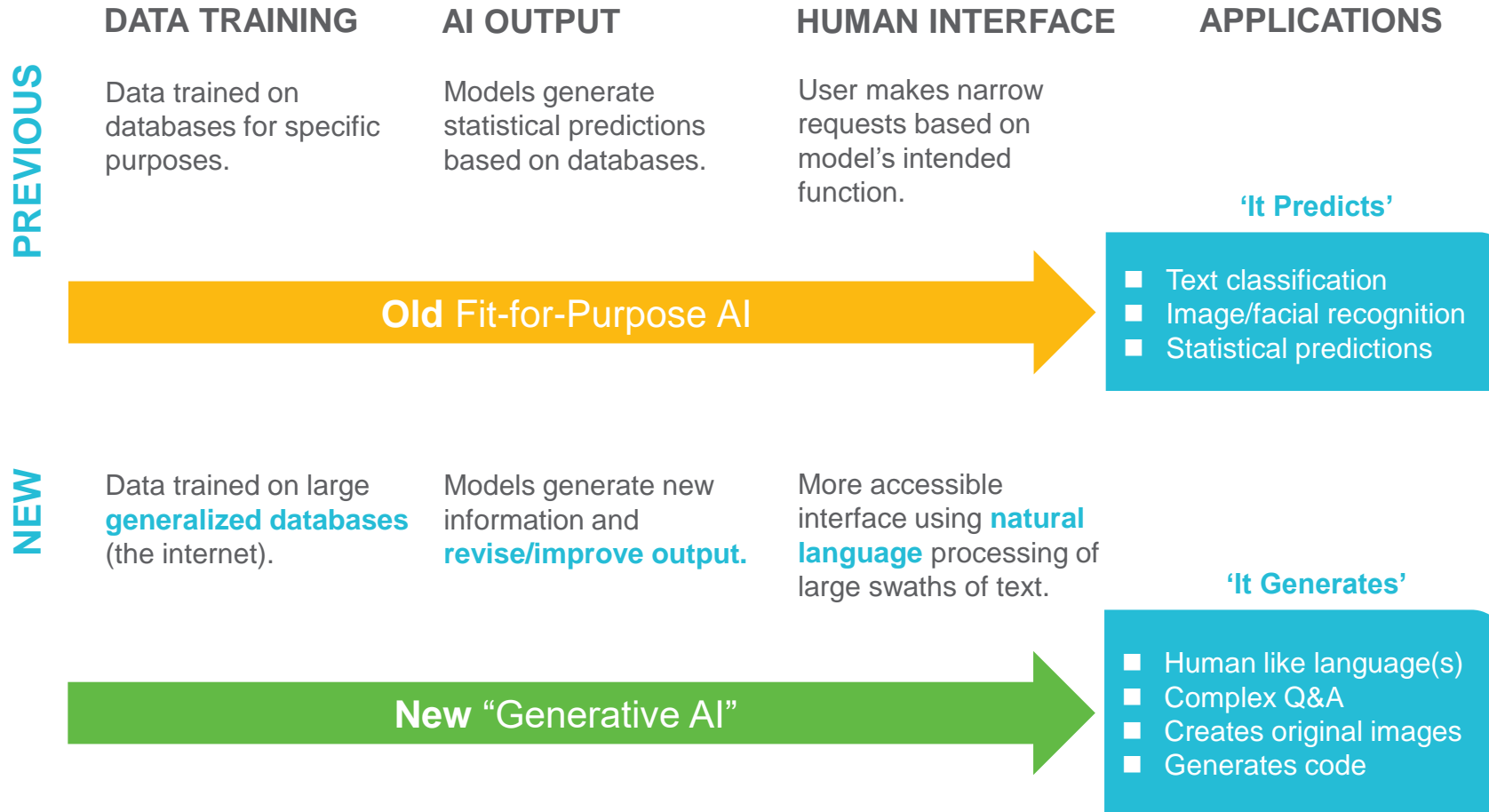
## 1 IMPROVE AND ADJUST



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

*– Steve Jobs*

# The AI Evolution – From Traditional to Generative



# Practical Use Cases

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## Brainstorming and Idea Generation

Generate fresh new perspectives and potentially innovative ideas to improve brainstorming sessions



## Content Review

Generate improvement opportunities for materials and potential gaps in the content with ideas on how to mitigate them



## Code Generation

Generate Excel, Power BI, SQL, or other types of code that you need to solve a problem



## Meeting Prep

Generate potential questions, scenarios, or talking points based on issues within specific context



## Text Translation

Translate content to or from multiple languages

# AI Risks to Consider



## Reputational Risk

- Can produce inaccurate outcomes
- Can sometimes refer to irrelevant or non-existent subjects ('AI hallucinations')
- Is unreliable for computations
- ChatGPT cannot reference current data (post 2021)

Individuals need to be able to explain data and use their own insight to draw conclusions and share information.



## Privacy and Contractual Risks

- Generative AI learns via Q&A, so any content generated is not contained within the organization
- Tools can pull proprietary data off websites that have copyrights or trademark rights (and marked as such), and place in responses

It is now easier to inadvertently compromise confidential data.



## Intellectual Property Risks

- Asking generative AI to produce content using direct examples compromises that information (e.g., proprietary information)
- If software submitted to ChatGPT includes open source, it has the potential to trigger open-source license obligations

There is a potential to create issues around license obligations with open source software.

“Getty Images [filed suit against the creators of Stable Diffusion alleging the improper use](#) of its photos, both violating copyright and trademark rights it has in its watermarked photograph collection.”

HBR “Generative AI has an IP Problem”

# Defining Your Strategy – Delivery of Automation Services

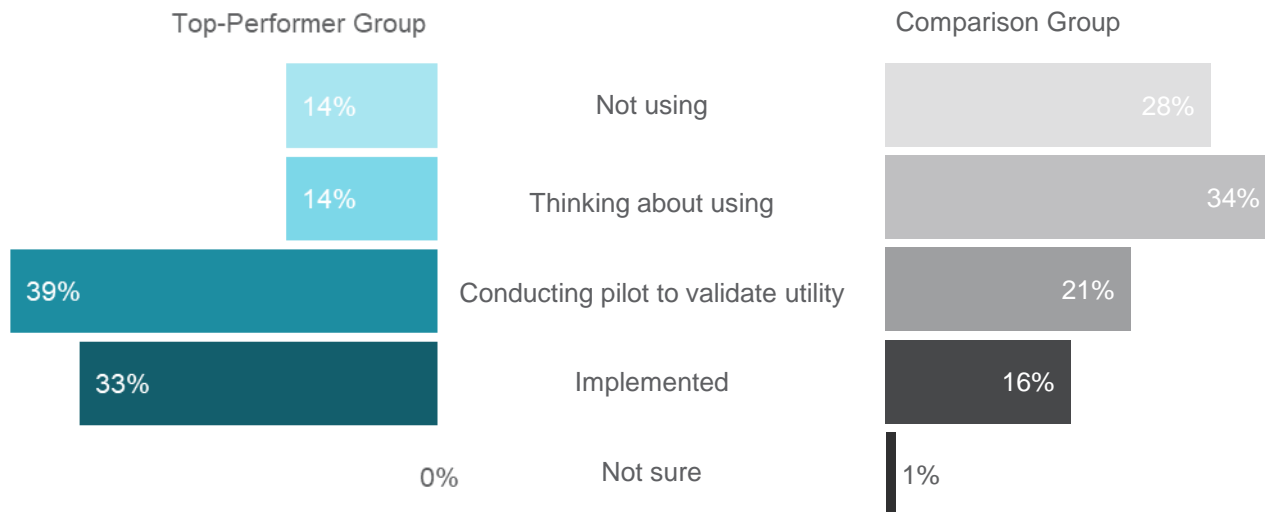
	Description	Enterprise Role	Challenges
<p><b>Centralized</b></p>	<ul style="list-style-type: none"> <li>RPA launched from within enterprise COE or shared services with high visibility and control of efforts</li> </ul>	<ul style="list-style-type: none"> <li>Almost entirely enterprise-led approach (typically 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>

# Intelligent Automation: Comparing Top Performers

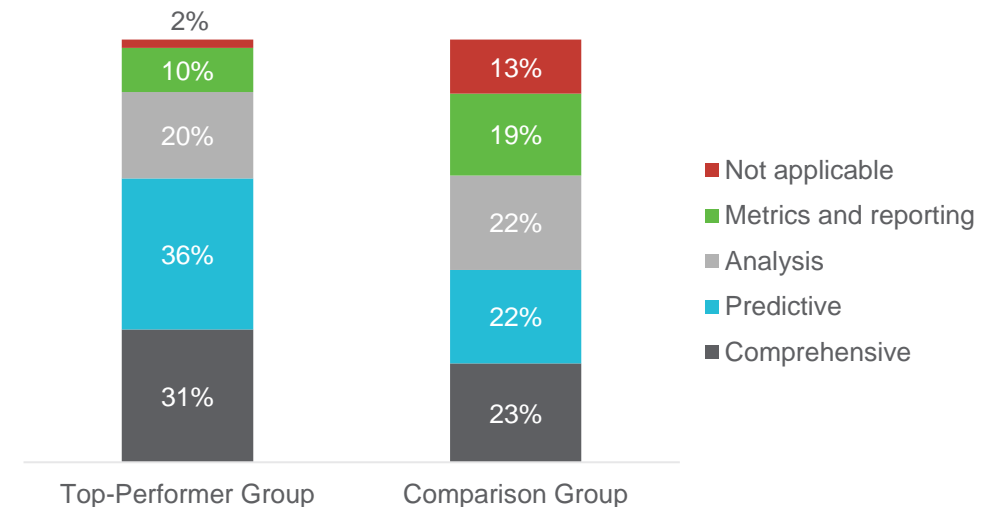
Top-performing Finance SSCs are 2X more likely to have implemented intelligent automation applications according to ScottMadden’s latest Finance Shared Services Operations benchmarking study.

Top performers more often utilize comprehensive and predictive analytics, indicating greater analytics maturity

To what extent does your shared services center use intelligent automation applications?



How would you best characterize the use of data analytics in your shared services center?



# 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

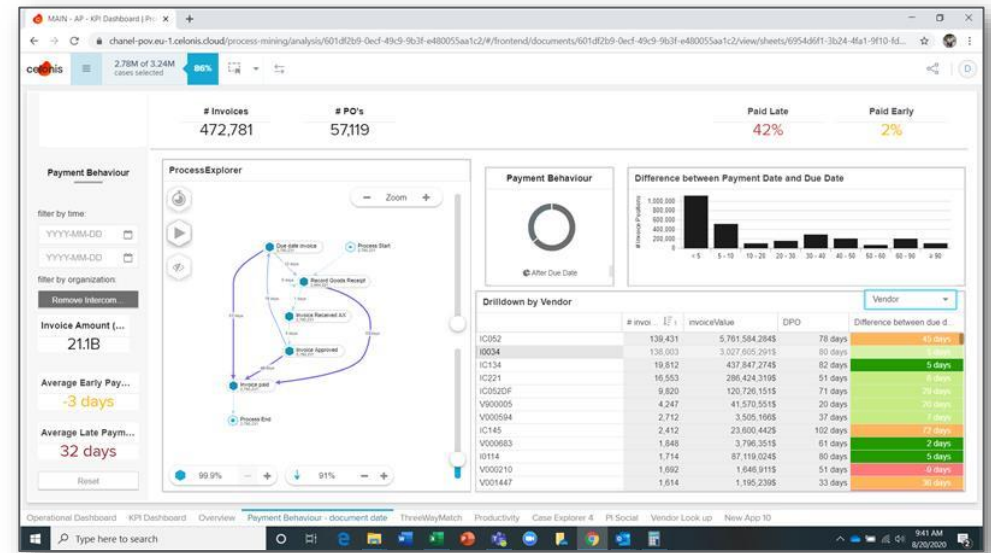
- Orders received
- Products delivered
- Payments made

What it tells us...brings visibility to:

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

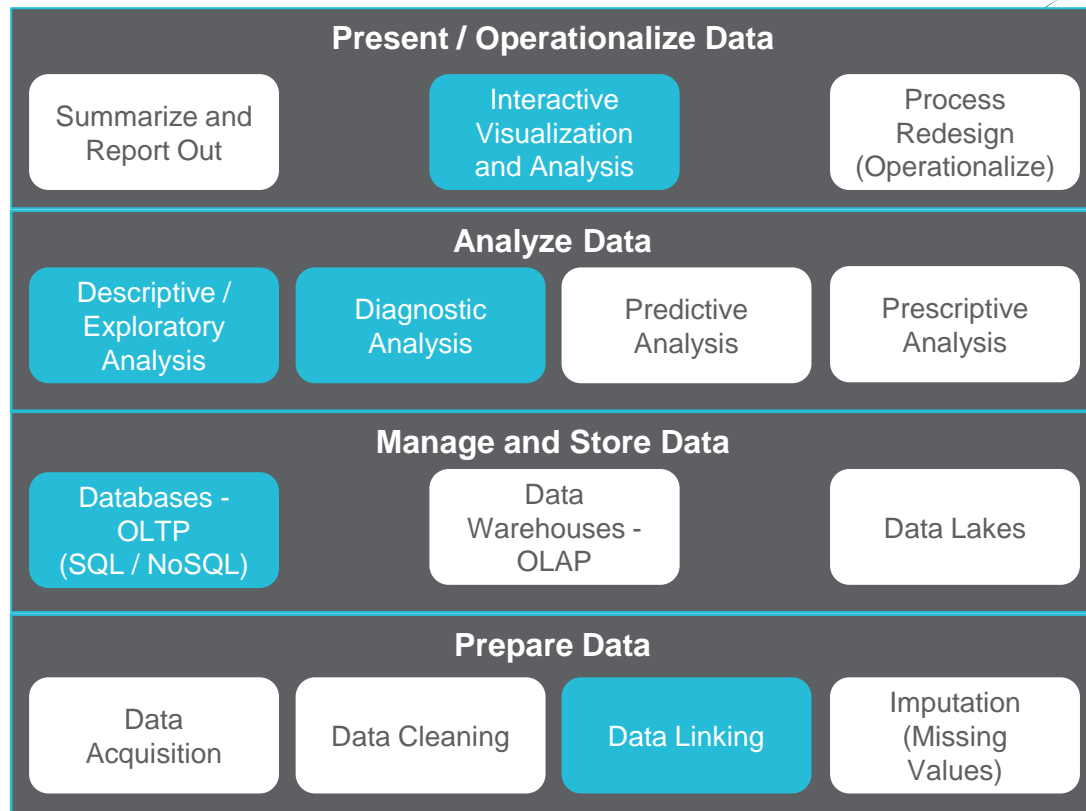
Analysis opportunities

- 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)



# 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.

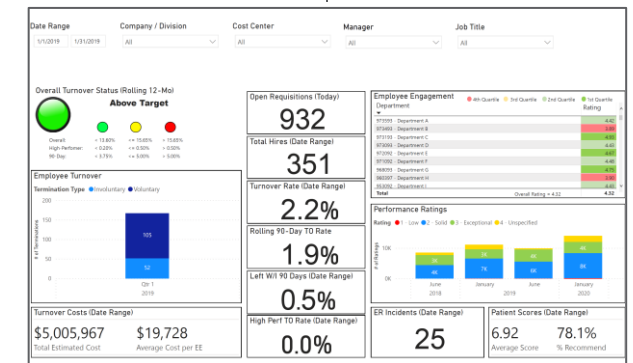
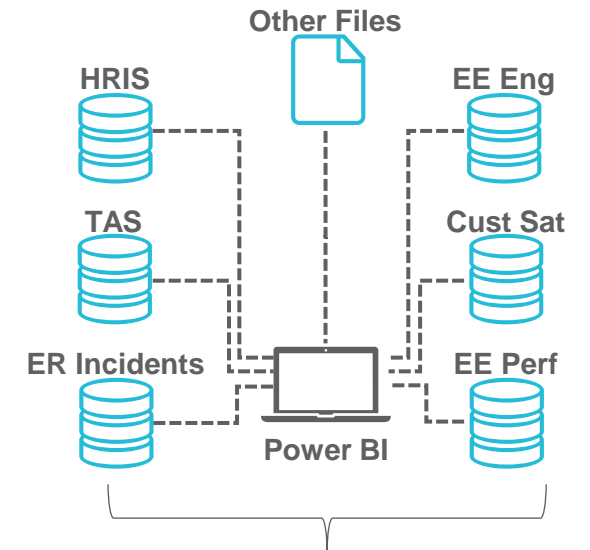


## Challenge

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**



# 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



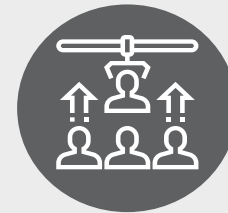
## Identifying

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



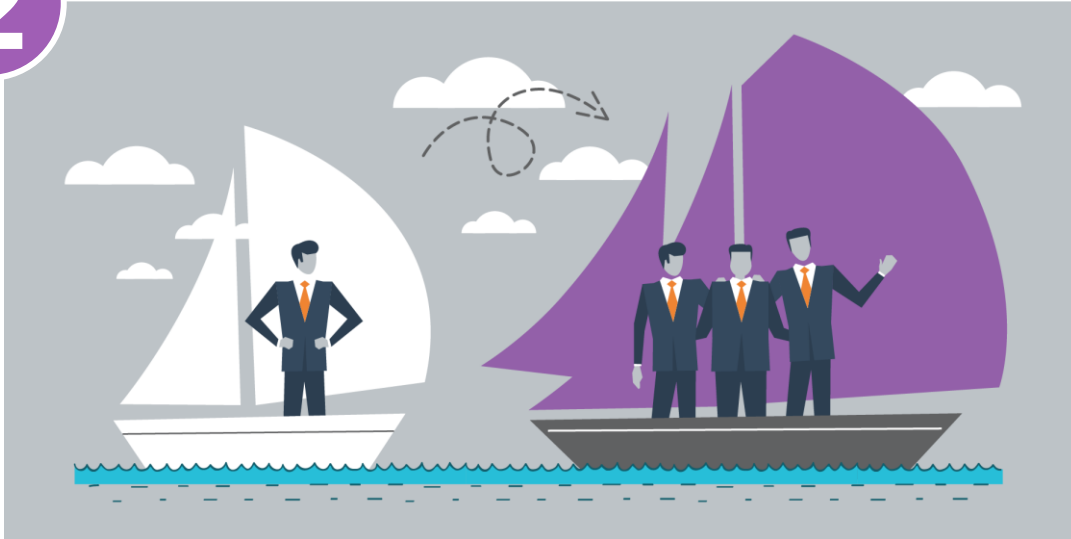
## Engaging

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



# Next Generation Concepts

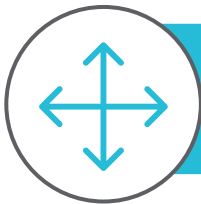
## 2 EXPAND



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

## Evaluating Multiple Expansion Methods

After companies implement and refine shared services, they look for opportunities to expand and better support their customers. Companies can expand their shared services operations by offering more services or supporting 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

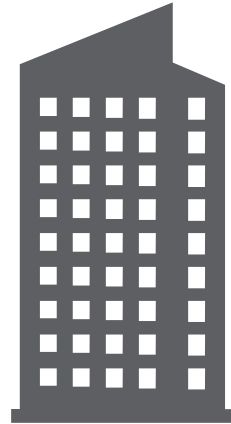
- Additional customers
- Additional business units within each company
- New geographic areas
  - New states, regions, countries, etc.
  - Global shared services centers
- Support to other companies (external sales)



## Understanding the Multi-Function Rate of Adoption

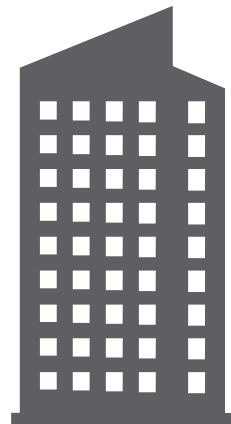
GBS has emerged as the standard operating model for internal enterprise services.

>53%



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

>73%



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

Trend points toward a continuing migration to a **Global Business Services** with over 90% of the F 1000 considering a move within the next 3 years

# Defining Global Business Services

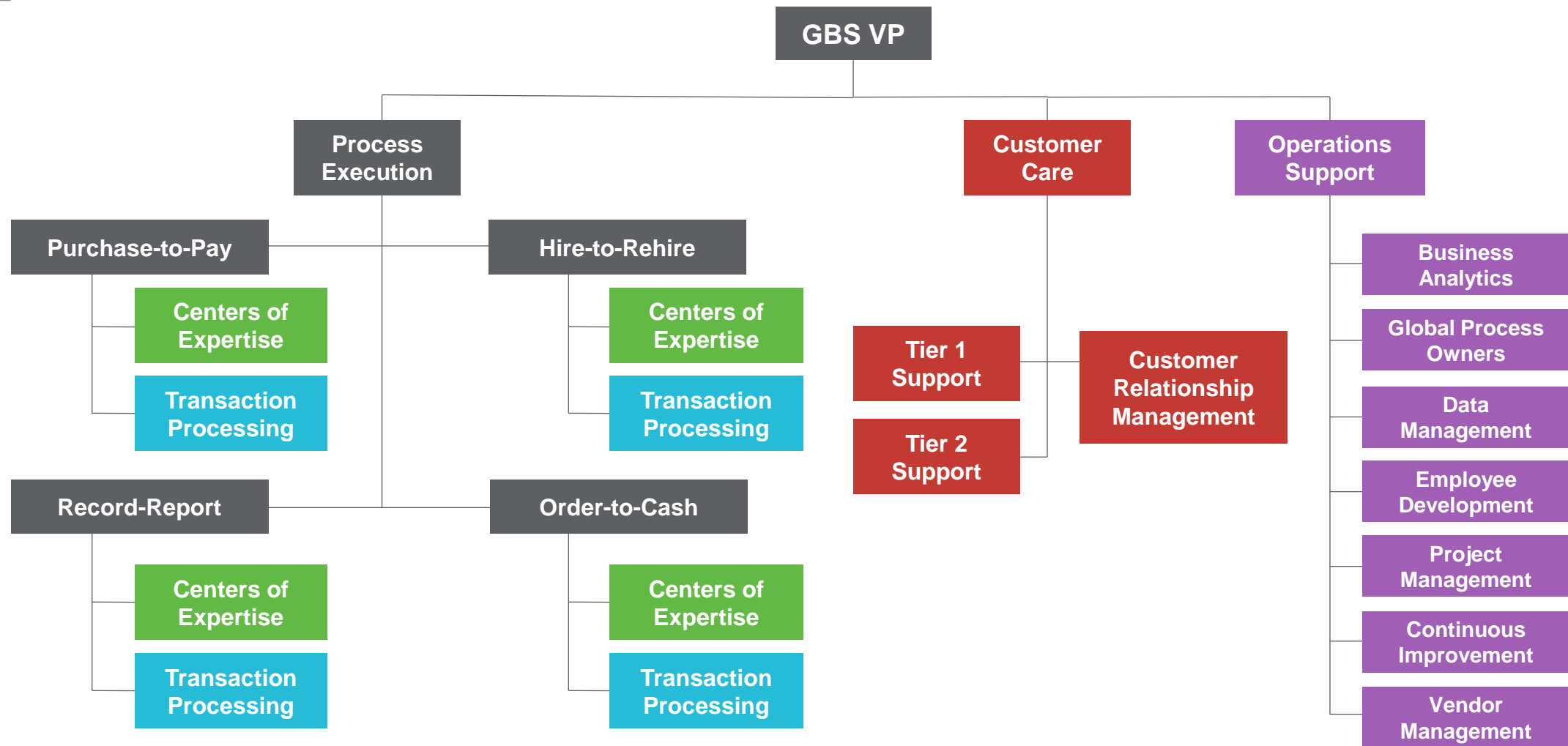
*Global Business Services (GBS) is the integrated services capability of an enterprise, focused on the delivery of transactional and analytical work supporting the business units and corporate, under a single organizational structure.*

We believe that leading GBS models demonstrate **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 and technology platforms
- 4 Incorporates end-to-end process ownership
- 5 Includes some level of higher-value activities



# Design: Example Global Business Services (GBS) Org



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

# 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>



# Next Generation Concepts

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## 3 INSPIRE

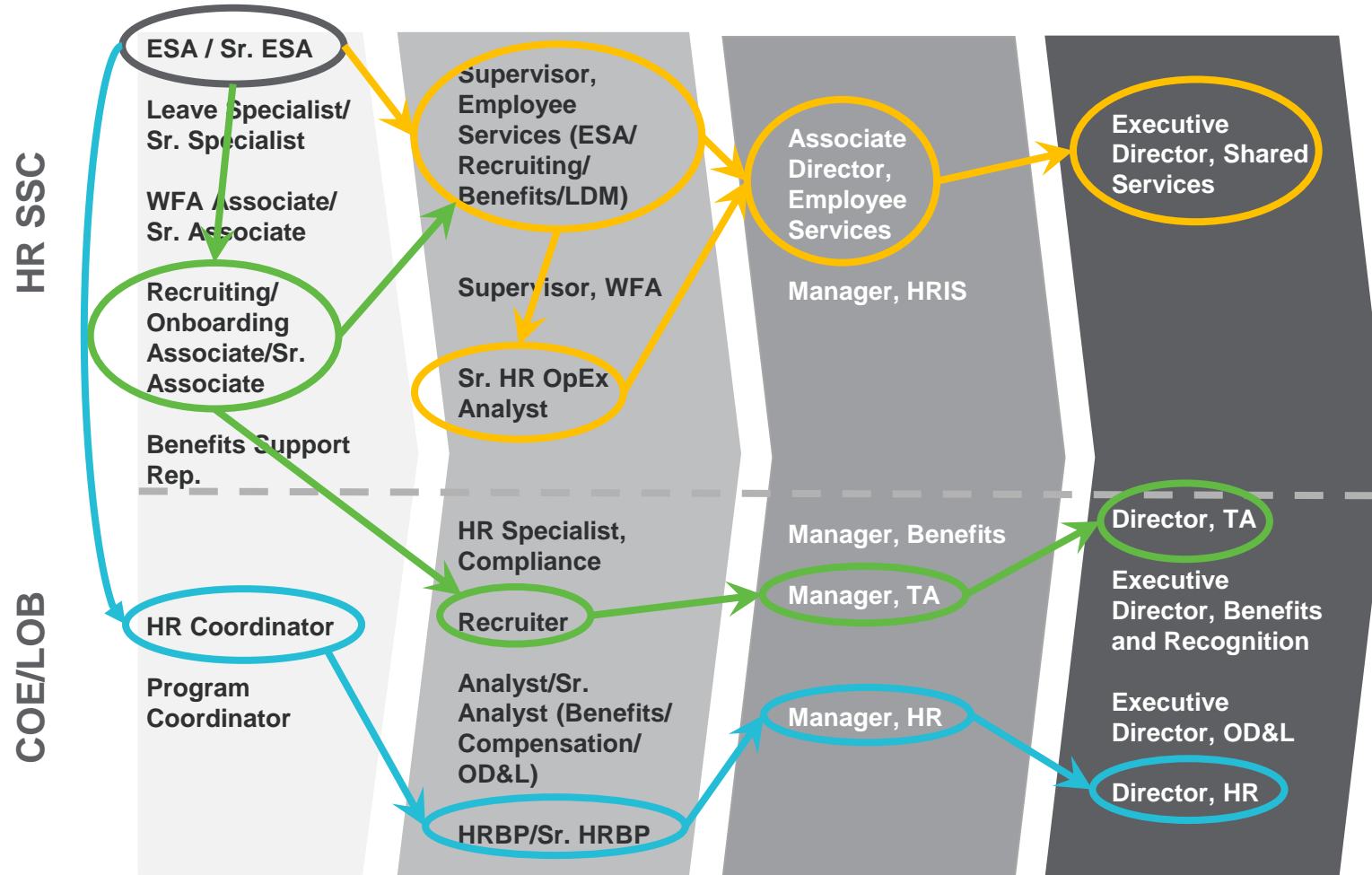


*“Aerodynamically, the bumble bee shouldn't be able to fly, but the bumble bee doesn't know it so it goes on flying anyway.”*

*– Mary Kay Ash*

# 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:



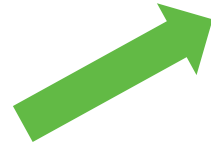
The diagram above is not hierarchical, but rather an example of a career path.

# Hybrid Work Is Here To Stay... But What Are The Consequences?



## HYBRID 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

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



## CULTURE IMPACT

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

- Older generations are more comfortable returning to the office whereas younger generations favor remote work
- 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)

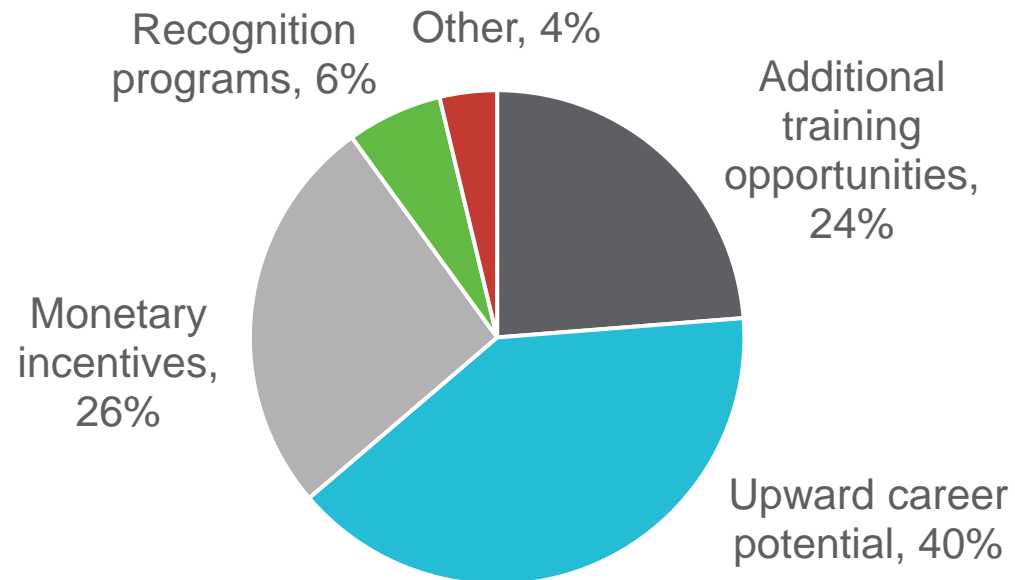
*While remote work may have led to short-term productivity increases, leading companies will develop strategies to improve employee engagement and connectedness, while maintaining flexibility and other remote benefits. A hybrid work environment may be the answer.*

## What Drives Employee Retention?

Upward career potential, monetary incentives, and additional training opportunities are reported as top drivers for retaining staff among survey respondents. An effective retention plan:

- 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?



# 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





# Wrap Up



# What's Next? ... Here Are Five Things To Do

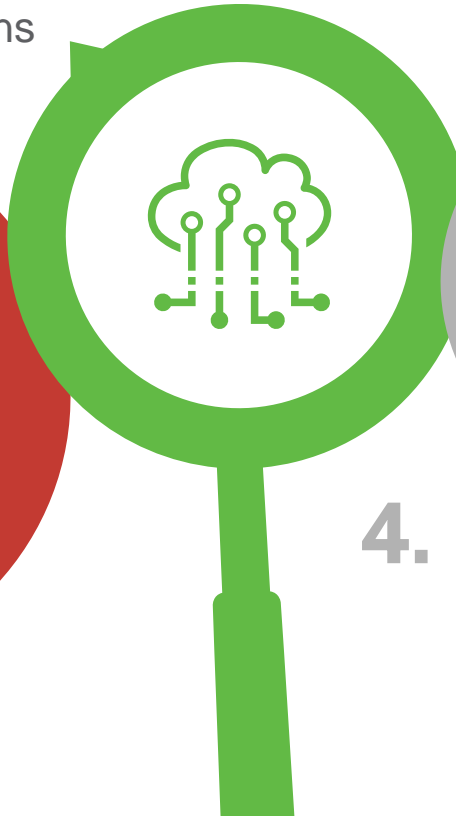
**1.** Evaluate your shared services strategy. Is there an opportunity in this to leverage your shared service operations as a catalyst for scale?



**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 next-gen concepts on 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 a retention strategy with a focus on career opportunity, improving employee engagement, and diversity and inclusion. Employees want a strong corporate culture.



# 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:

- Thursday, 2:50pm



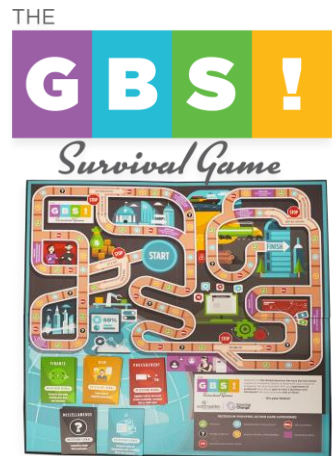
If you would like to receive a copy of this presentation, please complete the contact card via the QR code.

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



## 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
- Play the "GBS Survival Game"



# YOUR DISCUSSION LEADS



**Trey Robinson**  
Partner

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[treyrobinson@scottmadden.com](mailto:treyrobinson@scottmadden.com)

**O:** 919-781-4191

**M:** 919-522-1740



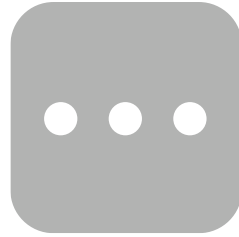
**Hayden Szubski**  
Director

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[hszubski@scottmadden.com](mailto:hszubski@scottmadden.com)

**M:** 571-643-9001





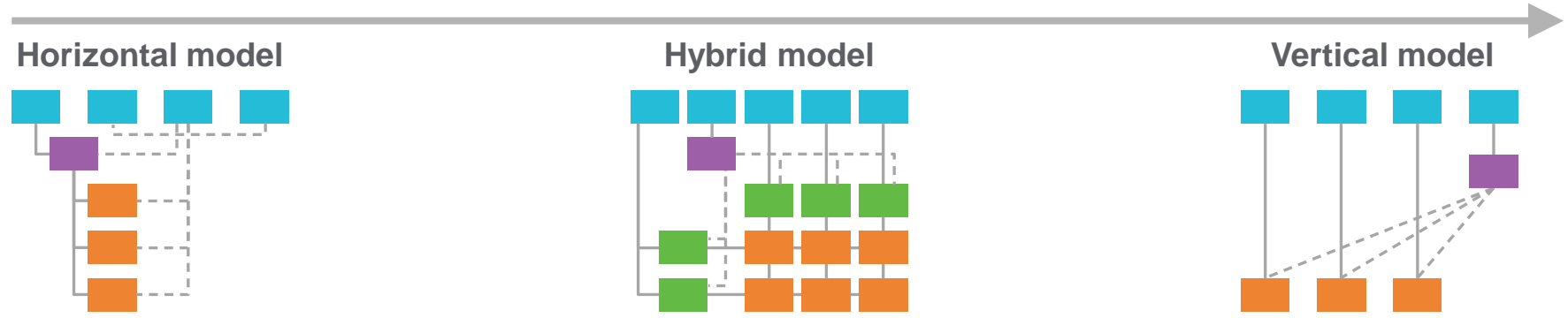
# Appendix



# Multi-function Governance Models

There are three common structures in GBS organizations. Notable trend of increasingly moving from a horizontal to a vertical reporting model.

■ Global counterparts   
 ■ GBS center Head/CEO   
 ■ GBS center teams



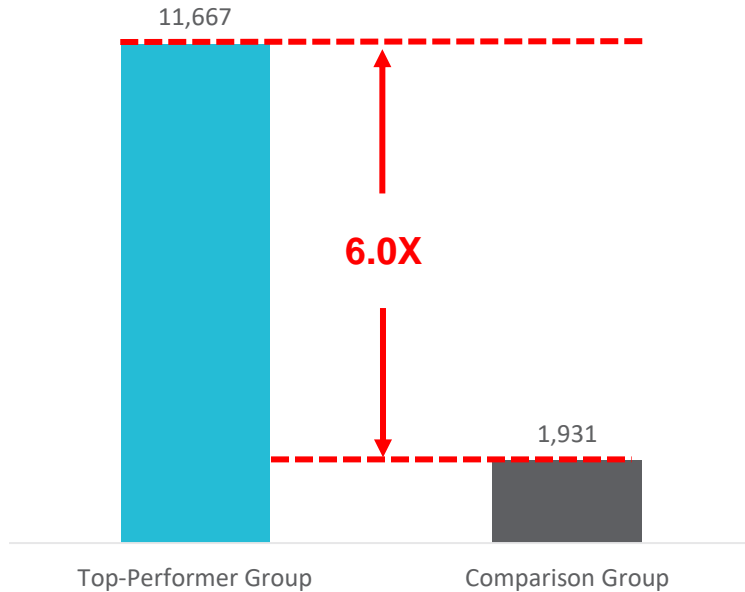
Description	Horizontal model	Hybrid model	Vertical model
Prevalence	<ul style="list-style-type: none"> <li>Strong focus on driving synergy and accountability at an overall GBS organization level</li> <li>Commonly used model for services that require similar skills across functions (e.g., analytics)</li> <li>Suited to experiment utilities construct within the GBS organization (e.g., test on a smaller scale before implementing in parent)</li> </ul>	<ul style="list-style-type: none"> <li>Organizations leverage the hybrid model to build selective horizontal capabilities (e.g., analytics) in addition to vertical teams for specific BUs (e.g., consumer banking)</li> </ul>	<ul style="list-style-type: none"> <li>The philosophy is to run the GBS organization as a team extension model and in a fully integrated manner</li> <li>Preferred model if the objective is to build deep domain specific capabilities in the GBS organization</li> </ul>

# Efficiency Metrics Comparison

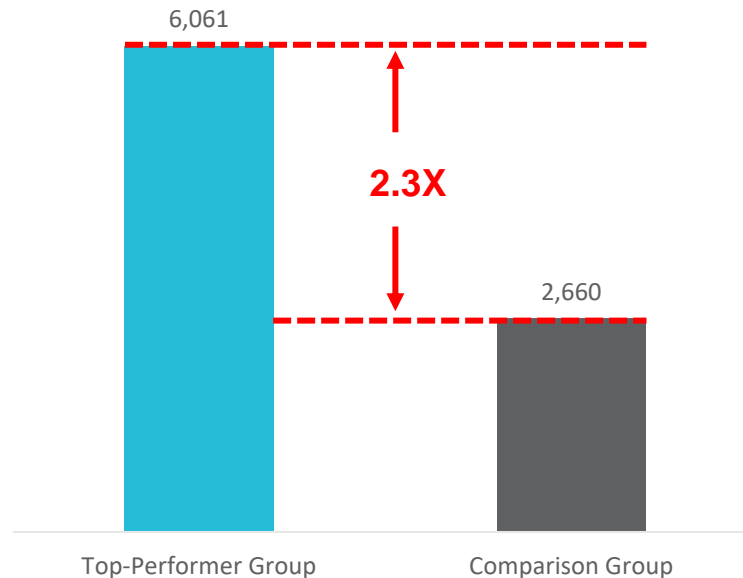
## Top performing finance SSCs are significantly more productive

- Up to 6 times more productive for invoicing customers
- 2.7 times more productive processing receipts

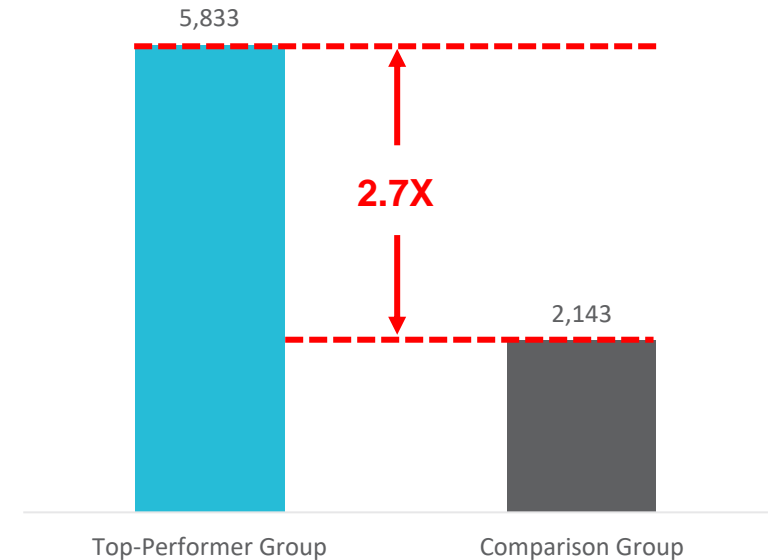
Number of invoices processed per FTE that performs the process "invoice customer"



Number of invoices processed per FTE that performs the process "process accounts payable (AP)"



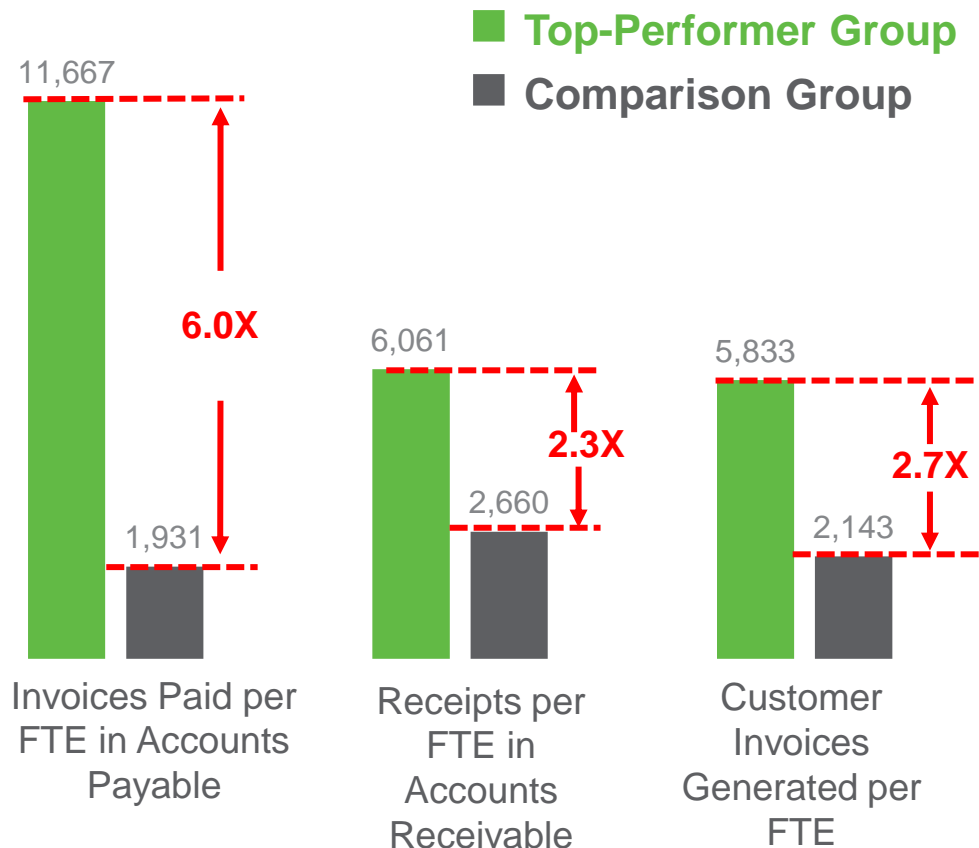
Number of receipts processed per FTE that performs the process "process accounts receivable (AR)"



# Benefits of Shared Services – Finance and HR Benchmarks

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

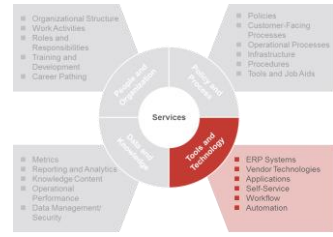
## Finance Processing Efficiencies



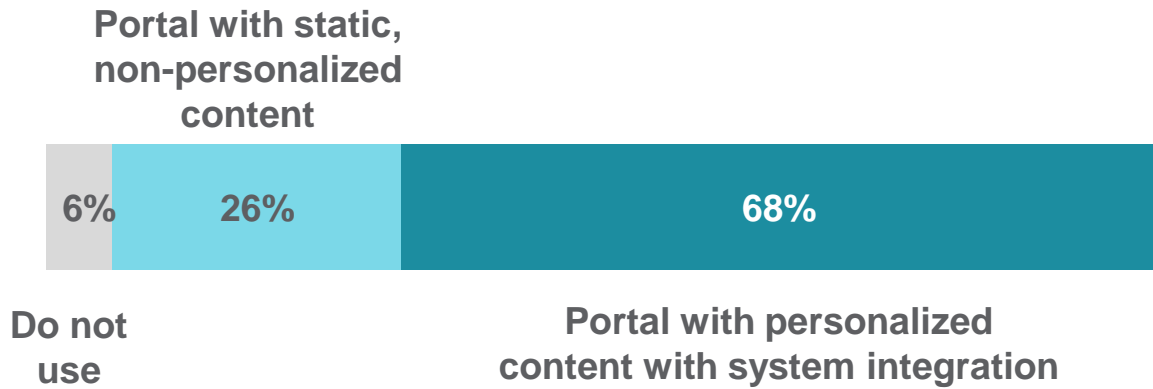
## Customer Experience in HR



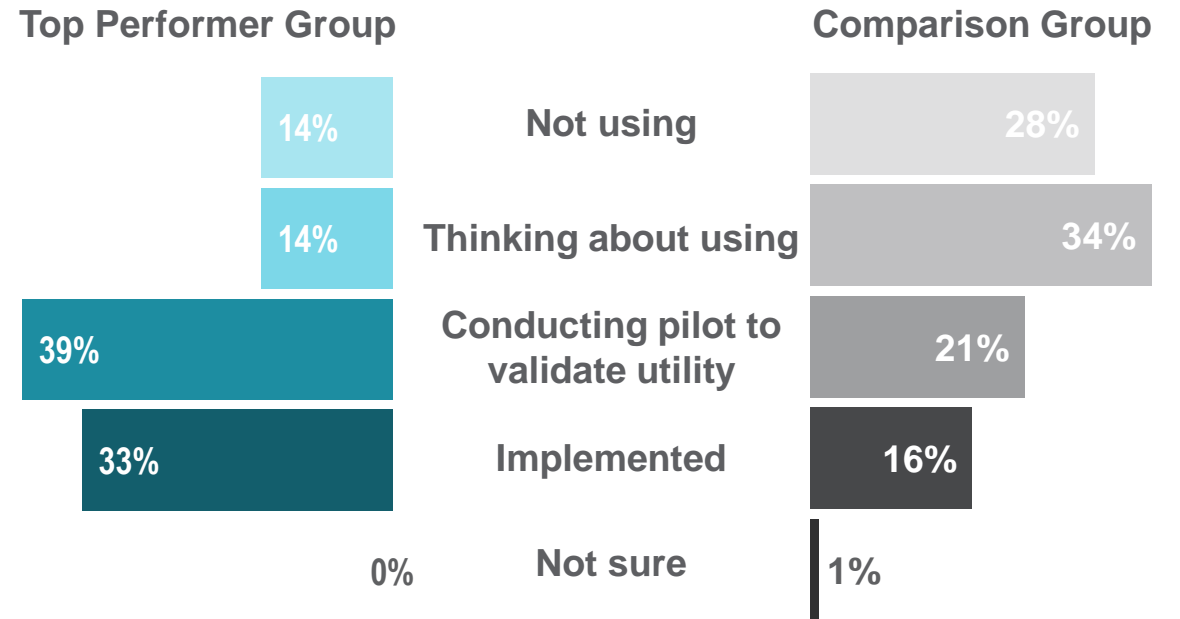
# What Good Looks Like: Portal Use and Automation



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

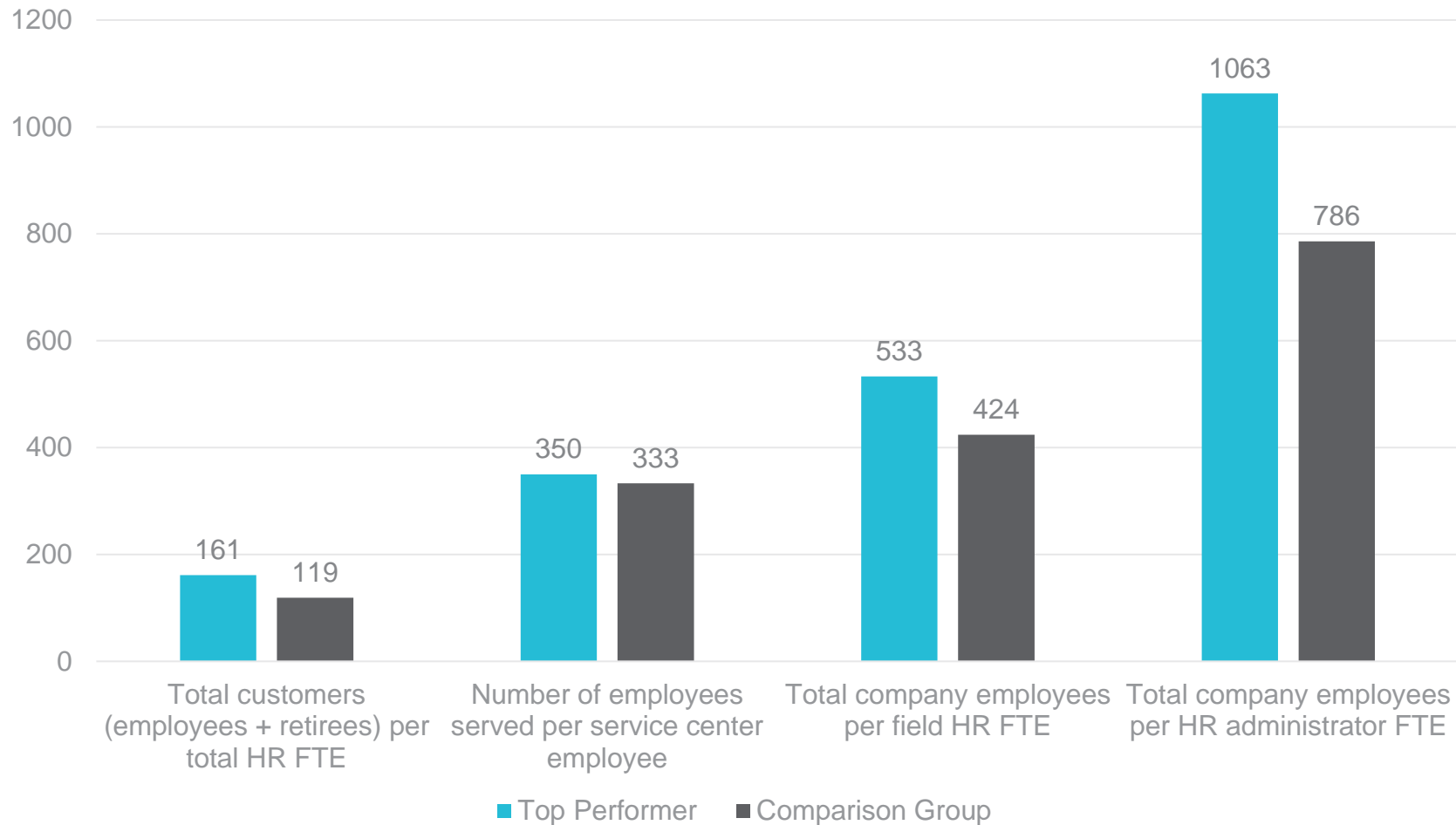


**What extent is shared services organization using intelligent automation opportunities?**



# Benefits of Shared Services – HR Benchmarks

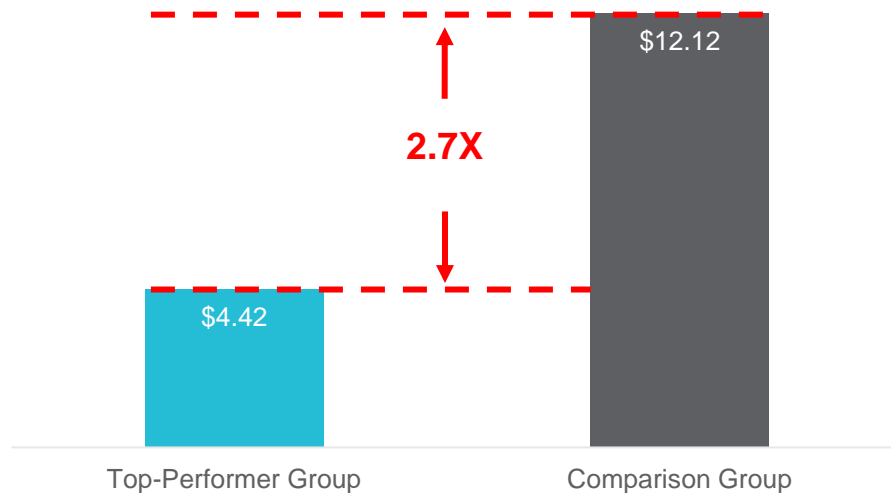
Top-performing HR shared services organizations have significantly better staffing ratios, including their employee service centers.



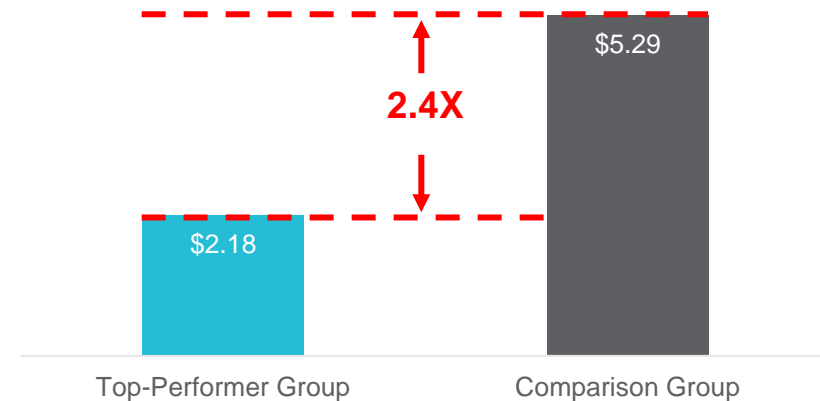
## Benefits of Shared Services – Finance Benchmarks (Cont'd)

Top-performing organizations operate at a higher cost advantage at both the functional and shared services levels.

Total cost to perform the finance function per \$1,000 revenue



Total cost to operate the finance shared services center(s) per \$1,000 revenue

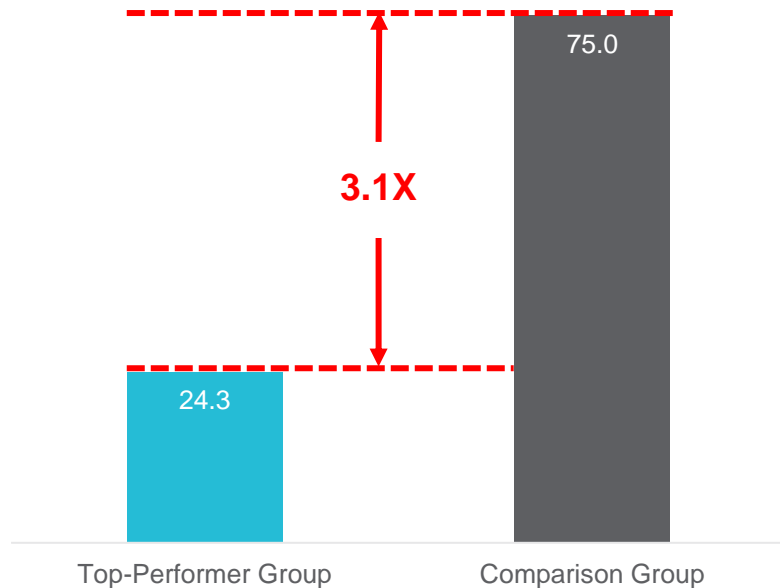


# Finance Staffing Metrics Comparison

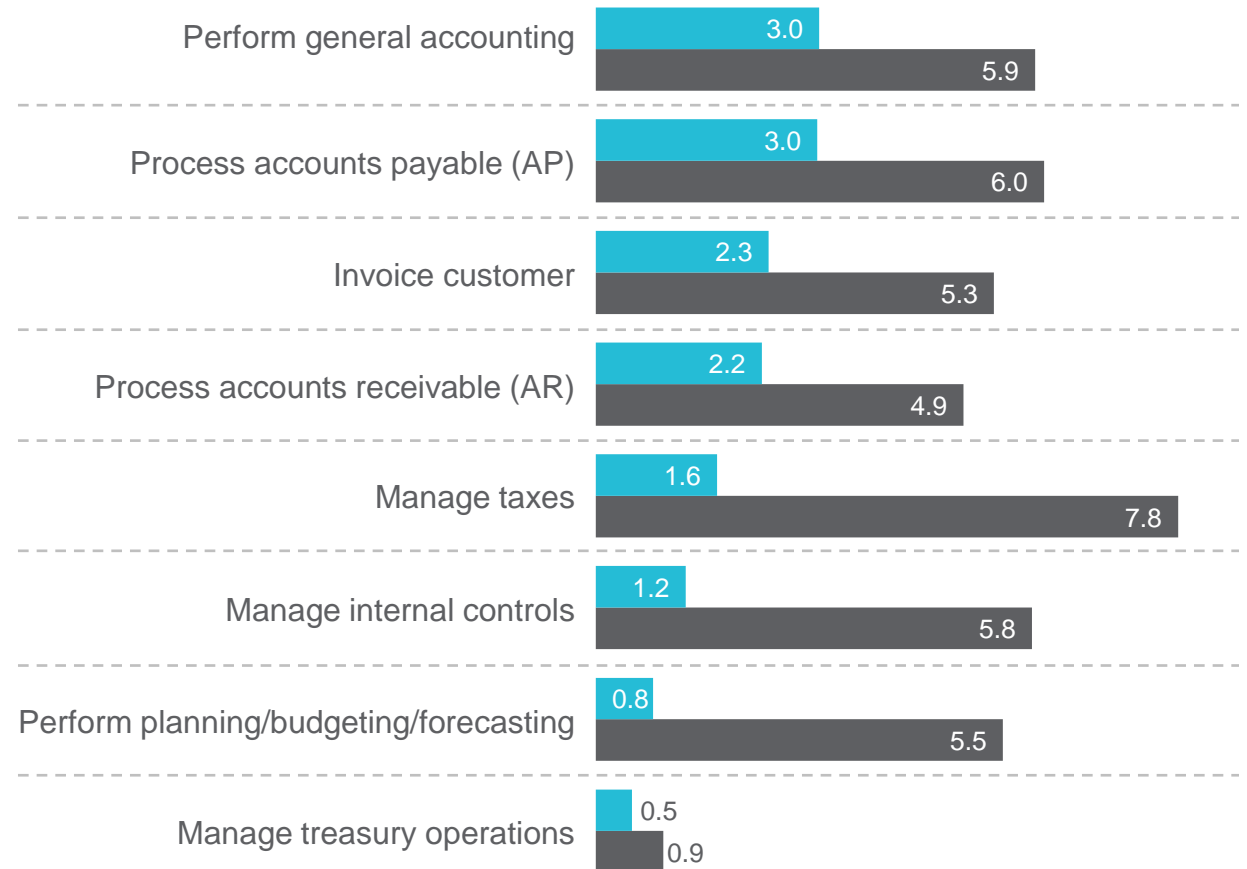
Top-performing finance shared services centers have significantly better staffing ratios according to our recent shared services benchmarking study.

- 3.1X more efficient overall
- Typically, 2-6X more efficient in staffing major finance processes

Median number of finance function FTEs across the entire organization per \$1 billion revenue



Median number of FTEs that perform the following processes per \$1 billion revenue



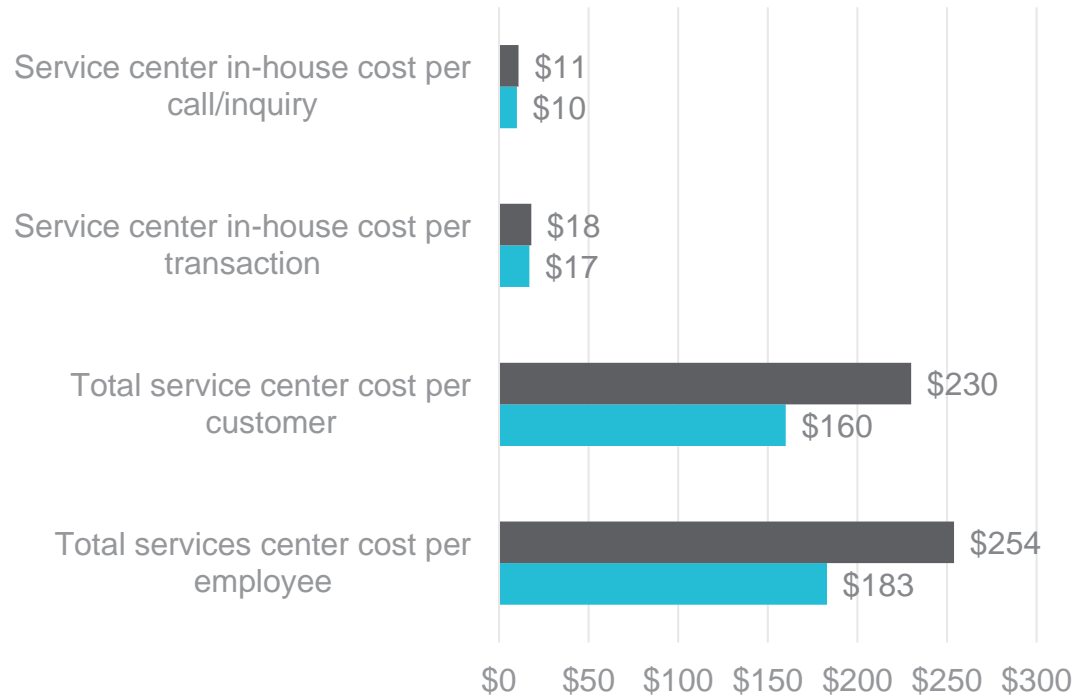
■ Top-Performer Group ■ Comparison Group

# Benefits of HR Shared Services

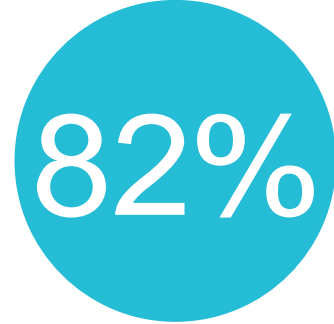
Our benchmarking study revealed that top-performers operate at a large cost advantage and better operational performance.

## Service Center Cost Comparison

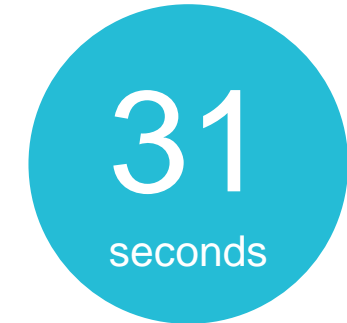
**Top-Performer Group** vs **Comparison Group**



First-Contact Resolution



Average Speed To Answer



Service Center Employee Turnover

