Chazey Partners

Developing a Sound, Persuasive Evidence-Driven **Business Case** for Your **Shared Services Start Up** and **Continued Success**

CHAZEY PARTNERS

Who's Who

Name | Institution | Role

SSO: Exploring, Launching or Maturing?

Do you have a Business Case?

Your expectations for this workshop?

Chazey Partners

INTRODUCTION

Chazey Partners

Global Management Consulting & Advisory Services

1 **Who We Are**
Founded 2006, headquartered in California, global offices, extensive work in Latin America

2 **What We Do**
Evaluations & assessments, strategic advice, project management, implementation support, process and market expertise

3 **Where We Focus**
Finance, Human Resources, IT, Procurement, Facilities, Customer Operations & other functions

4 **The Chazey Difference**
Practioners first, staff continuity, high ROI, knowledge transfer, client engagement in transformation

Shared Services
From Business Case to Implementation, plus correction & optimisation of existing operations

Robotic Process Automation
Automation assessment, proof of concept, vendor selection & provider of IA solutions

Business Transformation
"Back office" transformation, M&A integration, organizational design

Enterprise Wide Security
Business Continuity Planning & Organizational Cybersecurity

3

PHIL SEARLE, FOUNDER and CEO

Phil Searle has more than 25 years of experience in Finance, Shared Services, Technology and Outsourcing and is a globally recognized expert in business transformation, shared services, offshoring, and outsourcing, covering both the private and public sectors. Prior to founding Chazey, he was Group Vice President and CFO of Cendant TDS International, responsible for all aspects of Finance across four continents, including Decision Support, Financial Planning & Analysis, and Controllership and Financial, as well as certain HR Shared Services. Prior to Cendant, Phil was VP Finance and Corporate Controller at 3Com Corporation. Here he headed the Corporate Controller Function and the Worldwide Shared Finance Services team. His responsibilities included far reaching organizational, technology, service delivery and business process improvement initiatives resulting in the global roll-out of ERP solutions and Shared Services for Finance, HR, Supply Chain, Logistics and Customer Support.

philsearle@chazeypartners.com

ROBERT TOWLE, CHIEF OPERATING OFFICER

Robert has over 20 years of experience in finance, shared services and technology implementations. He has managed multiple shared services transformation projects and has held multiple roles managing shared services operations in the U.S., U.K. and in multiple locations in India. Recently he has led an assessment of a multi-university system including Finance, Information Technology and Human Resources as well as engagement for the transformation for the EMEA region of a multi-billion financial services firm, including building an Accounting Shared Services Center and Center of Expertise for FP&A.

roberttowle@chazeypartners.com

CRAIG ACKERMAN, REGIONAL DIRECTOR, US and GLOBAL HEAD, RPA PRACTICE

Craig brings over 25 years of experience in business leadership, transformation, shared services and outsourcing to this role. He is an accomplished C-level partner, with multiple successes in rapidly assessing organizational leadership capabilities, team effectiveness and key processes to define or optimize corporate structure, enhance service quality and achieve strategic savings. Recently Craig was SVP and Director of a multi-function finance, HR and procurement shared services team at Day & Zimmermann, a $2.7B industrial, defense, and workforce services organization. In a previous role with SAIC, a Federal service provider, Craig was Deputy Director for Shared Services as well as a member of an enterprise PMO charged with removing $100M in overhead costs through functional transformation, shared services establishment and strategic cost reduction.

craigackerman@chazeypartners.com

RUSS MICHNA, HEAD of OPERATIONS and BUSINESS DEVELOPMENT

Russ has 10 years of experience in Business Transformations and Operations Management and is well suited to supporting leadership teams to create employee centric and customer focused processes. He has a proven track record in completing complex projects to time and budget. His experience includes the assessment, design, and implementation of an organizational restructuring plan resulting in a sustained reduction of 60% to operating costs. He has directly led workflow, scheduling, and compensation as well as helped manage a company-wide migration to a full service ERP system. This project resulted in a 33% improvement in customer retention in the first year of implementation. Russ is a member of the Institute of Management Accountants and holds received his M.B.A. and bachelor's degree from Western Illinois University.

russmichna@chazeypartners.com

Who We Have Worked With

OUR CLIENTS

Panasonic • First Data • Coca-Cola Enterprises • AeroMexico

UC DAVIS University of California • International Baccalaureate • SAS • Greene King Bury St Edmunds • Coca-Cola Içecek • Coca-Cola Hellenic • FILMTEX

Department of Health & Human Services - USA • UCSF • SCI Service Corporation International • FormFactor • Varian medical systems • Coppel • BanCoppel

University of California Office of the President • Berkeley Lab • gta by Travelport • GILEAD • BRIDGESTONE • MAY GURNEY • CEMEX • EPICOR

Claremont University Consortium • FTI Consulting • Interior Health • northern health the northern way of caring • TRW • Ledesma • GERDAU

The University of Iowa • New Brunswick Canada • CardinalHealth • CooperStandard • Dos Pinos ...siempre con algo mejor. • BELCORP

Iowa State • University of Northern Iowa • Fisheries and Oceans Canada Pêches et Océans Canada • Agrium • AXA • GRUPO BIMBO

WHERE WE COME FROM

YAHOO! • GE • Audi • P&G • LEHMAN BROTHERS • SAIC

CENDANT • 3COM • ADP • ORACLE • BARCLAYS • Day&Zimmermann We do what we say. • Salford City Council

EMC² where information lives • Adobe • hp • Electrolux • HMS HOST • REUTERS • BRITISH COLUMBIA

Chazey Partners

5

If you are considering implementing a SSO, it is crucial that you understand how to develop a dynamic business case to secure buy-in from faculty and employees to ensure that your shared services initiative doesn't fail before implementation or during expansion

AGENDA

1	2	3	4	5	6
Shared Services Defined	Conducting a Value Assessment	Shared Services Roadmap	Service Delivery Opportunity Areas	Creating a Business Case	Measuring Success

Chazey Partners

1

Shared Services Defined

Chazey
Partners

Shared Services...

Elevator Speech
- Treats its **internal client** with the same level of respect and service that external clients expect

Definition
- Provides non-core services to the institution, employing a **specialist team, geographically unconstrained, and focusing on the requirements of the internal client**. This involves a philosophy and approach totally unlike traditional "management-driven" centralization.

Goal
- Has the goal of providing **high quality, non-core, but mission critical services** (which can include both repetitive common processes and more specialized professional services) to the institution at **lower cost and more efficiently** than the institution could otherwise provide for itself.

How-To
- Achieves cost savings and higher quality of service by **leveraging organizational re-alignment, economies of scale, technology, lower cost locations, standardized end-to-end processes and best practice**.

Chazey Partners

Centralization?

Unresponsive to needs of business

Decentralized

Challenges
- Disparate processes
- Multiple standards
- Duplication of effort
- Different control environments
- High cost and costs unclear across the business
- Not scalable

Benefits
- Responsive to Business and Operational needs
- Business/ Operations control decisions
- Customized solutions to meet Business/ Operational requirements

Shared
- Highly client focused
- Commercially driven
- Service Partnership Agreements
- Clear unit costs
- Flexible delivery
- Clear understanding of drivers and activities

Centralized

Benefits
- Common systems and support
- Consistent standards and controls
- Tight control environment
- Economies of scale

Challenges
- Remote from business
- Unresponsive and inflexible
- No Business/ Operational control over costs
- Viewed as central overhead
- Prevalence of shadow operations

Costs too high, poor compliance environment

Chazey Partners

Client Interaction Framework (CIF)

Account Management
- SSO to client; via reporting, interaction, escalation & communication

Client Contact Management
- Client to SSO; to manage and resolve queries and drive learning/improvement

Service Partnership Agreements
- SPAs are 2-way agreements clarifying both SSO services and client inputs

Client Feedback
- Client satisfaction continuously monitored both informally and formally

Continuous Improvement
- Mechanisms to identify the areas for improvement and to develop solutions

Process Control Database
- Documents end-to-end SSO processes; highlights activity of both SSO & client

Performance Measurement
- Comprehensive KPIs, measures and metrics framework, SSO & client

Performance Reporting
- Process performance will be reviewed monthly by SSO and client

Recharging Methodology
- Define basis for charging for SSO services to turn consumers into clients

Chazey Partners

2

Conducting a Value Assessment

Methodology

Chazey
Partners

What are the 3 most important benefits of Shared Services to your enterprise?

Benefit	Percentage
Process optimization	65%
Standardization	56%
Cost	50%
Scaling and agility	33%
Customer Service	30%
Control	28%
Enabling Intelligent Automation/ Robotics/ Digitalization	16%
Platform integration	12%
Facilitating integration of acquisitions	6%

Chazey Partners
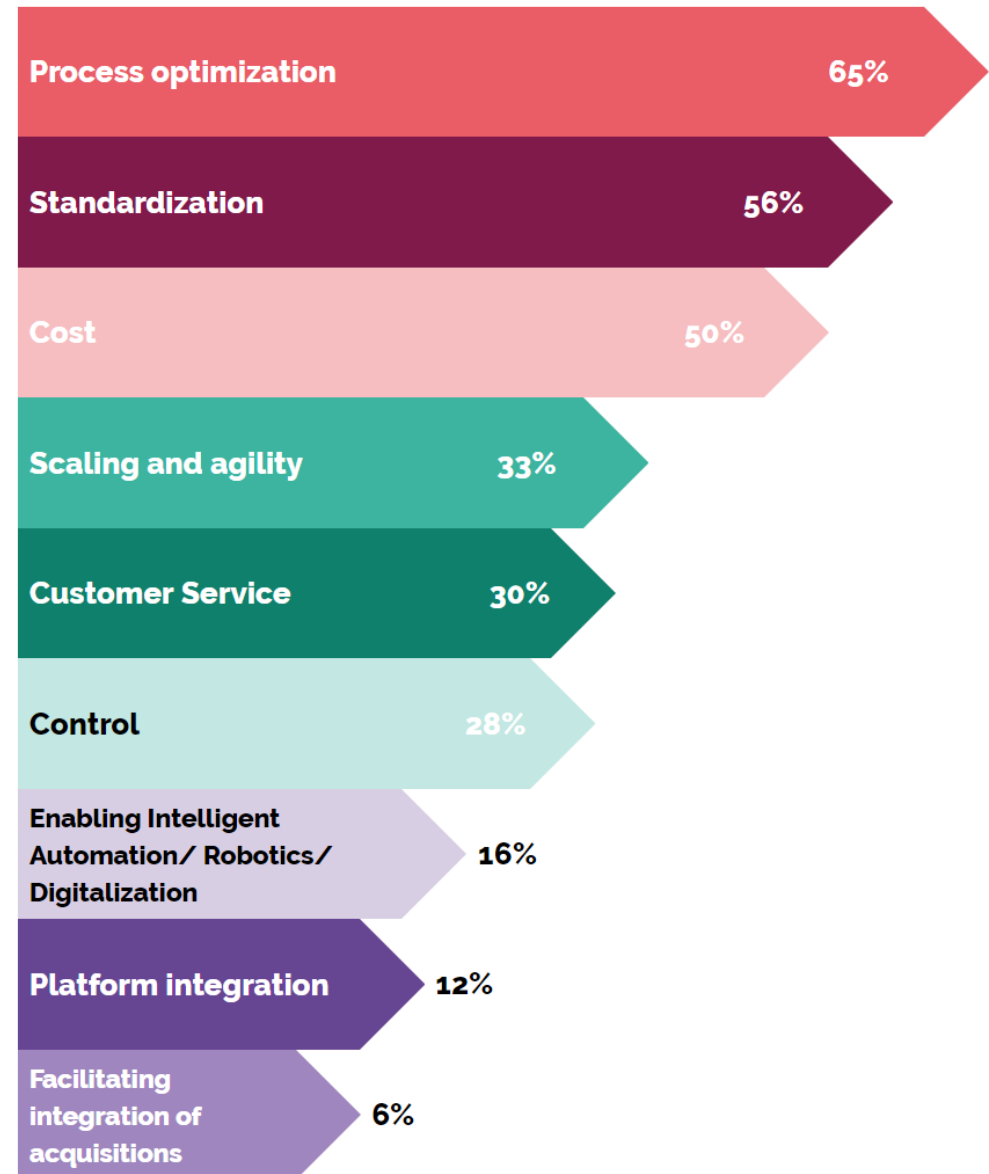
Key Drivers & Technology Enablers

Key Drivers of Shared Services

- Achieve efficiency savings
- Improve quality & leading practices
- Compliance, visibility, control
- Scalability
- Innovation & culture change
- Critical mass for technology enablement
- Free up capacity and enable the business
- Enable alternative service delivery models

Key Technology Enablers

- ERP
- Document management & workflow
- Case management & performance measurement
- Self-service portals
- Governance
- Core technology strategy

Chazey Partners

13

Conducting a Value Assessment

Exercise:

- **What are the drivers for change on your campus / in your system?**

3

Shared Services Roadmap

How the value assessment can be used to develop a roadmap or modify the existing plan

Chazey
Partners

Transformation Roadmap Example
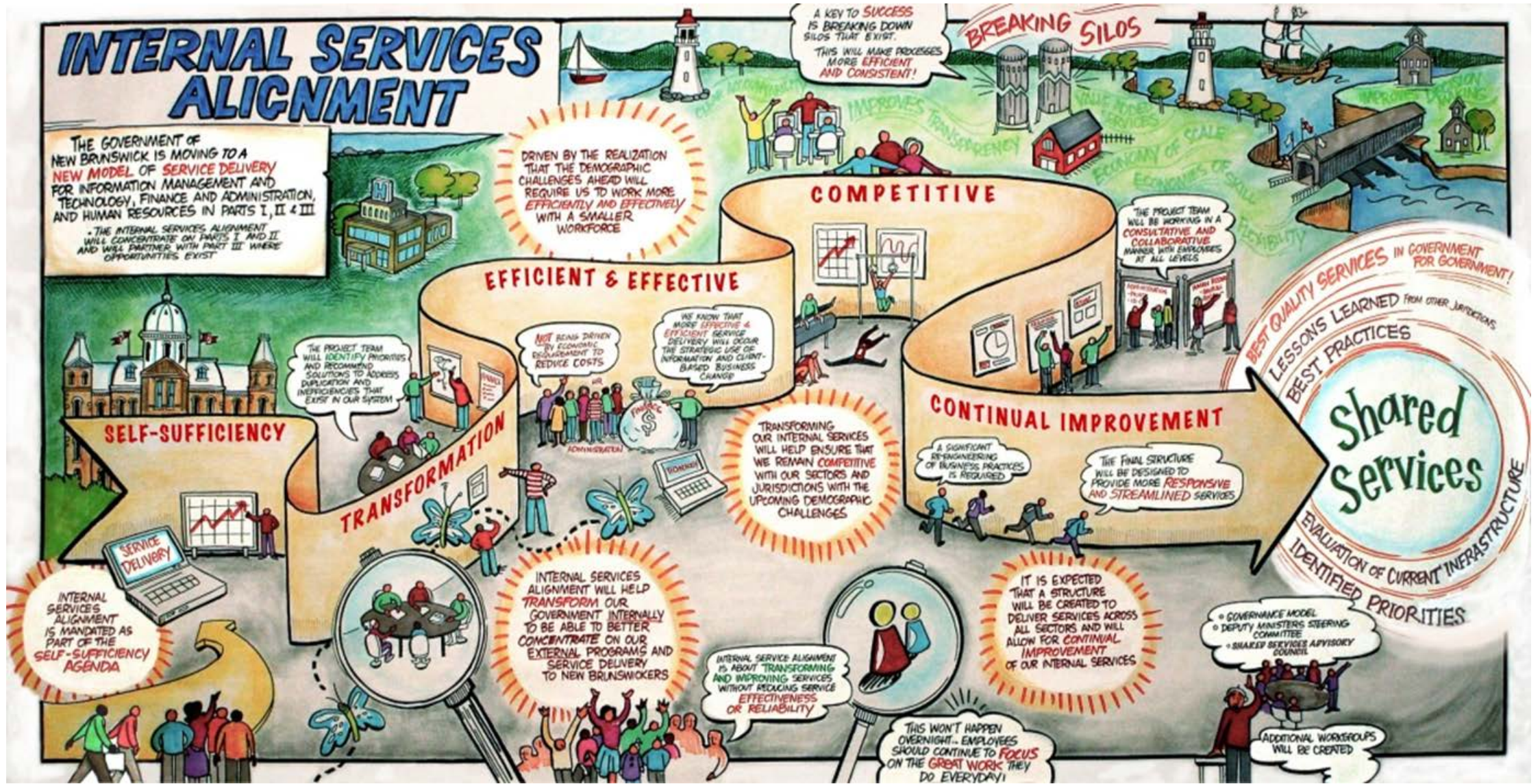
5 Stages of Transformation

Business Case
- Provides framework to achieve executive buy-in & sign-off; Acts as essential control mechanism
- Key activities: stakeholder interviews, Activity Based Analysis, Leading Practices Diagnostics

Design
- Provides all templates, plans and frameworks to support actual deployment
- Key activities: Design processes & technology, plans for training, hiring & employee transition

Build
- Building processes & technology, training staff, and set-up of end-state location
- Key Activities: Configure processes, build technology, recruitment & training

Deploy
- Full operationalization of new end-state across organization with new processes and systems
- Key activities: Detailed deployment plan, testing, Service Partnership Agreements

Stabilize
- All functions fully integrated, process-orientated, client-focused, culture of continuous improvement
- Key Activities: Optimize work allocation, continuous training, comprehensive feedback review

Chazey Partners

Key Activities and Deliverables

Business Case
- Complete Activity Based Analysis
- Confirm Baseline Performance
- Complete Stakeholder Analysis
- Leading Practices Diagnostics
- Create Opportunity Matrix
- Finalize technology assessment
- Develop Financial Business Case

Detailed Business Case

Design
- To-Be Process Design
- Define Required Competencies & Identify Gaps
- Develop Initial Technology Specifications
- Select Location, Design Facility Confirm Costs
- Adapt/Write Job Descriptions
- Develop Technology Roadmap
- Complete Job Impact Analysis

Detailed Implementation Plan

Build
- Validate/Test Processes in Conference Room Pilots
- Build Technology Enabled Processes
- Develop Detailed Deployment & Cutover Plan
- Recruitment & Training
- Build Service Partnership Agreements (SPAs)
- Develop KPIs & Metric tools
- Build/Adapt End State Facility

End-State Detailed Design

Deploy
- Resource Deployment Team
- Deliver Detailed Deployment Plan.
- Test Readiness for Go-Live & Execute
- Implement & Sign Off Service Partnership Agreements (SPAs)
- Work Shadowing & Knowledge Transfer
- Implement Employee Transition Plan
- Roll Out Technology with Training

Operational End-State

Stabilize
- Stabilize Operations
- Optimize Work Allocation
- Assess Client Interaction Framework
- Implement Continuous Improvement
- Assess Technology Tools
- Implement Continuous Training
- Conduct Comprehensive Feedback Review

Stabilized End-State

Key Deliverables

Chazey Partners

High Level Roadmap Examples

PROJECT MANAGEMENT

★ Go-Live

DESIGN	BUILD	DEPLOY	Stabilize
Define and create templates, plans and frameworks for actual deployment	Building processes & technology, training staff, setup final location	Full operationalization of new end-state (new processes and systems)	All functions fully integrated, process-oriented, client focused, continuous improvement
• Key activities: ✓ Design processes & technology ✓ Plans for training hiring and employee transition ✓ Customer Interaction templates	• Key activities: ✓ Configure processes ✓ Build technology ✓ Recruitment ✓ Training	• Key activities: ✓ Detailed deployment plan ✓ Testing ✓ Service Partnership Agreements ✓ Work shadowing	• Key activities: ✓ Optimize work allocation ✓ Continuous training ✓ Comprehensive feedback review

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

2018

Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Project planning and preparation	▬								
Perform Communications and change management plan		▬▬▬▬▬▬▬▬▬▬							
Design, implement & test technology improvements		▬▬▬▬▬▬▬▬▬							
Implement process improvement opportunities		▬▬▬▬▬▬▬▬							
Define and document to-be process documentation, Org. Structure and CIF Elements		▬▬▬▬							
Define Roles & Responsibilities, job descriptions, training and recruiting plan			▬▬▬						
Confirm Service Partnership Agreements, Service Offering, Performance metrics and reports				▬▬▬					
Build, Implement and Prepare To-Be processes			▬▬▬▬▬▬						
Detailed design and Build the organization (teams)				▬▬▬▬▬					
Perform transition, training plan and work shadowing							▬▬▬		
Prepare and execute cut-over plan									▬
Update business case									▬
Check readiness and go-live									▬

Chazey Partners

Shared Services Roadmap

Exercise:

- **How will you develop / how have you developed your roadmap?**

4

Service Delivery Opportunity Areas

Prioritizing these areas

Chazey
Partners

Typical In Scope Services

Finance
- Accounts Payable
- Billing/Accounts Receivable
- General Ledger
- Consolidations
- External Reporting
- Planning and Budgeting
- Treasury/Cash Management
- Internal Audit
- Tax
- Foreign Exchange
- Business Support Analysis
- Financial Reporting
- Project Accounting
- Cost Accounting
- Lockbox Services
- Records Management
- International Accounting
- Credit & Collections

Marketing
- Corporate Brand Compliance
- Public Affairs/Media Relations
- Communication Services

Human Resources
- Payroll
- Travel & Expense
- Compensation & Benefits Administration
- Records Management
- Training & Development
- Relocation Services
- Evaluation Planning/Review
- Policies & Procedures
- Labor Relations
- Recruiting/New Hire On-boarding
- Headcount Reporting
- Succession Planning
- Employee Recognition

Information Technology
- Desktop Support
- Application Maintenance
- Telecommunications
- Hardware & Software
- Application Development
- Data Center Operations
- Technology Planning & Development
- Acquisition Support
- IT Security

Sales Operations
- Sales Compensation
- Order Management

Legal
- Litigation Support & Coordination
- Regulatory Compliance

Corporate Services
- Travel Services
- Real Estate
- Facilities/Site Services
- Fleet Management
- Security
- Environment, Health & Safety
- Insurance
- Mailroom
- Health Clinics/Day Care Centers
- Engineering
- Emergency Management

Chazey Partners

"Bots" transact in any IT application or website, typically in the same way a human would, to automate complex, rule-based work.

Benefits

OVERALL COST REDUCTION

- The average cost of implementing and running a robot is much less than the equivalent FTE costs and decreases with large-scale deployments

SPEED & PRODUCTIVITY

- RPA is typically 2X-3X faster than humans
- Even if robots work at same pace as humans they can work round the clock, unlike humans

ACCURACY & COMPLIANCE

- Robots work to 100% accuracy levels and enable compliance
- Avoiding human error saves costs

SCALABILITY & FLEXIBILITY

- Robots can easily be scaled up and down to handle demand fluctuations and seasonal variations

REMOVAL OF NON-VALUE-ADD PROCESSES

- Upskill the workforce to decision-making roles

Chazey Partners

Service Delivery Opportunity Areas

Exercise:

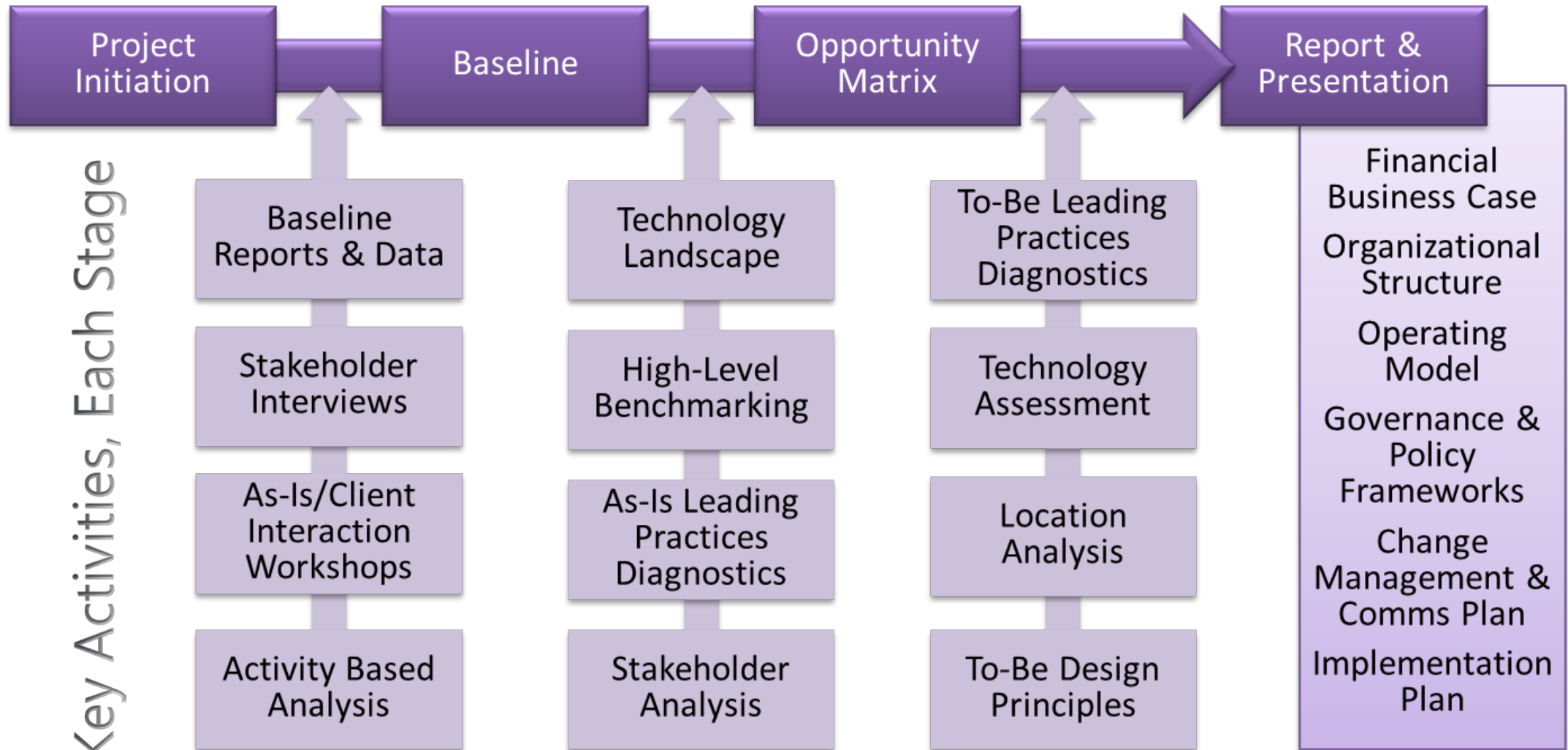- **What is the potential scope & what services are under consideration?**

5

Creating a Business Case

Is it ever too late to create a business case?

Chazey
Partners

Business Case, Key Deliverables

Project Initiation → Baseline → Opportunity Matrix → Report & Presentation

Key Activities, Each Stage

Baseline	Opportunity Matrix		Report & Presentation
Baseline Reports & Data	Technology Landscape	To-Be Leading Practices Diagnostics	Financial Business Case
Stakeholder Interviews	High-Level Benchmarking	Technology Assessment	Organizational Structure
As-Is/Client Interaction Workshops	As-Is Leading Practices Diagnostics	Location Analysis	Operating Model
Activity Based Analysis	Stakeholder Analysis	To-Be Design Principles	Governance & Policy Frameworks
			Change Management & Comms Plan
			Implementation Plan

Chazey Partners

Operating Model

Provost (Strategy)
- Strategic, global services with clear linkage to vision, mission and strategic goals of organization
- Long-term perspective whose activities have more distant relationship between effort and results
- Confirm policy alignment & ratification

Business Partners (Influence)
- Work with operational leaders to achieve organizational objectives
- Provide information, tools, analysis and insight to influence decision making
- Higher level of business proximity required (de-centralized delivery)
- Need functional expertise, analytical skills and strong interpersonal skills: "hire for skill and attitude"

Centers of Expertise (Expertise)
- Professional & technical
- Programmatic, episodic activities
- Deliver on organizational strategy through provision of tactical services
- Generally requires interaction with client, although less necessary to be physically situated close to business
- Policy research, development & implementation
- Generic business & functionally expert skills required: "Hire for skill, train for attitude"

Shared Services (Process)
- Transactional & administrative
- Regular, repeatable, transactional activities
- Results more quantifiable
- Benefit greatly from standardization, automation and technology
- Clear linkage between effort and results (outputs generally experienced in short-term)
- Less necessary to be physically situated close to business
- Process focused, service-driven skills required" "Hire for attitude, train for skill"

Internal Client
- Provides inputs and/or receives outputs of in-scope processes
- Representative of internal client signs off processes, service levels, input requirements, key performance indicators, and client's roles and responsibilities as documented in Service Partnership Agreements

Client Interaction Framework

| Account Management | Client Contact Management | Service Partnership Agreements | Client Feedback | Continuous Improvement | Process Control | Performance Measurement | Performance Reporting |

Chazey Partners

The 4 C's of Change Management

Communication   You own the message, generally one-way information transfer

Consultation   Recipient can influence/impact message, but you have ultimate veto/decision

Collaboration   You do not control or ultimately own the final outcome; you agree to accept with the outcome and direction decided by majority

Consensus   Collaboration with all participants having a veto

- Be clear on your intent/purpose
- All of these can be appropriate depending on issue and audience
- Higher education tends to favor consensus, but hard to keep everyone happy, so this environment can be change adverse

Chazey Partners

Creating a Business Case

Exercise:

- **How will you anticipate and overcome change resistance?**

6

Measuring Success

If you have already developed a business case, when should you go back to review?

Chazey Partners

Case Study

UC Davis has four colleges and six professional schools, while the UC Davis Health System serves 6 million people from over 33 counties

Good initial work in the Business Case and Design

However, due to the time schedule, the Build cycle was compressed and rushed Deployment

Resulted in sub-optimal service delivery and customer issues

Fixed through

- review of services

- leadership change

- a comprehensive "playbook" of areas to modify

Successful 're-boot' led to expansion

HR activities for additional schools and medical center

Chazey Partners

Optimization Areas

Internal Client
- Service orientation in place
- Structured way of dealing with customers
- Customer satisfaction levels understood
- SPAs in place
- Reality versus perception
- Account management

Process
- Processes documented
- Standardized, controlled & repeatable activity
- Recharging methodology
- Benchmarking – internal/external
  Metrics: Control Based; Efficiency & Effectiveness

CRITICAL SUCCESS FACTORS

Technology
- ERP implemented
- Document Scanning Solution
- Workflow
- Automated Payments
- Elimination of Side Systems
- Self services tools
- Automated Score Cards

People
- Skilled Leadership in place – do not compromise on competencies
- Team shape & stability – process shaped/spans of control/staff – perm v temps
- Team members – culture, values & behavioral competencies assessed
- Team morale, reward & retention
- Working environment conducive to team working

Chazey Partners

Warning Signs & Causes of Failure

Warning Signs	Causes of Failure	Lessons Learned
• Shadow operations • Low customer satisfaction scores • Complaints about paying chargebacks • Losing clients/ market share • Lack of standardized processes • High employee turnover, SSC "too quiet" • Minimal use of automation tools • High cost of operation	• Lack of senior level sponsorship • No business case • Weak project management • Taking on too much, too soon • Technology issues • Roles & responsibilities poorly defined • Weak processes	• Executive sponsorship is key • Develop clear business case • Do not underestimate change management • Leverage formal Client Interaction Framework • Innovate & continuously improve • Global standards & process ownership • Standardize & integrate technology • Transformation takes a team

Chazey Partners

Measuring Success

Exercise:

- **How will you plan for continuous improvement?**

Leverage Our Experience for Your Success

THANK YOU

Chazey
Partners

CONTACT US

Founder and CEO
Phil Searle
philsearle@chazeypartners.com
M: +1 408 460 0785

Regional Director, US
Craig Ackerman
craigackerman@chazeypartners.com
M: +1 703 401 0419

www.chazeypartners.com

www.linkedin.com/company/chazey-partners

@ChazeyPartners | #ChazeyPartners

Chazey Partners