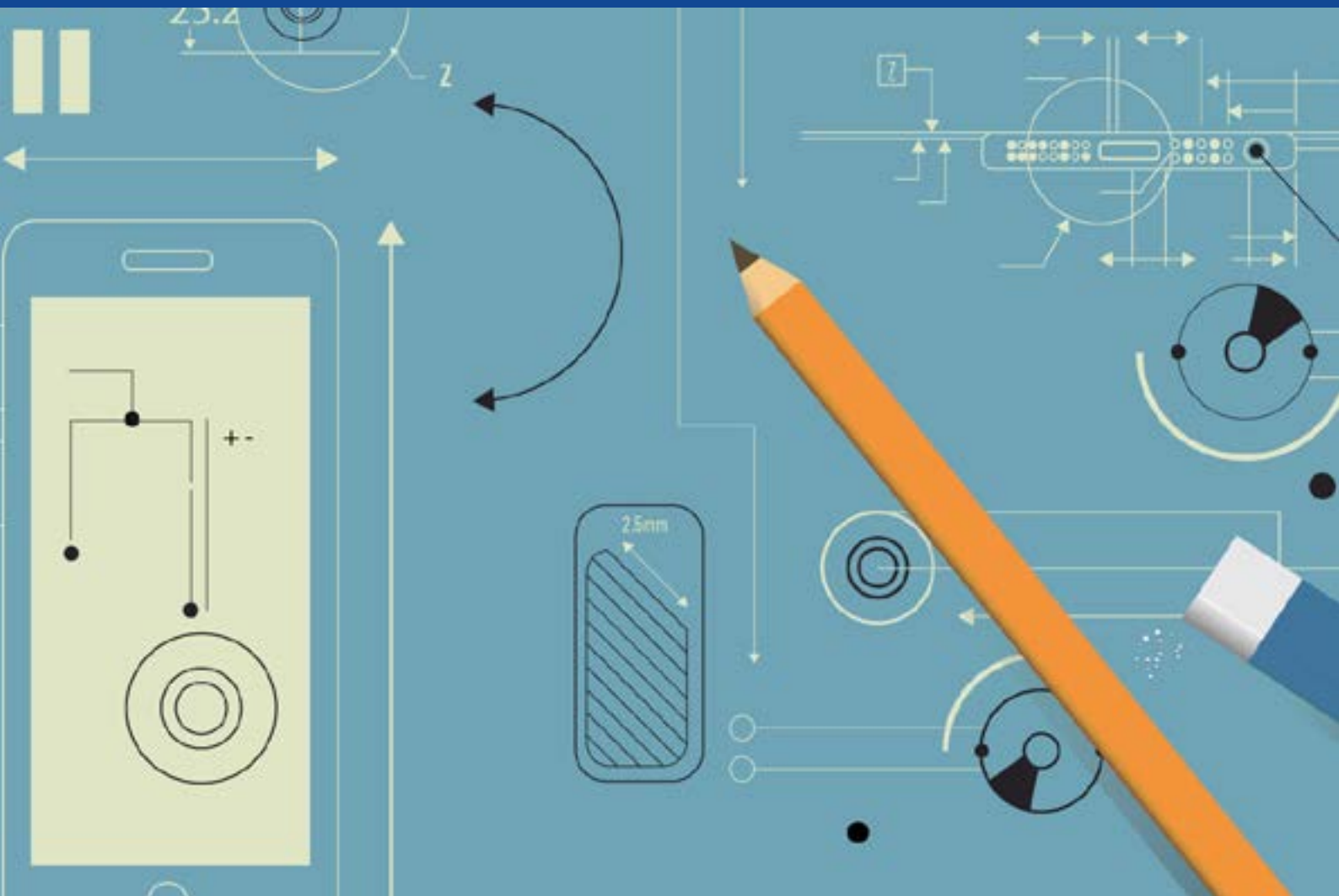




## DESIGN AS THE KEY DRIVER FOR SUCCESS IN AN SSO LAUNCH

How to Implement a New Shared Services Centre series – Part 2





## Background

This company, a leading global automotive supplier with operations across Europe, was struggling with fragmented Finance processes that inhibited performance. Other issues it faced included a high degree of manual intervention, lack of standardisation and the expense of maintaining a high percentage of staff in relatively high cost European locations. To align cost levels toward global best practices and drive improved data harmonisation, the company opted for a Shared Services model. Chazey Partners was engaged to [develop a business case \(see Part 1\)](#) and subsequently help launch a new, pan-European Shared Services Centre.

## Introduction

Having supported the company through its pre-launch [business development phase \(see Part 1\)](#), Chazey Partners was invited to help lead and support the actual implementation and end-to-end roll-out of Finance Shared Services. This included supporting all relevant operating business units, legal entities and locations, and working in close partnership with the internal project management team. In Part 2 of this case study, we highlight the Design phase as crucial to successful Shared Services implementation and share a planning roadmap.

## To Start: Some Challenges

While the drivers for Shared Services were clearly identified and senior leadership had bought into the model, as with all shared services projects, significant challenges remained. The key is to be ready for these challenges and to respond quickly. Specifically, there was a requirement to manage the complexities inherent with multiple deployment requirements – ERP rollout followed by Shared Services; Shared Services followed by ERP rollout; and ERP and Shared Services together. Many companies choose an alternative approach of only one deployment at a time. However, to the credit of the joint teams, it went well.

Works Council issues, where staff members were being made redundant, presented another complexity. Managing this was a difficult and time consuming process. In fact, at times these issues threatened to derail proceedings. A key to success was to maintain flexibility to modify the plans and move forward.

A final challenge concerned the company’s overall inexperience with internal communications. Initially, it was assumed that many of the changes would be implemented “under the radar”. This is not a

recommended approach when launching Shared Services. Bringing these changes to fruition actually required a lot of education, guidance and patience. This could have been avoided through a more robust communication plan from Day 1.

## The Plan

The agreed implementation plan was that in each country, migration would follow work shadowing and include a 4-week post go-live stabilisation period. Regular checkpoints along the journey would operate as “gates” to the next stage, and multiple deployment teams would be utilised, which enabled a “leapfrog” approach whereby one team would deploy while another prepared for the next rollout. At the start, a number of processes were adopted “as is”, with standardisation and optimisation to follow – creating a need for strong change management to follow.

Once the business case had been presented and accepted, and the location confirmed, the project shifted into the “planning and implementation phase”. The four key phases of implementation (Design, Build, Deploy, Stabilise & Optimise) are illustrated in Figure 1, below:

Figure 1: Implementation Overview



The Shared Services implementation was led and guided by a Transition Team that included representatives from the new location in Poland (a “brownfield” site, already in use) as well as the Project Team and the new Shared Services team. The plan was to minimise external recruitment and focus instead on experienced professional staff and new Shared Services recruits, with the level of transition resourcing depending on pace and number of locations for work-shadowing.

### Design: the Source of Success

The Design phase is crucial in two ways. Firstly, it delivers all the templates, documents, plans and frameworks at the lowest level required to support actual deployment across the company’s operating units and countries. It also marks the period during which the Shared Services takes virtual form and is introduced to all stakeholders across the enterprise. As such, the Design phase must be carefully managed and controlled so that it provides a strong basis for subsequent implementation.

During the Design phase, the transition team agrees all desktop procedures, design of technology solutions, employee transition and training plans, hiring plans, final organisation charts and job descriptions, facility design, etc. Decisions regarding

how the various countries will be prepared for transition and what communications and training are to be provided to them, are also finalised.

If the Design phase is tightly managed and controlled, its outputs provide a solid framework for subsequent implementation (Build, Deploy, Stabilise & Optimise). Where Design is weak, the ensuing SSO will be based on a fragile foundation, and find itself susceptible to being derailed by internal resisting forces.

### The Funnel Approach as an Operating Model for Designing Shared Services

To provide a robust Design framework, Chazey Partners proposed an operating model based on a “Funnel Approach” (see Figure 2), which links various roles and responsibilities directly to key components like Front Line Support, Exception Handling and Transaction Processing.

Figure 2: The Funnel Approach



## Planning for Job Transition

Evaluating and preparing for the impact of Shared Services implementation on jobs is an important part of the Design Phase. This applies to both new jobs being created in the centre as well as jobs in country that will be made redundant. In the case of this company, a three-pronged approach ensured that all aspects of job transition were adequately covered:

- **Developing Shared Services Competency Requirements**

Defining the skill sets, knowledge and behaviours needed to accomplish tasks as defined by the process design. Defining individual capabilities necessary for the success of each process, including process skills, technical/application skills, and customer service skills.

- **Developing Shared Services Job Descriptions**

Each job is also assigned a grade and associated salary.

- **Identify Job Impacts**

The impact analysis feeds into the Employee Transition Plan. The Organisation Design also addresses the impact of shifting work to Shared Services on those functions retained in-country/ Business Units.

## The Funnel Approach as an Operating Model for Designing Shared Services

Once the Design phase was completed, detailed deployment planning began, covering the deployment schedule, standard Cutover Checklist [see sidebar], and deployment team organisation design.

The Cutover Checklist identifies all process, application, technology, organisation, and transition activities impacted, and determines the timing of activities relative to go-live, key dependencies, and roles/responsibilities of all parties. It includes the task along with details of task owners, due dates and completion status relative to:

- Organisation Readiness
- Process and Applications Readiness
- Technical Infrastructure Readiness
- Post-Production Support Readiness

*Example of a Cutover Checklist:*

### Organisation Readiness

- Shared Service Centre recruitment complete
- Detailed job descriptions agreed
- Knowledge sharing complete
- Training complete – for both Shared Services and Operating Units/ countries where applicable

### Process and Application Readiness

- User Acceptance Test complete
- Production environment configured
- Existing data cleansed and new data updated
- Security profiles defined and configured
- Detailed Desktop procedures written

### Technical Infrastructure Readiness

- All required production environments commissioned
- Performance testing complete
- Printers deployed and tested
- Network updates complete

## Build – Deploy – Stabilise & Optimise

The Shared Services starts to take shape during the **Build phase**. Customer Relationship Management is a key aspect of the Build phase, whereby Service Level Agreements (SLAs) – or Service Partnership Agreements (SPAs) – form a core component in support of defining services, balancing customer needs with efficiency goals, confirming responsibilities, clarifying charging mechanisms, and providing a basis for results measurement and continuous improvement.

In this case, the Build phase included defining Key Performance Indicators and Metrics, which would also serve as reporting mechanisms within the performance measurement process. In order to uncover any potential people, process and/or system issues, Chazey Partners ran Conference Room Pilot sessions (CRPs). These CRPs prepared the way for “to be” processes with all key Business Process Owners by testing various business case scenarios for the

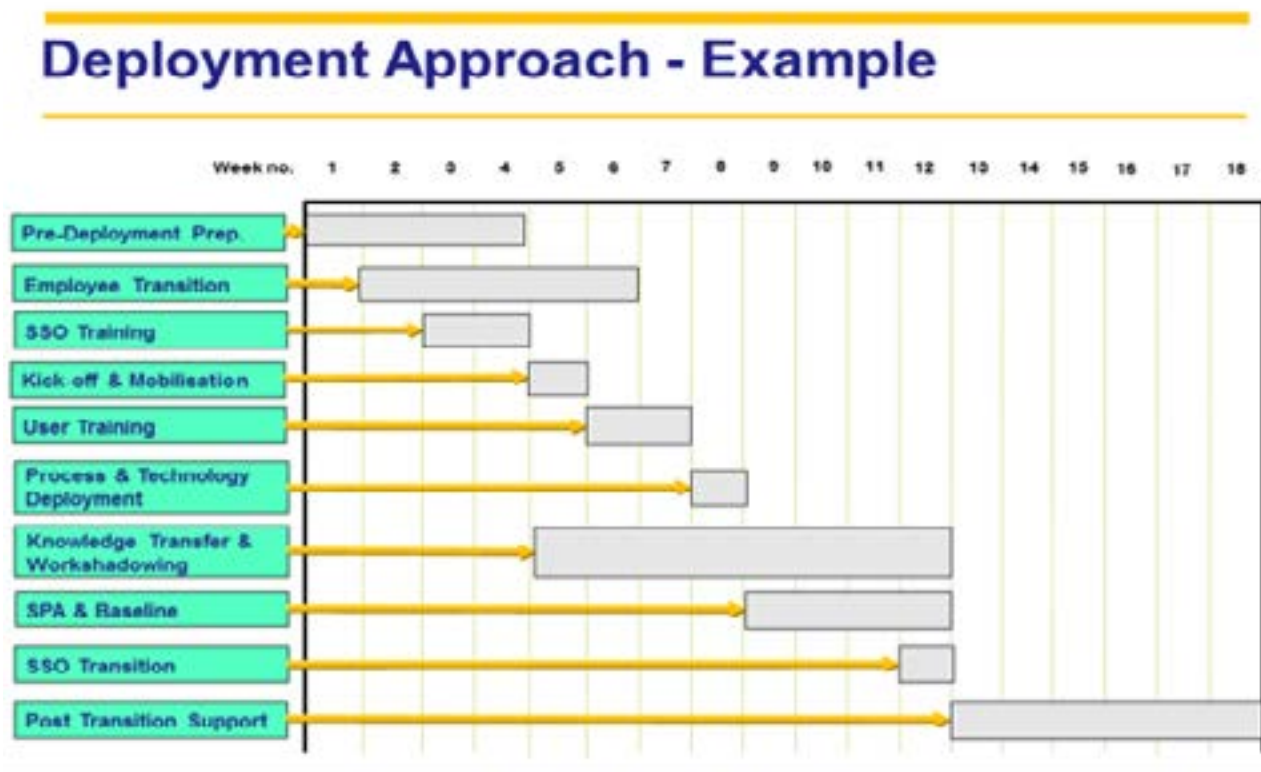
proposed process. The CRPs allowed the company to minimise potential risks, generate resolutions and take preventative action up front.

The **Deployment phase** following Build manages the transition of countries/Business Units to the new Shared Services model, and represents the crucial “impact stage” that determines success or failure. If you have done your homework during the Design phase, then the Deployment should run relatively smoothly.

The purpose of the Deployment stage is to fully operationalise the new SSC and the countries with the new processes and systems designed and built throughout the program.

An example of a Deployment roadmap is shown in Figure 3.

Figure 3: Example End-to-End Deployment Plan for each Target Country/Operating Unit



The During Deployment, the Programme Management Office was responsible for confirming the new SSO/countries were ready for go-live. The training initiated during the Design and Build phases was delivered during this stage and communications increased significantly, directed to specific audiences and detailed with regards to tasks/dates. At this stage also, the employee transition plan was reviewed and countries prepared for transition activities. The plan identified timings of notifications for impacted employees, while the operating units were prepared a few weeks before notifications were announced, with employee transition kits that included transition plans, sample communications, redundancy options, list of contacts, etc.

The final and important stage of a Shared Services launch relates to **Stabilisation & Optimisation**. As each country is deployed, a period of stabilisation follows, during which processes are monitored and support provided as needed. As part of implementing a culture of continuous process improvement, Optimisation can begin immediately following each deployment wave, as staff familiarise themselves with the new process and seek opportunities to drive improvement.

## Summary

The success and sustainability of a new Shared Services delivery model depends to a large extent on how much work, effort, and preparation has gone into the Design phase. Time and again, the perceived failure of a Shared Services to deliver can be traced back to a lack of focus and commitment during the early stages of planning, with the result that stakeholders and customers are uncertain and resistant to the new model.

This paper presents a roadmap to successfully launching a Shared Services, with a specific focus on Design. If you would like to learn more about Part 1 of this case study (Building a Business Case), please download the paper: "[How to Run a Feasibility Study and Plan a Migration for a New Shared Services Centre](#)".



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### About Chazey Partners

Chazey Partners is a professional management advisory business that is committed to adding significant value to our clients through a partnership approach. We bring together a unique wealth of expertise and real life experience in Business Transformation, Shared Services & Outsourcing, and Technology Enablement. We pride ourselves in having built, operated and turned around some of the world's most highly commended and ground-breaking Shared Services Organizations, and for implementing many highly successful multi-sourced (shared services and outsourced) delivery solutions. Over the last 20 years, we have delivered numerous programmes globally, in the US, Canada, UK, Continental Europe, Ireland, India, Eastern Europe, South America, Singapore, Australia, China, Middle-East and Africa. Our experience covers both Private and Public Sectors, providing expertise in a wide spectrum of business functions, including Finance, HR, IT, and Procurement.

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