



# Annual Shared Services GBS & BPO Conference

19-20 November 2014  
**Edinburgh**



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<http://doubledutch.me/download/deloitte-ssc-conference>



## Tools & Methodologies session:

GBS from design through  
to transition & why scale  
isn't prohibitive

*Paul Hansen*

*Zuzanna Jawor*

**Lundbeck**

*Dorthe Keilberg*

**Deloitte**





# GBS FROM DESIGN THROUGH TO TRANSITION

*November 2014*



★ Paul Hansen

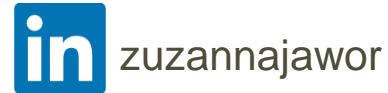
★ Senior Programme Director

★ Lundbeck since 2005

★ Zuzanna Jawor

★ Head of Business Service Centre

★ 14 years of SSC experience



# Lundbeck in brief

*We are a specialized pharmaceutical company  
engaged in developing and commercializing  
new and innovative treatments for brain diseases*

**1915**

founded by  
Hans Lundbeck  
in Denmark

**6,000**

employees  
worldwide

**15.3bn**

DKK revenue in  
2013

**52%**

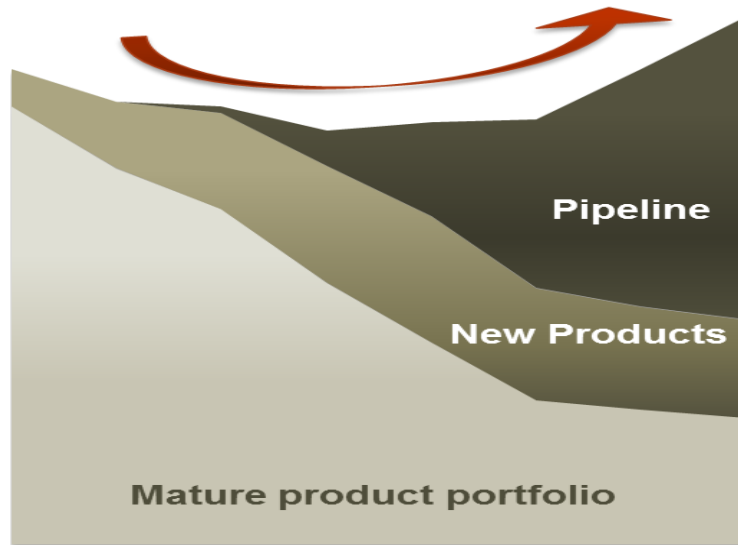
of total revenue  
in Europe

**70%**

owned by the  
Lundbeck  
Foundation

# Transitioning from European, one product company to Global, multi-product

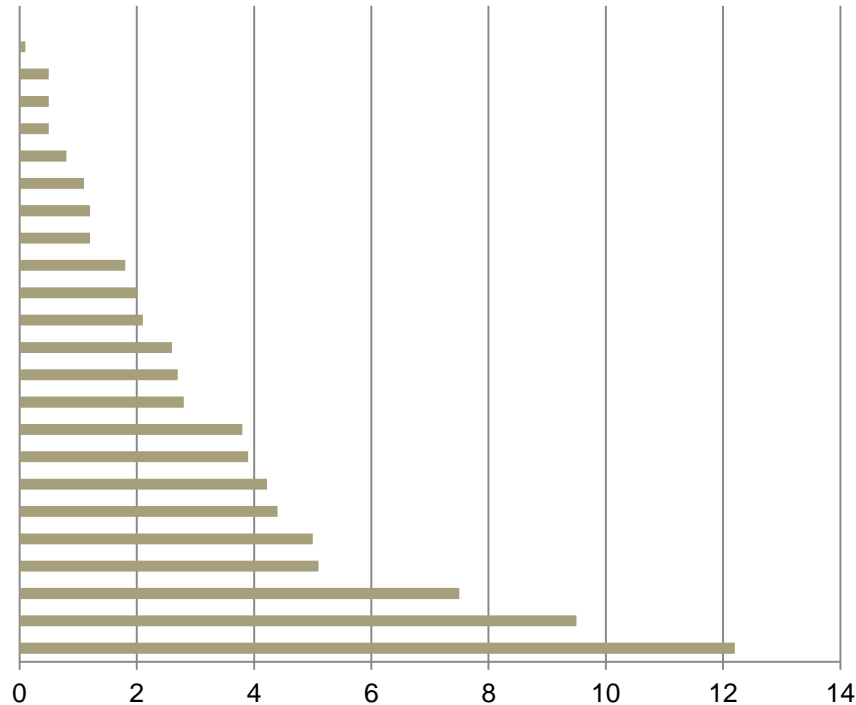
Dip in total revenue and profit



Growing outside Europe

★ Europe	-3%
★ US	+29%
★ RoW	+9%

# We have 30+ European units with fully fledged but small support functions



- ★ Consolidate to 10 Affiliate Units
- ★ Reorganise Finance, HR, Procurement and IT
- ★ Transfer 130 FTE's to a Business Service Center in Kraków

# We identified BSC scope using standard methodology





# Choosing where to locate the centre

★ Why a captive service centre...

★ Same perception of “urgent”

★ Talent development

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★ Why in Europe...

★ European languages

★ Cultural affinity

★ Geographical affinity

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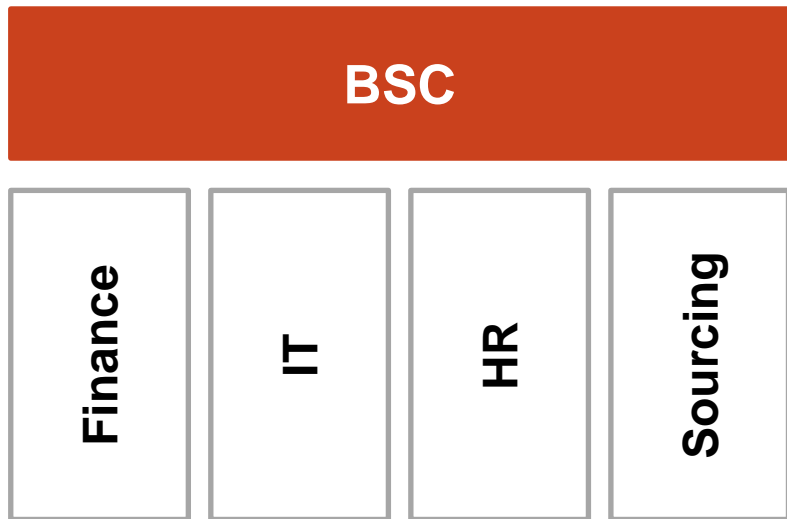
★ Why Kraków...

★ Experienced, multi-lingual talent pool

★ 88 BPO/SSC companies with 34,000 employees

★ Attractive city with good communications

# Integration across functions in the shared services organisation is a key design principle



## Common

- ★ Governance
- ★ Leadership structure
- ★ Continuous improvement
- ★ Customer interaction
- ★ Talent development
- ★ Culture and brand

# BSC is an 'equal citizen' from the beginning

Office like any other affiliate



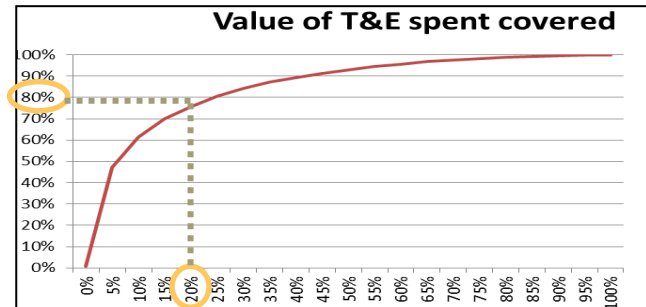
Same on-boarding programme

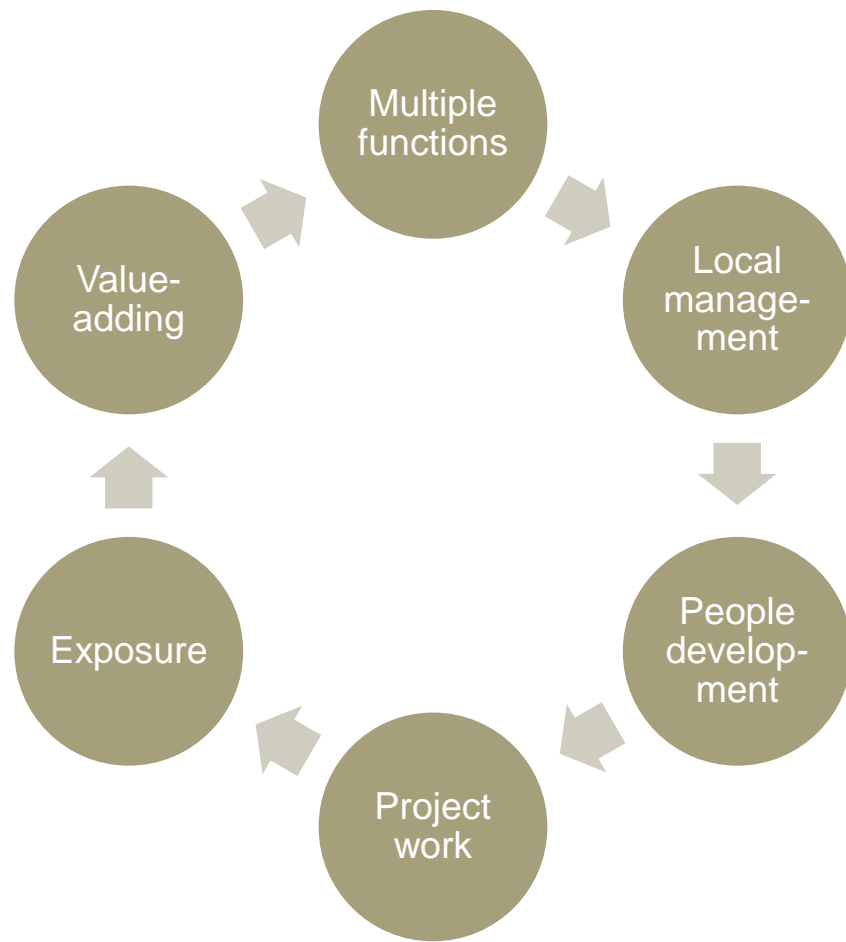


# Process Excellence team from the beginning

- ★ 114 improvement ideas – 34 implemented
- ★ AP team on *Travel Expenses*
- ★ Procurement and AP team on *Procure to Pay*
- ★ HR and IT on *New employee*

Project Charter: End to End Purchase to Pay process review					
Business Case			Opportunity / Pain Statement		
<p>This project aims at Improving End-to-End Purchase to Pay process in Lundbeck.</p> <p>Recently in July 2014 the Business Service Centre was started. As a result Procurement and Finance processes landed in the same area. That enables thorough review of P2P process and address any ineffectiveness and inefficiencies.</p>			<p><b>PR/PO Area:</b></p> <ul style="list-style-type: none"> <li>- Invoices requiring Sourcing's attention not reaching them immediately</li> <li>- POs not used by suppliers; invoice booked as NPO</li> </ul> <p><b>Accounts Payable area:</b></p> <ul style="list-style-type: none"> <li>- Invoice Hard Copy Receipt - courier errors</li> <li>- Quality of invoices received (lack of cc, contact person, back up documentation)</li> <li>- Quality of vendor recognition in ICC</li> <li>- Lack of ownership of NPO invoices in the approval flow</li> <li>- Not intuitive process for invoice and credit memo handling</li> <li>- Payments made from other banks than Danske Bank</li> <li>- Handling returned payments</li> </ul>		
Scope		Goal			
In	Out	Some examples of deliverables (more specific goals will be defined after measure of process performance)			
Procurement processes (PR,PO) Invoice Receipt & Scan Invoice Processing Payments Based on HLU	Repotting & Compliance processes  Tactical sourcing	<ul style="list-style-type: none"> <li>- Improvement of Approval and Payment cycle</li> <li>- Increase PO usage</li> <li>- Decrease number of exceptions</li> </ul>			
Schedule				Team	
Phase	Start	End	Key Deliverable		
Define	04-aug	22-aug	Charter completed & approved	Steer Co	Finance: RYWC, MMLY Procurement: SKOV, MAGT
Measure	22-aug		Data collected	Lead	MIAK
Analyse		21-sep	Root Causes Analysed	Members	tbd
Improve	21-sep	05-okt	Improvement Plan Approved		
Control	05-okt	31-dec	Implementation, Verification	Coach	TOWO

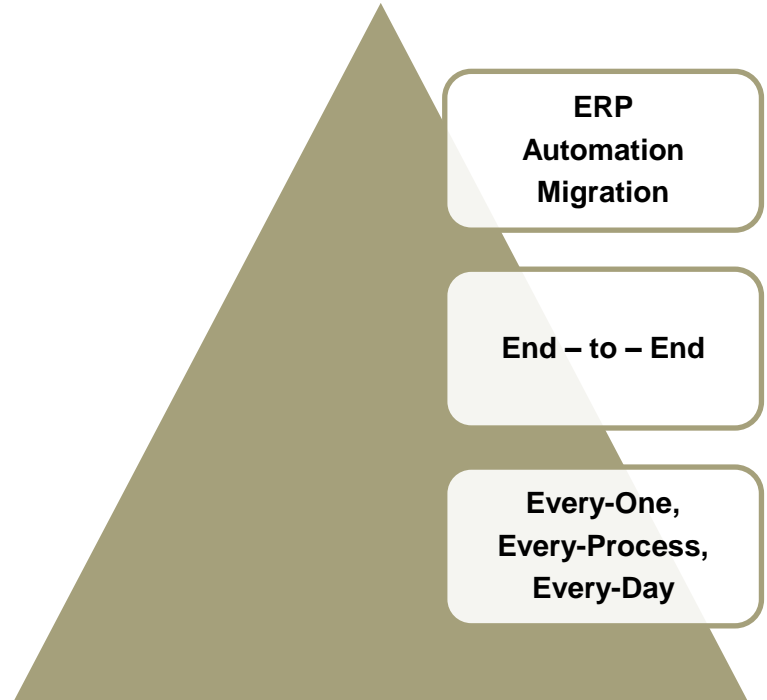






# Process owners and BSC drive process standardisation and improvements together

- ★ Implementing strategic platform
- ★ Global governance of data & systems
- ★ Global process design
- ★ Operational data management
- ★ Process excellence
- ★ Process training & user support



# The BSC programme include several IT projects



- ★ Extending the SAP roll-out
- ★ 9 countries + BSC
- ★ Invoice Management to all countries



- ★ New e-procurement portal
- ★ New HR portal and payroll provider
- ★ Ticketing system

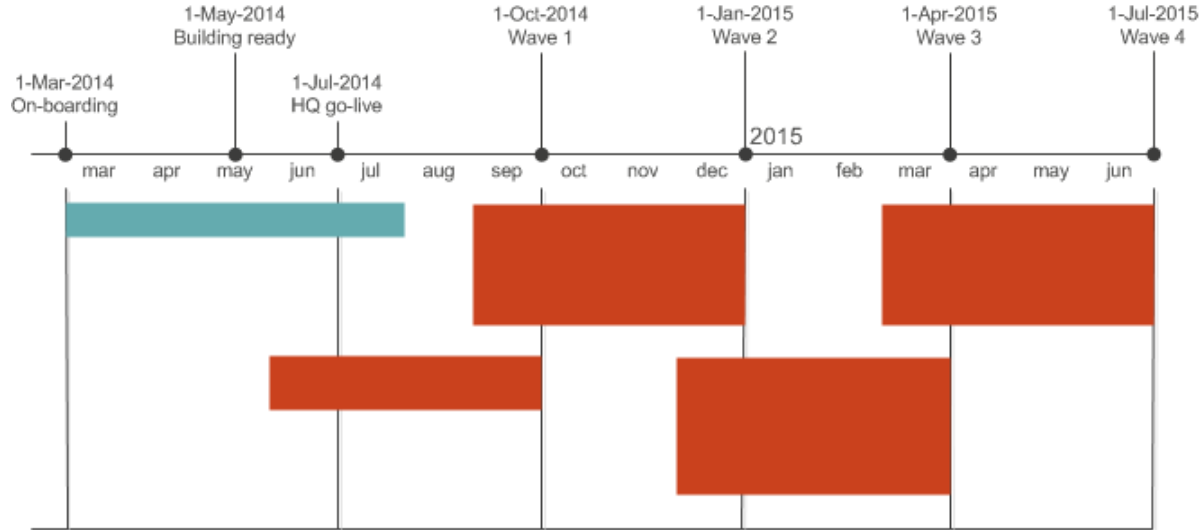


- ★ Landing page and self-service forms on intranet

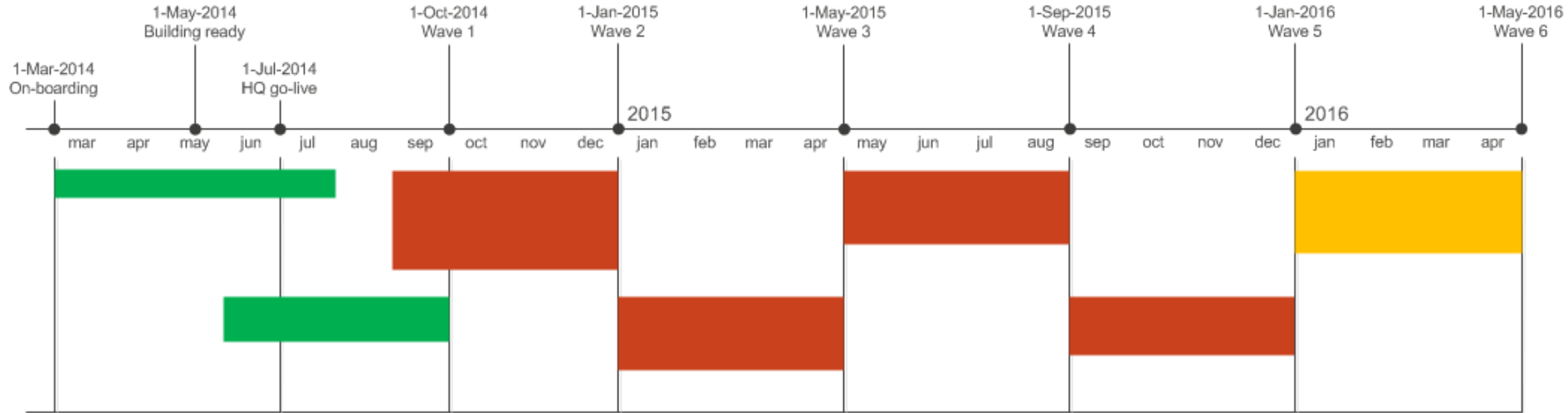




# We began with HQ to get critical mass followed by a small first wave of affiliates



# After Wave1 we revised roadmap, reducing waves/yr and number of affiliates/wave



# Gradual transfer of the migration responsibility from project to the BSC

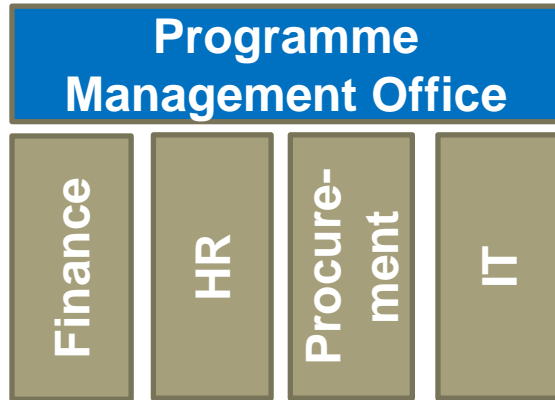
Wave	Planning	System transition	Gap & Bus impact	Knowledge transfer	Process testing	User training	Hyper care
1	○	○	◐	◑	○	◑	◑
2	○	○	◑	◑	◑	◑	◑
3	○	○	◑	●	◑	◑	◑
4	○	◑	◑	●	●	◑	●

○ No or little involvement by BSC

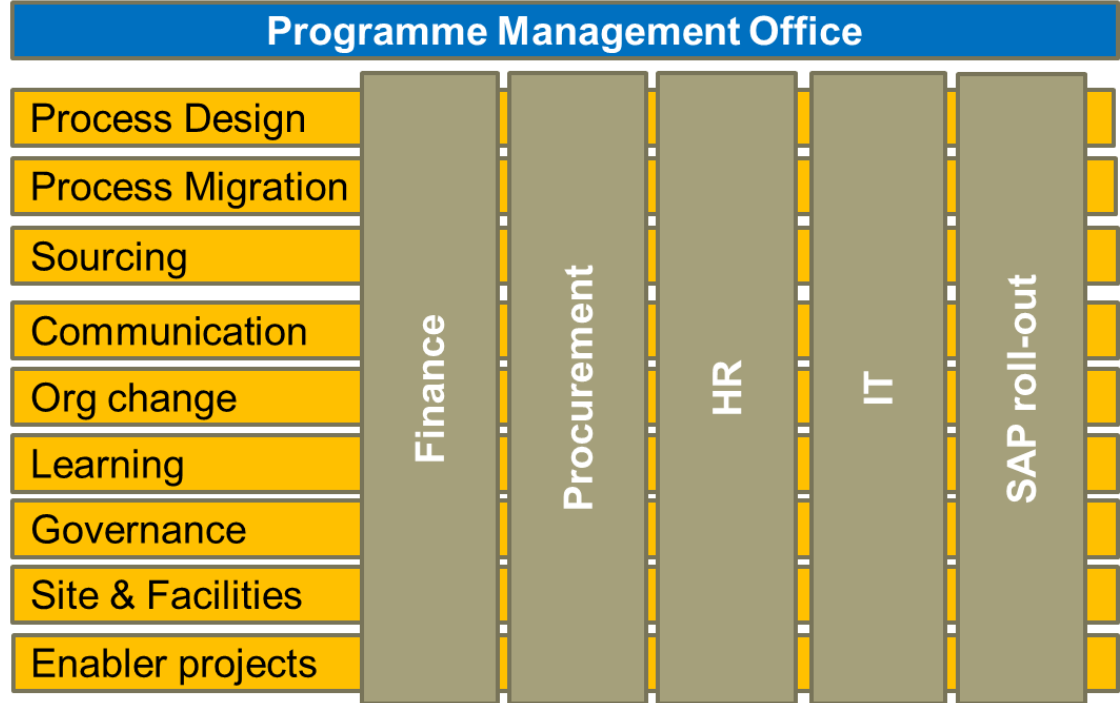
● Full responsibility by BSC

# The project organisation has mutated 3 times

## Feasibility study

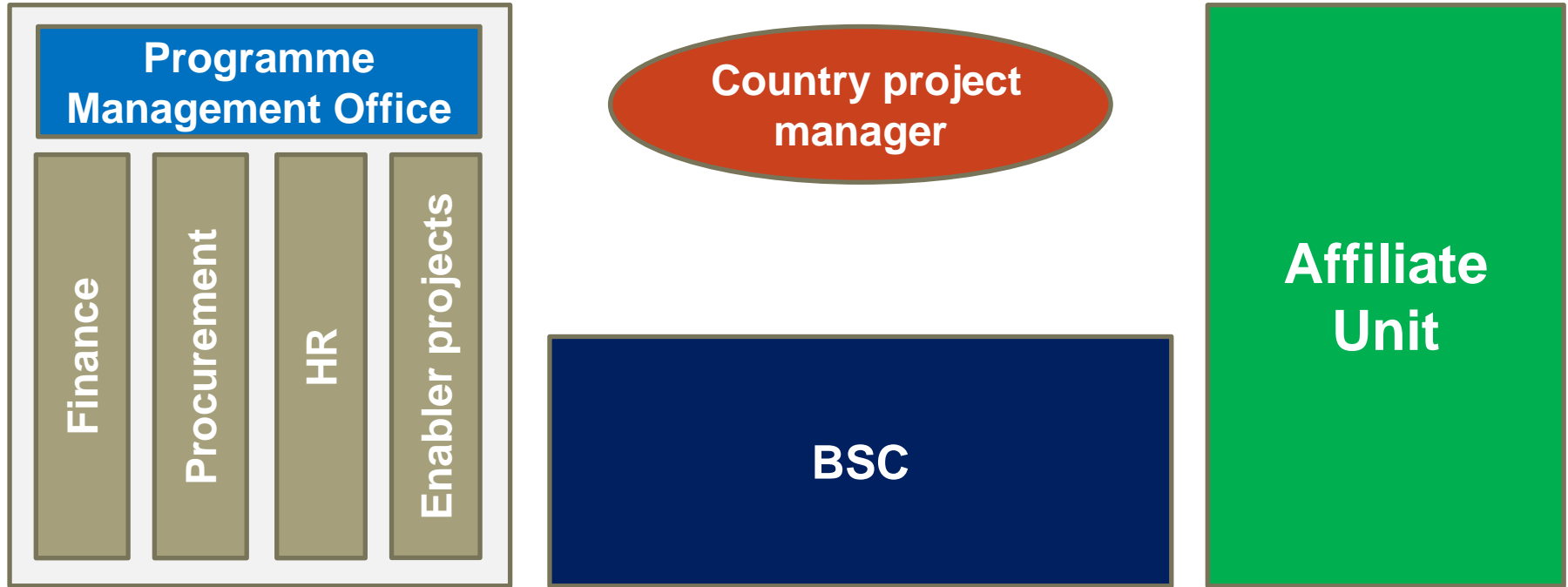


## Design and HQ migration

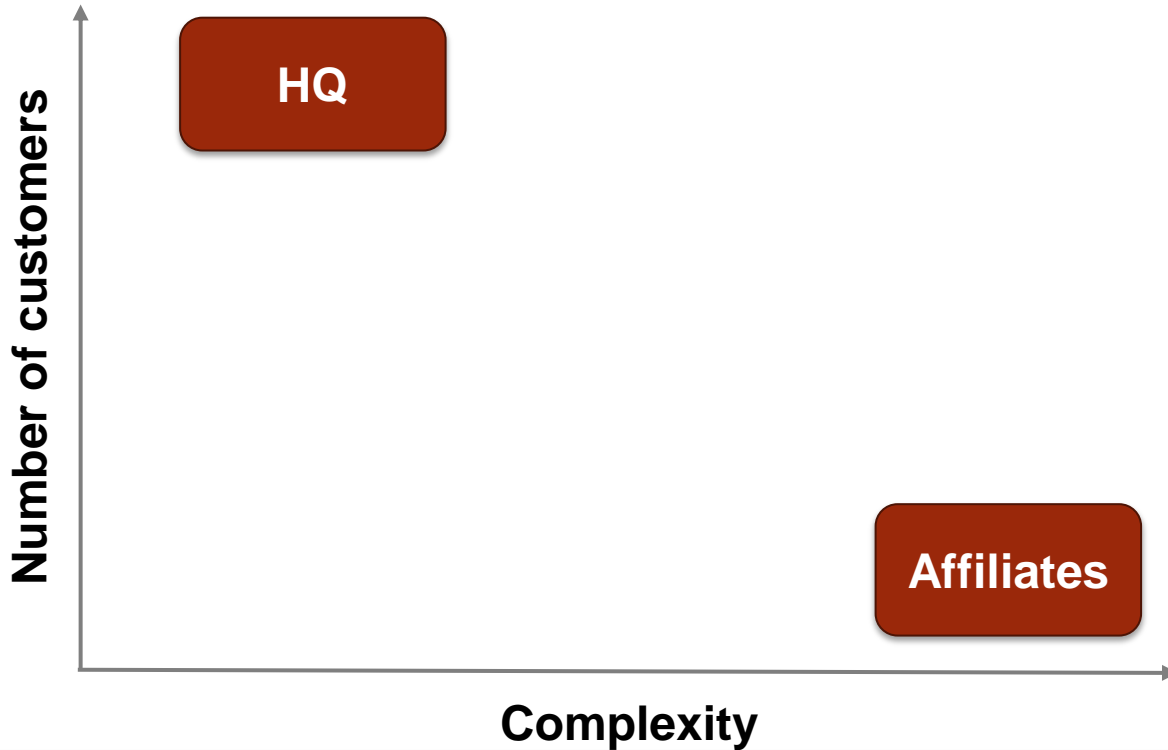


# The project organisation has mutated 3 times

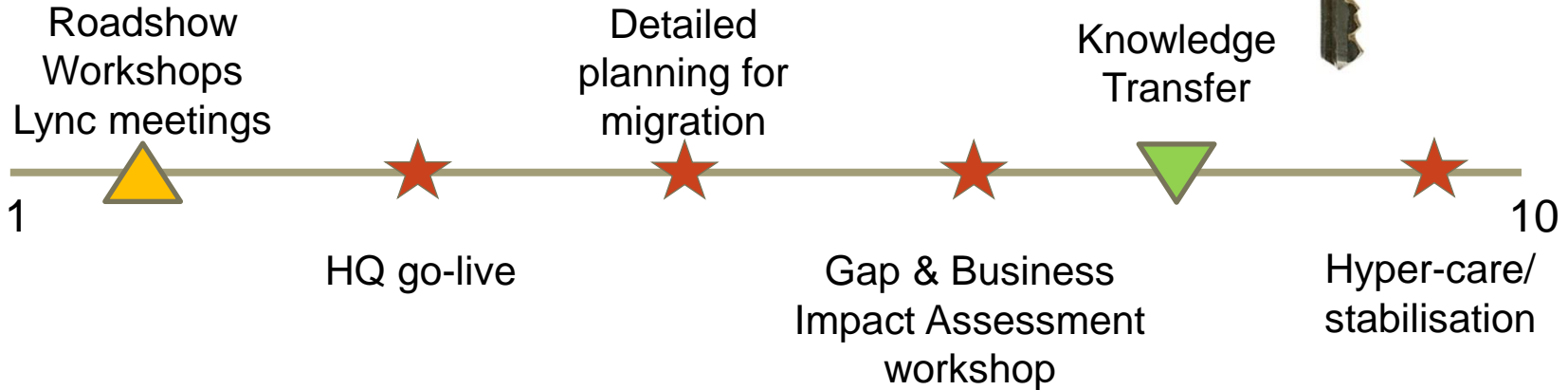
## Migrating Affiliate Units to the BSC



# Very different change in Affiliates compared to HQ



# Building trust takes time







# We have learned a lot in the first year

- ★ Surprising bottleneck for work shadowing
- ★ Design the retained organisation
- ★ Setting up new management team
- ★ Communicating the change
- ★ Recruiting and on-boarding
- ★ Gathering a project team in HQ
- ★ Involving Affiliate Unit managers
- ★ Clear process ownership
- ★ From start:
  - ★ An equal citizen
  - ★ Process Excellence Team



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