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Smart. Focused. Done Right.®

Shared Services Reimagined: From Foundation to Optimization and GenAI Enablement

Shared Services and Outsourcing Week Autumn

Workshop B

September 16, 2025

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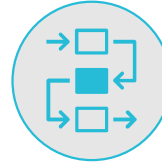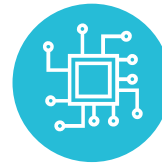
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Who We Are

CORPORATE & SHARED SERVICES

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.

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 help 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

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 that leverages intelligent automation and has effective governance and management.

HUMAN CAPITAL MANAGEMENT

We offer **HR transformation** (including HR shared services), IA solutions, 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, including intelligent automation, we help you with every step.

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.

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.

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Corporate and Shared Services Capabilities

Assess and Plan

- Strategic alignment and planning
- Operating model alignment
- 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
- Intelligent automation build
- 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
- Operating model improvement
- Governance
- Service expansion
- Cost reduction
- Process redesign
- Intelligent automation implementation
- System enablement
- Enterprise program development
- 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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Shared Services Overview

Benefits of a Shared Services Model

Leading Practices Shared Services Operating Model

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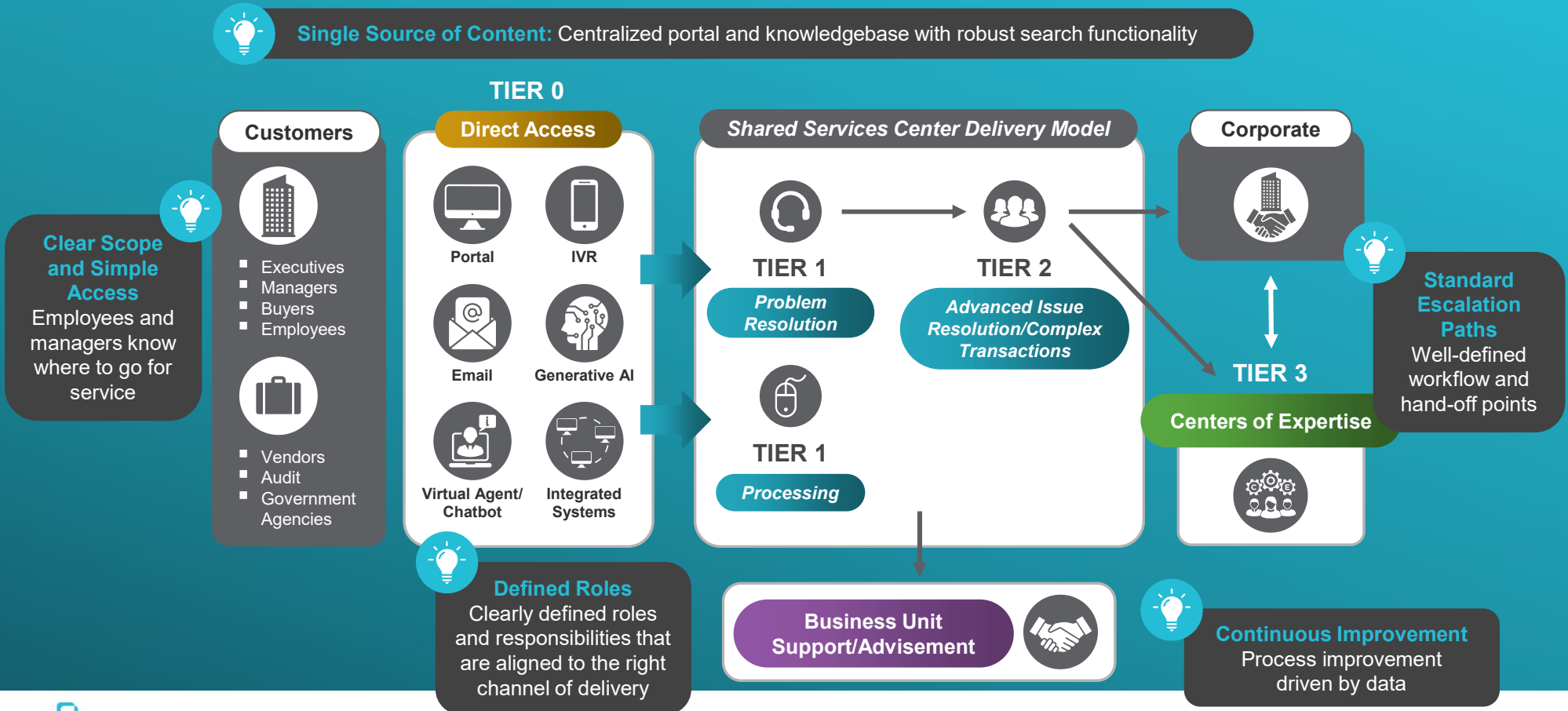
Benefits of a Shared Services Model

Improve Service Delivery and Transparency

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

Cost Control and Scalability

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

Gain Control and Leverage Data

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

End-to-End Accountability

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

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Benefits of Shared Services – HR Benchmarks

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

Customer Experience in HR

82%
First-Contact Resolution
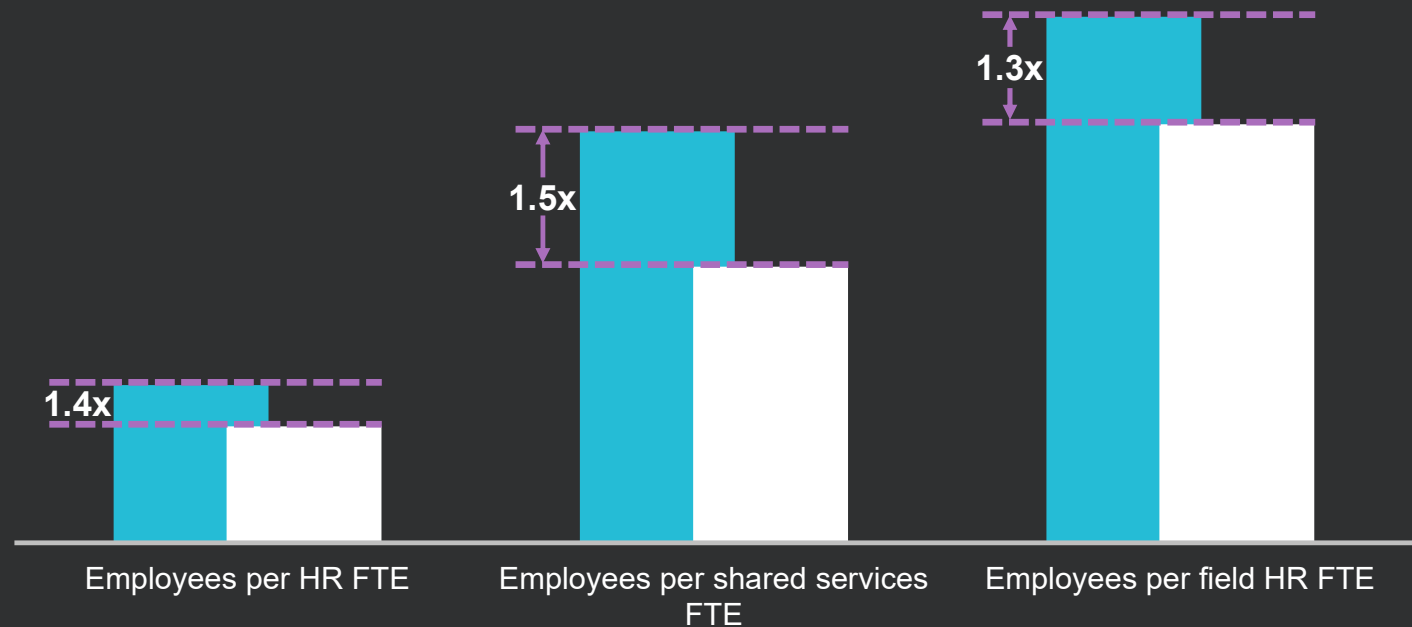
31 secs
Average Speed to Answer

6%
Service Center Employee Turnover

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Benefits of Shared Services – HR Benchmarks (Cont'd)

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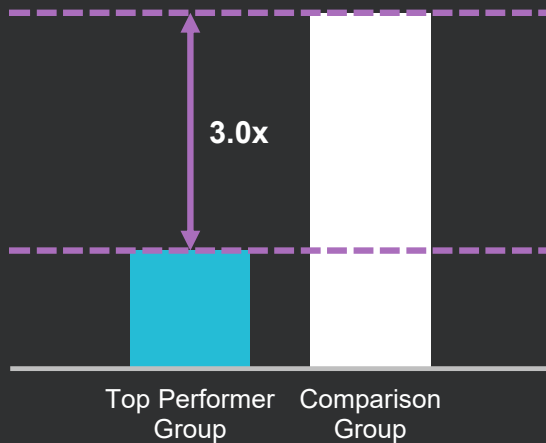

1.4x — Employees per HR FTE

1.5x — Employees per shared services FTE

1.3x — Employees per field HR FTE

Top-Performer Group   Comparison Group

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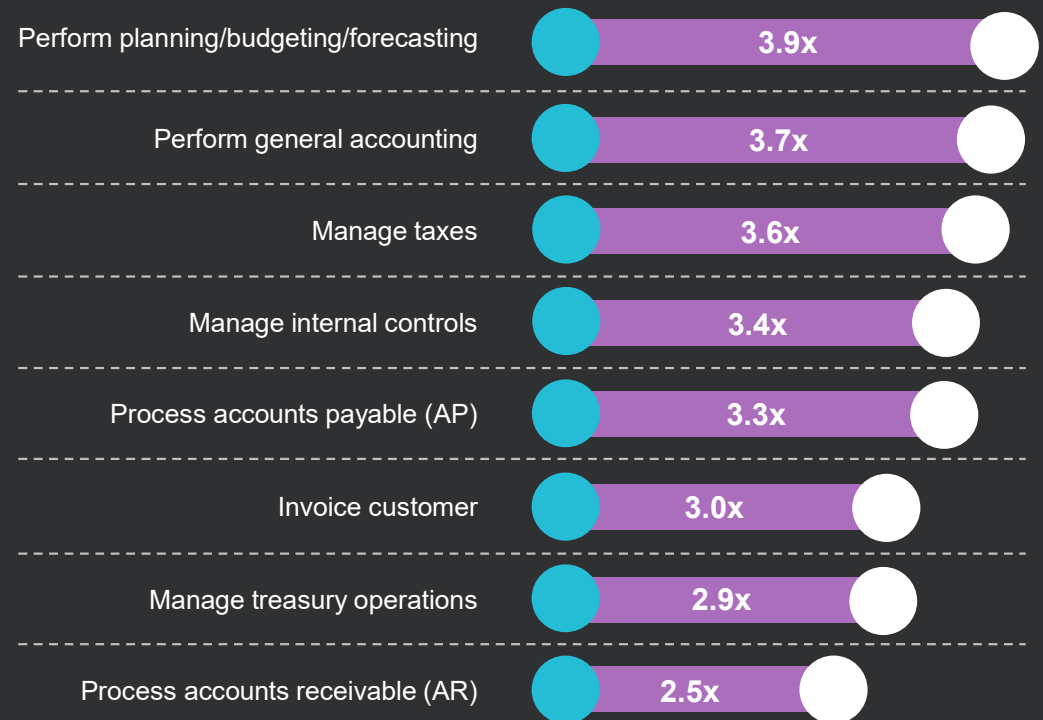# Benefits of Shared Services – Finance Benchmarks

Top-performing finance shared services organizations **have significantly better staffing ratios.**

- Top performers are three times more efficient overall in staffing
- Top performers are 2.5x-3.9x more efficient in staffing major finance processes

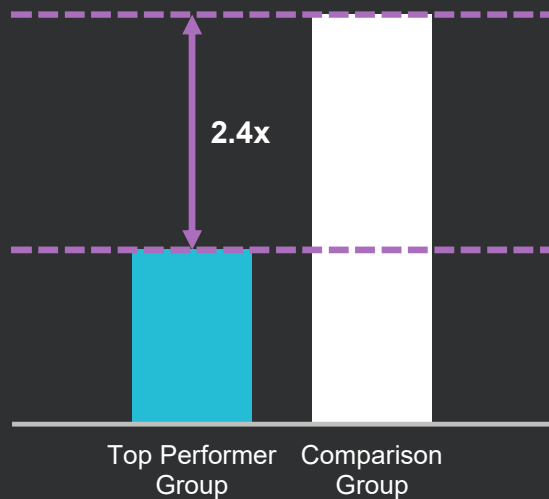**Median number of finance function FTEs per $1 billion revenue**

3.0x

Top Performer Group

Comparison Group

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

Process	Ratio
Perform planning/budgeting/forecasting	3.9x
Perform general accounting	3.7x
Manage taxes	3.6x
Manage internal controls	3.4x
Process accounts payable (AP)	3.3x
Invoice customer	3.0x
Manage treasury operations	2.9x
Process accounts receivable (AR)	2.5x

Top-Performer Group   Comparison Group

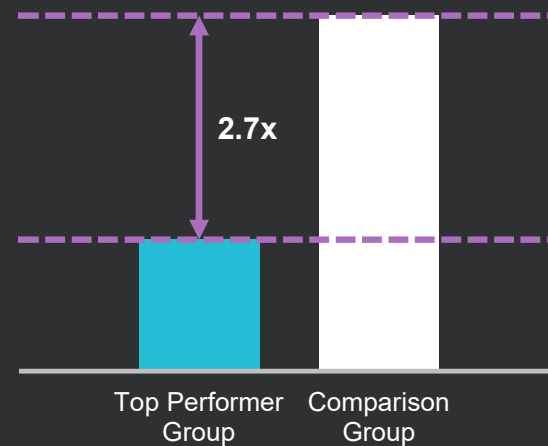**scottmadden**
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Benefits of Shared Services – Finance Benchmarks (Cont'd)

Top-performing organizations **operate at a larger cost advantage** for finance overall, as well as in their finance shared services organizations.

Median total cost to perform the finance function per $1,000 revenue

2.4x

Top Performer Group | Comparison Group

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

2.7x

Top Performer Group | Comparison Group

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Shared Services Overview

Opportunities Exist Regardless of the Shared Services Maturity Level

MATURITY CURVE

Improvement Focus Areas

Start-Up

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

Growth

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

Mature

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

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Assessment, Design, and Implementation

Starting the Journey: Assessment and Design

Proceeding Ahead: Implementation

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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

Design

Implementation

Stabilization

Continuous Improvement

START

FINISH

Assessment, Design, and Implementation
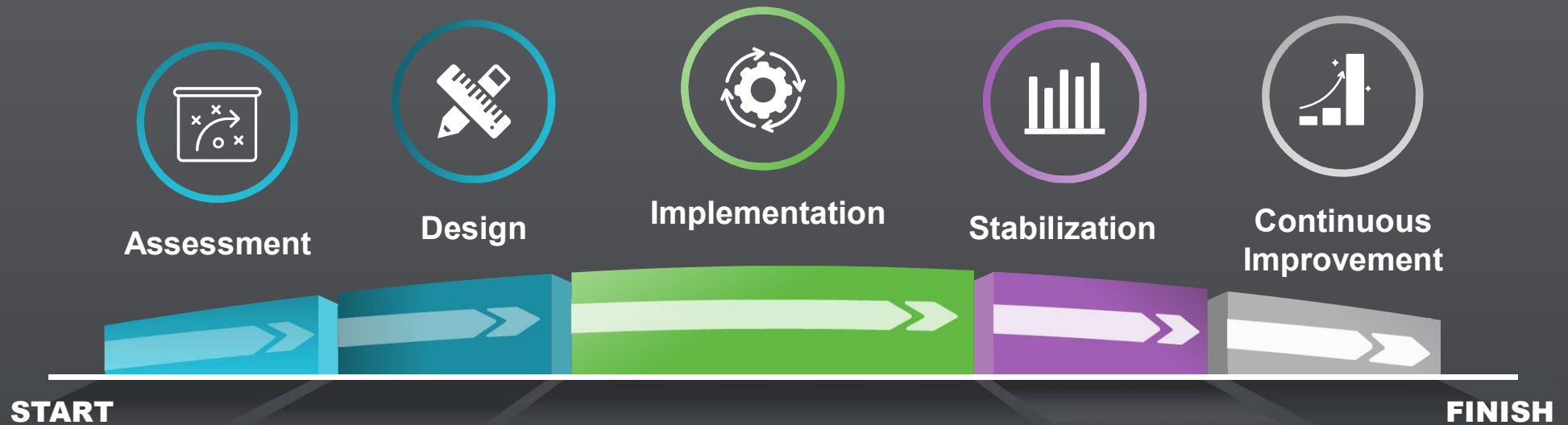
Assessment Framework

Service Delivery Model

- Strategy and Governance
- Scope of Services
- Scope Expansion Strategy
- Sourcing Strategies
- Customer Experience
- Stakeholder Management

Organization and People

- Organizational Structure and Staffing Levels
- Roles and Responsibilities
- Staff Skills, Competencies, and Expertise
- Staff Development
- Career Pathing
- Team and Organizational Culture

Policy and Process

- Policy and Process Harmonization
- End-to-End Process Orientation
- Compliance with Policies and Processes
- Documentation and Resources
- Continuous Improvement Framework
- Operational Processes

Technology and Data

- Applications and Systems
- Metrics and Success Measures
- Reports, Dashboards, and Insights
- Customer Portal and Self-service
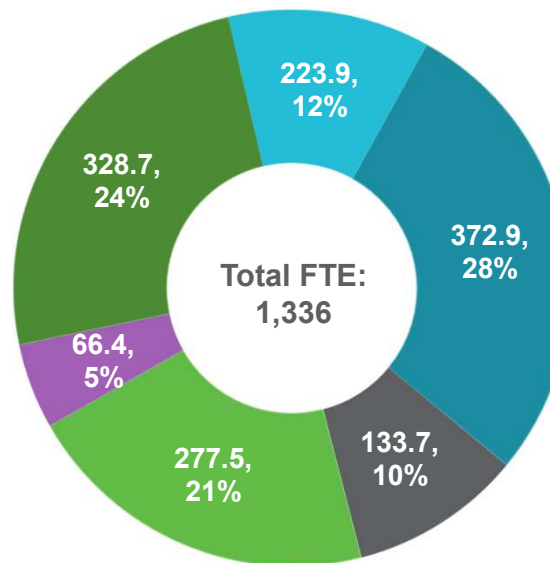- Knowledgebase and Knowledge Management
- Automation

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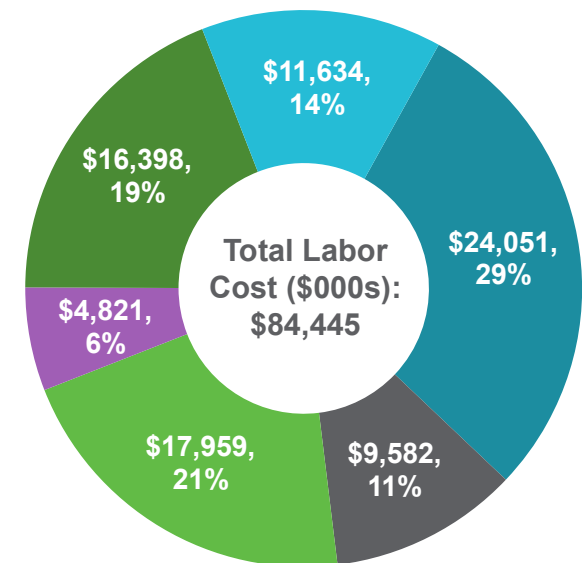MANAGEMENT CONSULTANTS

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Assessment: Activities and Costs

A Work Activity Assessment can be an effective tool to understand time spent on, and cost of, activities. It can also help identify process challenges.

FTEs

Total FTE: 1,336

- 223.9, 12%
- 372.9, 28%
- 328.7, 24%
- 66.4, 5%
- 277.5, 21%
- 133.7, 10%

Labor Costs

Total Labor Cost ($000s): $84,445

- $11,634, 14%
- $24,051, 29%
- $16,398, 19%
- $4,821, 6%
- $17,959, 21%
- $9,582, 11%

Key

■ Financial Services	■ Contracts & Grants Management
■ Communications & Event Planning	■ Facilities
■ General Admin	■ Human Resources

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Assessment: Voice of the Customer

Customer opinions can point the way toward opportunities for high-value improvements.

Satisfaction with Offerings

- Use, importance, performance, and cost of services

Awareness and Need

- Awareness of alternatives, needs, expectations, and service levels
- Qualifications of service provider
- Perception of service organization

Satisfaction with Interaction

- Knowledge and attitude of the staff
- Accuracy and timeliness of service
- Follow-through on commitments
- Convenience of doing business
- Willingness to help, prompt delivery
- Concern for business needs

Many organizations only receive feedback when customers are unhappy; a _balanced_ view is much more insightful.

Assessment, Design, and Implementation

Design Overview

Determine Best-Fit Service Delivery Model
Consider business strategy, culture fit, compliance risk, and acceptable expectations for cost and customer service

Define Scope of Services
Align on placement of discrete activities within the model based on strategic objectives

Design the Organization Structure and Propose Staffing
Draft the org structure with end-to-end processes in mind; evaluate staffing level changes to address movement of transactional work and realignment of resources

Standardize and Improve Policies and Processes
Document, standardize, and globalize policies and processes, ensuring that exceptions are only for compliance and business needs

Identify Technology Investments and Improvements
Invest in the service management technologies to improve and simplify operations and the customer experience; implement process automation and system integration within and across functions

Customer satisfaction **initially decreases** as customers adapt to the new model; however, **once customers experience the benefits of the model**, satisfaction increases and stabilizes.

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Business Case: Benefits Quantification and Soft Benefits

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

Headcount Benefits (Labor)

Other Quantifiable Benefits

Site

Technology

Vendors

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

Increased customer orientation

Improved controls

Enablement of strategic decision making

Enablement of further, indirect efficiency

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Business Case: Investment Costs

Costs are typically spread among different areas and include one-time and recurring inputs.

Headcount Costs (Labor)

Technology

Consulting and Project Team

Marketing and Training

Site

A

B

C

D

E
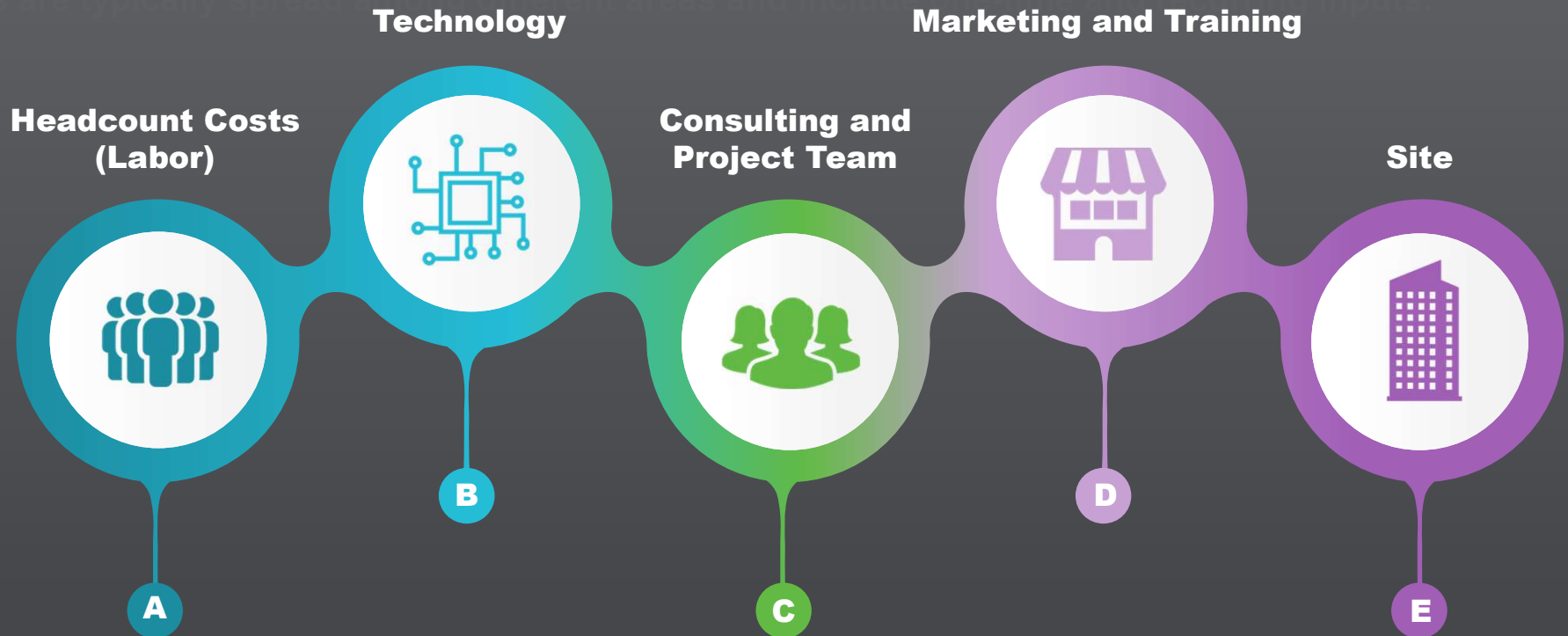
Typical Implementation Work Streams

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.

Typical Implementation Work Streams					
Policy Standardization and Process Redesign	Organization and Staffing	Communication, Change Management, and Training	Technology	Facilities	Service Management and Metrics

Program/Project Management
Form and manage teams | Provide tools and templates | Manage resources and progress | Identify and resolve issues

Work streams are distinct but closely integrated. Implementation activities become iterative as work streams progress.

The Path Forward

The shared services journey is transformational—it is a multi-year journey that can take different paths. Consider key challenges and the enablers you will need to be successful.

- Do business leaders support the model?
- Is there alignment within and across functions?
- Are you prepared to commit resources (people, investment dollars, etc.)?
- What pace of change will your organization's culture accept?
- How will you handle resistance and those who return to the old ways of working?

Approach in "digestible" steps for your organization—determine how far, how fast.

Service Delivery Model

Ensure the Right Governance Structure is in Place

Evolve the Model

Consider Outsourcing as a Strategy

Service Delivery Model

Dealing with Strategic Changes

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

Are your SSC operations pivoting and evolving to meet strategic needs? Do you have the right governance in place?

Increased Value

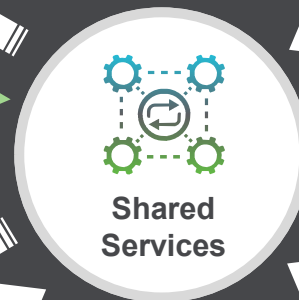- Are we continuing to optimize and add value through expansion and integration?

Outsourced Providers

- 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 internally?

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 standardized practices?

Service Delivery Model

Establish Strong Governance

A governance structure drives increased engagement and accountability within the shared services organization, creates an overall mechanism to manage and prioritize issues/opportunities, and adds visibility for leadership.

Post-implementation Governance Focus

- Manage requests for future policy, process, or technology customizations
- Manage requests for different employee populations to be treated in a different manner
- Uncover and address service issues
- Make critical decisions and set action items regarding changes to scope of services, new employee populations, etc.
- Perform scheduled reviews of the performance metrics

Key Considerations

- Match the governance structure to the potential for differences
  – Small potential = less formal and structured governance
  – Large potential = more formal and structured governance
- Incorporate customers and partner representation
  – Allows customers to influence direction of the service center and ensures responsiveness to business needs
- Establish criteria for evaluating issues and making decisions

Company, business, and SSC leaders identify and own issues while the SSC teams support and drive completion against priorities.

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Service Delivery Model

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 & 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

Multi-Function 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

Service Delivery Model

GBS Characteristics

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.
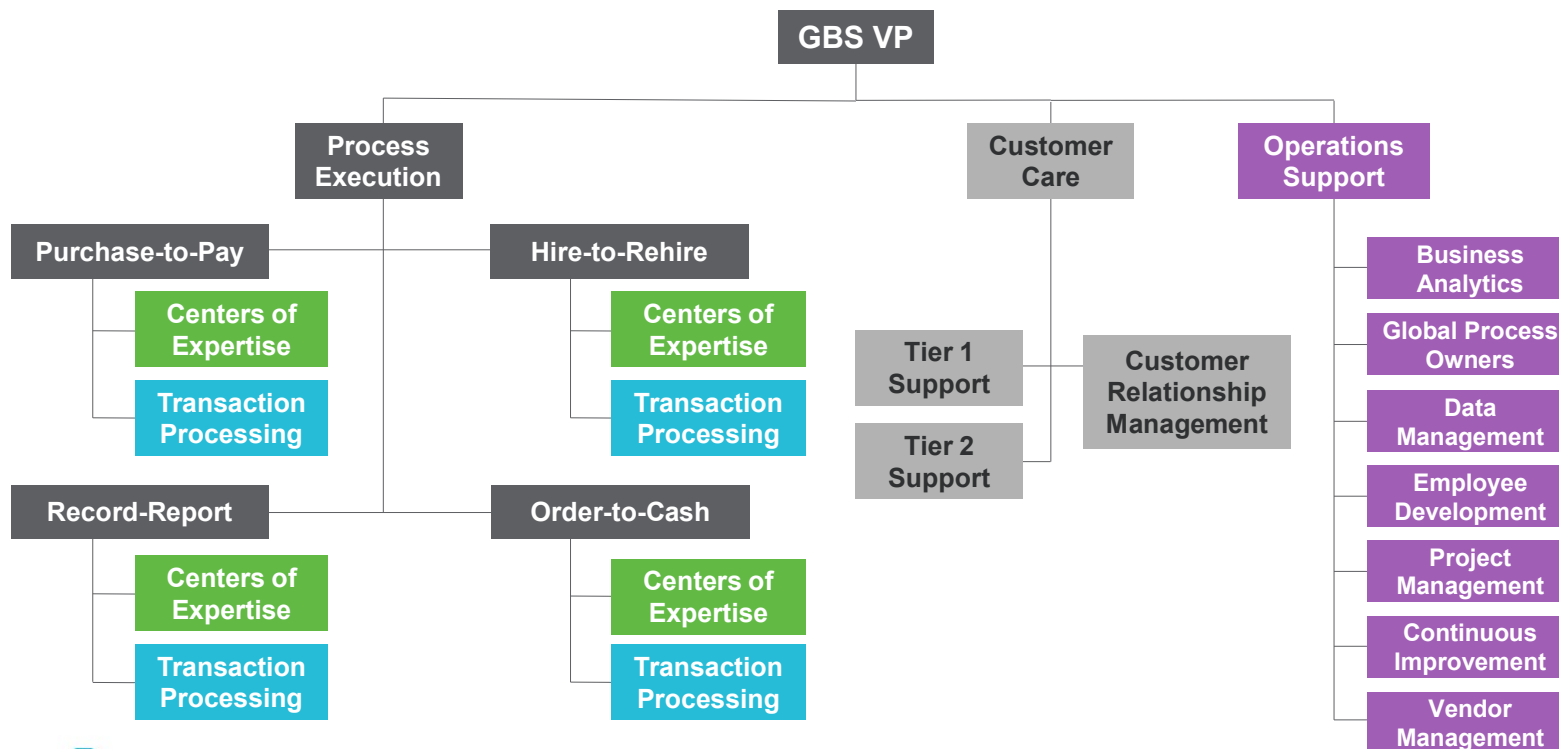
Leading GBS models demonstrate _five_ characteristics:

1. Deliver services to a global customer base

2. Report to one person with responsibility for an overall budget

3. Share infrastructure, including locations and technology platforms

4. Incorporate end-to-end process ownership

5. Include some level of higher-value activities

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Service Delivery Model

GBS Organization

Leading GBS organizational structures align around end-to-end processes, consolidate customer care under a single leader, and leverage an operations support group that can scale with the organization.

GBS VP

- Process Execution
  - Purchase-to-Pay
    - Centers of Expertise
    - Transaction Processing
  - Hire-to-Rehire
    - Centers of Expertise
    - Transaction Processing
  - Record-Report
    - Centers of Expertise
    - Transaction Processing
  - Order-to-Cash
    - Centers of Expertise
    - Transaction Processing
- Customer Care
  - Tier 1 Support
  - Tier 2 Support
  - Customer Relationship Management
- Operations Support
  - Business Analytics
  - Global Process Owners
  - Data Management
  - Employee Development
  - Project Management
  - Continuous Improvement
  - Vendor Management

Several Highlights

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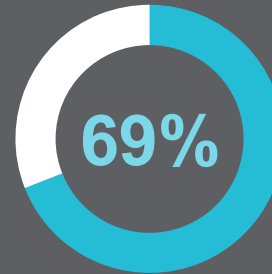
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Service Delivery Model

GBS Adoption Rates

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

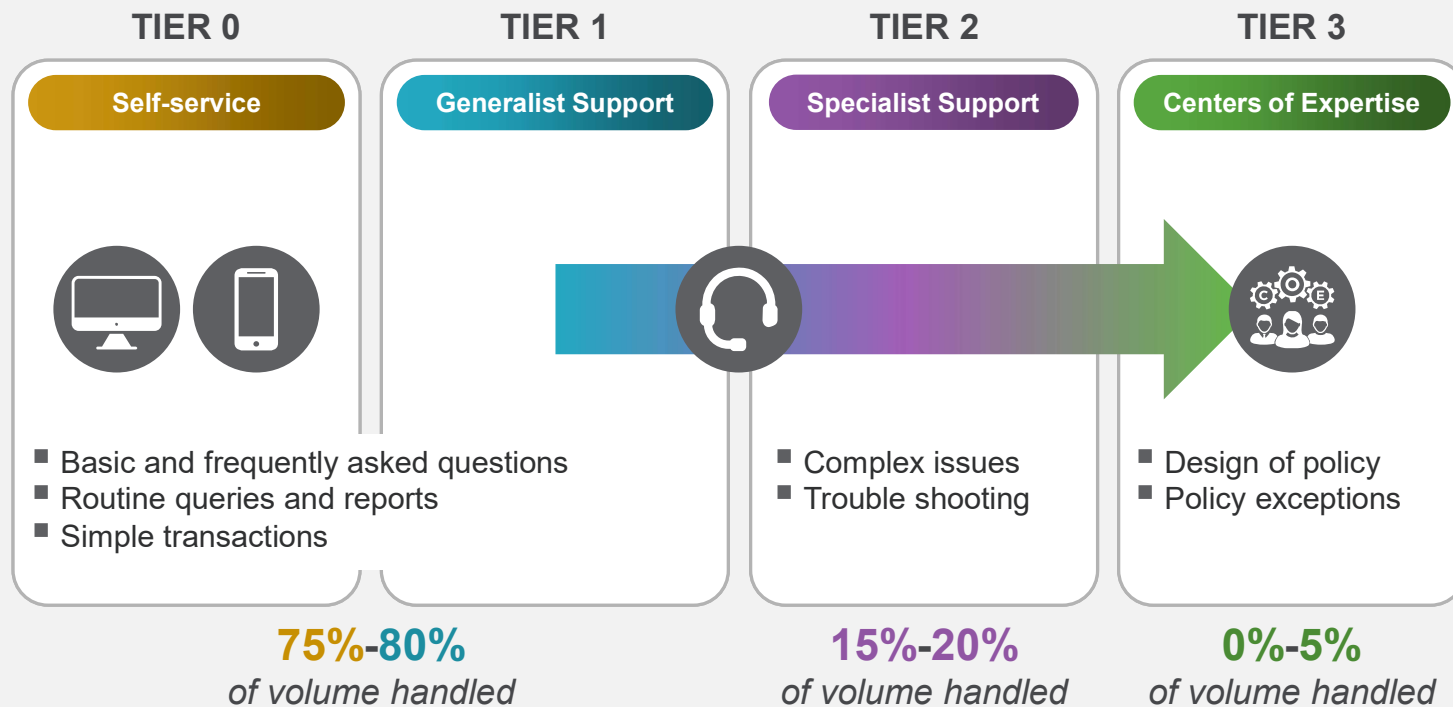In a recent survey, **85% of organizations** are committed to **a GBS model**

Adoption Rates

69%

69% of organizations have **already implemented** a GBS model

16%
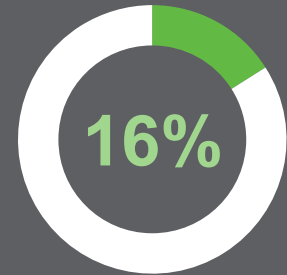
16% of organizations are planning to implement in the next ~3-5 years

Service Delivery Model

Continue to Drive Scope up the Value Chain

TIER 0	TIER 1	TIER 2	TIER 3
Self-service	**Generalist Support**	**Specialist Support**	**Centers of Expertise**

Basic and frequently asked questions
- Basic and frequently asked questions
- Routine queries and reports
- Simple transactions
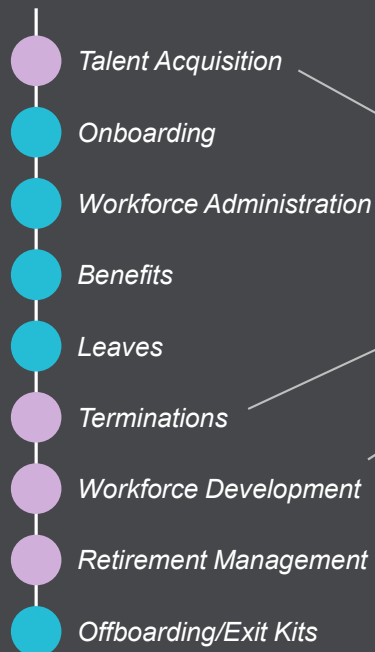
- Complex issues
- Trouble shooting

- Design of policy
- Policy exceptions

HRSSO Examples:
- Employee Relations
- Labor Relations
- Organizational Effectiveness
- M&A Support
- Business Analytics

75%-80%
of volume handled

15%-20%
of volume handled

0%-5%
of volume handled

Service Delivery Model

End-to-End Process in Service Expansion

Hire-to-Retire

- Talent Acquisition
- Onboarding
- Workforce Administration
- Benefits
- Leaves
- Terminations
- Workforce Development
- Retirement Management
- Offboarding/Exit Kits

Example employee-facing services to consider

P2P

- Category Management
- Sourcing
- Contract Admin/ Procurement
- Discrepancy Management
- Invoice Processing and Payment

Consider employee-facing work from an end-to-end view to:

- Reduce handoffs
- Drive consistency in service
- Enhance the overall customer experience

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Advantages and Disadvantages of Growth

Advantages of Growth

- The shared services model works to:
  - Improve service delivery
  - Lower 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
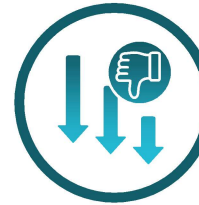
Disadvantages of Growth

- 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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Service Delivery Model

Consider 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

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Service Delivery Model

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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People and Organization

Evaluate Competencies and Upskill Staff

Cultivate Employee Engagement

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People and Organization

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 (e.g., technical, communication, leadership, problem solving)

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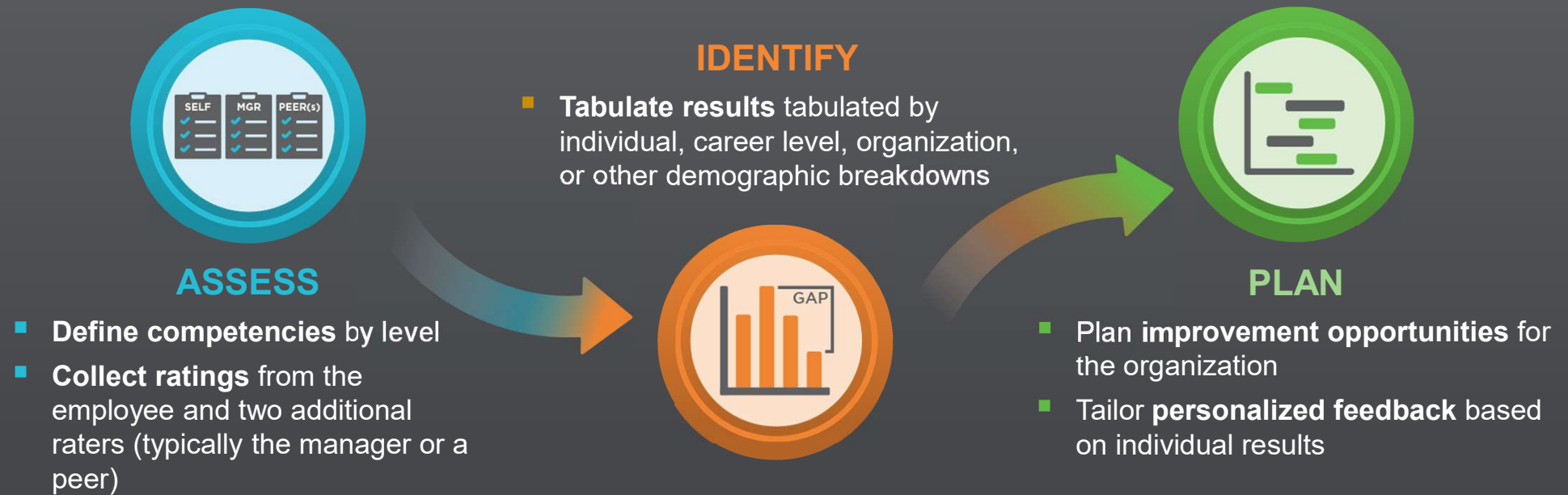Identify high-potential individuals, develop talent pipelines, and prepare for future leadership and skill needs.

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

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Evaluate 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.

IDENTIFY

- **Tabulate results** tabulated by individual, career level, organization, or other demographic breakdowns

ASSESS

- **Define competencies** by level
- **Collect ratings** from the employee and two additional raters (typically the manager or a peer)

PLAN

- Plan **improvement opportunities** for the organization
- Tailor **personalized feedback** based on individual results

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Case Study: Service Provider Competencies and Skills

A recent higher education client realized the service providers knowledge and skills varied across the organization. With hopes of **evaluating and eventually upskilling**, ScottMadden issued a survey to all service center employees to measure the organization's level of proficiency in key competencies.

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

Business Skills
- Business Acumen
- Critical Evaluation
- Consultation

Interpersonal Skills
- Communication
- DE&I
- Relationship Management

Leadership Skills
- Leadership Navigation
- Ethical Practice

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

Employee Engagement Is Critical

Engaged employees aren't just more productive, they also tend to be more loyal and committed to their companies.


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Elevating Employee Experience and Well-Being

As they evolve, organizations must ensure that they continue to refine their employee value proposition (EVP) and elevate the employee experience to remain attractive within the organization as a whole.

1 in 3
Millennials have turned down employers who don't align with their values[*]
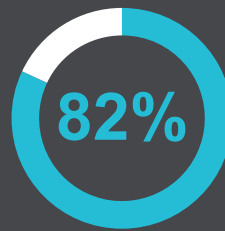
82%
of Gen Z want their jobs to contribute to the greater good[**]

5x
Employees who strongly agree they get valuable feedback about their performance from the people they work with are five times as likely to be engaged[***]

Opportunities	Challenges	Successes
■ Offering personalized experiences to meet diverse employee needs	■ Balancing costs with the scope of well-being initiatives	■ One client includes resilience training as part of leadership and team development
■ Building programs that holistically address mental, physical, and financial well-being	■ Measuring ROI on well-being investments	■ Workday's HCM Solution – introduced an AI-powered solution that provides personalized health benefit recommendations to employees, tailoring wellness experiences to individual needs
■ Maintaining employee engagement in hybrid or remote environments	■ Navigating resistance to change from leadership or employees	
	■ Ensuring a balance between personalization and privacy	

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[* Deloitte, ** Becker's Hospital Review, *** Gallup]

People and Organization

Engage Employees and Enhance 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
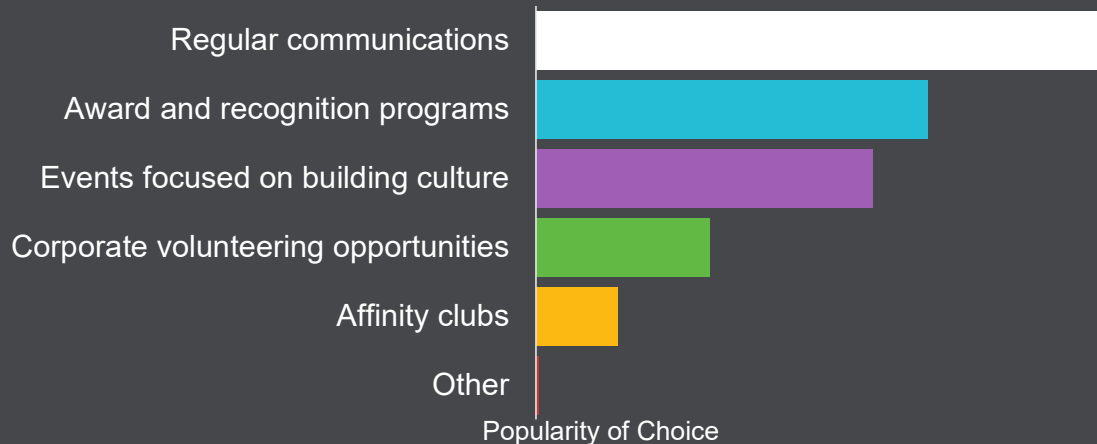
What is the biggest driver for RETAINING staff in your organization?

Recognition programs, 6%

Other, 4%

Additional training opportunities, 24%

Monetary incentives, 26%

Upward career potential, 40%
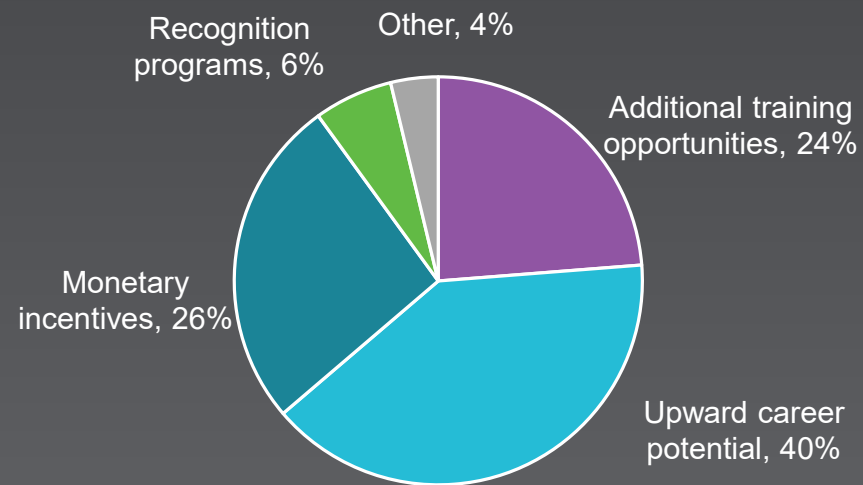
Cultivating Employee Engagement

ScottMadden's Talent Management Survey identifies communication, recognition, and culture-building events as 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

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Process Optimization

Augment Process Design with User Experience Design

Process Optimization – The Next Step

As your shared services organization matures, it's time to take a deeper look at processes that need attention. While this might involve designing processes that are added to the SSO's function, it could also be focused on improving processes you already have.

Design New Processes
Processes that are added to the scope of the SSO because of evidence of success, trust, or a previously planned transition

Redesign Existing Processes
Processes conducted by the SSO today, including the particularly tough ones

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Process Optimization

Adding User Experience (UX) to Traditional Process Design

User experience is different from the traditional assessment and solutioning approaches. While still process-oriented, the customers are the focal point of the evaluation as opposed to the practitioners.
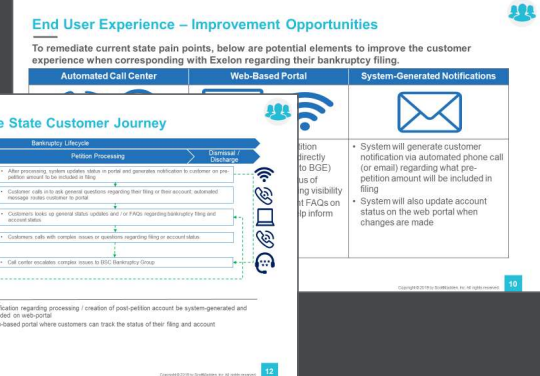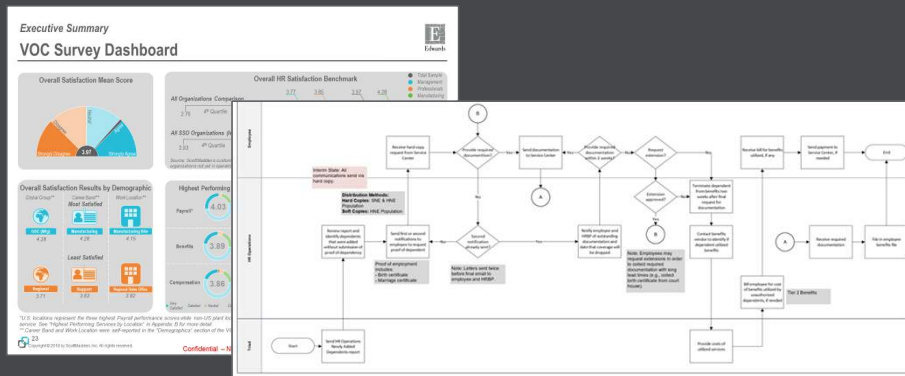
Traditional Assessment/Solutioning

- Volume and process data
- Stakeholder (practitioner/SME) interviews
- Process maps (visualize process)

User-Experience Assessment/Solutioning

- User-experience surveys (process focused)
- Customer interviews
- Journey maps (visualize customer actions and pain points)

User-experience Design Key Steps

Define Personas and Collect Information

**Planning and research on users is the foundation of rethinking the process.**

- Define the key stakeholders, or personas
- Collect data on the process; e.g., case data, customer satisfaction results, and administer process surveys
- Interview 3-5 people per persona

Construct Journey Maps by Persona

Journey maps highlight the user experience, pain points, and opportunities for improvement.

- Break the process into high-level steps
- Rate experience at each step
- Call out key pain points
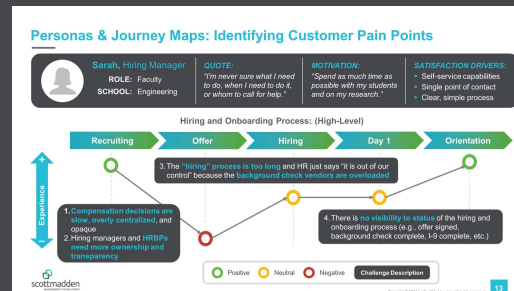
Service Blueprint

Service blueprints provide an extra level of detail to support a user journey map.

- Add detail on customer actions, front stage actions, backstage actions, and support processes
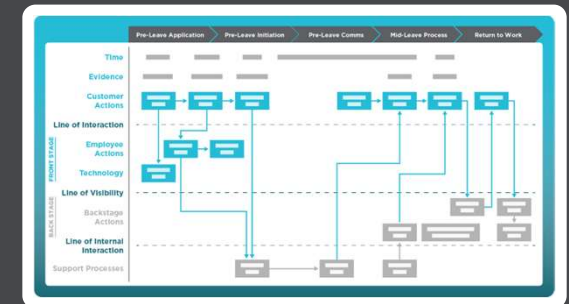
User-experience design should be incorporated into the traditional process design approach. Layer the journey maps into future state process maps before finalizing processes
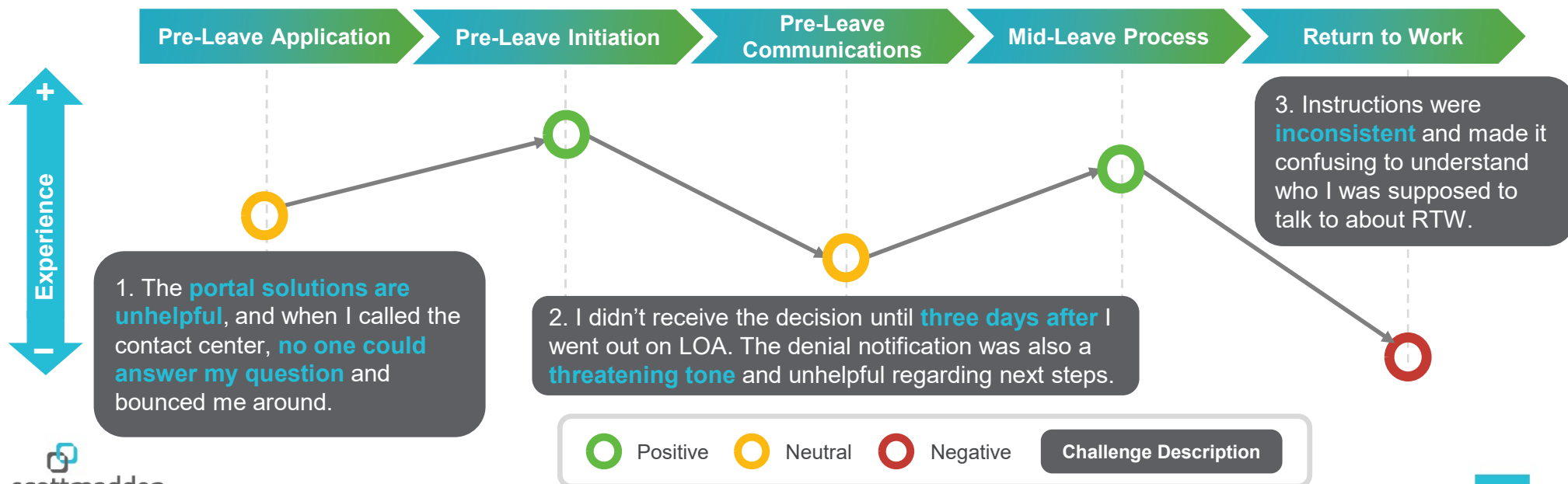
Service Blueprint: How It Works

The key elements in every service blueprint include:

1 **Customer Actions**

Actions completed by the customer or actions/notifications resulting from other parts of the process (e.g., "Receive LOA decision")

2 **Frontstage**

Actions from the customer support or technology interfaces (e.g., direct access) that the customer can see or interact with

3 **Backstage**

Actions from customer support, vendors, etc. that are not visible to the customer but support the frontstage activities

4 **Support Processes**

Processes that support the internal team or vendors in supporting the service delivery
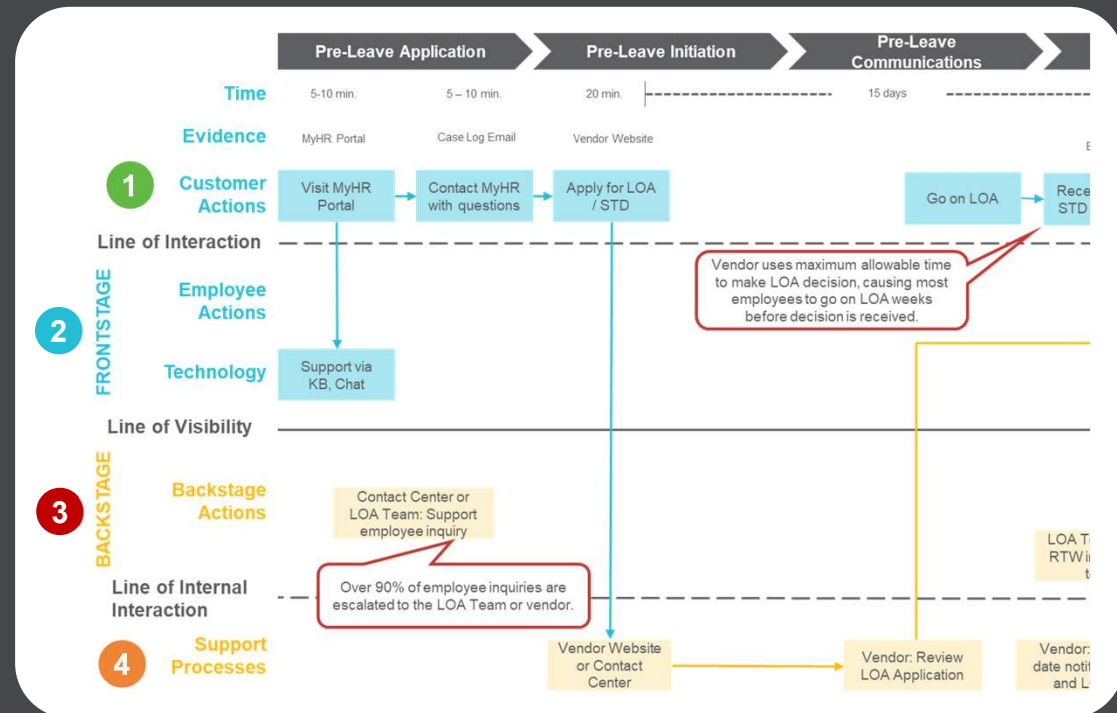
Technology and Data

Explore Impact of Generative AI

Imbed Continuous Improvement

Expand Data and Analytics

Enabling Technologies Maturity Curve

Consumer-grade solutions are desired by employees

As organizations invest in solutions, they should ensure they are <u>moving up the maturity curve</u>

Personalized, intuitive, and intelligent solutions

Integrated solutions

Siloed solutions
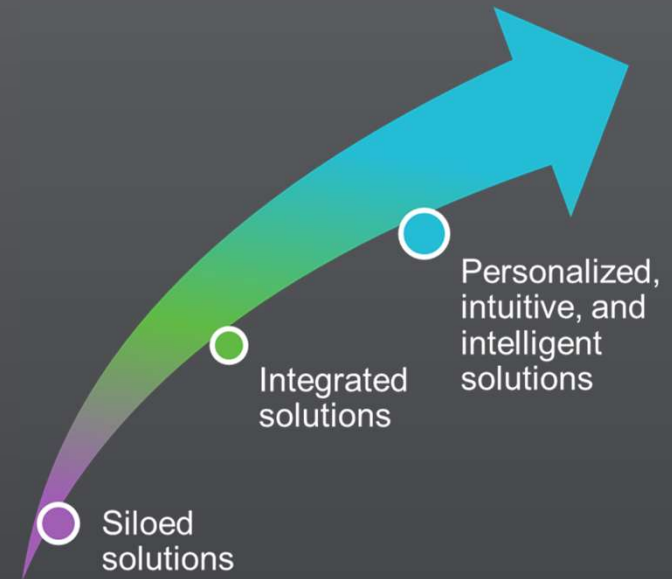
A well-designed and integrated suite of solutions enhances the employe experience, increases efficiency and productivity, and improves communication

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Intelligent Automation's (IA) Impact on Organizations over the Years

In recent years, corporate services has witnessed a significant adoption of IA technologies to streamline operations, automate repetitive tasks, and improve customer interactions.

Chatbots
Chatbots for basic inquiries and support

Predictive AI
Pattern recognition for decision support and discrepancy insight

| **2015** | **2016** | **2018** | **2019** | **2023** |

RPA
Integration with enterprise systems for end-to-end process automation

Conversational Agents
Cognitive query handling and personalized assistance

Generative AI
Content production, customer and market insight, better scenario playing

These solutions are becoming more and more and more integrated enhancing automation by combining task execution, data analysis, and user interaction for more efficient and intelligent workflows.

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What Is Different about Generative AI?

Generative AI refers to a type of artificial intelligence that can create new content, such as text, images, audio, and video content, by learning from existing data patterns. It expands AI capabilities to generate realistic and creative outputs.

Generate dynamic and context-specific responses for chatbot

Create personalized marketing content and campaigns

Improve the accuracy of image recognition systems

Create unique and realistic images for visual content

Language
Marketing (Content), Reporting, Training, Code Development, Gene Sequencing

Visual
Video Generation, 3D Models, Design, Image Generation

Auditory
Audio Generation Transcription, Voice Recognition

Generate voiceovers for videos, presentations, and audio recordings

Produce natural-sounding speech for voice-based customer interactions

And more…

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Technology and Tools

Projected Impacts of GenAI on the Shared Services Delivery Model

TIER 0

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

Shared Services Center Delivery Model

TIER 1 — *Problem Resolution*

TIER 2 — *Advanced Issue Resolution/Complex Transactions*

TIER 1 — *Processing*

Corporate

TIER 3

Centers of Expertise

Business Unit Support/Advisement
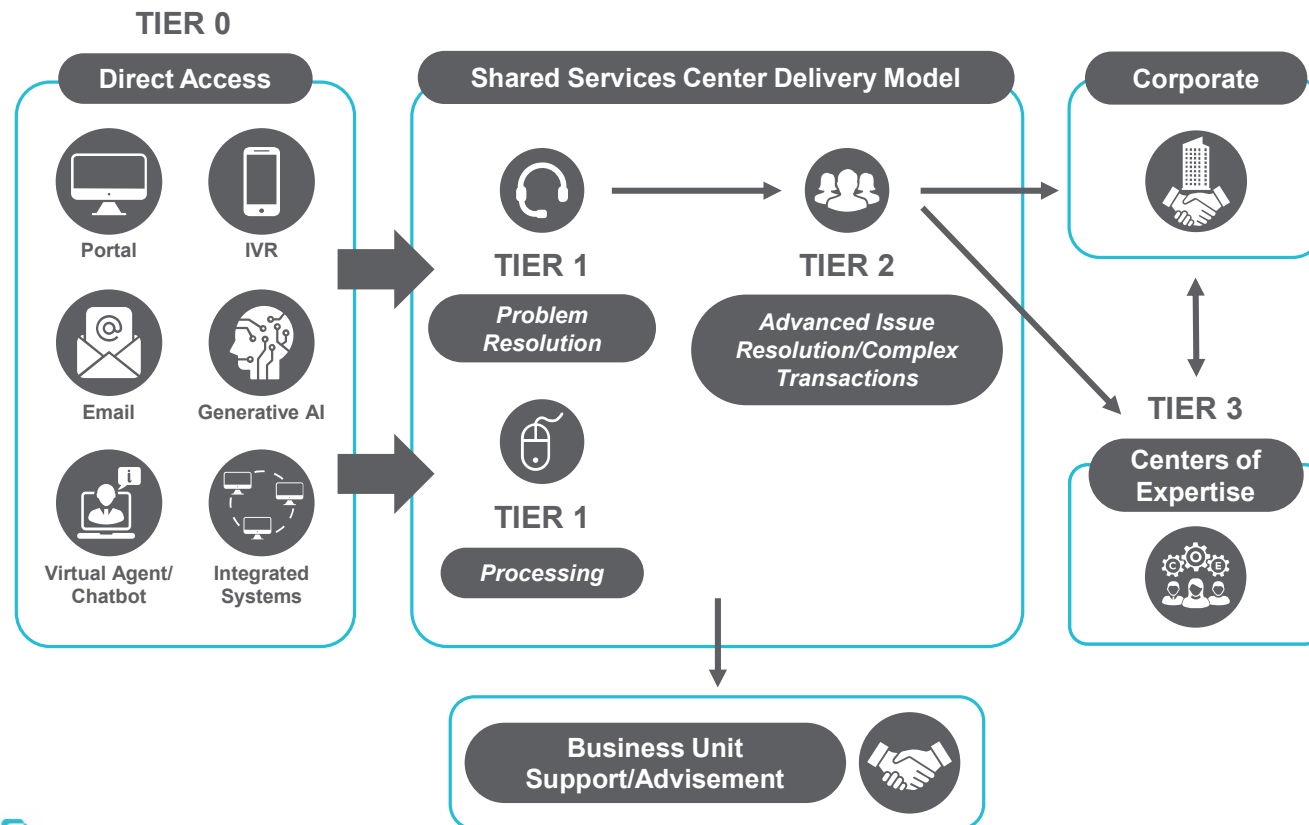
HUMAN EFFORT

TIER 1: ↓ **30-60%**
(5-year: 50-80%)

TIER 2: ↓ **20-40%**
(5-year: 40-60%)

TIER 3: ↓ **10-20%**
(5-year: 30-50%)

Technology and Tools

How AI Shifts the Delivery Model

Unified AI Intake
One front door
Personalization ↑
Access ↑ · Resolution ↑

Silo Elimination
Single case across functions
Handoffs ↓ · Rework ↓
Cycle time ↓

Enhanced Design
Integration + alignment
Shared KPIs ↑ · CX ↑
Org strategy support ↑

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Technology and Tools

Roles Change & Skills Shift

A de-emphasis on function and business unit knowledge.

TODAY	WITH AGENTS	SKILL NEEDS
➤ Intake via email/portal	➤ Unified intake	**Prompt/agent design**
➤ Policy lookup, manual routing	➤ Policy Q&A auto-resolved	**Workflow orchestration**
➤ Forms/letters created by hand	➤ Forms/letters auto-drafted	**QA & exception handling**
➤ Manual eligibility checks	➤ Cross-app workflows	**Controls & compliance**
➤ Status updates & follow-ups	➤ Exceptions reviewed; prompts improved	**Data analysis & metrics**
➤ Manual escalations & handoffs	➤ Case summaries for handoffs	**Project/change management**
➤ Excel trackers, ad-hoc reporting	➤ Built-in audit trail & metrics	

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Technology and Tools

Example: Workforce Planning

How the capability matures with technology

ASSIST   ACT   ORCHESTRATE

GEN AI

➢ Forecast from history & seasonal demand

➢ Generate plain-language summaries

AI AGENT

➢ Simulate scenarios to balance cost, SLAs, coverage

➢ Recommend hires, shifts, reassignments

AGENTIC AI

➢ Match staffing to demand with networked agents

➢ Auto-rebalance capacity across sites & roles

HUMAN IN THE LOOP | Prompt · Review · Approve · Audit

Technology and Data
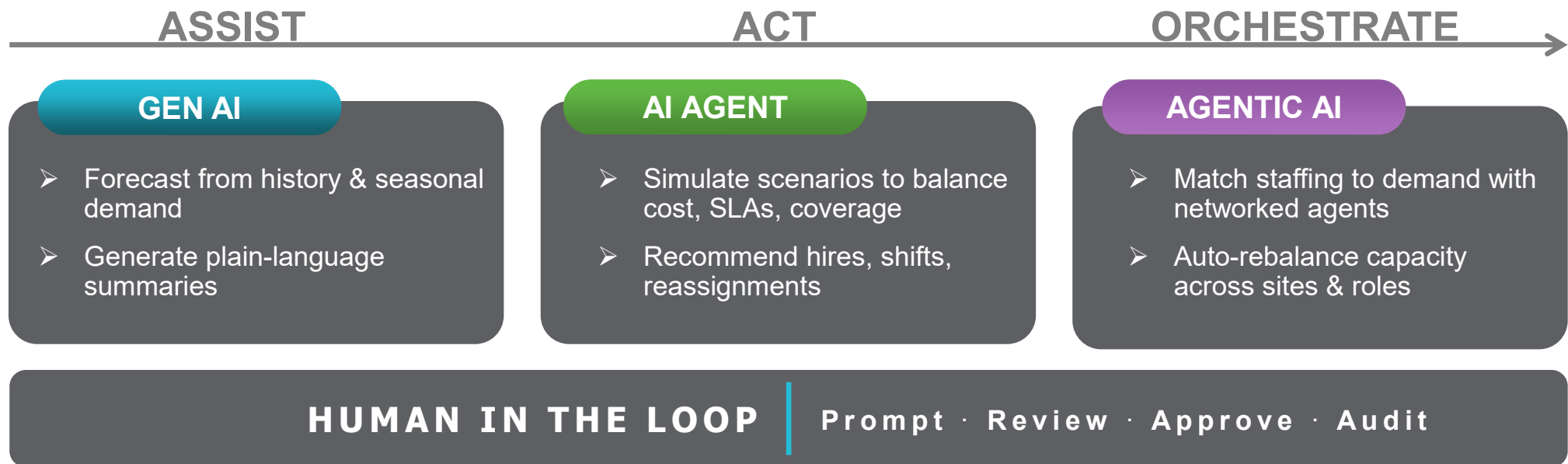
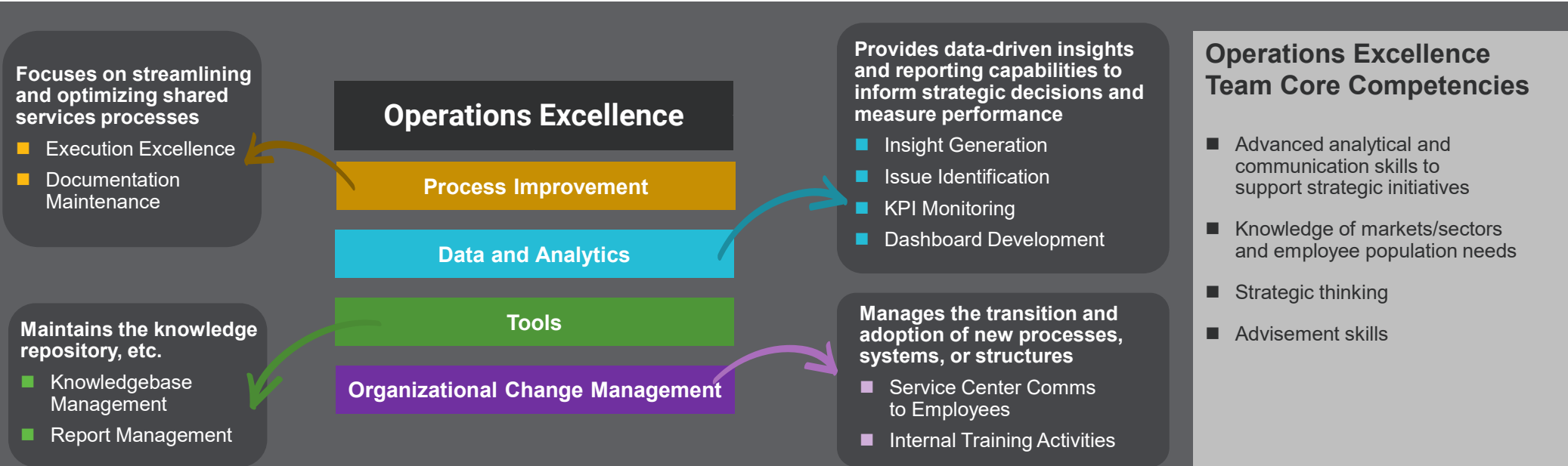# Imbed Continuous Improvement in Shared Services

Continuous improvement is the backbone of shared services, *driving efficiency, elevating service quality, and creating sustained organizational value.*

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Technology and Data
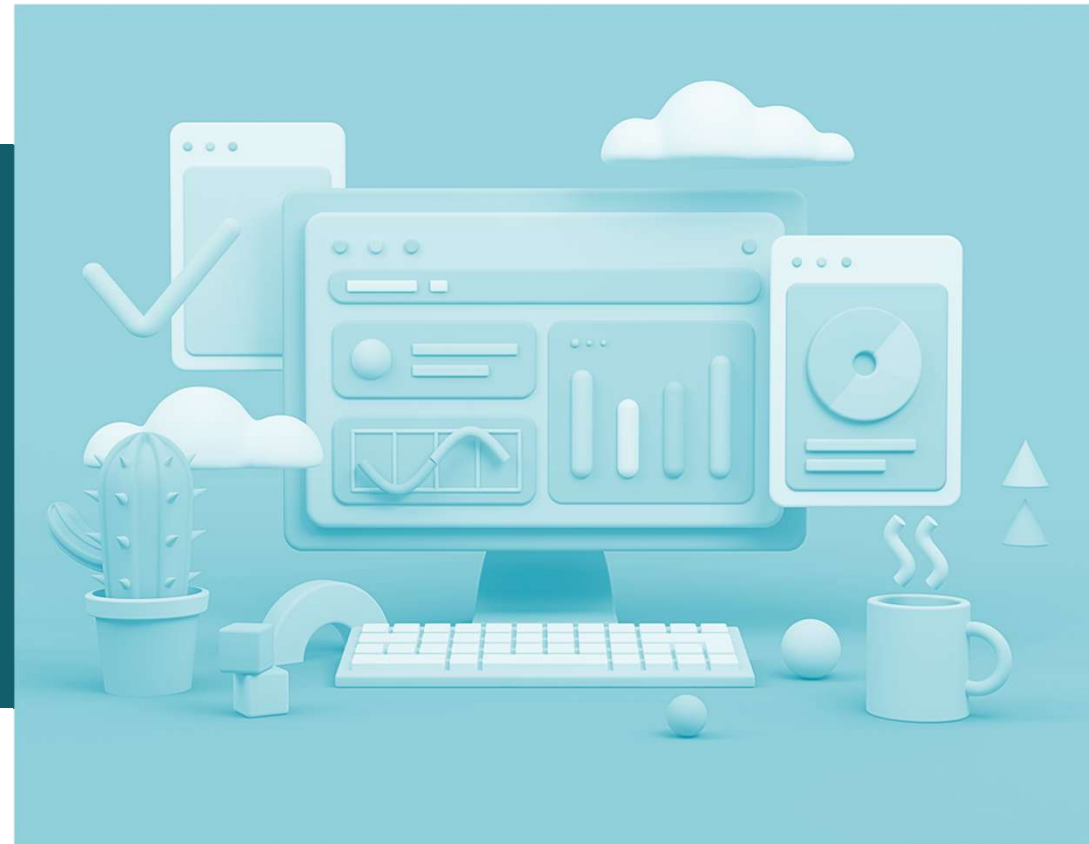
Operations Excellence (Continuous Improvement) Team

Operations Excellence team responsibilities include:

- Supporting the service delivery model by identifying opportunities to enhance service center quality and improving processes and performance
- Assisting with special projects (e.g., enhancing service center technologies, improving processes, developing/delivering educational programs to the broader staff)
- Ensuring delivery quality and consistency across the service center organization

Focuses on streamlining and optimizing shared services processes
- Execution Excellence
- Documentation Maintenance

Operations Excellence

Process Improvement

Data and Analytics

Tools

Organizational Change Management

Provides data-driven insights and reporting capabilities to inform strategic decisions and measure performance
- Insight Generation
- Issue Identification
- KPI Monitoring
- Dashboard Development

Maintains the knowledge repository, etc.
- Knowledgebase Management
- Report Management

Manages the transition and adoption of new processes, systems, or structures
- Service Center Comms to Employees
- Internal Training Activities

Operations Excellence Team Core Competencies

- Advanced analytical and communication skills to support strategic initiatives
- Knowledge of markets/sectors and employee population needs
- Strategic thinking
- Advisement skills

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Data and Analytics Functions Are Evolving

*The dbt Labs 2025 study found **40% of organizations increased analytics headcount** in 2024, up from just 14% the prior year, while **30% boosted budgets***

Success Factors for Data and Analytics Functions

Align Analytics with Business Strategy	Cultivate a Data-driven Culture	Democratize Access to Reports and Dashboards

Develop a robust framework

- Connect analytics with broader organizational goals

- Establish KPIs that drive measurable impact on business outcomes and demonstrate the value of strategic initiatives

Foster a culture that prioritizes data-driven decision-making

- Encourage shared services professionals to leverage analytics in their strategies and daily operations

Implement user-friendly reporting tools and interactive dashboards

- Empower staff and leaders to independently access and analyze data

- Promote transparency

- Foster a collaborative environment for data-driven decision-making

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Technology and Data

Metrics Should Address Multiple Objectives

Leaders should select multiple, comprehensive metrics. Every metric does not need a target.

Productivity and Efficiency
- Volumes of activities or transactions/tickets processed
- Volumes per period, per FTE, per cost/revenue
- Process cycle times or aging

Quality and Reliability
- Success rates of meeting service level agreements or other goals
- Customer satisfaction results or other qualitative results
- Error rates (per 1,000 transactions, etc.)

Service Value
- Impacts to employees, user experience, or downstream internal business partners
- Revenue increase, cost reduction, or cost avoidance

Strategic Initiatives
- Direct impacts to strategic initiatives, e.g., revenue-enhancing RPA/AI
- Other leadership priorities

Performance against targets should inform leaders how well the function is performing

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Technology and Data

Dashboard Design Principles

Users have a great experience viewing dashboards, when the dashboards include the following attributes:

SIMPLE

- **Clean and uncluttered**
- **Calculations defined and labels concise**
- **Visualizations highlight "key takeaways"** (e.g., graphs, tables, icons)

RELEVANT

- **Dashboards tailored** by audience
- Metrics **align with strategic objectives** and operational goals
- **Context provided** on benchmarks, targets, etc.

INTERACTIVE

- **Drill-down capabilities** enable investigation
- **Simple narratives** provide context, explanations, and/or recommendations
- **Interactivity balanced with simplicity**

Wrapping Up

HOUSEKEEPING ITEMS

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

Access our workshop deck!

STOP BY SCOTTMADDEN'S BOOTH

- Bring your questions or shared experiences to talk with us in more depth
- Pick up a copy of our latest GBS report
- Drop a card to gain access to shared services insights and helpful resources

ATTEND A CLIENT PRESENTATION

- Join us tomorrow from 3:30-4:15
- "Respect the Culture, Drive the Change: What They Don't Teach You About Transformation in Strategy School"
- Presented by Dahlia Rigsby, Director of Finance Shared Services at West Fraser
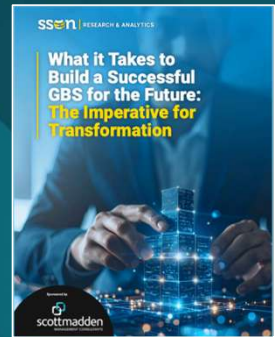
Thank you for participating in today's workshop and enjoy the rest of the conference!

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