



# Discussion Forum

## Shared Services Optimisation

**Shared Services, Global Business Services and  
Business Process Outsourcing Conference 2014**

**19<sup>th</sup> – 20<sup>th</sup> November 2014**



# Discussion forum: Shared services optimisation

## Structure - Maturity assessment framework

The conversation was structured around the below four dimensions and twenty capability areas from Deloitte's Shared Services Optimisation Approach normally used to assess the maturity and identify areas to invest in order to optimise.

To provide the basis for an interactive, engaging and interesting session, participants were asked to vote for 4-5 topics of the below which they would be interested swapping ideas with peers and hearing real life examples of optimisation work.

The 4 topics below got the most votes and were discussed further in the discussion forum.

### Strategy

The extent by which the organisation's vision and strategy are aligned to take advantage of emerging trends and add value

**Scope of Service:** Does the SSC include higher end as well as transactional processes? More than a single function?

**Location of Services:** Is the location optimised from a service delivery and cost perspective?

**Business Planning:** Is planning based on as-is within processes or cross processes involving customers and stakeholders?

**Mission / Vision:** Is the vision understood by centre employees and stakeholders and integrated into the organisation's culture?

**Value:** Is the SSC value proposition included in the overall back office service delivery planning and followed up on?

### Service delivery

Structures in place focused on improving performance, customer satisfaction, service quality and cost efficiency

**Performance Management:** Are objectives measurable, defined, tracked, benchmarked and tied to overall business objectives?

**Governance & Issue Resolution:** Is the governance set up to drive performance, decisions and strategic relevance?

**Customer & Vendor Management:** Are customer service and customer relationship management practices in place?

**Sourcing:** Is the sourcing strategy and execution continuously evaluated blending captive and outsourced models?

**Continuous Improvement:** Is a CI culture developed, investments made in tools and dedicated CI role(s)?

### Organisation

The effective management and organization of people to foster a culture of customer service and add value

**Organisational Structure:** Is the structure aligned to mission, vision, values, and strategies?

**People Management:** Are incentives aligned with performance and recruitment considering skills for current and future needs?

**People Development:** What is the level of development of personnel, focus on cross-training and non-functional development?

**Culture:** Is there a strong GBS/SSC culture and brand with an attractive employee value proposition and a clear business value?

**Recruitment:** Are processes, tools and performance measurement constantly enhanced and benchmarked?

### Operations & Technology

Key activities and technologies associated with managing processing, customer interactions, and operations management

**Process:** Are standard processes, governance and compliance measurement implemented and continuously improved?

**Technology:** What is the level of automation at the shared services centre?

**Controls:** Is the risk management defined, and are procedures and tools operational?

**Program Management:** Has the GBS/SSC resident program management skills and tools?

**Facilities & Infrastructure:** Are the facilities designed to allow collaboration and growth within and across departments?

# Discussion forum: Shared services optimisation

## Output – points made by participants

The following are some of the many points made during the discussion. These are points provided from the forum to show on practical examples of steps taken to optimise the shared service operation and not a best practice presentation from Deloitte.

### Scope of Service

- Does the SSC include higher end as well as transactional processes? Significant drop when asked who has moved into controlling - Not many has looked into controlling
- Examples of in-scope controlling activities :
    - Preparation of budgeting; collecting data from Finance, data analysis and commenting
    - What-if analysis remains locally, everything else in the SSC (75% of scope)
    - Support in building reports, reviewing analytics, forecasting
  - First step is the toughest - once established success, it is easy to sell
  - Anything should have done differently? Start earlier! Stronger mandate from top-execs would have helped instead of too much talking
  - Tech aspect: is a key component - at same time as centralising, they implemented people soft - some people mixed things so SSC was blamed for people soft problems - separate changes! But once tech is up-and-running it's a great enabler

### Performance Management

- Most have not got SLAs and KPIs - more qualitative feedback framework.
- Only one person satisfied with SLAs and KPIs! - Why a success? 25 SLAs, 40 KPIs for all processes
- KPIs for AP and AR are simple, difficult for GL
- Customers like SLAs to see a stable process delivery - KPI discussion should move towards an end-to-end value creation measure instead of measuring a transaction
- No SLAs, only KPIs - better way of asking the customer, "what is important to you"
- How are you getting hands on data for SLAs and KPIs? Macros extracting from ERP system, no easy access, manual work out of ERP/BI, no trust in calculations - difficult and time consuming to calculate KPIs
- SAP BPC: pulls Finance KPIs automatically for Finance, rest is manual
- No nice dash-boards - but building one (Oracle). BPC, monthly package with many KPIs but also with personal MGMT touch (live up to date dash-board, BPO setup)

### Customer Management

- How to interact?
  - Daily interactions with customers? (questions, requests etc)
  - Customer interaction tool? Salesforce with dashboard connected to Tableau; AP, Procurement, P2P, supplier and customer interaction coming in on email (not many are using systems)
- Tool?
  - Combination of ticketing system and a helpdesk
  - Salesforce: used as case MGMT system for external, internally using mailboxes
- Customer surveys – reflecting reality?
  - Immediate feedback on services - fresh in mind
  - Powerful in conversations in performance discussions with the customers
  - Changes in processes upon results - using feedback to identify areas of improvement

### Continuous Improvement

- Who has set targets? Few with CI targets in SSC (4-5)
- Example of targets? FTE reductions per process while maintaining quality + 10% of staff dedicated to CI. Should have targets to demonstrate value delivered
- Who has dedicated CI resources? Few (5-6)
- How are they organised? 1 person in the role, with six sigma green belt for all leaders, and white belt for all team members
- Daily Kaizen meetings? Dashboards / white boards. Successful within AP and AR, GL is hard (AP, 2-3 times a week, GL weekly) (10-20 min) Agenda is review of yesterdays KPIs, planning of the day, and defects. Important to ensure maintaining focus on what's important, example: defects, issues
- Rewards? Social events, not embedded into incentives yet, Premium is form of money, small for quick-wins, e.g. dinners, for projects bonuses, Glass trophy to display on desk and picture on boards and the choice of iPad, expensive dinner or spa treatment, Important for them to show their insights

# Shared services optimisation – in practice

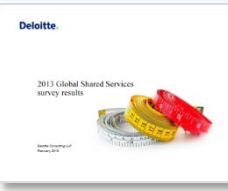
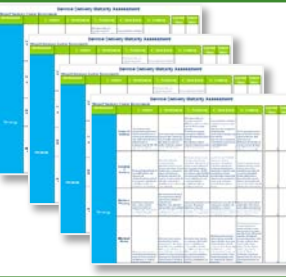

## Deloitte's approach to optimisation



### Check your engine! Why?

Increasingly, organisations with existing shared services operations are asking questions such as: How are we really doing? How do we stack up against leading practice? Which areas should we improve? Our shared services optimisation approach offers a means to help you answer these questions. It combines a comprehensive maturity model assessment showing best practice, a voice of the customer review and quantitative assessment against relevant SSC benchmarks. This leads to specific and actionable improvements, business case and a road map recommendation.

### Approach and core deliverables

### Hosts

|   |  |   |
|---|--|---|
| <p><b>QUANTATIVE</b></p> <p><b>KPI benchmark</b></p>                                    | <ul style="list-style-type: none"> <li>Benchmark KPIs using Deloitte's benchmarking centre give a high level idea of the size of and where the opportunities lie.</li> <li>Specific and relevant benchmarks for SSCs derived from Deloitte's biannual SSC survey of global trends and thinking in the field based on data collected from 250+ SSC operations globally.</li> </ul>  |    |
| <p><b>QUALITATIVE</b></p> <p><b>Maturity Assessment &amp; Voice of the customer</b></p> | <ul style="list-style-type: none"> <li>Our shared services maturity tool assesses shared services organisations on four dimensions and twenty capability areas (shown overleaf) across five maturity levels.</li> <li>Using information from interviews, data gathering and workshops, a robust assessment is conducted evaluating the current and desired future state.</li> <li>Feedback from key stakeholders and customers play a pivotal role in securing strategic relevance and operational success.</li> </ul> |   |
| <p><b>OPPORTUNITY</b></p> <p><b>Optimisation recommendation</b></p>                     | <ul style="list-style-type: none"> <li>Identify efficiency and/or effectiveness improvement opportunities.</li> <li>Show benefits and value that could be unlocked as well as investments required.</li> <li>High-level road map, dependencies, prerequisites and risks.</li> </ul>  |  |

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