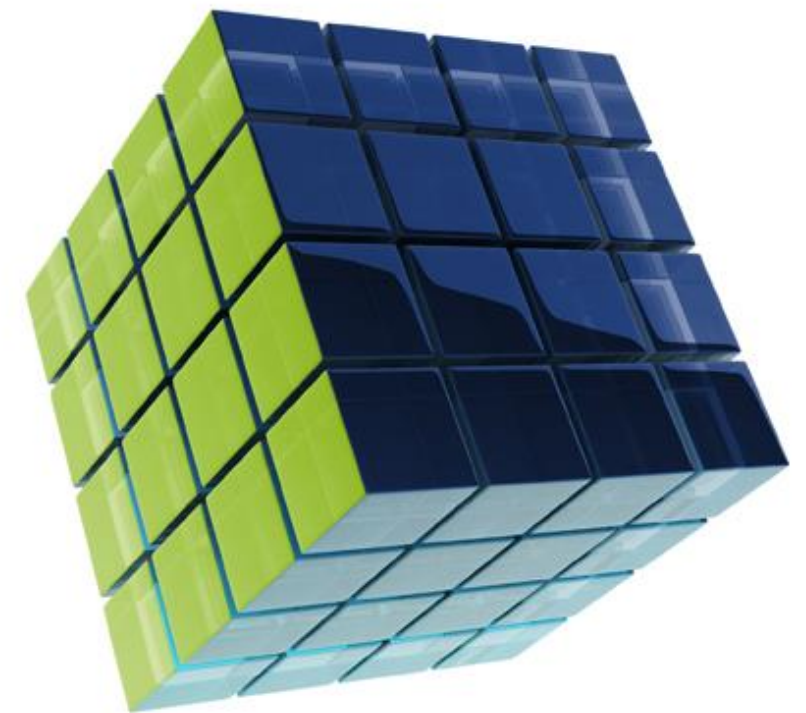


## Annual Shared Services and BPO Conference 2013

Reducing reliance on retained finance organisation - what benefits and opportunities does this create for shared services

Dorthe Keilberg



# Which part of the journey are you entering?

We are **considering** establishing shared services / outsourcing in our company

We have **begun** implementing shared services / outsourcing in our company

We are **expanding** the scope in our existing shared service organisation / outsourcing



# Agenda

When is it relevant to consider consolidation of small entity back office activities into bigger clusters?

What are the design principles that creates the right outcome?

What are the typical roadblocks you will meet?

How might this support a move to global business services?

What can you do to ensure that internal customers support the changing set-up and connect to the right people?



Why is it relevant to consider consolidating small entity back office activities into bigger clusters?

# What drives the need to consider this at all?

External factors  
Increased international business models

Shared services  
Lean admin  
Bottom line focus

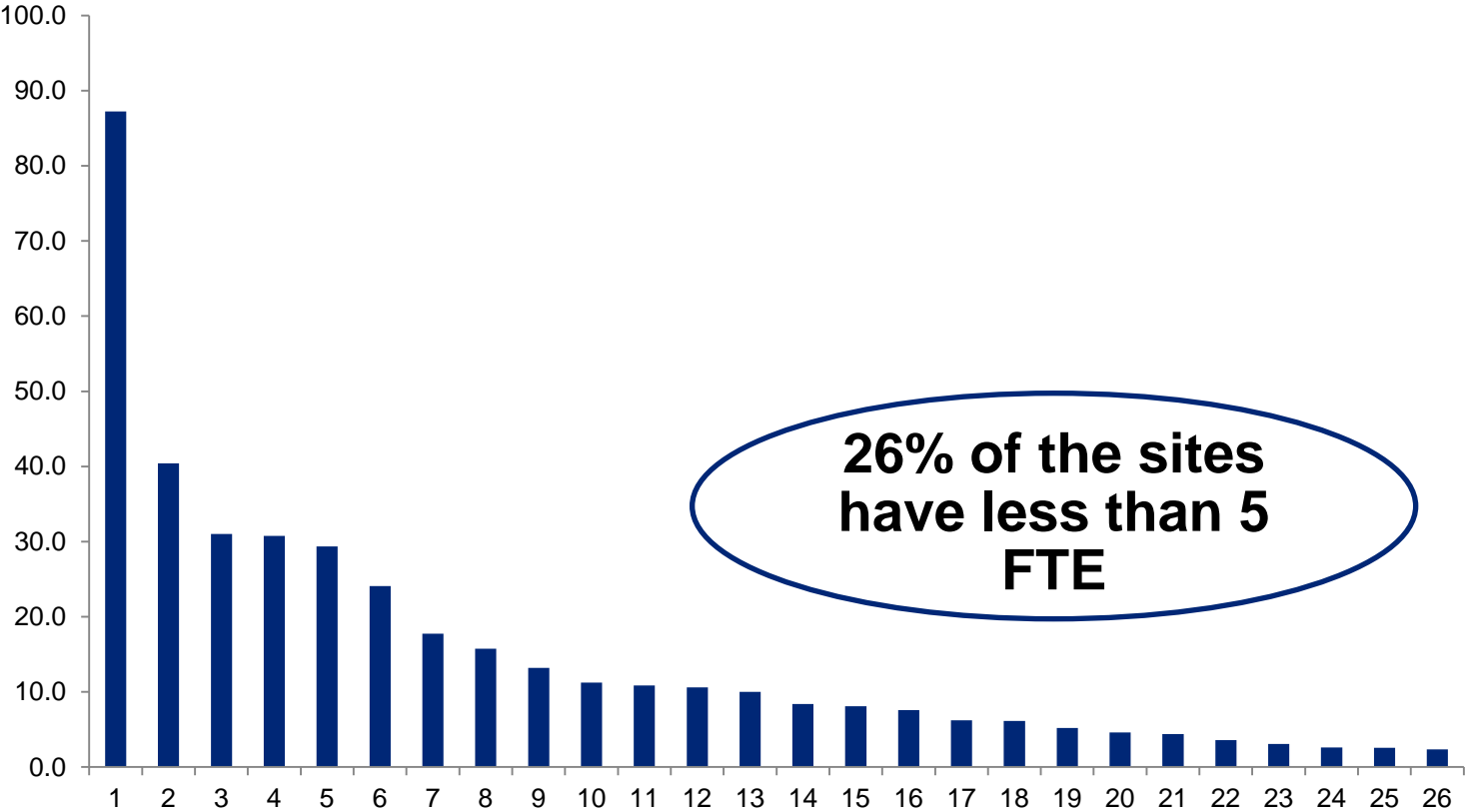
A number of local entities are left  
with a very limited back office



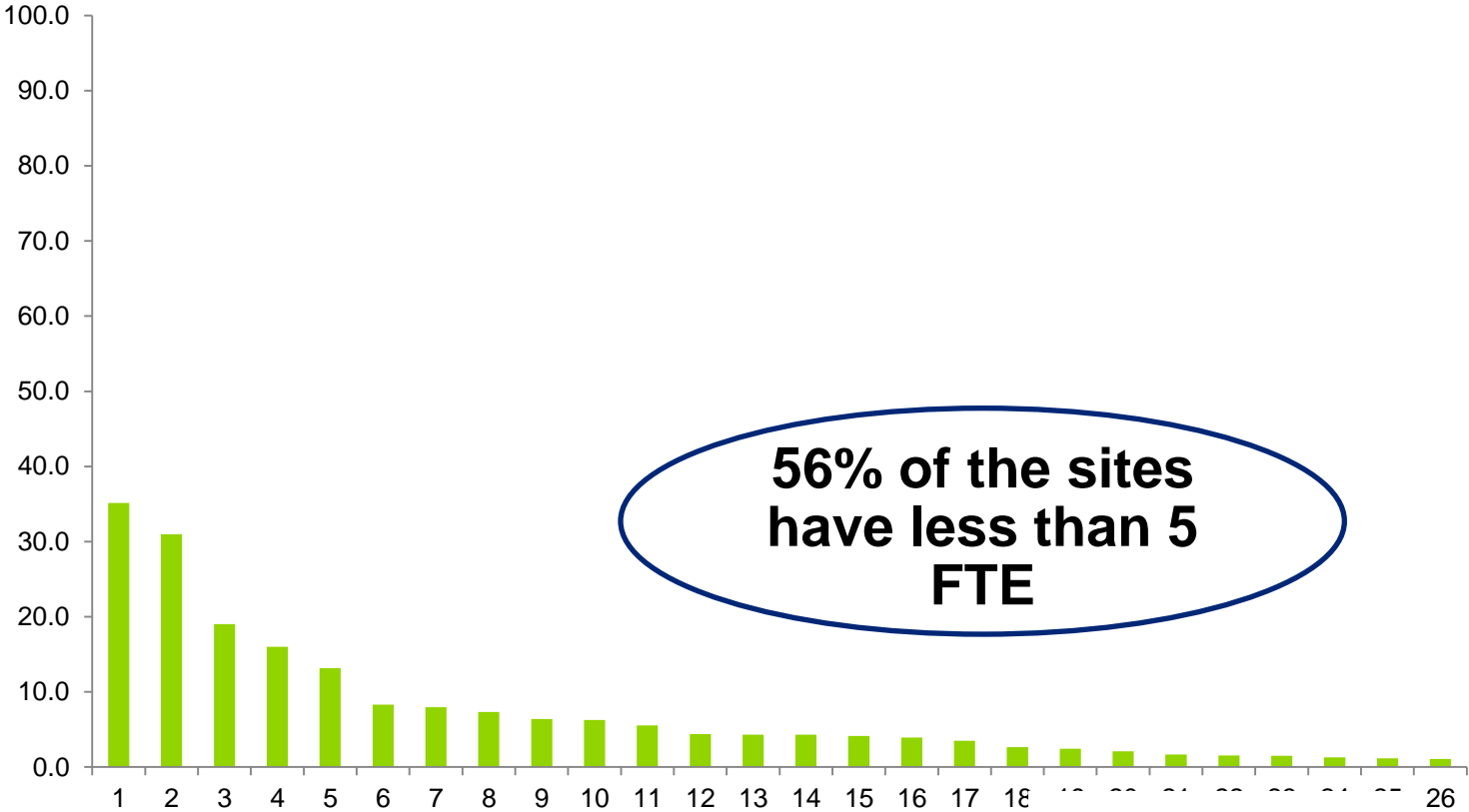
# The set up in a global service company

## Before and after a service centre migration

### As-Is Finance FTEs per site



### To-be Finance FTE's per site excl. the SSC

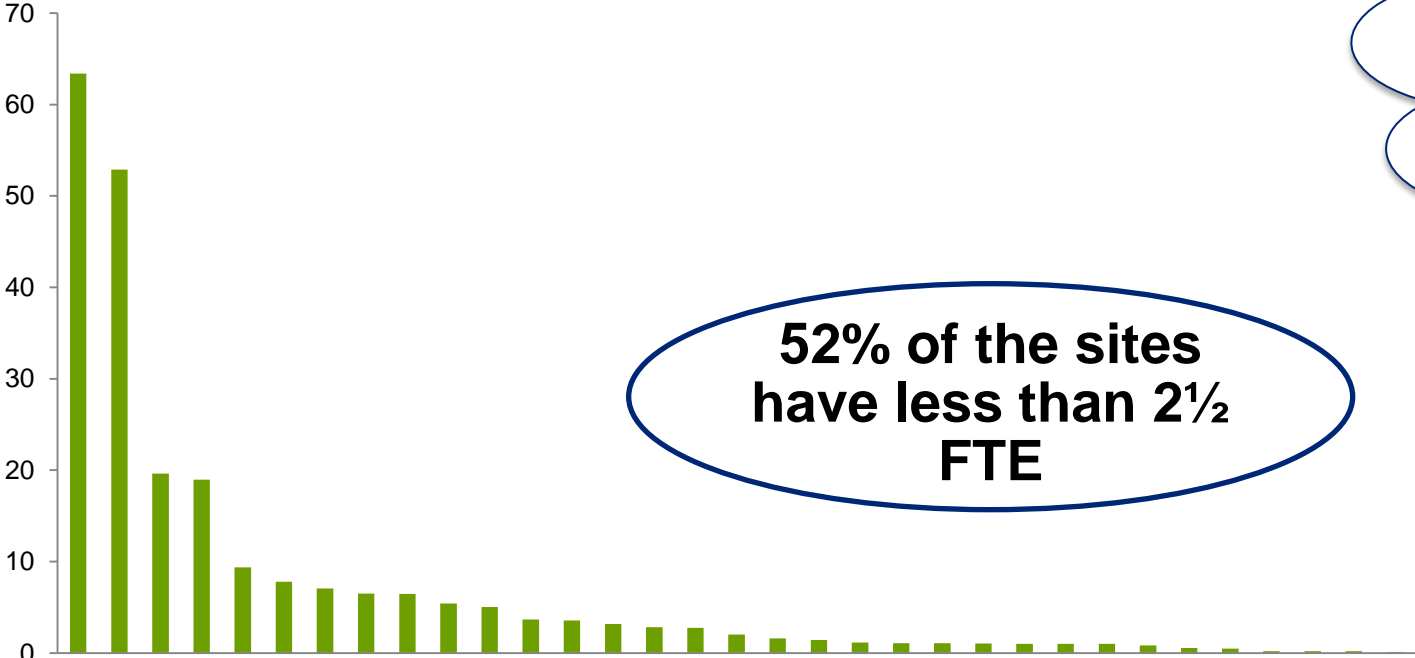


# The set up in a typical international service company

## Before and after a service centre migration

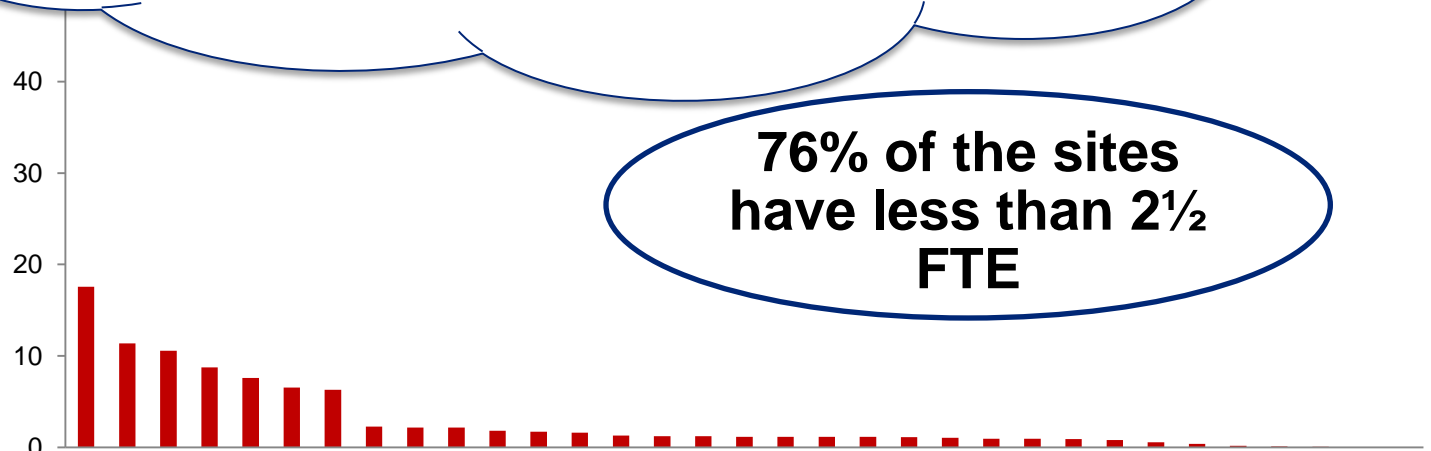
### As-Is Finance FTEs per site

Including the service centre with 29% of the staff



### To-be Finance FTE's per site

3/4 of the locations will be too small to ensure proper career development and justify a business partnering setup



# The practical challenges of the finance function become apparent

The finance staff is responsible for handling a variety of tasks within the admin and back office area



- and which kind of finance talent is attracted to this...?





# The competency challenges of the finance function are equally big

How to attract the right skills and serve the business as a business partner...



# What if we consolidate...?

Consolidation can serve as an enabler to eliminate these issues and to drive the implementation of a more optimal finance setup



## What does it take

- Clustering of activities.
- Non finance activities are moved back to source or outsourced.
- Compliance related tasks are outsourced.
- Clear roles, responsibilities and governance.



## What do you get

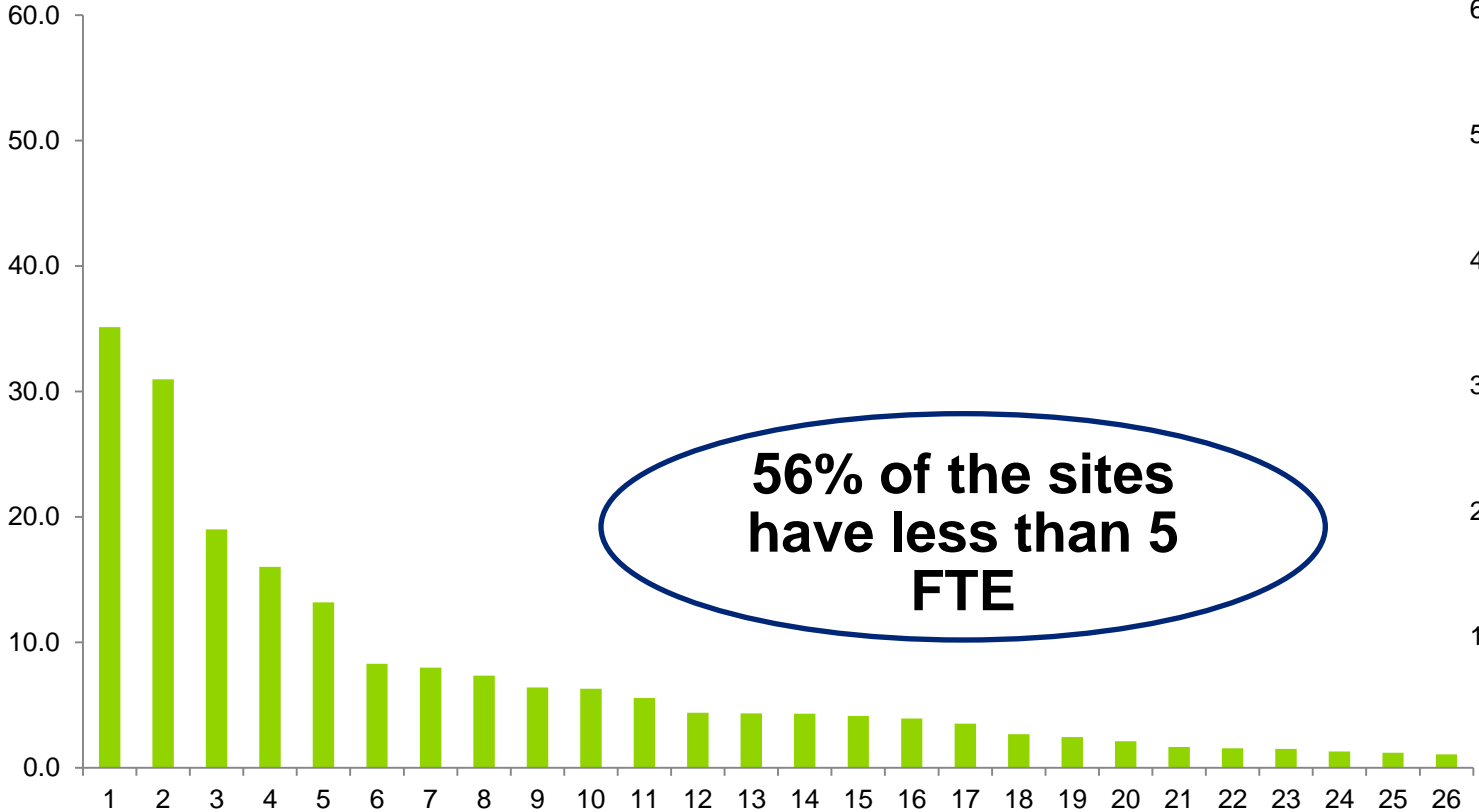
- Centralisation of knowledge.
- Optimized finance setup.
- Focus on business partnering.



# Recall the to-be set up in a global service company?

Assuming consolidation strategy implemented

### To-be Finance FTE's per site



### To-be Finance FTE's per cluster



What are the design principles that create the right outcome?

# The local organisation is impacted the most by a shared service migration



*Service centre*



*Retained organisation*



# Principles for the design

The design principles need to cater for supporting the future finance model and at the same time supporting the local business requirements



New ways of working locally.



Effective contact model and tools in place.



Enabling tools in place (workflow, electronic archiving, translation tools).



Common language and definitions.



Split of delivery (operations) and development (new initiatives) within finance.



Service manager function in place per location, physical or virtual.



Governance structure and policies in place.



# Service delivery model in practice



What are the typical roadblocks you will meet?



# Why is consolidation so difficult to get consensus to do?

What are the typical road blocks

Resistance locally to let go of direct people leadership and orientate local finance outwards towards the business instead of inwards and into the details of day-2-day operations.

**Language  
requirements**

**Business knowledge**

**Physical presence**

**Legal & Compliance**

## A true road block or?

Is it possible to implement solutions that minimize the language requirements?

Does business partnering require same address as the functions they serve?

Physical presence really necessary?

Do you have to have the tax manager on your payroll?

How might this support a move to global business services - GBS?

# GBS – why only move finance out of the local office?

Can we eliminate local admin by consolidation and outsourcing?

- GBS generates scale for administrative efficiency gains.
- GBS size supporting investments in contact centre solutions.
- GBS enables a more lean support engine to the business.
- Creates ability to support business with an overall service framework.
- Can make it easier to the external parties without complicating it for the locals.

What can you do to ensure that internal customers support the changing set-up and connect to the right people?

## On top of the general change management effort, you need to focus on adding value from day one

- Ensure that the new set up is enabling a **better service experience** at the same price or cheaper.
- Establish a **dedicated point of contact** and more qualified / faster resolution due to knowledge bank.
- Establish **visual management systems** established for one vision as well as the enabling technologies.
- **Fast and efficient.**
- **Proactive** rather than reactive.
- Handling of the administration / sourcing contracts so local office is a **plug and play** for the local departments.

# Don't forget the elements of best practice...



Budget for increased travelling.



Clear roles and responsibilities.



Educate your business in how to work with the new set up.

Thank you





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