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Shared Services 501: Taking Your Shared Services Operations to the Next Level

Shared Services and Outsourcing Week Workshop B

March 2024

YOUR DISCUSSION LEADS

Courtney Jackson
Partner

courtneyjackson@scottmadden.com
O: 919-714-7473
M: 919-672-7521

Henry Bell
Partner

henrybell@scottmadden.com
O: 404-818-0020
M: 770-295-9910

George Penton
Partner

gpenton@scottmadden.com
O: 404-814-0020
M: 954-383-7109

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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.

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

CORPORATE & SHARED SERVICES

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 thousands of 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 assessment, strategy, design, implementation, technology, business case and roadmap, governance, program management, and change management.

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Areas of Focus

BUSINESS SUPPORT SERVICES

We help our clients **improve service response to the business**, including through the **integration of various administrative services** into their shared services model. Services often include real estate, facility maintenance, fleet, security, sales and marketing, insurance, customer service, research, and others.

INFORMATION 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.

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.

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.

HUMAN CAPITAL MANAGEMENT

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.

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
- Policy assessment
- 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
- Policy harmonization
- 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

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Representative Clients

| Retail and Consumer Products	Manufacturing and Industrial	Technology and Communications	Higher Ed., Public Sector, Non-profit	Energy and Utilities	Healthcare	Professional Services
Core·Mark	ABB	ARROW	AURA	AMERICAN ELECTRIC POWER	AdventHealth	AAA
DOLLAR GENERAL	BRAND SAFWAY	MITSUBISHI ELECTRIC	Channel Islands CALIFORNIA STATE UNIVERSITY	aps	Adventist Health	Adecco
KEEN	DURA	PANDUIT	EMORY UNIVERSITY	Black Hills Corporation	AmeriHealth Caritas Care is the heart of our work	Entrada Group Mexico, Delivered
OAKLEY	ENPRO	SEAGATE	mtw	bp	HCA Healthcare	GHD
OLYMPUS	GP Georgia-Pacific	SIEMENS	THE BOARD OF PENSIONS OF THE PRESBYTERIAN CHURCH (U.S.A.)	DUKE ENERGY	Kettering HEALTH	randstad
REI CO-OP	Ingersoll Rand	Spectrum	The University of Akron	exelon	MOSAIC LIFE·CARE	RELIAS
Sealy	KOMATSU	T·Mobile		WE	SSM Health	Russell Reynolds ASSOCIATES
	MASONITE					

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

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Before We Get Started

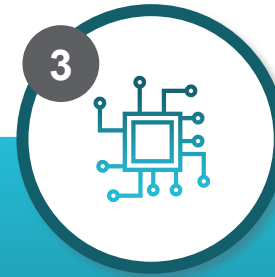Before advancing your shared services organization with next generation concepts, the following foundational principles must be in place:

1 Refine **business operations**, **governance**, **work alignment**, and **structure**
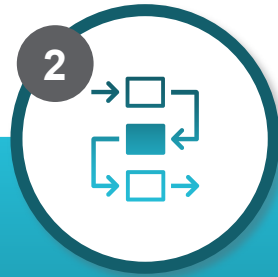
2 Optimize **processes** and build a **culture of continuous improvement**

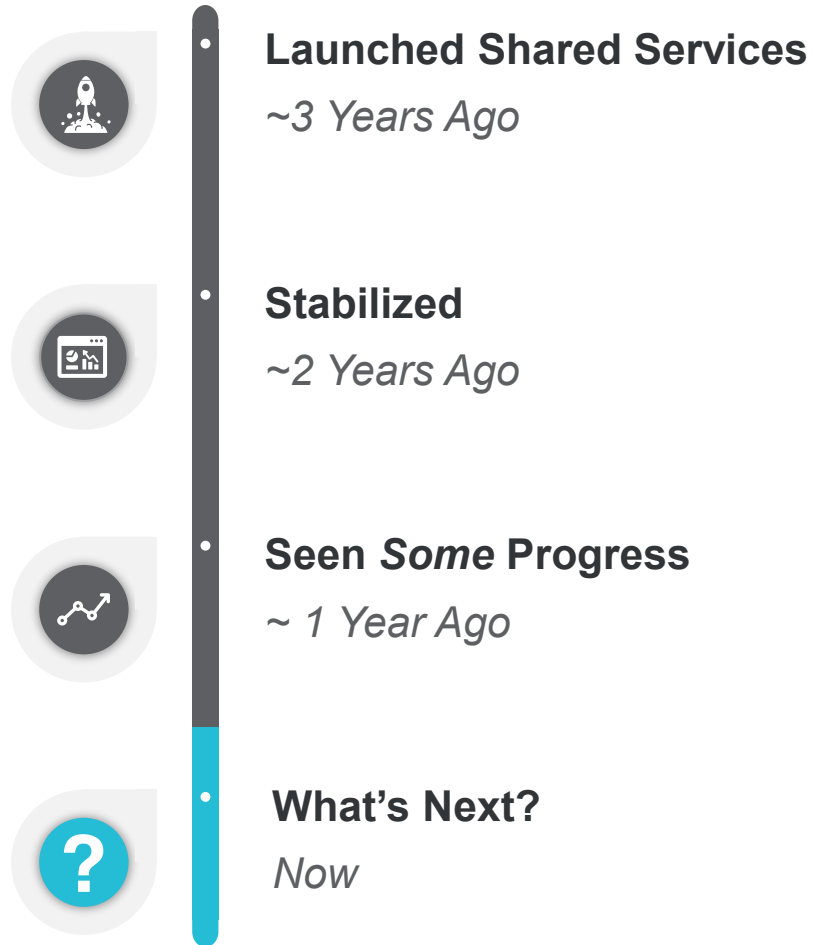**3** Leverage **technology for service delivery**

4 Focus on **customer satisfaction** and **performance**
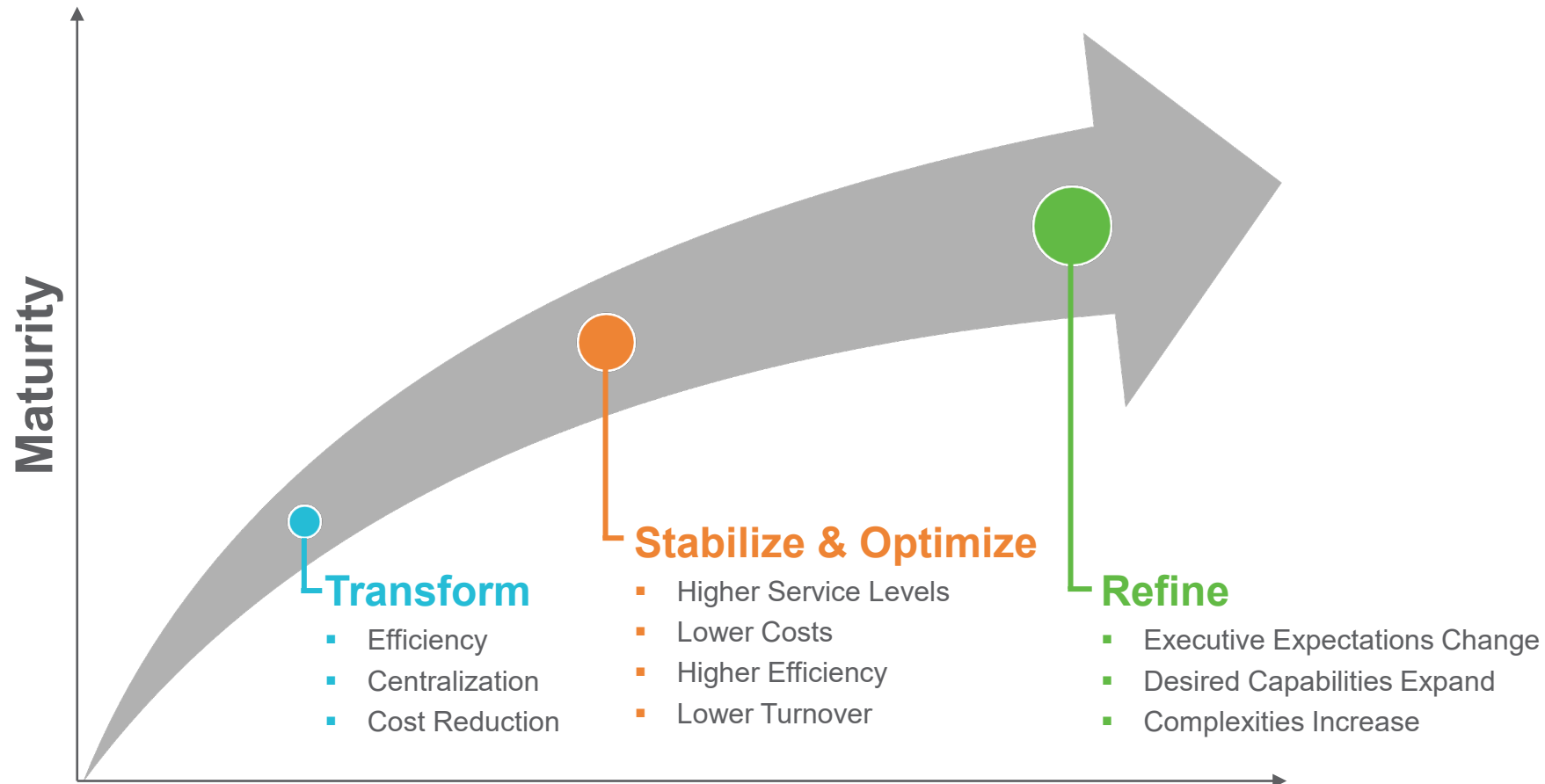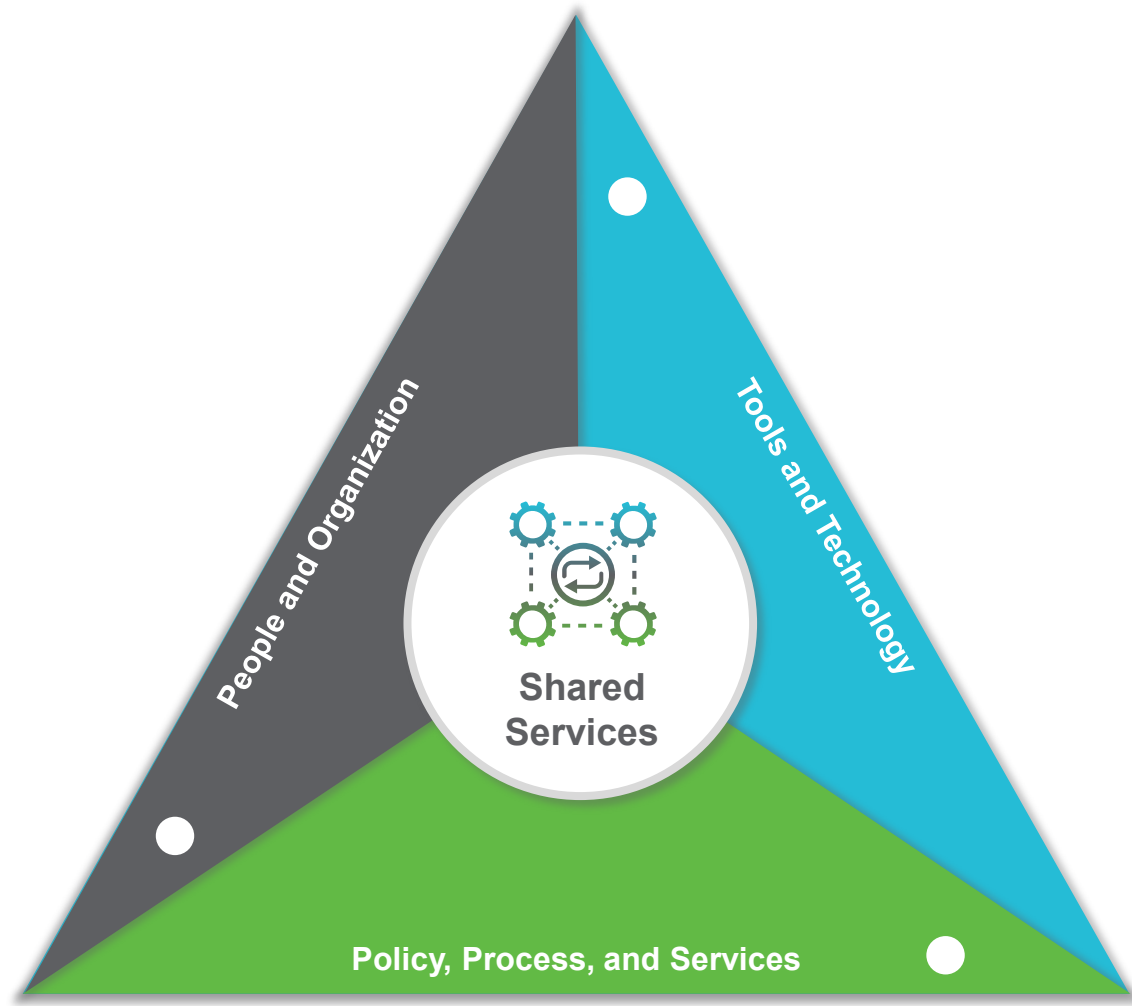
FOUNDATIONAL CORE PRINCIPLES

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Getting from Good to Great

Many companies have transformed their service delivery models and are now looking to improve and optimize services and meet changing business needs.

Maturity

Transform
- Efficiency
- Centralization
- Cost Reduction

Stabilize & Optimize
- Higher Service Levels
- Lower Costs
- Higher Efficiency
- Lower Turnover

Refine
- Executive Expectations Change
- Desired Capabilities Expand
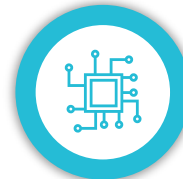- Complexities Increase

Common Challenges with Current Operations

Policy, Process, and Services

- Policies
- Functional and Operational Processes
- Infrastructure
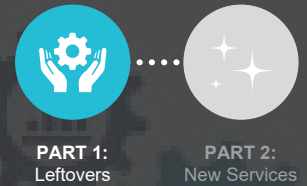- Procedures, Tools, and Job Aids

Tools and Technology

- ERP Systems
- Intelligent Automation
- Vendor Technologies
- Applications
- Self-service
- Workflow and Analytics

People and Organization

- Organizational Structure
- Work Activities
- Roles and Responsibilities
- Training and Development

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Processes Left Behind…

Look Familiar?

Processes that were locally managed before SSC

Processes that moved into the SSC

Processes originally intended for shared services
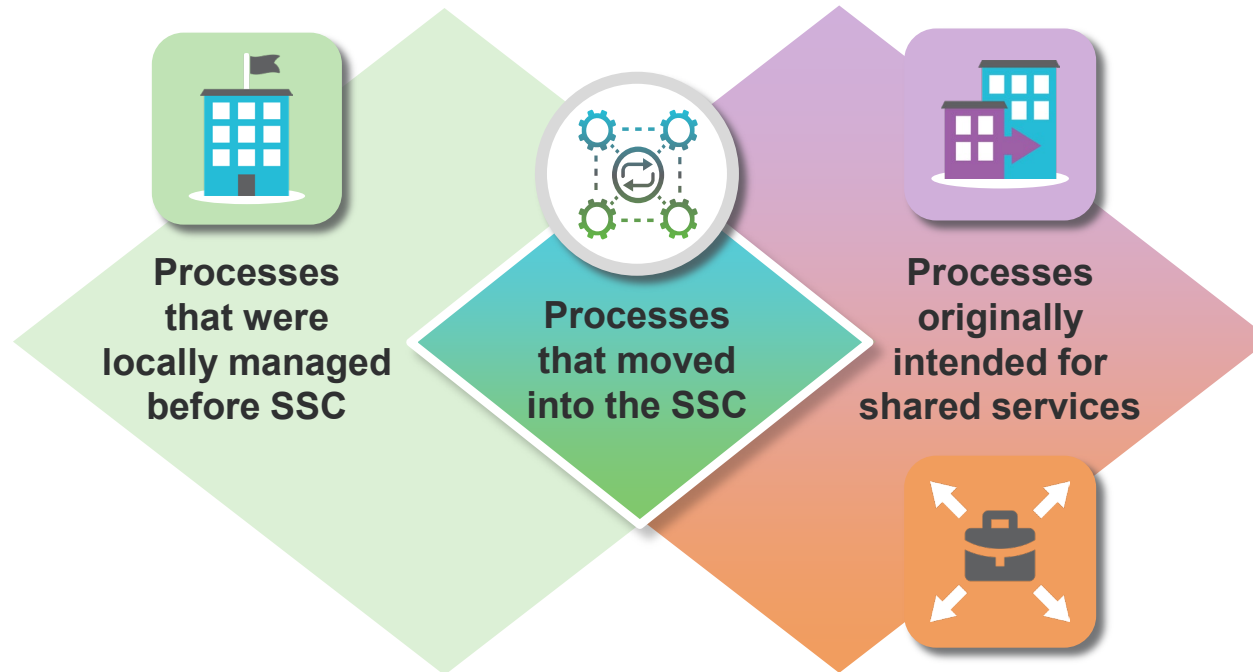
The "Too Critical For Shared Services" Paradigm

- Resistance by business leaders to migrate processes into a shared services organization has existed since inception

- Business leaders were unwilling to lose control of processes deemed critical to their operations

- Early SSC implementation teams learned to "pick their battles"

- This resulted in many processes being left behind completely or fragmented processes with many handoffs between business and the SSC teams

> Successful shared services organizations mature over time, gaining the trust and support of leadership. This trust and proven success break down the case for processes remaining local and creates a case for SSC expansion.

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Survey Responses

Which processes were left behind for your company that you now feel would be a good candidate for inclusion into the shared services center?
**(55 responses)**

Considering Advantages and Disadvantages of Growth

Advantages of Growth

- The shared services model works
  - Improves service delivery
  - Lowers total costs
- Economies of scale
- Synergies (e.g., onboarding of new employees)
- Standardization of processes and elimination of redundant processes
- Shared technology
- Shared management and administration
- Cross-training
- Additional advancement opportunities for shared services employees
- Improved customer service
- Allows business units to focus on core processes
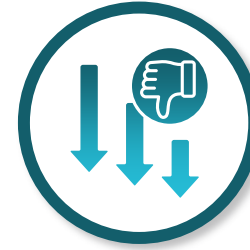
Disadvantages of Growth

- Investment requirements – upfront costs to transition and centralize technology, staff, equipment, and facilities
- Additional bureaucracy
- Size can hamper responsiveness
- Requires broader technical expertise at the top to manage additional functions
- Perception of kingdom-building
- Potential impacts to employees currently performing the work

**Despite potential disadvantages, a successful shared services organization must continue to grow, evolve, and demonstrate additional relevance.
Failure to do so will lead to stagnation**

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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 were left behind that can make most sense from an end-to-end view. This will help eliminate handoffs and further enhance and drive consistency in customer experience.

HR end-to-end process example

P2P end-to-end process example

Example of processes that commonly remain local in early phases of shared services implementation
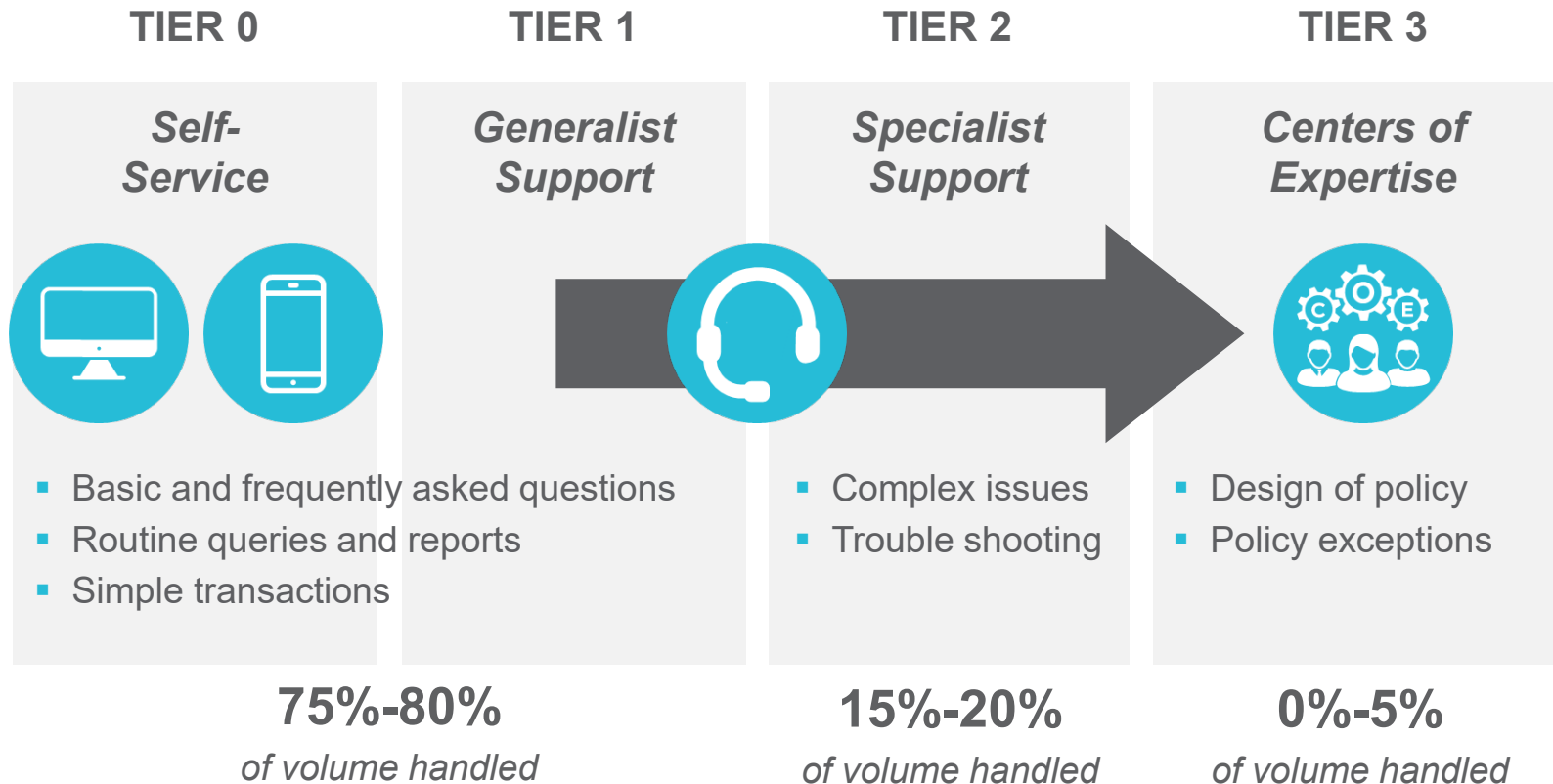
HR — Workforce Planning
HR — Talent Acquisition
HR — Workforce Management
BU — Leave of Absence – performed locally in each business unit
HR — Workforce Development
HR — Compensation and Benefits
HR — Retirement Management
BU — Severance packages – created locally based on local policy

FIN — Category Management
FIN — Sourcing
FIN — Contract Admin/Procurement
BU — Order Processing
BU — Inventory Controls and Management
BU — Receiving and Matching
FIN — Discrepancy Management
FIN — Invoice Process and Payment

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Continuing to Drive Scope up the Value Chain

TIER 0

TIER 1

TIER 2

TIER 3

Self-Service

Generalist Support

Specialist Support

Centers of Expertise

For example: This trend is occurring in HR SSOs – higher value services:

- Basic and frequently asked questions
- Routine queries and reports
- Simple transactions

- Complex issues
- Trouble shooting

- Design of policy
- Policy exceptions

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

75%-80%
of volume handled

15%-20%
of volume handled

0%-5%
of volume handled

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Employee Relations Transformation

A major healthcare system's employee relations function had grown organically through M&A, and in a post-pandemic environment, was experiencing increased volumes, challenges, and complexities with their HR employee investigations processes. These challenges were leading to enterprise risk, legal and compliance exposure, and decreased employee morale.

KEY ACTIVITIES

Assessed the **current operations**, designed a **new service delivery model**, including a Center of Expertise (CoE), assigned **cross-enterprise roles and responsibilities**, designed a **new organization structure** with staffing needs, and created a **business case**, including recommended technology enablers

Recommended approach to **mitigate near-term employee investigation risks**, including standing up the employee relations module in ServiceNow; **designed a longer-term, phased rollout approach** for the CoE

Created **standardized processes for investigations** and **developed tools for clear and consistent decision-making**, all tailored to fit the healthcare system's specialized requirements

Planned and led **implementation of the new CoE** for two initial regions, including redesigning policies and processes, updating ServiceNow, and leading overall change management efforts

OUTCOMES

Developed an enterprise governance structure to **provide programmatic oversight of the new investigations program**, including establishing risk levels to ensure the most severe investigations get the most enterprise attention and resources

Reduced overall labor costs for the employee relations function while **centralizing specialized resources** to perform the work more efficiently and effectively than the previous decentralized model

HR business partners, who have been overwhelmed by investigations work, **now have more availability** to help their business customers with more strategic work

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Evaluating Multiple Expansion Methods

After companies implement and refine shared services, they should 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)

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Part II: Addressing New Strategies and Global Expansion

Looking externally enables the organization to identify new areas to add value.

1

Becoming More Strategic

- Addressing new strategies to optimize shared services operations

2

Focus on Continuous Improvement

- Maximizing effectiveness with a focus on continuous improvement and end-to-end process design

3

Global Business Services

- Is it time to move toward a global business services structure?

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Dealing with Strategic Changes

Changes in strategic direction are common as companies pivot to address market pressures.

Is your SSC operations also pivoting and evolving to meet those strategic needs?

Local Operations

- Are there processes that came into the center that, in hindsight, are not being effectively managed and should have remained local?

Outsource Providers

- Outsourcing unstable or disparate processes is never a recipe for success
- Are there processes that have stabilized under SSC control that would now be candidates for outsourcing?

Shared Services

Are there outsourced processes that would be better managed by the SSC?

Acquisitions

- While you were busy building and stabilizing your SSC, your company made acquisitions. Some of them may even have their own SSC operations…
- Is now the time to integrate them and their standardize practices?

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Revisiting What Sits Locally vs. Within Shared Services

We often encounter instances where processes have been migrated that do not align with the established shared services model or fail to effectively meet customer needs.

Local Operations
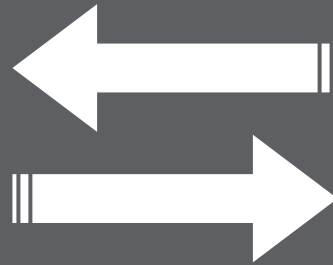
Shared Services

- **Highly Specialized or Customized:** Process requires a specialization, customization, or focused attention

- **Sensitive or Strategic:** Process involves sensitive/ confidential information or strategic decision-making

- **Low Volume or Frequency:** Process has low volumes/ infrequent demand, making it less cost-effective to centralize

- **Clear Processes and Metrics:** Process is well defined (and mostly standardized) with metrics and performance indicators

- **Repetitive/Routine Tasks:** Processes have repetitive tasks that can be streamlined, automated, and centrally managed and are of sufficient volume to create economies of scale

- **Technology Enablement:** Process can leverage technologies such as ERP systems, automation tools, and digital platforms

Outsourcing as a Strategy

Outsourcing is an effective strategy employed by many (if not most) shared services organizations. Choosing the right time to outsource is critical to the strategy's success.

Benefits to Outsourcing

- **Cost Savings:** Outsourcing can reduce operational costs, including labor, infrastructure, and overhead expenses
- **Access to Expertise:** Gain access to specialized skills and expertise not available in-house
- **Focus on Core Activities:** Allows the organization to focus on core business functions and strategic initiatives
- **Scalability:** Easily scale operations up or down based on business needs without the burden of fixed costs
- **Improved Efficiency:** Outsourcing to specialized providers often leads to increased efficiency and productivity

Caution
Outsourcing **unstable or disparate processes** transfers the problems elsewhere; control may be limited

Processes that are stable and standardized are ideal candidates for inclusion in an outsourcing strategy, freeing up resources and focus for new opportunities and challenges

Outsourcing as a Strategy – Candidates

The processes listed below are typical candidates for inclusion in an outsourcing strategy.

Finance and Accounting

- Accounts Payable (AP)
- Accounts Receivable (AR)
- Bookkeeping/General Accounting
- Tax Preparation and Compliance
- Audit Support
- Expense Management
- Financial Analysis
- Credit Management

Human Resources

- Recruitment and Staffing
- Employee Onboarding and Orientation
- Payroll Administration
- Benefits Administration
- Training and Development
- HR Compliance and Legal Support
- Time and Attendance Tracking
- Leave Management
- HR Information System (HRIS) Management
- Compensation Management
- Health and Safety Compliance
- Diversity and Inclusion Programs

Information Technology

- Help Desk and Technical Support
- Network Management and Monitoring
- Infrastructure Management
- Data Center Operations
- Cloud Services Management
- IT Security and Compliance
- Software Development and Maintenance
- Application Support and Maintenance
- End-user Computing Support
- IT Procurement and Vendor Management
- IT Asset Management
- IT Training and Knowledge Transfer
- IT Strategy and Consulting Services

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When Is It Time to Reconsider Your Outsourcing Arrangement?

Enduring a painful and ineffective relationship with your outsourcing provider leads to ongoing challenges and potential loss of goodwill from your customers.

Signs that your outsourcing relationship is in <u>trouble</u>:

- Poor Communication
- Quality Issues
- Missed Deadlines
- Cost Overruns
- Lack of Flexibility

- Security Breaches
- Dependency Risk
- Cultural Misalignment
- Legal or Compliance Issues
- High Turnover

Customers will <u>not differentiate</u> between services provided by your SSC and those provided by your external BPO providers. Addressing issues with these providers is critical to the overall success of your operation

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Acquisition Integration

> **CONGRATULATIONS! While you executed on your shared services strategy and stabilized operations, your company acquired more companies…**
>
> **None of these have been integrated into your operations… (sigh!)**

76,795

Approximate number of mergers and acquisitions globally in 2023[1]

Acquisitions happen. Having a strategy for dealing with them will facilitate integration efforts and provide a more successful path to integration.

Common approaches include:

- **Incubate:** Acquired organization remains operationally independent
- **Organizational integration only:** Acquired organizations' existing shared services operations report into parent company SSC organizationally – no process or technology shift
- **Lift and shift:** Processes and technologies shift to the parent company SSC without reengineering
- **Full integration:** Transition of people, process, and technology to parent company operations

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Acquisition Integration – Things to Consider…

Acquisition Integration Strategy Considerations

1

The sooner the better!
- Unless the intention is to incubate, the sooner integration begins, the greater the chance of success
- The longer the acquired company's operations remain intact, the stronger the "acquired but independent" culture becomes and the harder it will be to integrate

2

Accept that their processes and tools might just be better
- An acquisition provides a whole new set of tools, technologies, and skillsets
- Be open to understanding their practices and adopting those that are better than your standards – reverse integration can lead to great outcomes

3

Business models matter!
- Don't try to standardize for the sake of standardization – if the acquired company's business model warrants supporting a new process, adopt it – don't try to fit a square peg into a round hole!

4

A phased approach is acceptable
- While full integration is optimal, its not always feasible. Waiting until full integration could drastically delay integration – see point # 1 above
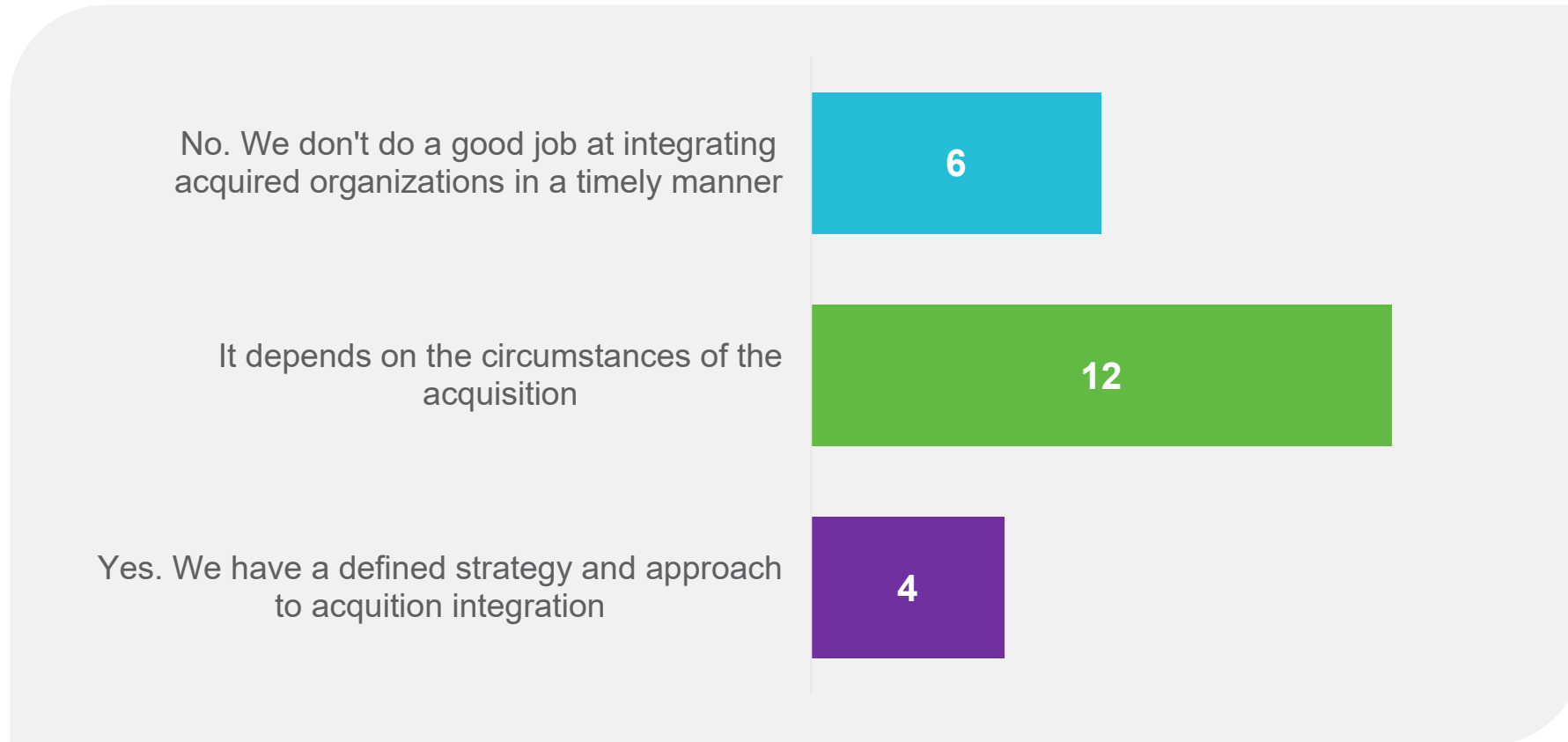
5

Lift and shift is harder than you think…
- Lifting and shifting operations may be seen as the fastest way to absorb an acquisition, but it will introduce disparate processes and systems to your organization
- Staff appropriately and plan accordingly

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Survey Responses

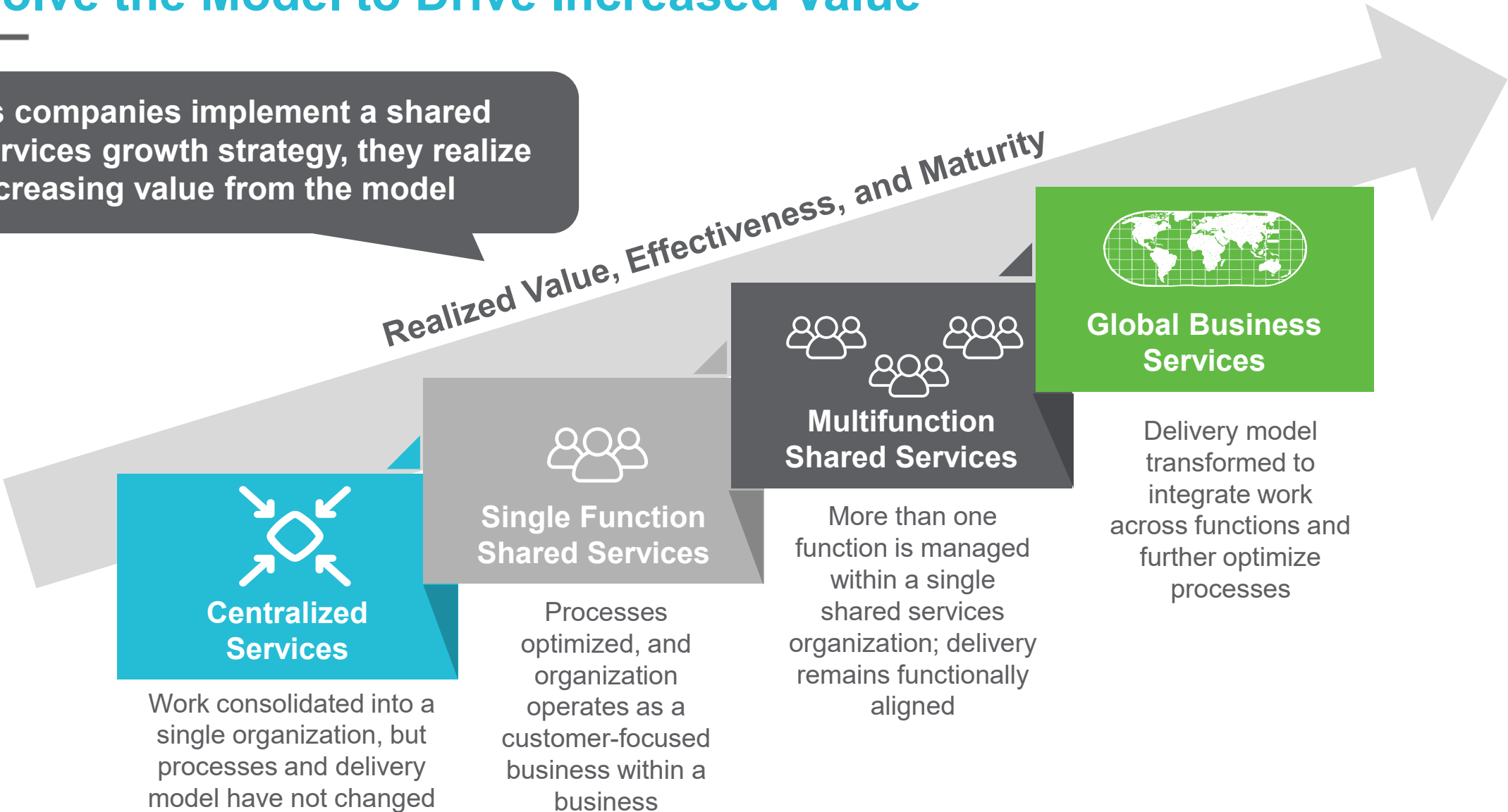**Are acquisitions typically integrated into your SSC organization within the first 18 months after acquisition?**

No. We don't do a good job at integrating acquired organizations in a timely manner — 6

It depends on the circumstances of the acquisition — 12

Yes. We have a defined strategy and approach to acquition integration — 4

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Evolve the Model to Drive Increased Value

**As companies implement a shared services growth strategy, they realize increasing value from the model**

Realized Value, Effectiveness, and Maturity

Centralized Services

Work consolidated into a single organization, but processes and delivery model have not changed

Single Function Shared Services

Processes optimized, and organization operates as a customer-focused business within a business

.

Multifunction Shared Services

More than one function is managed within a single shared services organization; delivery remains functionally aligned

Global Business Services

Delivery model transformed to integrate work across functions and further optimize processes

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GBS Adoption Rates

GBS has emerged as the standard operating model for internal enterprise services.
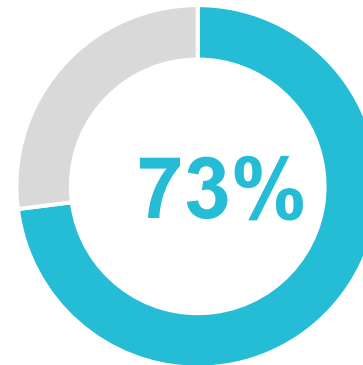
Trend points toward a continuing migration to a Global Business Services (GBS) model with more than 90% of the Fortune 1000 considering a move within the next three years

ADOPTION RATES

53%
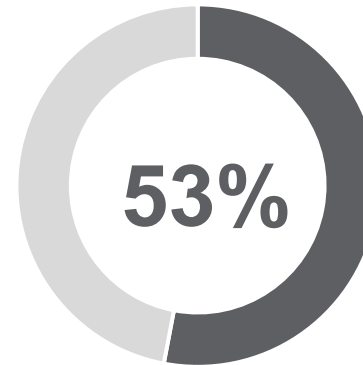
% of Top 1000 **companies *with 3 or more functions*** moving toward a GBS model

73%

% of Top 1000 **companies *with 2 or more functions*** moving toward a GBS model

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Maturing into a GBS – What We Aspire To

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.

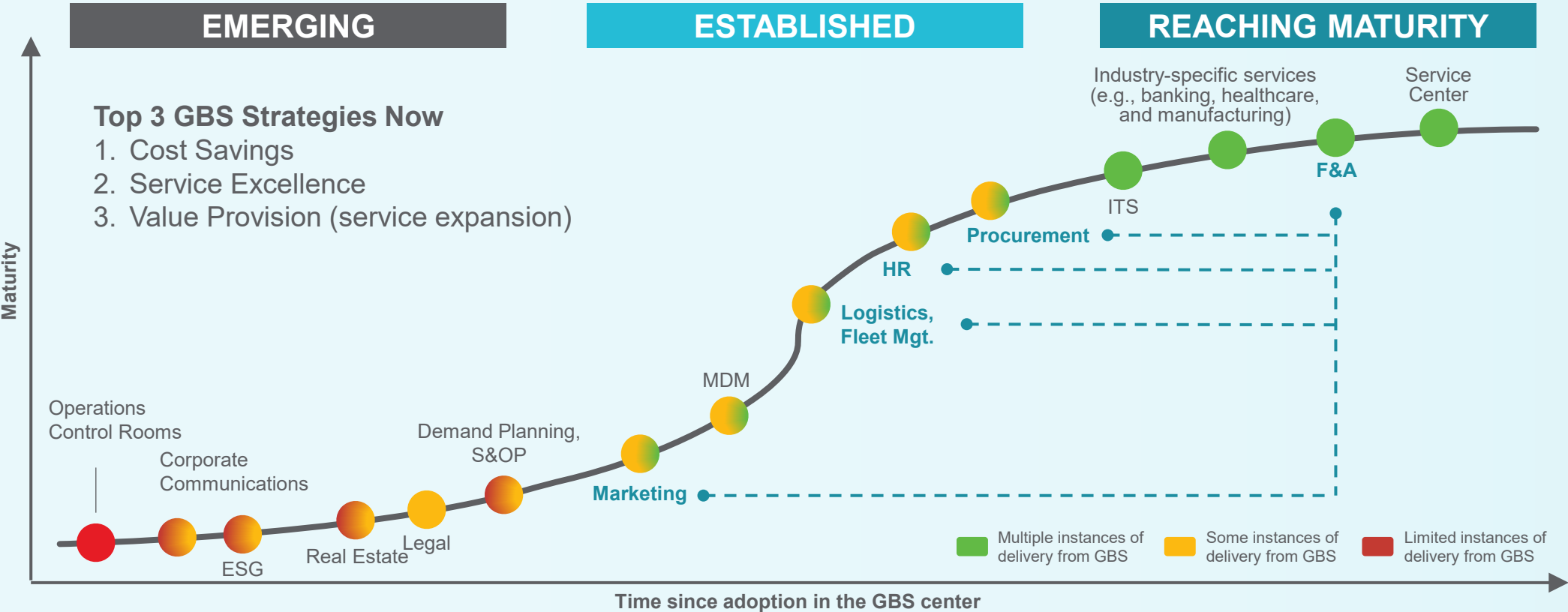**We believe that leading GBS models demonstrate <u>five</u> characteristics:**

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

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Evolution of GBS Functions

As GBS delivery models mature, organizations are utilizing the model across multiple functions. This graph shows this evolution to add functions to a GBS center over time.

GBS Adoption Across Key Functions – Overview and Maturity

Maturity (y-axis)

EMERGING   **ESTABLISHED**   **REACHING MATURITY**

Industry-specific services
(e.g., banking, healthcare,
and manufacturing)

Service
Center

Top 3 GBS Strategies Now
1. Cost Savings
2. Service Excellence
3. Value Provision (service expansion)

F&A

ITS

Procurement

HR

Logistics,
Fleet Mgt.

MDM

Operations
Control Rooms

Corporate
Communications

Demand Planning,
S&OP

Marketing

Real Estate   Legal

ESG

Multiple instances of delivery from GBS
Some instances of delivery from GBS
Limited instances of delivery from GBS

Time since adoption in the GBS center

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Part I: Working with What You Have and Improving

Technology should be used to enable efficient processes. Often, we see multiple instances of business tools due to non-standardized processes and difficulties with change to users. When considering rationalizing versions, it is critical to assess:

1

Robotic Process Automation

- Focus, structured, rule-driven, static
- AP/AR management
- Billing and invoices
- Data entry/management

2

Virtual Agents and Chatbots

- Structured data, but requires cognitive computing
- Customer service
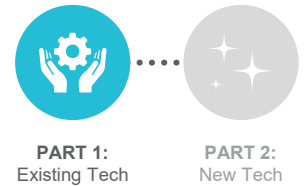- Vendor inquiries
- Delivery/scheduling

3

Conditional Artificial Intelligence

- Largely structured data with hidden patterns
- Document research (contracts)
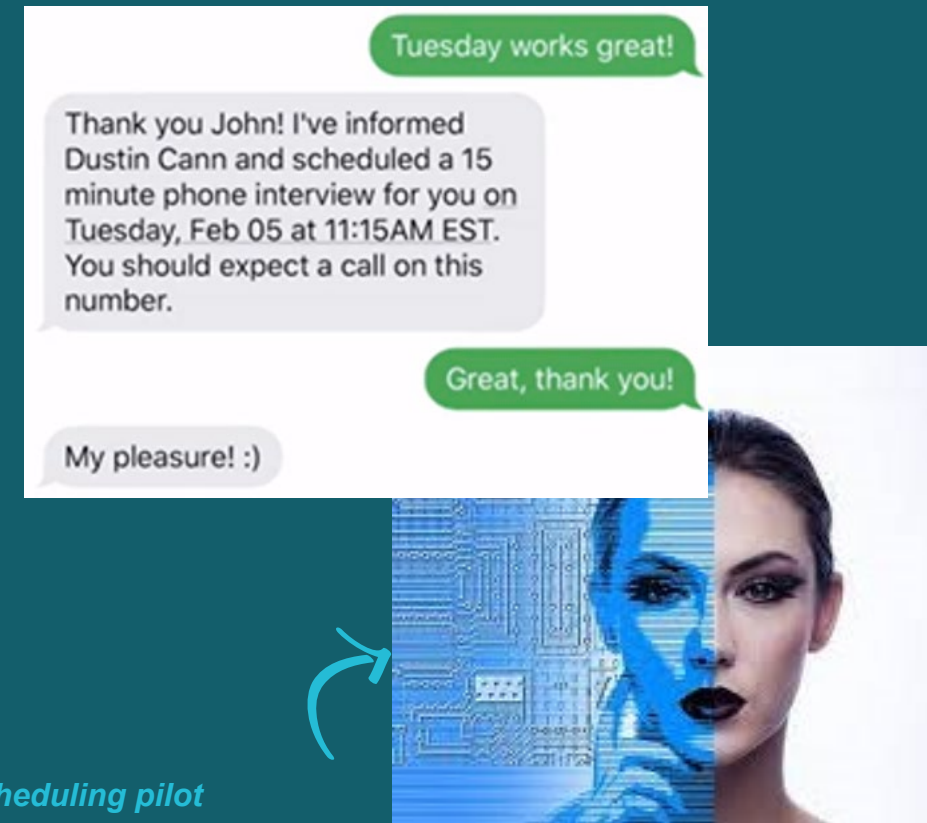- Forecasting (turnover)
- Analytics (process mining)

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Pressing Further than RPA – Virtual/Conversational Agents

PART 1:
Existing Tech

PART 2:
New Tech

Conversational Agents are tools designed to mimic the role of online, human services representatives. They connect company data, systems, and service delivery channels.

- Draws real-time information from ERPs, CRMs, and external sources

- Reads natural language and looks for key information

- Understands and speaks numerous languages

- Detects underlying meaning of your statements

- Asks clarifying questions

- Measures own performance and self-corrects

- Observes successful human interactions and adjusts performance

- Maintains a complete audit trail

- Passes relevant information when escalating to humans

> Tuesday works great!
>
> Thank you John! I've informed Dustin Cann and scheduled a 15 minute phone interview for you on Tuesday, Feb 05 at 11:15AM EST. You should expect a call on this number.
>
> Great, thank you!
>
> My pleasure! :)

TA interview scheduling pilot

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Pressing Further than RPA – Virtual Agent Applications

PART 1:
Existing Tech

PART 2:
New Tech
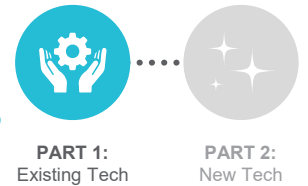
Potential Pilots

1 Customer self-service

2 Response management

3 Content delivery

4 Data entry and maintenance
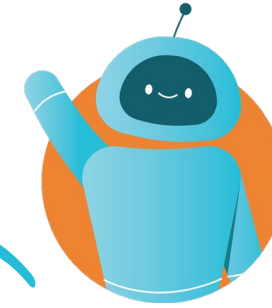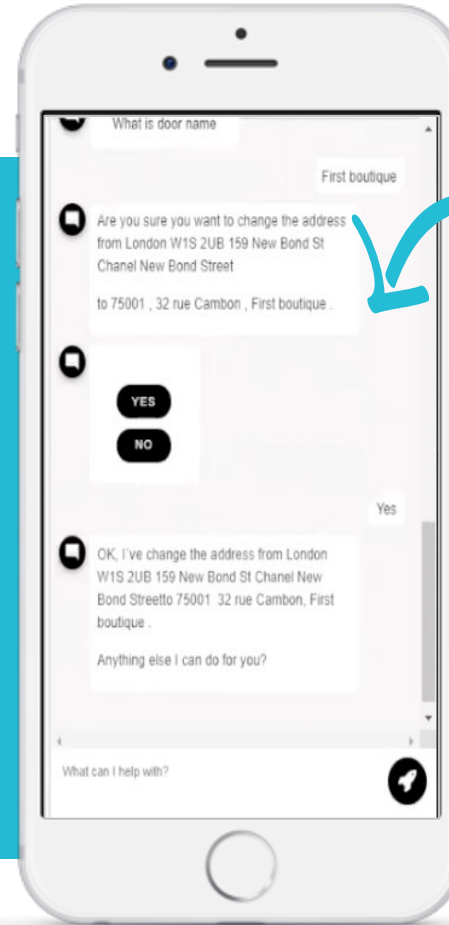
Recent MDM pilot conducted

Conditional AI Is Already Embedded in Best-of-Breed Bolt-Ons

PART 1: Existing Tech
PART 2: New Tech

O2C Tools

- Recognize **patterns of short pays** and connect to reason
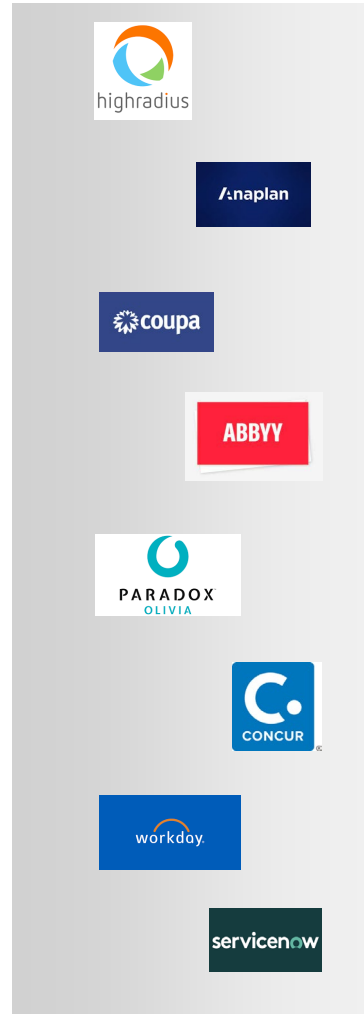- Correctly **format bank files** for processing

P2P Tools

- Sort through bids and **find best-capability** combinations
- Recognize and **stop duplicate spend**

Talent Acquisition

- **Screens resumes; schedules interviews**

Workforce Management

- **Predicts hiring and staffing needs** based on seasonality and other external factors

Forecasting and Planning Tools

- Predictive patterns for sales, inventory, and cash flow
- Predictive patterns for revenue forecast

Smart Document Capture

- Language capture and document classification
- Selection of right process workflow

Travel and Expense Tools

- Recognize patterns of **non-compliant travel expenses**
- External searches to **ensure compliance** with local laws
- **Recognize fraud** (unauthorized bank cards)

Service Desks

- Connect the dots for agents by **suggesting relevant tasks or content** to resolve issues faster

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Create Cases that Integrate Solutions

PART 1:
Existing Tech

PART 2:
New Tech

"In a Few Words, Just Tell Me What You Need…"

Finance Applications

- Respond to policy questions
- Answer vendor questions on invoice status
- Answer questions on tax application
- Process accounting close items
- Answer questions on past-due account status
- Obtain credit calculation information
- Answer time and expense questions

HR Applications

- Respond to policy questions
- Respond to HR questions (e.g., vacation balances, retirement funds, etc.)
- Process personal data changes
- Process leave requests
- Orient new hires
- Identify, communicate with, and screen candidates

Sales and Supply Chain

- Quote a price on a product
- Process a sales order
- Develop a purchase requisition
- Answer a material tracking question
- Alter a shipping route
- Answer an inventory question
- Create a bill

Information Technology

- Respond to policy questions
- Engage in troubleshooting dialogue
- Check credentials and assign user access
- Issue a password reset
- Answer questions on applications
- Collect information for IT requisitions
- Answer network connectivity questions

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Leveraging AI Technology in Talent Acquisition

A food service and facilities management organization faced challenges hiring 80,000 candidates a year. ScottMadden led an assessment of the talent acquisition (TA) organization and discovered low candidate conversion rates, non-efficient processes, and opportunities for enhanced candidate experience. Although there was significant web traffic to the organization's "Careers" page, the 1.2 million unique visits translated to only 220 applications.

KEY ACTIVITIES

Gathered requirements from the TA customers – hiring managers, TA subject matter experts, and HR technology administrators and owners

Identified solutions that were **experimental and scalable with low implementation efforts** that could quickly yield a high value

Developed requirements that focused on **specific functionality** that resolved the identified challenges and aligned with the organization's HR technology roadmap

Facilitated a **comprehensive vendor selection process**, from issuing the request for proposal through final vendor selection, due diligence, and implementation planning

OUTCOMES

Paradox, a leading **conversational AI recruiting software**, which met and exceeded the functional requirements and the client's expectations, was selected

ScottMadden collaborated with Paradox and the organization to develop a roadmap to **expand the use cases and scale adoption** of the new technology across the enterprise

To date, the organization has hosted more than **400 events nationwide and has scheduled interviews with nearly 30,000 candidates** in less than three minutes per candidate

Part II: Looking at Leveraging What is New

To successfully implement AI in shared services, focus on change management, data management, reskilling staff, and strong governance. Take time to build understanding and buy-in, develop your people to work alongside AI, and put robust oversight in place. With the right approach, AI can deliver significant benefits while navigating risks.

1 Automation

AI is transforming shared services by **automating repetitive tasks, improving efficiency, and reducing costs**. Intelligent automation can fulfill the promise of RPA by supporting unstructured data and complex decision-making.

2 Personalized Service

AI enables more intelligent, personalized service delivery. Chatbots and virtual agents powered by Natural Language Processing can **understand customer intents and provide fast, accurate responses 24/7**, enhancing customer and employee experiences.

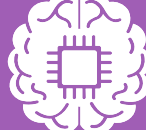### 3 Analytics

AI provides predictive analytics, real-time performance monitoring, and dashboards to **manage demand, capacity, and performance**. This can be used to predict service volumes, identify potential bottlenecks and service level risks, and **optimize resource allocation.**
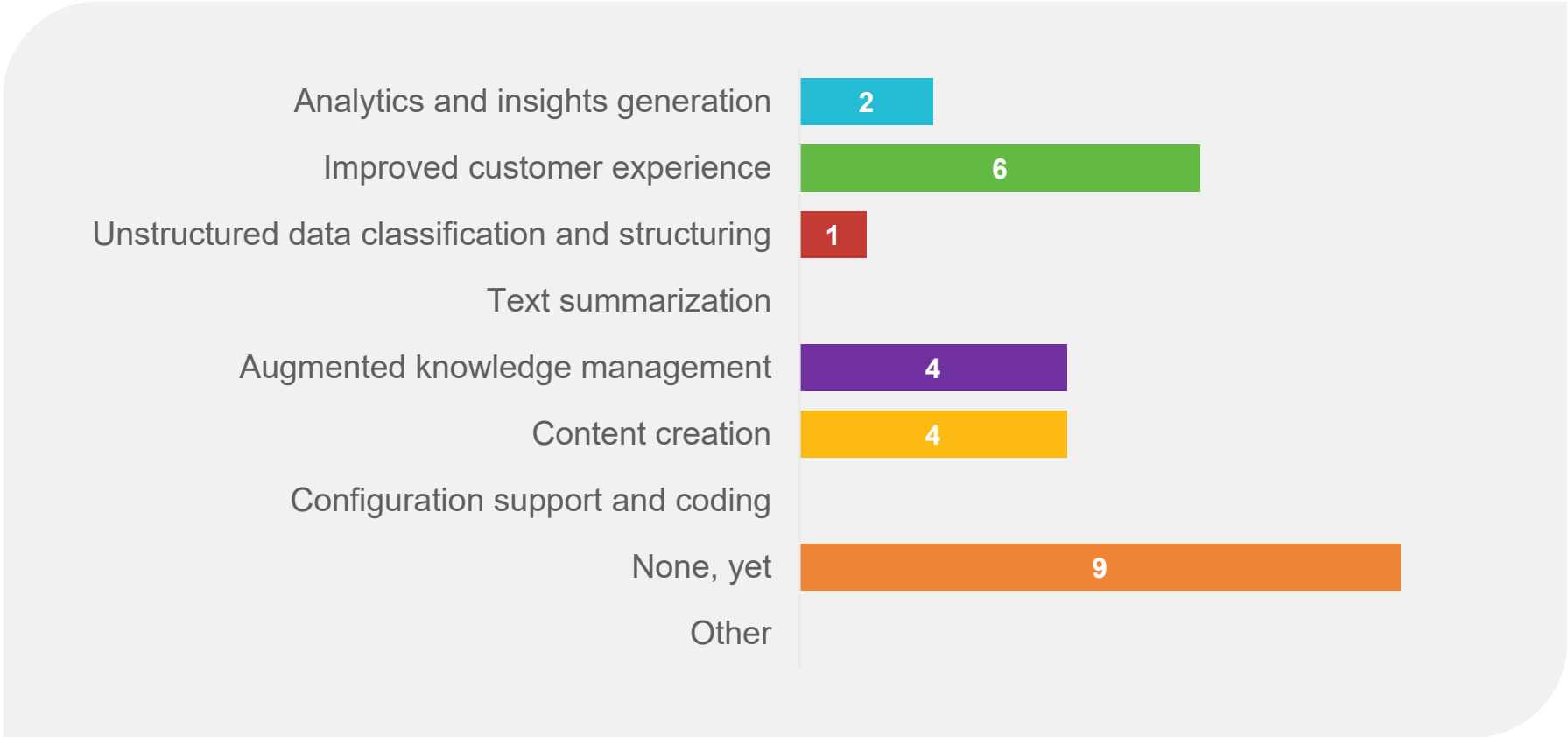
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What's Really Fielded in Shared Services and GBS

PART 1:
Existing Tech

PART 2:
New Tech

	Robotic Process Automation	Virtual Agents and Chatbots	Conditional Artificial Intelligence	Generative Artificial Intelligence
Approximate GBS Adoption	65%	30%-45%	15%-25%	~5%
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	■ Digital repetitive steps ■ Rule-based/logic-driven ■ Time-consuming ■ Documented ■ Static rules	■ Customer-interfacing ■ Access required to solve ■ Multiple languages required ■ Multiple time zones required	■ Research required ■ Non-routine inquiries ■ Formula-driven ■ Pattern and detailed analysis required	■ Generates content with open data searches ■ Can point to inhouse data ■ Language processing ■ Complex Q&A
Process Candidate Examples	■ AP/AR management ■ Billing and invoices ■ Data entry/management	■ Customer service ■ Vendor inquiries ■ Delivery/scheduling	■ Document research (contracts) ■ Forecasting (turnover) ■ Problem-solving patterns	■ Research ■ Forecast ■ Customer service ■ Optimization
Data structure and integrity is essential across all IA.				

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Survey Responses

Use Case	Count
Analytics and insights generation	2
Improved customer experience	6
Unstructured data classification and structuring	1
Text summarization	
Augmented knowledge management	4
Content creation	4
Configuration support and coding	
None, yet	9
Other	

Hitting the Mark or Missing the Spark?

The tools **saved time** by allowing quick searches through multiple documents with a single prompt

Multi-document searches **identified qualified resumes** for specific project needs quickly

GenAI **provided justification and citation** as to why decisions were made or people recommended

The **tools can exclude criteria** when searching across documents (e.g., exclude specialist resumes)

GenAI is capable of **summarizing meeting transcripts** to provide notes and speaker information

What Worked

What Didn't

Many tools **prohibit bulk uploads**, making data entry manual and time-consuming

In some cases, **data contained inaccurate references**, requiring manual quality checks

Tools **required defined folder structures** and struggled to search across multiple document types

Systems may **require advanced technical knowledge** to use specialized features
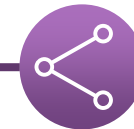
Support features are often unavailable, underdeveloped, or in beta form

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Structuring Data for GenAI

Appropriate data structure has long been important for accurate and efficient data analysis, and it remains a priority for GenAI applications. The diagram below shows where GenAI can be a force-multiplier in the process.

Source DB

Document management and master data management oversight and processes are needed

File Share

GenAI helps with ETL processes with the right oversight

Extract

Transform

Load

Identify current state and future state and address any gaps

Data governance oversight and processes are needed

Data Warehouse

Data Lakehouse

File Storage

GenAI helps locate data and streamline processes

AI

Analytics

Visualization

Automation

Low Code

GenAI helps construct and improve outputs

Models

Dash-boards

Reports

Bots

Portals

Apps

Users

Training and continuous education is required

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GenAI Transforming HR

GenAI has the potential to drive 20%-30% increased productivity across the HR value chain in the near term.

	Anticipate		Attract		Develop			Engage	
Activity Categories	HR Strategy and Planning	Recruiting and Resourcing	HR Admin and Shared Services	Compensation and Benefits	Learning and Development	Performance and Career Management	Employee Engagement	Employee Relations
Example Activities	HR strategy, strategic workforce planning, org design	Employer branding, recruitment	First-level support, onboarding, data mgmt., reporting	Job grading, comp, and benefits policies	People development, training design, and delivery	Performance mgmt., career planning	Retention mgmt., org development, and change mgmt.	Trade unions, work councils, labor law issue resolution
Share of Total Time	10%-20%	10%-20%	20%-30%	5%-10%	10%-20%	10%-20%	5%-10%	5%-10%
Potential Efficiency Gain								

Total 20%-30%

< 10%   10% - 25%   25% - 50%   > 50%

HR Delivery Model GenAI Use Cases

Attracting and Onboarding

- **Draft job descriptions** and job requirements, ensuring education, experience, and skills are necessary for a particular job
- **Screen resumes** and highlight top candidates
- **Schedule interviews**
- **Create personalized onboarding plans** for new employees based on roles, responsibilities, and existing skills
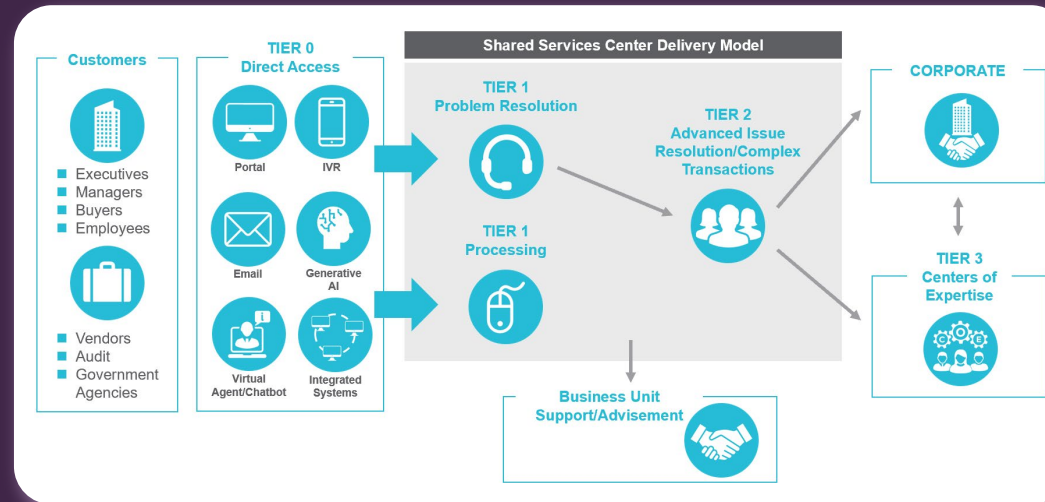
Developing Talent

- Provide personalized **professional development advice** and **learning plans**
- Identify potential **successors for key positions** by analyzing performance data and identifying patterns of success
- Assist managers in **providing objective and constructive feedback**
- Identify **training gaps** and **develop training presentations**

Rewarding and Retaining

- Identify **key drivers of employee performance** and employees with high likelihood of success
- Discover **factors influencing employee churn** and suggest interventions to improve job satisfaction and engagement
- Developing **systems that recognize employee achievements** based on predefined criteria, promoting a culture of appreciation

- **Compare compensation packages** to competitors to identify gaps
- Analyze employee performance data and **create customized reward programs** that align with individual motivations and company goals

Other HR Functions

- Explain **policies and standard questions** using natural language
- **Summarize trends** in qualitative data from **exit interviews and employee engagement surveys**
- Identify patterns in **employee relations cases** and highlight areas for proactive measures

- **Leverage predictive analytics** for workforce planning to identify trends and project skill gaps
- **Assisted case management** and routing with data extraction and validation for common HR requests

GenAI Transforming Finance
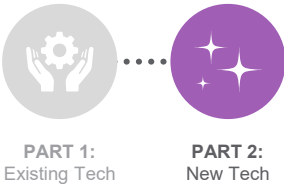
GenAI has the potential to drive 20%-30% increased productivity across the finance value chain in the near term.

Activity Categories	Accounts Payable	Fixed Assets	Order Management and Billing	Accounts Receivable	General Ledger	Finance Reporting	Finance Planning and Analysis	Tax
Example Activities	Vendor invoice processing, expense reviews, supplier reconciliation, research mis-matches	CapEx review, depreciation and asset disposition tracking, ensuring proper depreciations schedules	Order processing, billing and invoicing, error identification and handling *stopping the downstream impact*	Customer invoicing and history, collections, generating letters, enabling rapid collection calls	Journal entries, account reconciliation, financial statement preparation, finding errors to backout	Monthly/ quarterly and annual reporting, SEC filings, management reports, ad hoc financial reports or queries	Variance analysis and explanation, forecasting revenue, populating budget templates	Tax compliance preparation, tax calculating and planning, checking tax law updates, finding loopholes
Share of Total Time	10%-20%	5%-10%	20%-30%	5%-10%	10%-20%	5%-10%	10%-20%	5%-10%
Potential Efficiency Gain	◑	◔	◑	◑	◔	◕	◕	◑

Total 20%-30%

Legend: ◔ < 10%   ◑ 10% - 25%   ◑ 25% - 50%   ● > 50%

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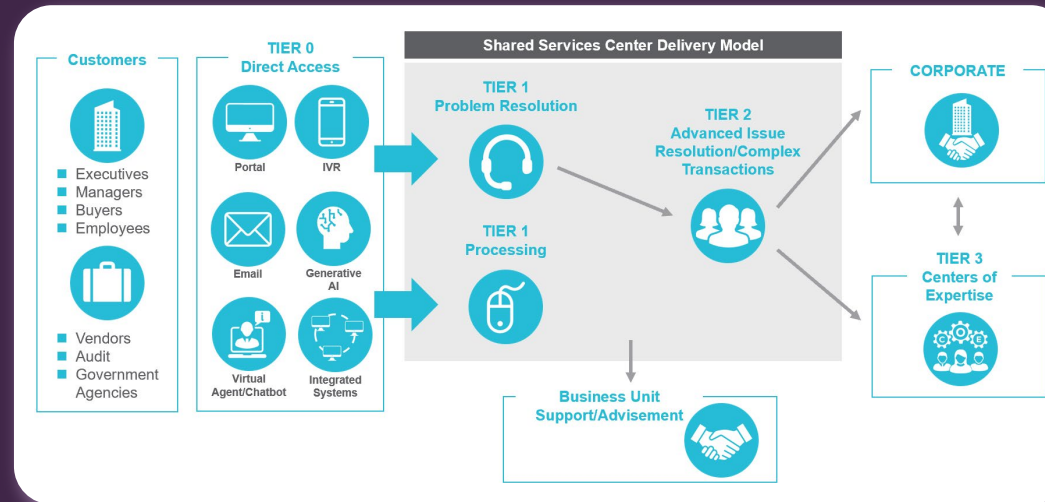# Finance and Accounting Delivery Model GenAI Use Cases

Financial Reporting

- Automating the generation of financial statements
- Enhancing predictive analytics for revenue forecasting
- Creating real-time dashboards for financial metrics
- Generating insights from financial data for strategic planning
- Automating the consolidation of financial data from multiple sources

Management Accounting

- Developing budget forecasts using historical data and predictive modeling
- Providing real-time cost analysis and optimization suggestions
- Generating performance reports for different business units
- Assisting in capital budgeting decisions with scenario analysis

- Creating financial simulations to assess the impact of strategic decisions
- Offering insights for improving operational efficiency
- Automating the tracking and reporting of key performance indicators (KPIs)

Shared Services Center Delivery Model diagram showing Customers (Executives, Managers, Buyers, Employees, Vendors, Audit, Government Agencies), TIER 0 Direct Access (Portal, IVR, Email, Generative AI, Virtual Agent/Chatbot, Integrated Systems), TIER 1 Problem Resolution, TIER 1 Processing, TIER 2 Advanced Issue Resolution/Complex Transactions, CORPORATE, TIER 3 Centers of Expertise, and Business Unit Support/Advisement.

Tax Accounting

- Preparing tax filings by aggregating and analyzing financial data
- Offering recommendations for tax planning and savings opportunities
- Generating reports on tax compliance and risk assessment
- Assisting in international tax strategy with cross-border transaction analysis
- Providing insights on the tax implications of business decisions

Accounts Receivable and Payable

- Automating invoice processing and reconciliation
- Predicting cash flow based on payment trends
- Generating credit risk assessments for customers
- Facilitating automated customer

- interactions for payment reminders
- Providing insights for optimizing payment terms with suppliers
- Assisting in dispute resolution by analyzing transaction histories
- Creating financial projections based on receivables and payables data
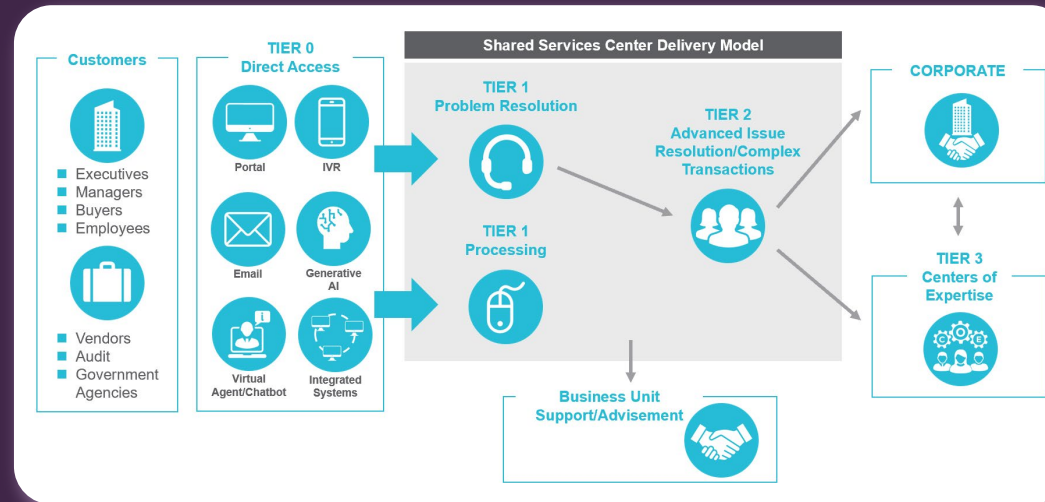
Supply Chain Delivery Model GenAI Use Cases

PART 1: Existing Tech

PART 2: New Tech

Planning

- Advanced **inventory modeling** and **out-of-stock prevention**
- **Forecast demand** based on historical data, customer behavior and reviews, and market trends
- **Forecast localized demand** based on geographical characteristics, socio-economic data, and logistical factors
- Predict **supply chain disruptions or risks** based on data and trends

Procurement

- **Analyze supplier data**, such as profiles, certifications, performance metrics, financial reports, and user reviews, to generate a list of potential suppliers
- **Analyze supplier data to promote supplier diversity**
- **Analyze contracts to extract key terms, conditions, and obligations** and identify inconsistencies, risks, or non-compliance issues
- **Evaluate proposals based on provided criteria** and produce a prioritized list of vendors

Customers
- Executives
- Managers
- Buyers
- Employees

- Vendors
- Audit
- Government Agencies

TIER 0 Direct Access
Portal
IVR
Email
Generative AI
Virtual Agent/Chatbot
Integrated Systems

Shared Services Center Delivery Model

TIER 1 Problem Resolution

TIER 1 Processing

TIER 2 Advanced Issue Resolution/Complex Transactions

CORPORATE

TIER 3 Centers of Expertise

Business Unit Support/Advisement

Logistics

- Optimize routes to reduce driver shifts, hauling costs, and travel times
- Create synthetic data to simulate various scenarios in delivery, including to train delivery robots built on machine learning
- Clarify customer delivery notes for drivers
- Monitor and analyze supply chain data to identify opportunities for improving sustainability

Inventory Management

- Monitor **inventory levels**
- **Customize store or warehouse inventory** based on socio-geographical data
- Provide **personalized product recommendations** to customers
- Optimize **maintenance scheduling, analyzing performance data** to minimize equipment downtime and recommending efficient schedules
- Monitor **product quality** and identify potential defects
- Create **personalized occupational health and safety (OHS) training**

Data Governance of GenAI

Data Quality Management:

Regularly **auditing data** to identify and correct errors. Implementing data validation rules to prevent the entry of invalid or incomplete data. Establishing **data cleansing processes** to standardize and normalize data formats.

Data Security and Privacy:

Defining **user roles and access controls** to ensure that only authorized personnel can access sensitive data. Implementing **data encryption and secure storage mechanisms** to protect data from unauthorized access or breaches. Ensuring **compliance with data privacy regulations**.

Data Policies and Standards:

Developing and enforcing **policies defining how data** should be collected, stored, used, and shared within the organization. Establishing data naming conventions to ensure consistency across systems. **Creating data retention and archival policies** to manage the lifecycle of data assets.

Data Ownership:

Assigning **data owners** responsible for specific data domains' quality, accuracy, and security. Defining data stewards who **oversee data management** processes and ensure adherence to data governance policies. Establishing clear roles and responsibilities for data-related tasks and decision-making.

Data Documentation:

Maintaining a **data dictionary** that defines data elements' meanings, formats, and relationships. **Documenting data flows** and transformations to provide transparency and traceability. Tracking data lineage to understand data's origin, usage, and impact across systems.
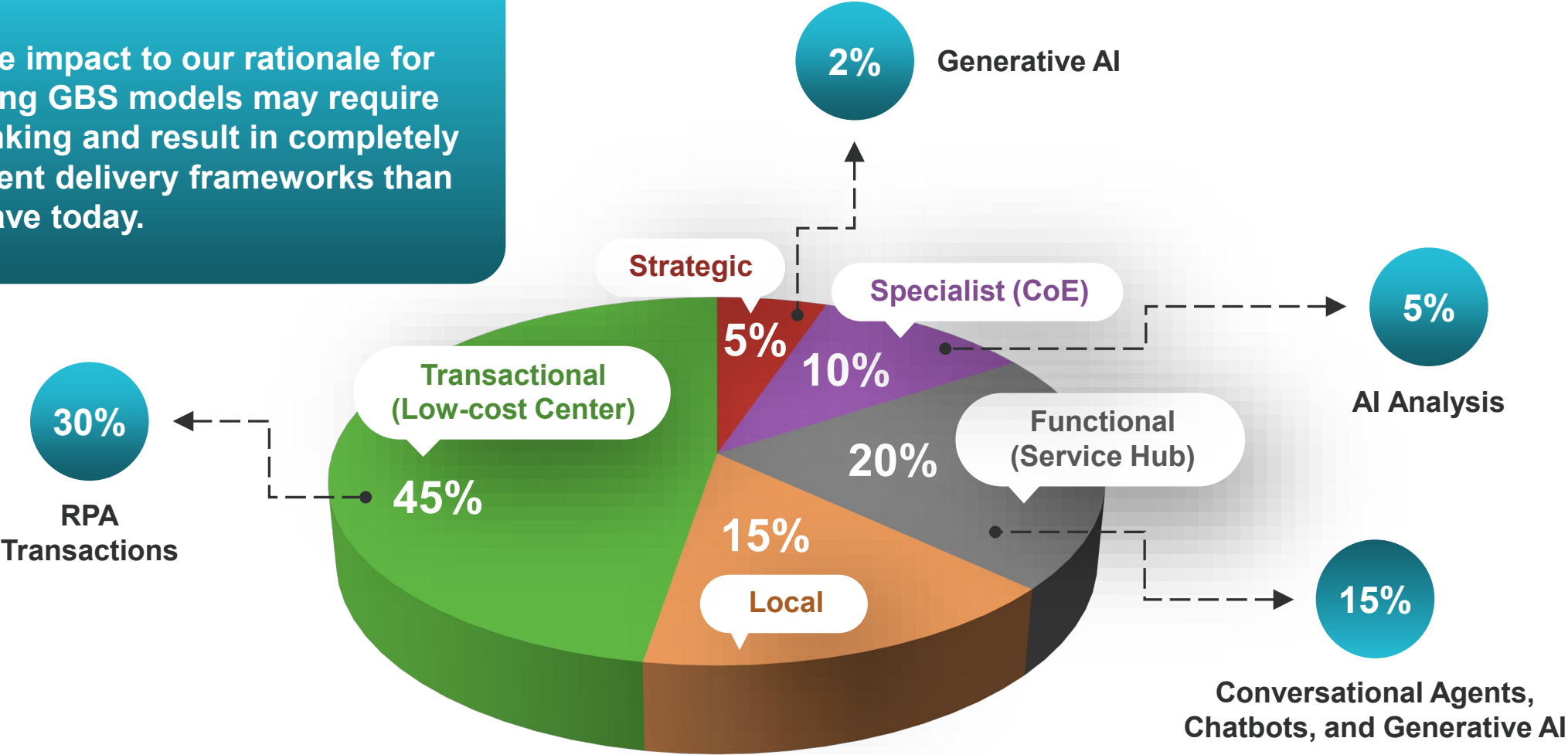
Data Oversight:

Forming a **cross-functional team** that includes representatives from IT, business units, legal, and compliance. Regularly meeting to discuss data governance issues, review policies, and make data-related decisions. **Monitoring and reporting on data governance metrics** to ensure continuous improvement.

Impact to Future Work Types – Example

Future impact to our rationale for existing GBS models may require rethinking and result in completely different delivery frameworks than we have today.

2% Generative AI

Strategic
5%

Specialist (CoE)
10%

5% AI Analysis

Transactional (Low-cost Center)
45%

Functional (Service Hub)
20%

30% RPA Transactions

15% Local

15% Conversational Agents, Chatbots, and Generative AI

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Part I: Inspiring Your Existing Team

PART 1:
Culture &
Experience

PART 2:
Elevated Org

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

1

2

3

Inclusion

Diverse and inclusive teams are 17% more likely to report that they are high performing, 20% more likely to say they make high-quality decisions, and 29% more likely to report behaving collaboratively.

Engagement

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

Inspiration

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

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Survey Responses

How do you inspire your employees to enhance the culture of your SSO?
(41 responses)

Where Are Employees Asking for More?

Common Employee Challenges…

…Implications

'"I'm more concerned with opportunities for development than any other aspects of my job"

90% of learning and development takes place on the job

"I like to be recognized for good work"

Lack of recognition or praise for doing good work is responsible for a 10%-20% difference in productivity

"I want a supervisor I can communicate with directly and openly"

The #1 reason people leave their jobs is directly related to their managers

"I am tired!"

Stress and work-life balance is also a top reason employees leave their jobs

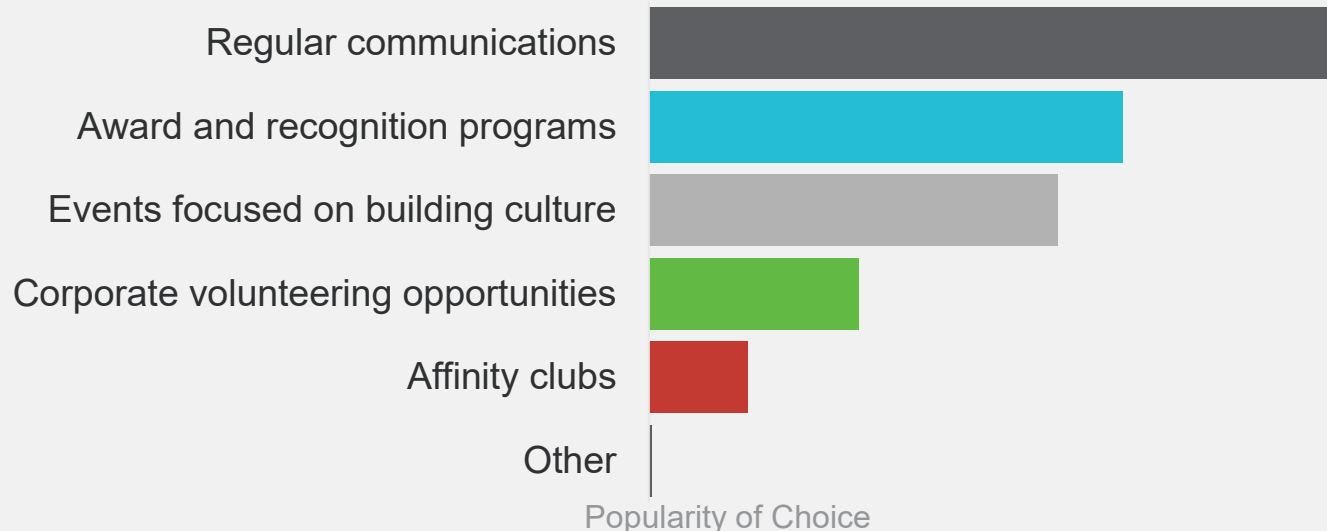**Motivate staff for the long haul through:**

- Cultivating employee engagement

- Enhancing the employee experience

- Building culture through a comprehensive inclusion strategy

- Emphasizing career development

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Cultivating Employee Engagement

ScottMadden's Talent Management Survey identifies communication, recognition, and culture-building events are favored engagement tactics.

Which tactics are most effective for ENGAGING employees and building culture within your SSO?

Regular communications

Award and recognition programs

Events focused on building culture

Corporate volunteering opportunities

Affinity clubs

Other

Popularity of Choice

BUILDING A GREAT CULTURE

"A great corporate culture [includes] open communication, mutual respect, shared goals, and a commitment to employee growth and development."

Source: The 8 Elements of Great Company Culture. www. Greatplacetowork.com
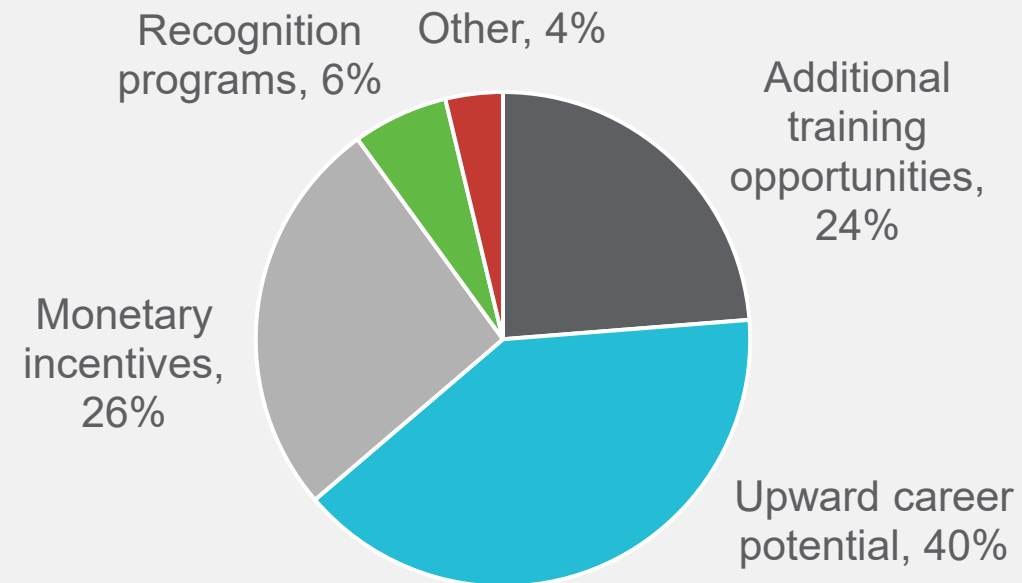
Source: ScottMadden

Enhancing the Employee Experience

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

An Effective Leader:

- 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?

Recognition programs, 6%

Other, 4%

Additional training opportunities, 24%

Monetary incentives, 26%

Upward career potential, 40%

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Building Culture Through a Comprehensive Inclusion Strategy

A comprehensive inclusion strategy builds a culture where people feel valued and inspired to contribute.

ASSESSMENT
Identify baseline metrics and opportunities for improvement identified through surveys, focus groups, one-on-ones, policy/process reviews

ACTION PLAN
Build and execute an action plan to close the gaps and move toward your vision.

COMMITMENT AND VISION
Communicate commitment to building a diverse and inclusive culture and build a vision

EDUCATION AND AWARENESS
Engage in ongoing education and awareness using channels that promote inclusion and move you closer to your vision (e.g., ERGs, metric tracking, knowledge sharing)
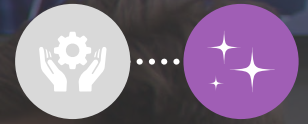
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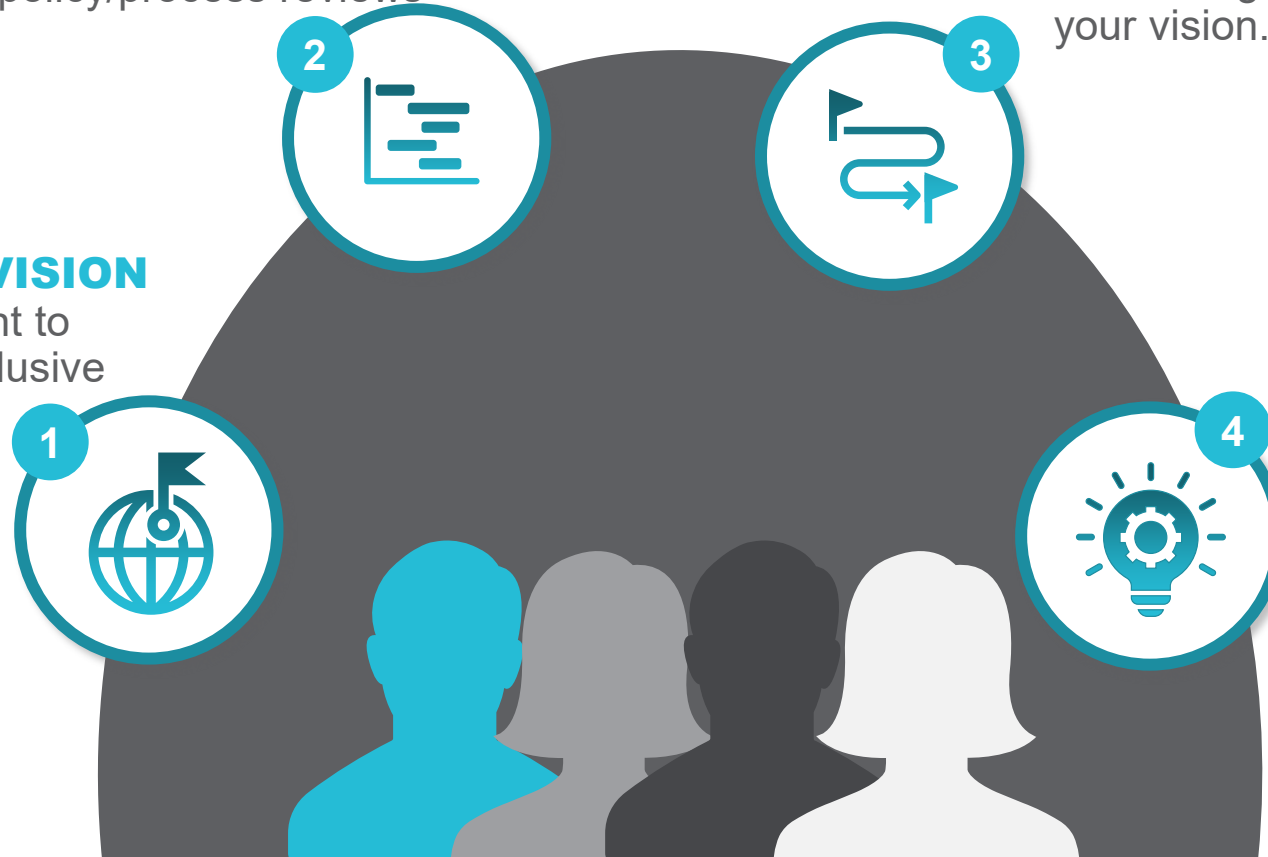
Emphasizing Career Development

Career development is a key part of the inclusion to inspiration strategy.

ILLUSTRATIVE EXAMPLE

Shared services career paths
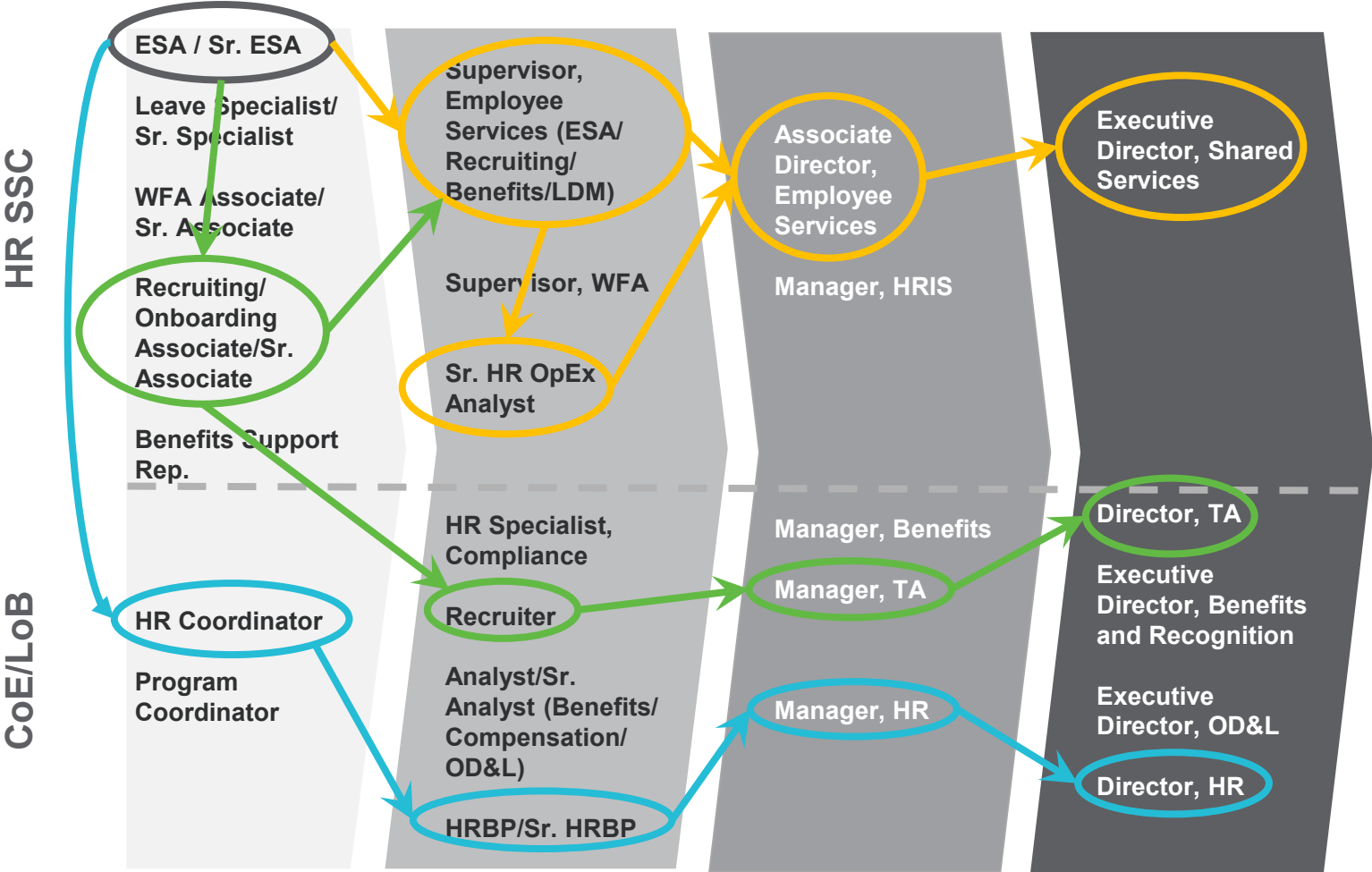
Part II: Elevating the Organization and Skillsets

1

Revamping Traditional Models and Services

Models are shifting as organizations climb the maturity curve; critical elements must be in place to support new organizational and employee expectations.

2
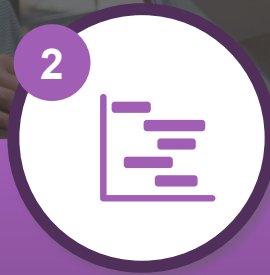
Elevating Skillsets

As organizations evolve and focus on advanced services (change management, data/analytics, and AI), skills requirements will shift. Companies need to identify representative competencies and skill enhancements.

3

Training and Developing

Robust and structured training and development plans should be in place to provide targeted skillset training to leaders and employees.

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Keys to a Successful Service Delivery Model

A shared services delivery model cannot be successful without some critical components existing within a governance framework:

Embed a service-oriented mindset

- Use data to ensure customers' needs are met
- Ensure feedback loops are in place with local resources as they are closest to customers
- Allow unit-specific flexibility where it makes sense

Revamp traditional models and services provided

- Avoid duplication
- Use the scope of services as a "blueprint" for who does what work
- Create clear governance to support the model
- Define roles and responsibilities for each delivery channel

Employ mechanisms for continuous improvement and a "culture of accountability"

- Use data to ensure handoffs between delivery channels are occurring as expected for all processes
- Define operational measures and service level agreements
- Ensure customer engagement structures are in place

Enable local resources to better support their units

- Empower local resources* to serve as the "voice of the business leaders" that they support
- Give local resources the ability to influence and provide input CoEs and shared services operations

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Driving Toward a Service-Oriented Mindset

Many organizations have designed their shared services organization through the lens of efficiency and effectiveness. With "Amazon-like" experiences being the norm outside of the workday, customers (employees) are expecting more.

1

2

3

Personalize Interactions by Persona

- Personalize interactions and **tailor services based on preferences** and past interactions
- Provide *delightful* experiences to your customers

Improve Communications Around Moments that Matter

- Identify key touchpoints where communication is crucial
- **Enhance communication channels, provide timely updates and notifications, and ensure clarity** in instructions and information provided to customers
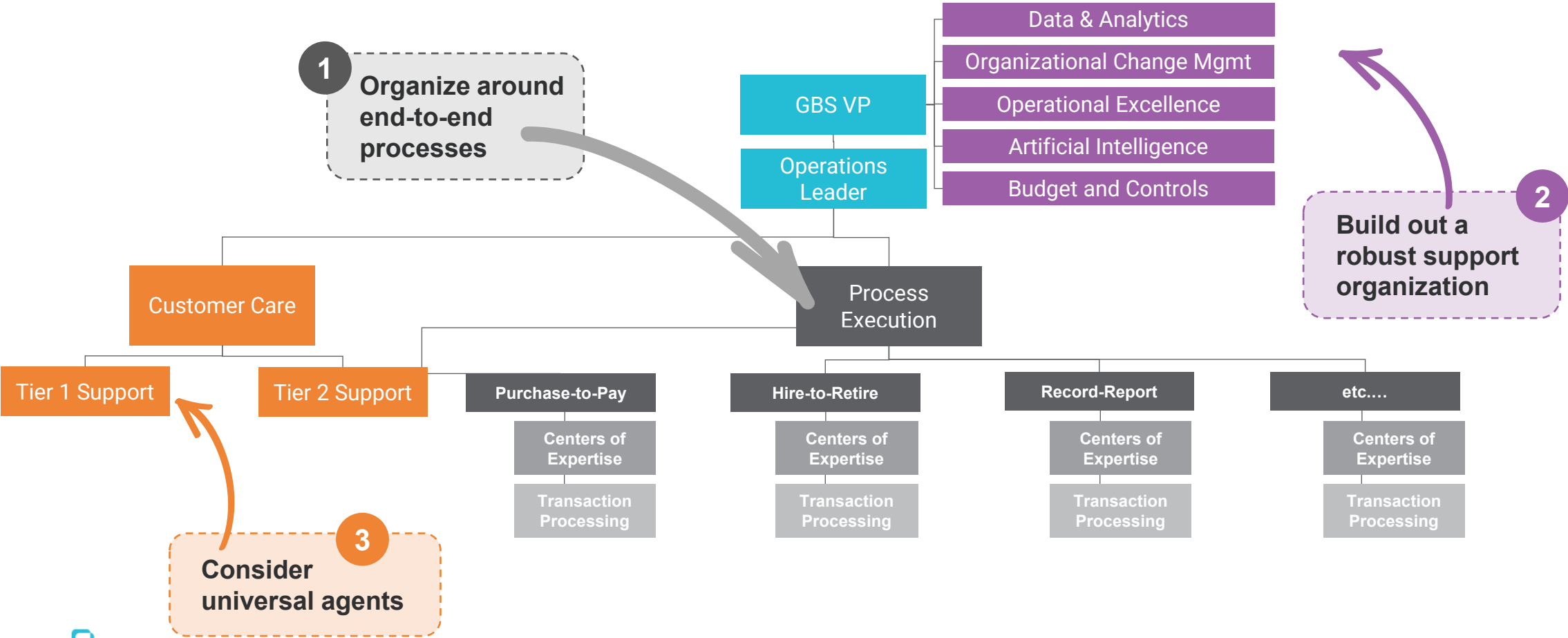
Measure, Monitor Performance, and Continuously Improve

- Customer user journeys serve as an **end-to-end framework for measuring and monitoring performance metrics**
- Track key performance indicators at moments that matter (vs. focusing solely on collecting CSAT only at the end of a case)

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Revamping Traditional Models and Services Provided

Many shared services organizations began with one function or a couple siloed functions. As shared services organizations mature, below are a few more advanced concepts to consider:

1 **Organize around end-to-end processes**

GBS VP

Operations Leader

Data & Analytics

Organizational Change Mgmt

Operational Excellence

Artificial Intelligence

Budget and Controls

2 **Build out a robust support organization**

Customer Care

Process Execution

Tier 1 Support

Tier 2 Support

Purchase-to-Pay

Hire-to-Retire

Record-Report

etc....

Centers of Expertise

Centers of Expertise

Centers of Expertise

Centers of Expertise

Transaction Processing

Transaction Processing

Transaction Processing

Transaction Processing

3 **Consider universal agents**

Revamping Traditional Models and Services Provided (Cont'd)

(1) **Organize around end-to-end processes:** Organizing around end-to-end processes enhances customer focus, improves operational efficiency, promotes accountability, ensures quality and consistency, and drives cost optimization.

Holistic View

This approach promotes better understanding of the entire service lifecycle and better enables cross-functional teams to identify opportunities for optimization and improvement

Efficiency and Effectiveness

Streamlines workflows, reduces handoffs and bottlenecks, and enhances overall efficiency and effectiveness

Quality and Consistency

Enables better management of quality standards and ensures consistency in service delivery across end-to-end process touchpoints
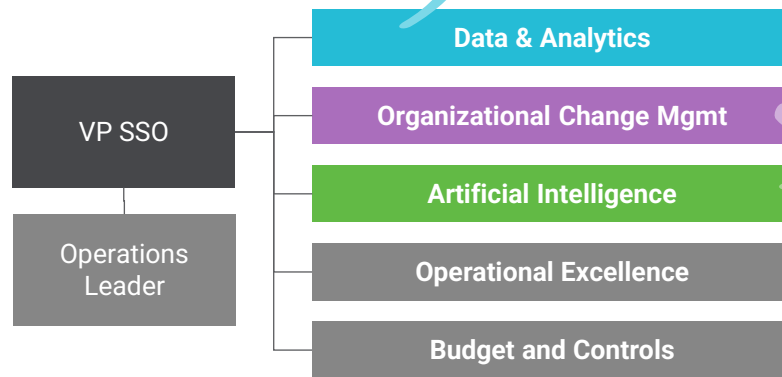
Customer Focus

Aligns more closely with customer needs and expectations, emphasizing effective delivery of seamless, integrated services
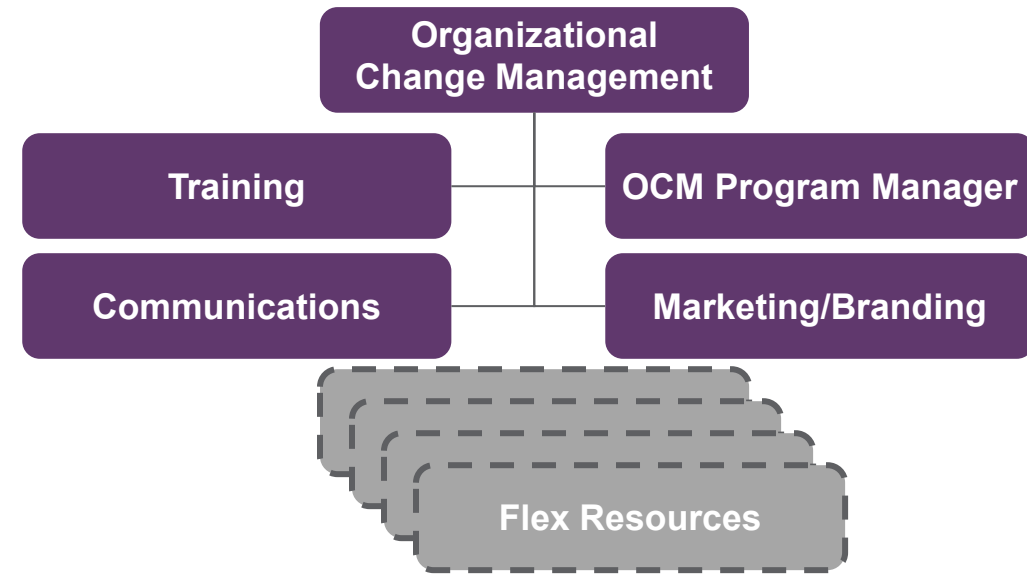
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Revamping Traditional Models and Services Provided (Cont'd)

② **Build out a robust support organization:** Some organizations are elevating critical support functions to a CoE level with a direct reporting relationship into the VP of SSO.

A **layered and centralized approach** to data strategy, storage, and reporting can support different end users, accelerate business intelligence, and centralize and standardize data governance and advanced analytics

```
VP SSO ─┬─ Data & Analytics
        ├─ Organizational Change Mgmt
        ├─ Artificial Intelligence
        ├─ Operational Excellence
        └─ Budget and Controls
Operations
Leader
```

Devoting resources to latest technologies to continuously improve

```
        Organizational
        Change Management
Training ──────┬────── OCM Program Manager
Communications ─┴────── Marketing/Branding
                  Flex Resources
```
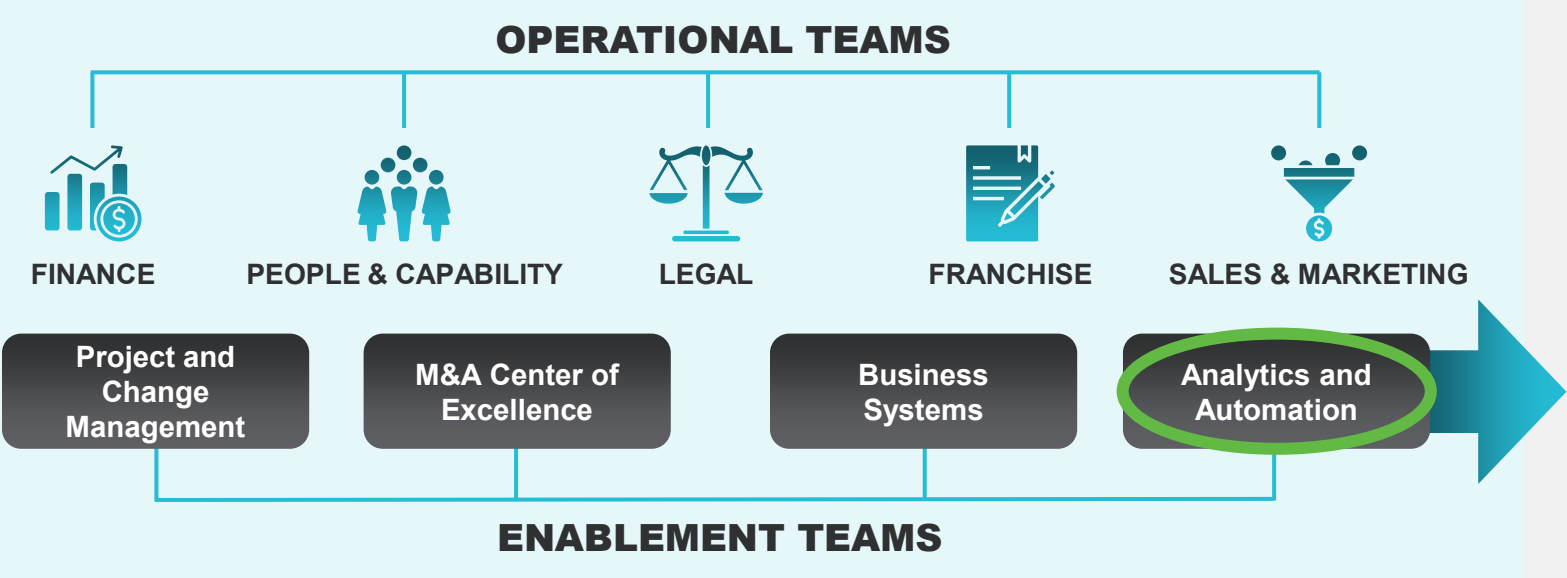
A consolidated change enablement CoE structure **drives seamless integration of flexible project-based change management practitioners** aligned within the strategic direction of a broader CoE to ensure comprehensive organizational change enablement

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Automation CoE
GLOBAL BUSINESS SERVICES

GBSC Analytics and Automation

Focused on delivery against operational expectations for investor relations reporting, GBSC operational analytics metrics, SLA/KPIs, and automated processes.

Company's partner of choice in enabling business operations efficiency, productivity, and growth.

OPERATIONAL TEAMS

FINANCE **PEOPLE & CAPABILITY** **LEGAL** **FRANCHISE** **SALES & MARKETING**

Project and Change Management

M&A Center of Excellence

Business Systems

Analytics and Automation

ENABLEMENT TEAMS

55 team members
(8 automation-focused)

8 locations

1,500 users

900 data sources

140 bots
delivered to production

150K hours
automation projection for 2023

1,000+ professionals

200+ services

6 locations

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# Revamping Traditional Models and Services Provided (Cont'd)

3 **Consider Universal Agents:** A universal agent is a first line of defense, responding to inquiries across all functions served in a multifunction service delivery model. On the surface, this role is practical but does is not widely adopted.

GBS

Finance | HR | IT | Service

Universal Agents

escalations → Finance Agents
HR Agents
IT Agents
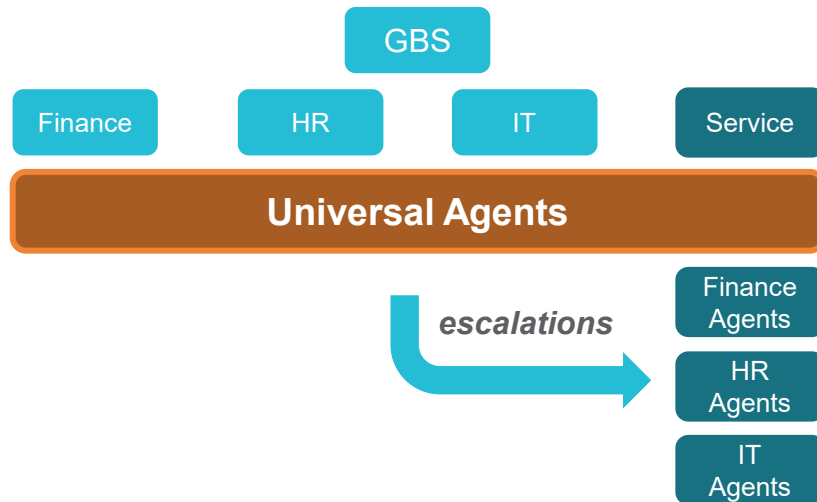
"**In theory, super agents are ideal. They are dynamic, well-trained, and can handle a wide variety of customer issues. In practice, it's hard to master.**"

-Andrew Nocera – Sr. Training Manager, Amazon
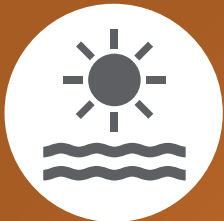
Benefits
- **Increased efficiency**
- **Better customer experience**
- **Improved first-contact resolution**

Challenges
- **Harder to find and higher cost**
- **Work becomes challenging as GBS grows**
- **More dependent on tools**

Creating a Culture of Continuous Improvement

Mature shared services teams typically possess the necessary tools for ongoing improvement; however, cultivating a culture of continuous improvement ensures that this mindset becomes a primary focus. Accountability is key.

1. SSC Team Members

Your team members **know where** the **inefficiencies** are**,** yet they don't feel empowered to make changes.

2. Results-Driven Data Analysis

Dedicating resources to **analyze performance and the "why" behind transaction re-work** is a rich source of improvement opportunities.

3. Customer Experience

Customers satisfaction (or dissatisfaction) is an excellent source of information for targeted improvements to operations.

4. Repetitive Tasks

Repetitive tasks become great candidates for **automation technology solutions**.

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Creating a Culture of Continuous Improvement (Cont'd)

**Creating an analytics CoE provides elevates the organization's ability to continuous improvement.**

Factors to consider in building an effective analytics CoE

Process Considerations

- What types of processes are needed?
- What types of infrastructure or tools are needed?
- Who will maintain the processes?
- What type of IT support will be needed?

Governance Considerations

- What type of governance model will work best?
- What will the focus of the governance be?
- What type of data governance is needed?
- How might your governance needs change over time?
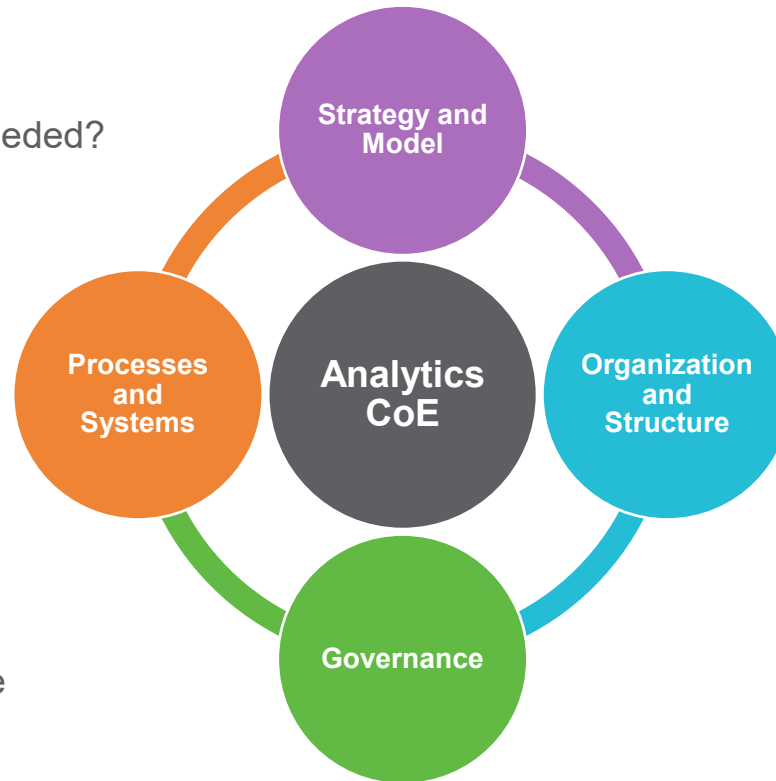
Strategic Considerations

- What is the mission of the function?
- How does the mission align with the overall strategy of the enterprise?
- How will the mission be operationalized?
- What are the roles and responsibilities of the group?

Organization Considerations

- Where will the function report?
- What position types do you need?
- What skillsets will be required?
- How might your needs change over time?

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Six Reasons to Focus on Competencies and Skillsets

As traditional models evolve and expand, organizations should evaluate their leadership and employee competencies to ensure talent requirements remain aligned.

1. Enable Performance Management
Ensure you have the right set of competencies and then measure against them for a comprehensive view of organizational capabilities.

2. Identify Strengths and Gaps
Identify strengths and weaknesses in teams and individuals.

3. Align Skills with Roles
Match employees to roles and responsibilities that align with their strengths and expertise to increase performance and job satisfaction.

4. Inform Training and Development
Determine the specific skills and knowledge areas where employees may benefit from additional training, coaching, or skill-building programs.

5. Facilitate Succession Planning
Identify high-potential individuals, develop talent pipelines, and prepare for future leadership and skill needs.

6. Drive Continuous Improvement
Address gaps by investing in skill development to enhance performance, efficiency, and overall effectiveness.

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Evaluating the Organization's Competencies

Developing a process or tool for measuring the organization's level of proficiency across the competency framework can identify group and individual strengths and gaps. Results allow leadership to better align employees in their current roles, in growth opportunities, or in succession planning while highlighting needs for securing new talent.

Competencies should be defined by level and ratings collected from the employee and two additional raters (typically the manager or a peer).

Results are tabulated by individual, career level, organization, or other demographic breakdowns to evaluate how proficient people are in the new competencies.

Aggregated reporting identifies improvement opportunities, while individual reports help managers share personalized feedback to discuss developmental needs or advancement opportunities.

Developing Employees in New and Changing Areas

Early experience and testing has yielded insight into how GenAI use can differ across individuals within organizations. Acknowledge there are different levels of interest that warrant different depths of training/education.

General Audience

Will need to stay aware of GenAI developments, risks, and business applications to remain efficient in their roles

The Casual User

Will need a place to go to share ideas, troubleshoot, access new tools/functionality, and download internal use cases

The Expert

Will need environments to test, potentially licenses for applications, folders to store/access test data, places to discuss with other in-house experts

Graduate Users

Observation of success stories may drive curiosity and use of GenAI functionality to improve skills
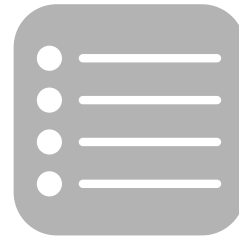
Impact to Future Work

Future Model Impact – Transactional Shift away from Lost-Cost Areas?

EMEA

APAC

AMERICAS

| | RPA Center | | Transaction Center |

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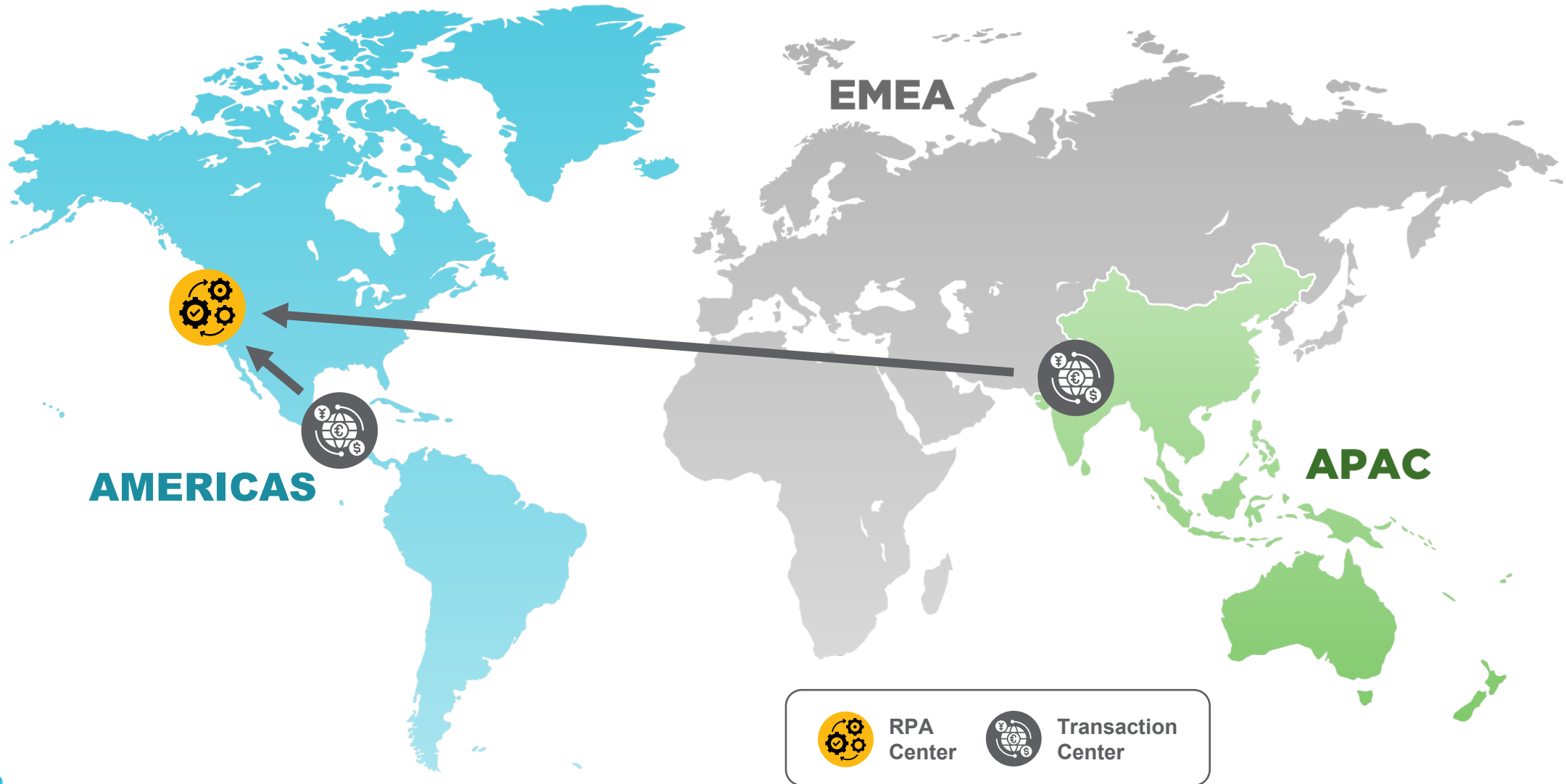
Future Model Impact – Service Shift to Conversational Agents/Chat?

EMEA

AMERICAS

APAC

| | AI Agent Hub | | Service Support Hub |

Shared Service Technology Trends
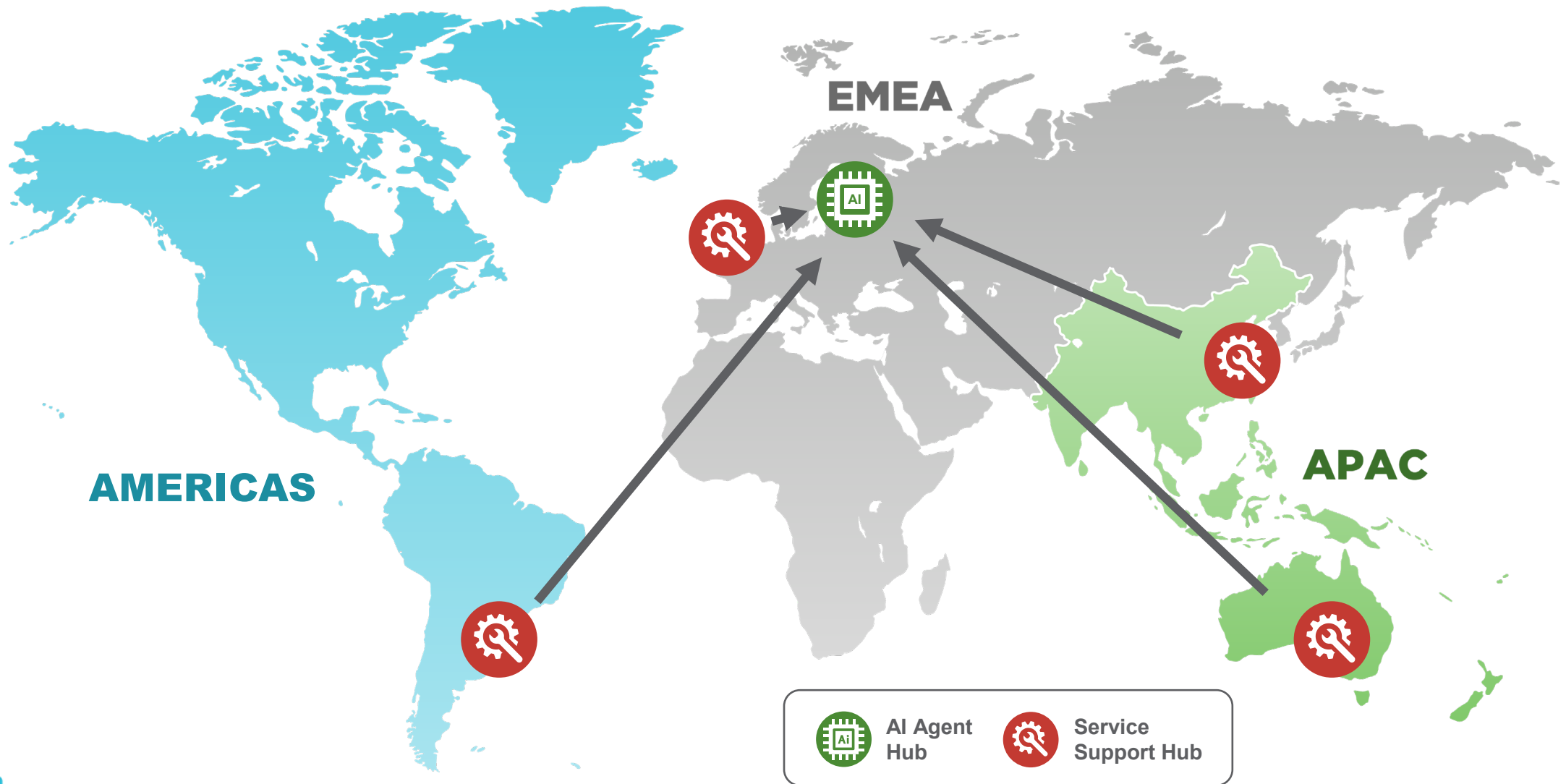
Future Model Impact – Specialists CoEs Supported by Analytic Hubs

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EMEA

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Legal

HR

Supply

Marketing

Engineering

Manufacturing

IT

AI Analytics CoE

CoE

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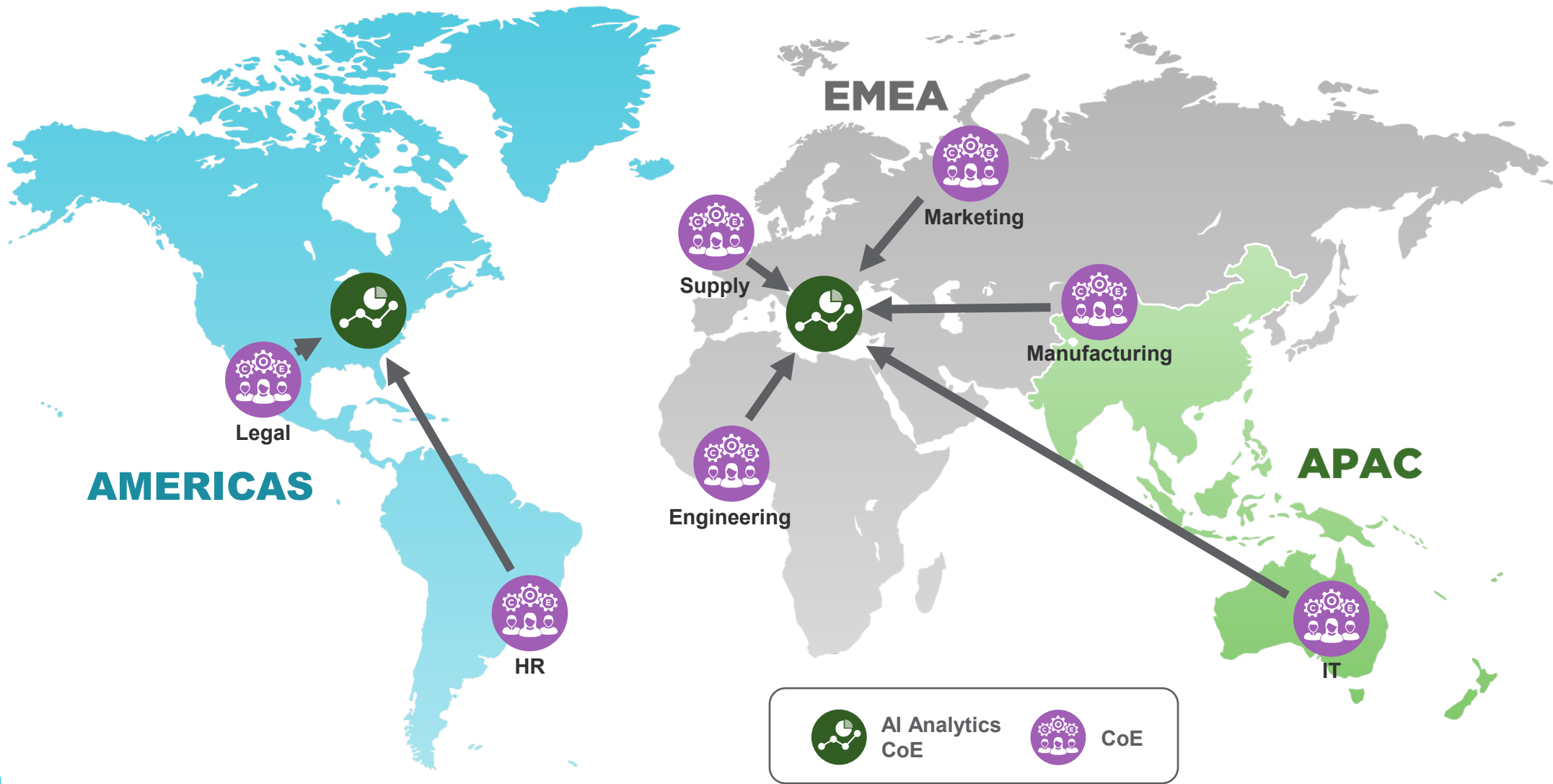
GBS Model of the Future – Digital Labor Control Panels
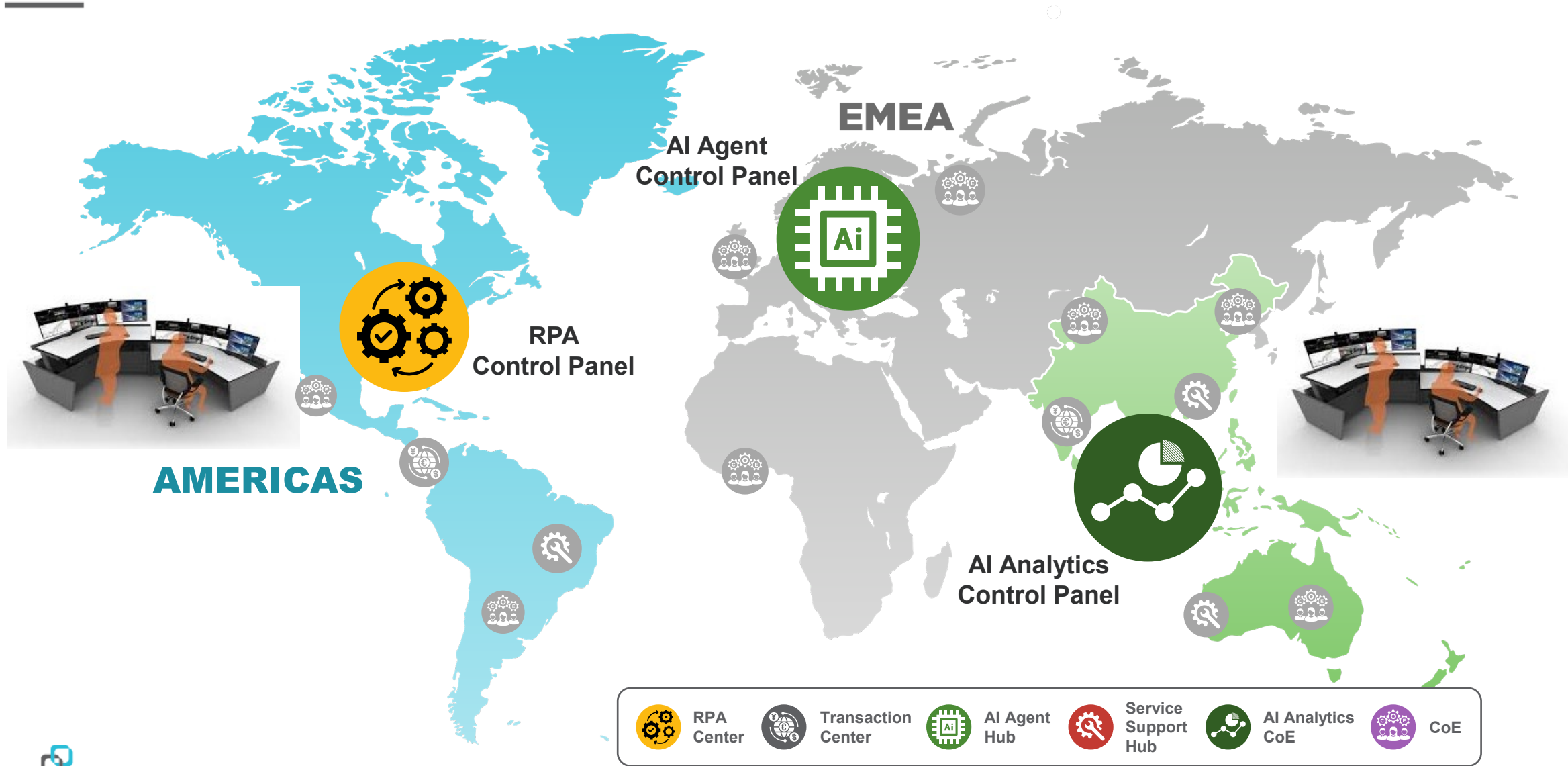
ScottMadden as a Business Integrator (vs. System Implementer)

Having supported multiple clients through significant implementation efforts in both HCM and finance, we believe it is important to distinguish our role as a business integrator (BI) versus a system integrator (SI). W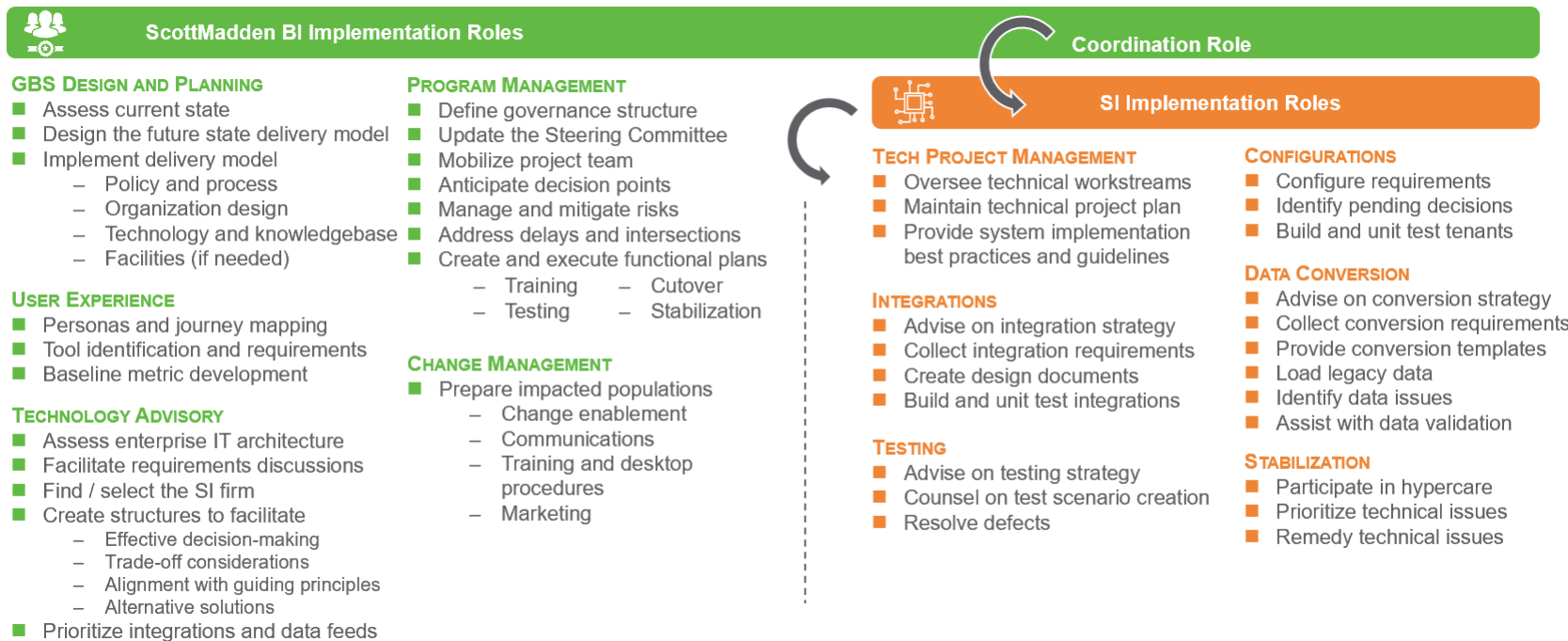e believe that this role is important to maintain as separate and unique to ensure overall success for the client and the system implementer.

ScottMadden BI Implementation Roles

Coordination Role

SI Implementation Roles

GBS Design and Planning
- Assess current state
- Design the future state delivery model
- Implement delivery model
  – Policy and process
  – Organization design
  – Technology and knowledgebase
  – Facilities (if needed)

User Experience
- Personas and journey mapping
- Tool identification and requirements
- Baseline metric development

Technology Advisory
- Assess enterprise IT architecture
- Facilitate requirements discussions
- Find / select the SI firm
- Create structures to facilitate
  – Effective decision-making
  – Trade-off considerations
  – Alignment with guiding principles
  – Alternative solutions
- Prioritize integrations and data feeds

Program Management
- Define governance structure
- Update the Steering Committee
- Mobilize project team
- Anticipate decision points
- Manage and mitigate risks
- Address delays and intersections
- Create and execute functional plans
  – Training
  – Testing
  – Cutover
  – Stabilization

Change Management
- Prepare impacted populations
  – Change enablement
  – Communications
  – Training and desktop procedures
  – Marketing

Tech Project Management
- Oversee technical workstreams
- Maintain technical project plan
- Provide system implementation best practices and guidelines

Integrations
- Advise on integration strategy
- Collect integration requirements
- Create design documents
- Build and unit test integrations

Testing
- Advise on testing strategy
- Counsel on test scenario creation
- Resolve defects

Configurations
- Configure requirements
- Identify pending decisions
- Build and unit test tenants

Data Conversion
- Advise on conversion strategy
- Collect conversion requirements
- Provide conversion templates
- Load legacy data
- Identify data issues
- Assist with data validation

Stabilization
- Participate in hypercare
- Prioritize technical issues
- Remedy technical issues

Why we think this matters?

Ensure useability of the technology.
The goal of the effort is technology that meets needed business practice…not launching a new technology.

Adjust and translate business practices.
System implementers will know their platforms in detail…but may not understand or effectively communicate impact to client business practices.

No vested interest in post-launch managed services.
As a business integrator, our interest is in ensuring the client can operate the technology without our help and support…which may not always be in the interest of the system implementer.

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What's Next? … Here's Five Things to Do

1. Develop your shared services strategy. Is there an opportunity in this 2024 climate to leverage your shared services 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 technology to major decisions, including your expansion strategy, service delivery model, BPO contracts, and ERP implementations

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

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

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Wrapping Up

Housekeeping items:

- Please complete the following items before you leave:
  - Workshop assessment/evaluation form
  - Collateral request card
- Hear from one of our clients:
  - Tuesday, 3 pm

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 drawing for a chance to win Apple AirPods
- Learn more about participating in our HR or Finance Shared Services benchmarking studies
- Play the "GBS Survival Game"

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

THE
GBS!
Survival Game

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