



Annual Shared Services GBS & BPO Conference

19-20 November 2014
Edinburgh



Conference App download
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Deloitte.

Focus:

Building quality & consistency of service & improving staff engagement with well-chosen, well-applied people management tools

Jon McGrane

Heathrow



Heathrow Airport Group - Overview

2013	Heathrow	Glasgow	Aberdeen	Southampton	TOTAL
PAX	72.3m	7.4m	3.5m	1.7m	84.9m
Revenue	£2,469m	£90m	£62m	£27m	£2,652m
EBITDA	£1,383m	£32m	£25m	£8m	£1,441m

Heathrow:

- Number of airlines: **82**
- Number of destinations served: **180 (in 85 countries)**
- Busiest year ever recorded (passenger numbers): **2013 with 72.3 million**
- Percentage of international passengers in 2013: **93% (67.3 million)**
- Percentage of business travellers in 2013: **30% (20.7 million)**



Business Support Centre - Overview

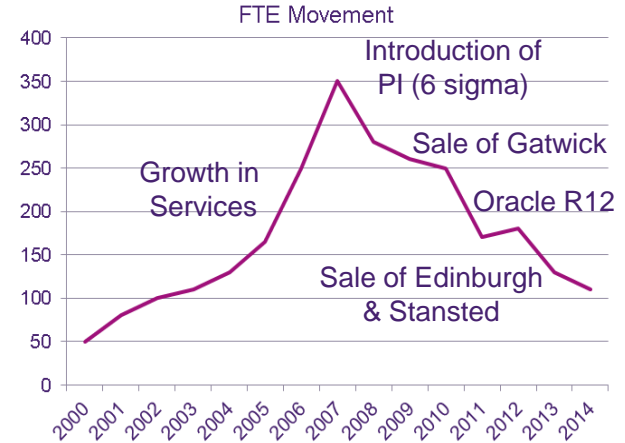
- Provides: Finance, HR and ID Security services to:



- Established in 2000
- Based in Glasgow
- Currently employs c.120 FTEs
- Uses Oracle R12
 - Full re-implementation from 11i in Oct '11

Background

- 2010 to '14: Period of rapid change
 - Airport Divestments
 - Migration of activity to new owners
 - SSC downsizing
 - ERP Re-implementation
- Focus on project delivery
- Lost focus on the basics
- Training & development of staff largely ignored



The Issues

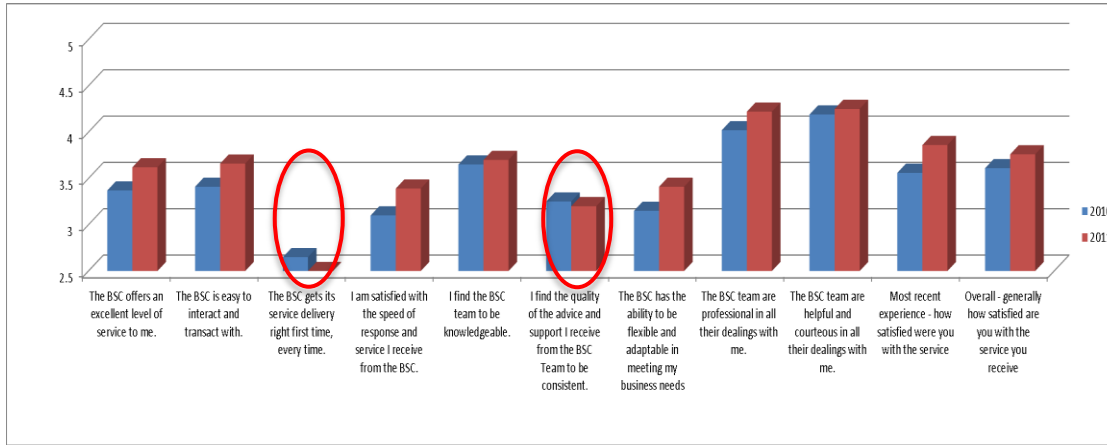
- Lost skills and expertise through downsizing & staff turnover
- Experienced staff were seconded to work on key projects e.g. divestments, ERP implementation
- Quality and customer service suffered
- Staff morale impacted
 - Pressure grew within teams and customer dissatisfaction increased



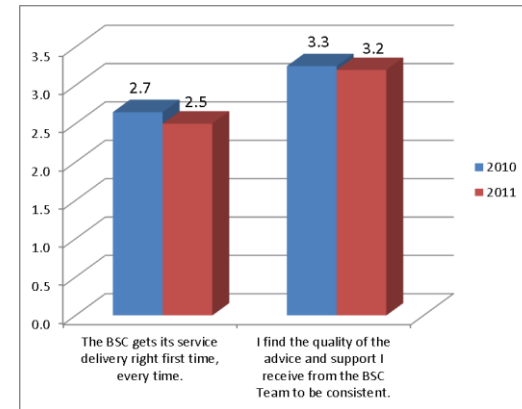
How Did We Know?



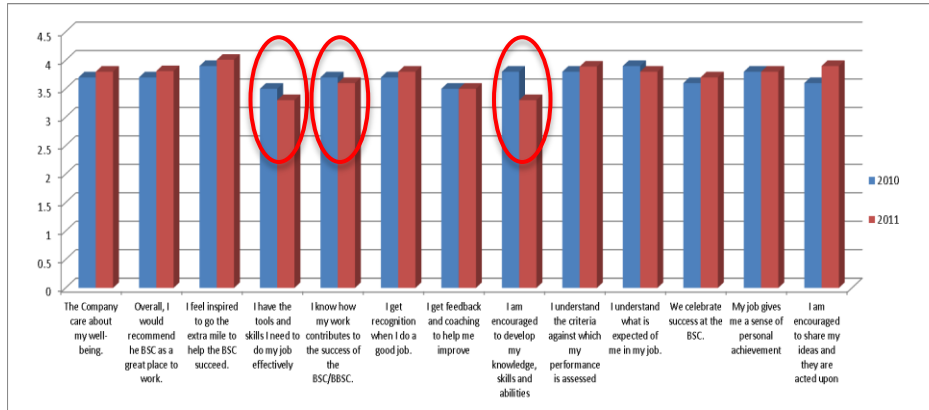
Our Customers Told Us



- Annual survey of c. 1,500 internal customers
- They told us service delivery was 'not good enough'
- Two of the lowest scoring areas were:
 - 'right 1st time'
 - 'consistency' of the service
- Analysing the cause told us there were gaps in both the knowledge and skills across the teams

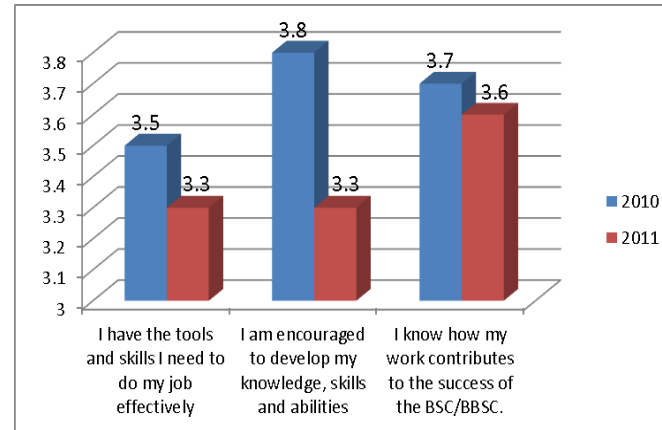


Our Employees Told Us



- Annual survey of all staff
- 3 of the lower scoring areas were:
 - *'I have the tools / skills I need'*
 - *'I am encouraged to develop'*
 - *'I know how I contribute to the success of the SSC'*

- Overall staff morale was also deemed to be 'low'
- Analysis showed key contributing factors were:
 - *No alignment with strategy*
 - *Loss of knowledge within teams*
 - *Lack of staff development*



What Did We Do?

2012 – Went back to basics:

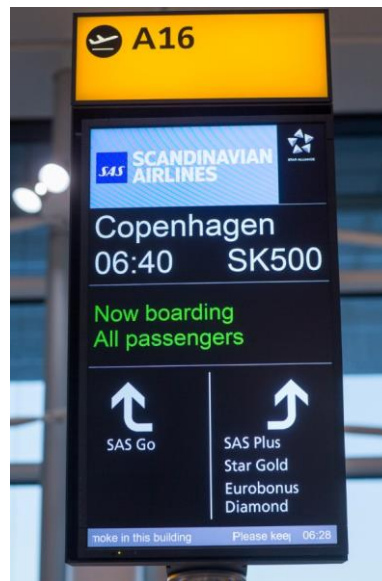
New Strategy based on 3 key themes:



To drive and deliver these, a number of tools were used

Engagement Tools

- Strategy Deployment
 - Business Balanced Scorecard
- Customer Engagement
 - Surveys
 - Net Promoter Score
 - VoC
- Process Compliance
 - Control Matrices
- Skills Management
 - Skills Matrix
- Visual management
 - Cockpit
- Communication
 - Daily Huddles
 - Monthly Team meetings
 - 1 to1's
- Recognition



Business Balanced Scorecard

- Key tool for the BSC's deliverables and short term strategy deployment
- Annual goals are cascaded to individuals and organisationally tracked through the Balanced Scorecard
- Scorecard made up of 5 sections:
 - Customer
 - People
 - Process
 - Projects
 - Transformation
- Scorecard made up of 100 points and drives the team bonus structure
 - 75 points at end of the year equates to a 7.5% team bonus
- Updated, reviewed and cascaded on a monthly basis ensuring relevance and buy-in

Business Perspective	Business Objective	Business Description	Target	Priority	Points Available	Calendar Yr/Quarters													
						Y1	Y1 Q1	Y1 Q2	Y1 Q3	Y1 Q4	Y2	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4				
Customer	Customer Satisfaction	Customer Satisfaction (measured by Net Promoter Score) to be improved by 5% over the period of the BSC.	85% (2023) to 90% (2024)	1	10														
	Service Quality	Service Quality (measured by Customer Satisfaction) to be improved by 5% over the period of the BSC.	85% (2023) to 90% (2024)	1	2														
	Efficiency - Cost of Service	Efficiency - Cost of Service (measured by Cost per Unit) to be reduced by 5% over the period of the BSC.	100% (2023) to 95% (2024)	1	5														
	Service Delivery - SLA's	Service Delivery - SLA's (measured by SLA Breach Rate) to be reduced by 5% over the period of the BSC.	100% (2023) to 95% (2024)	1	12														
	Our customers know who we are and how to contact us	Our customers know who we are and how to contact us (measured by Customer Contact Success Rate) to be improved by 5% over the period of the BSC.	85% (2023) to 90% (2024)	1	5														
	Customer Satisfaction	Customer Satisfaction (measured by Net Promoter Score) to be improved by 5% over the period of the BSC.	85% (2023) to 90% (2024)	1	10														
	Service Quality	Service Quality (measured by Customer Satisfaction) to be improved by 5% over the period of the BSC.	85% (2023) to 90% (2024)	1	2														

Business Balance Scorecard

Customer:

Measure	Description	Target	Points Available
Customer Satisfaction	Customer Satisfaction Measured pro-actively by Survey and re-actively through NPS	Customer Satisfaction Improves by 10% over the year (Qtr. 4 '11 survey v's Qtr. 4 '12)	10
Service Outcomes – KPI's	KPIs (<i>which measure what the customer experiences</i>) achieved or bettered	Customer facing KPIs in place for each function by end Feb. KPI's achieved in 95% of cases for Qtr. 2 to Qtr. 4	7



Business Balance Scorecard

People:

Measure	Description	Target	Points Available
Skills base matches the requirements of the organisation	<p>The required skills profile per team is developed and reviewed and recorded quarterly.</p> <p>The skills profile of the individual is mapped onto the requirement and reviewed quarterly at a one to one.</p>	<p>Required Team Core Skills Profile reviewed quarterly and in place by end of Qtr. 1 for each team.</p> <p>95% of the skills requirement of the team is met from Oct onwards.</p>	7



Business Balance Scorecard

Process:

Measure	Description	Target	Points Available
Process Compliance	A control & quality document management system in place	Catalogue existing SOPs & UPKs for all processes by end of Feb. Define what best practise is re. SOPs and UPKs by end Mar & fully implement for all process for all teams by end of Q2.	6
	Defined controls operating effectively	Process Control checks / matrices are in place and evidenced monthly in 95% of cases by the end of Qtr. 1 for finance & end of Qtr. 2 for HR	6

Quality → Customer Satisfaction → Employee Engagement

Delivery - Customer Engagement

As well as the annual survey, to keep the formal service specification relevant, the BSC started to solicit customer feedback in a number of ways:

BSC Customer Feedback

* 1. How likely is it that you would speak highly of the BSC to a colleague?
(0 = not at all likely, 10 = extremely likely)

0 1 2 3 4 5 6 7 8 9 10

2. What would it take to improve the score you gave to the question above?

3. We may wish to contact you to discuss your feedback. If you are happy for us to do so please enter your email address below.

Net Promoter Score

- Real time pulse surveys distributed and collated weekly
- Allows immediate remedial action
- Enables in-year trend analysis

Voice of the Customer

- Regular interviews with key stakeholders regarding business priorities and the BSC's ability to deliver or support them
- These discussions highlight any required changes in service or target SLA and allow the SSC to engage with key business stakeholders

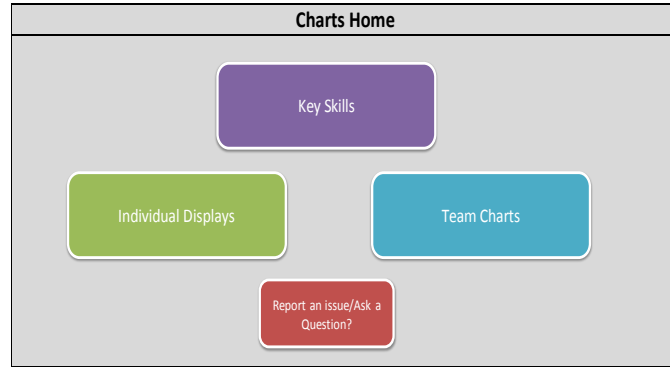
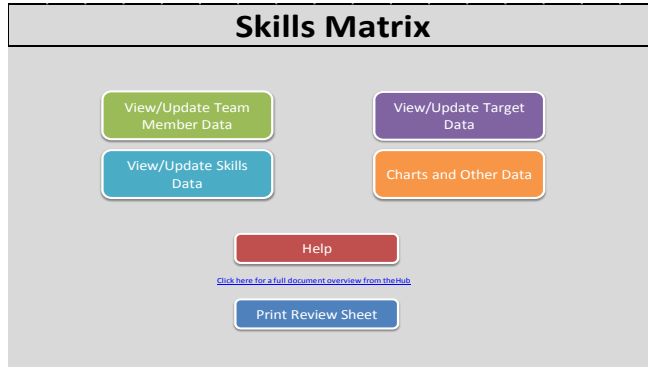


Delivery - Skills Management

- Key deliverable identified (and targeted) to turn around both performance and morale was 'skill sets' – both individuals and teams
- Key tool to deliver the required increase in skills was the 'skills matrix'
- Skills matrices existed but were not used nor seen as value added tools
- The 1st task was to 'create' a tool that was easy to use and meaningful to the teams



Delivery - Skills Management



Team Member

Distance To Target								COLIN
Skills	Anne H	Lynne E	Melanie	John M	Ian	Kim	Erica	
Vacancy Creation	2	1	0	1	1	2	0	0
Publishing a Vacancy	2	1	0	1	2	2	0	0
Candidate status management	2	0	0	1	0	2	0	0
SHL requests	0	1	0	0	0	0	0	0
Interview creation	1	1	0	2	1	0	0	0
Short-listing candidates	1	0	0	1	1	0	0	0
Recruitment Offer	2	0	0	1	1	0	0	3
Recruitment Hire	2	0	1	5	1	1	0	0
Creating a contract	2	1	1	1	2	2	0	1
New Starter Transactions	0	0	0	1	0	1	0	0
RTW	2	0	0	1	0	0	0	2
Internal promotions	0	1	2	1	2	0	0	0
Miscellaneous transactions	0	0	0	1	0	0	0	3
On Line CRC	0	0	3	1	2	0	0	4
Candidate redeployment	1	1	1	0	1	0	0	4
Vacancy board management	2	0	0	1	2	2	0	5
Weekly vacancy reporting	1	3	1	4	0	0	0	5
								4

Developed an excel based skills matrix which allowed teams to:

- Plot 'current' skills levels & desired levels
- Clearly identify skill gaps
- Produce individual development plans
- Report and graphically display status

Delivery – Skills Management

- The populated skills matrices:
 - Allowed the teams to identify genuine gaps
 - Developed individual and group development plans
 - Specific skill gaps within teams were addressed and planned by each Team Manager
 - Milestones set for hitting target 'skill / cover' levels
- Working with our HRBP and in house L&D team, developed a comprehensive training programme for core skills
- **2,000** hours of formal training delivered over 8 months in 2012:
 - *IT skills – Excel, Visio, PowerPoint and SharePoint*
 - *Specialised skills – Process Improvement (lean sigma)*
 - *Management Skills – Coaching, Managing Change*

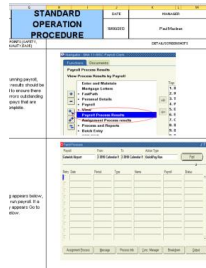
Delivery - Process Compliance

Developed *fully operationalised* theories around process management to create a very robust delivery model.

Online library of process assets for all services...

id	Name	Modified	Modified By
1	Control Framework	05/04/2013 10:49	Nichola Quinn
1	Additional Penalty	28/06/2013 10:25	Mandy McLarlin
1	Additional Penalty	28/06/2013 10:25	Mandy McLarlin
1	Accessa P1D	25/06/2013 09:33	Mandy McLarlin
1	Accessa P1D	25/06/2013 10:00	Mandy McLarlin
1	Assisted Travel Check	24/06/2013 14:00	Mandy McLarlin
1	Assisted Travel Check	25/06/2013 08:04	Mandy McLarlin
1	BAA Final Salary Pension Payment	28/06/2013 07:57	Mandy McLarlin
1	BAA Final Salary Pension Payment	28/06/2013 07:57	Mandy McLarlin
1	BACS Transmission to Eganem	28/06/2013 15:06	Mandy McLarlin
1	Balance Sheet Recs	28/06/2013 07:54	Mandy McLarlin
1	Bank Details	28/06/2013 09:12	Mandy McLarlin
1	Bank Details	16/08/2013 10:26	Jeanne Robinson

Operating procedures...



Process flows...



Control matrices...

Control ID	Control Description	Frequency	Control Type	Control Owner	Control Status	Control Effective Date	Control Expiry Date
CP001	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP002	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP003	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP004	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP005	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP006	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP007	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP008	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP009	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31
CP010	Monthly Payroll Run	Monthly	Operational	Finance	Active	2013-01-01	2013-12-31

This comprehensive Operations Framework ensures:

- consistent execution of key tasks
- outcomes in line with agreed SLAs
- continuous failure mode analysis to feed improvements
- critical controls understood and visible

Visual Management

...service monitoring and control

- Introduction of dynamic “Performance Centre” boards ensured resource availability, skills coverage, quality and timeliness, are all aligned to anticipated work volumes.
- Updated frequently during the day to drive performance and direct resources as necessary.
- Boards roll up into the BSC “cockpit” where management reviews performance, understands and discuss issues and determine actions.



Leadership Team Board (Cockpit)
Owner: Leadership Team
Update freq.: Weekly
Reviewed: Weekly



Information flow



Department Management Board
Owner: Head of Department
Update freq.: Daily
Reviewed: Daily



Information flow



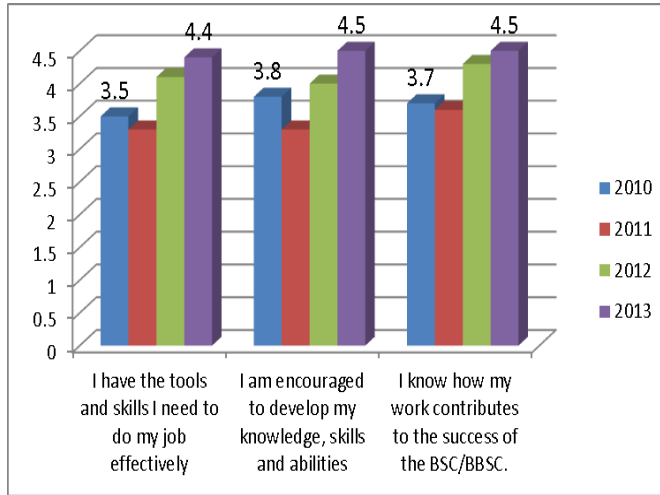
Team Performance Centres
Owner: Team
Update freq.: Hourly
Reviewed: Daily

Team
Daily

Where Are We Now?



Better - Our Customers & Employees Are Telling Us

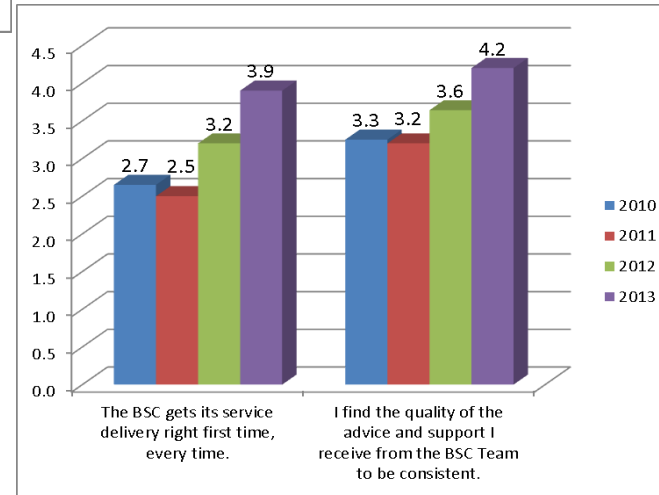


Marked increase in employee satisfaction:

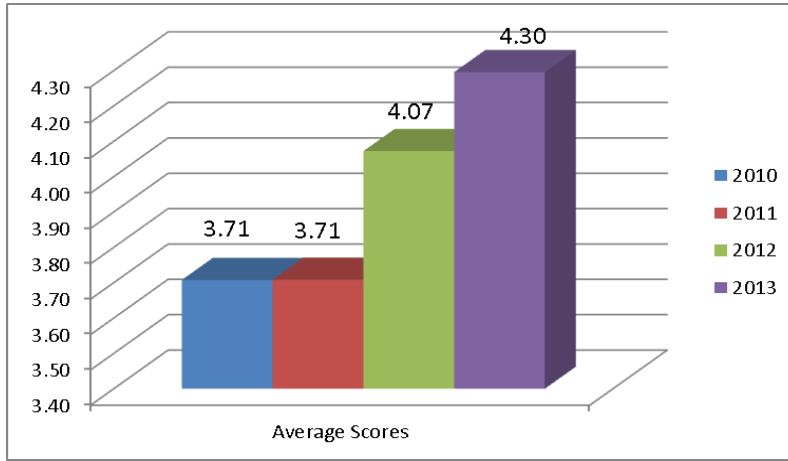
- *'I have the tools and skills I need'*
up 26%
- *'I am being encouraged to develop my knowledge & skills'*
up 18%
- *'I know how my work contributes'*
up 22%

• Marked increase in customer satisfaction:

- *'Right 1st time'*
up 44%
- *'Quality of the advice & support'*
up 27%



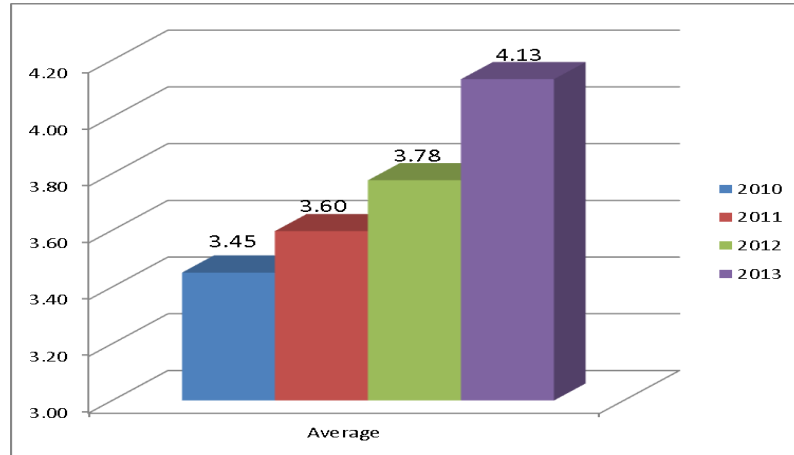
Improving Trend



16%
Improvement
in Employee
Engagement



20%
Improvement
in Customer
Satisfaction



Where to Next?

- BSC continues to go through 'change'
 - Sale of another 3 airports announced on the 17th October
 - Post the transition the SSC will be 100% Heathrow
- BBSC for 2015 being redefined with a focus on Business Outcomes
- This shift in focus will provide a number of benefits:
 - It better demonstrates the value of the BSC
 - Translates what the SSC does in terms that Heathrow understand
 - Aligns the BSC teams with our customers' priorities
 - Empowers managers more at an operational level
 - Develops a culture of doing things for the right reasons
- Skills development matured and now delivered via a new online portal provided by Skillsoft
 - Tailored training based on business need
 - Maximum flexibility in employees being available for training due to virtual platform
 - Employees targeted to complete required training
 - Builds a culture of employees creating opportunity for themselves



Key Take Aways

- In times of change and high project demand, don't let the basics slip – keep a focus on service delivery
- Identify the tools you have available and roll them out
 - Use them and demonstrate their value
- In a shrinking SSC model, it is more important than ever to engage with your staff
 - The BBSC has proved a key tool for doing this
- Know what the levels of knowledge & skills are within your teams and develop them accordingly.

Questions?



Heathrow

Making every journey better



We'll take
Britain further.



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