



**Chazey
Partners**

Leverage Our Experience for Your Success

3 KEY ASPECTS OF SHARED SERVICES DEVELOPMENT ASSESSMENT, OPTIMIZATION, GROWING



Assessing, Optimizing and Growing Your SSO

- Improve customer satisfaction while maintaining (and expanding) efficiency
- Implement appropriate and valuable benchmarks and KPIs
- Expand scope through new functions and service lines
- Advance current functions up the value chain into new areas such as sourcing, data analytics and planning
- Identify opportunities for advancement through Technology Enablement, including ERP, Workflow, Document Management and latest enablers such as Robotic Process Automation (RPA)

Global Management Consulting & Advisory Services

Shared Services

From Business Case to Deploy, to correction & optimization or expansion of existing operations to GBS

Business Transformation

Process Optimization, Organization Restructure, HR services, recruitment & training

Robotic Process Automation

Automation assessment, proof of concept, vendor selection & provider of RPA solutions

Enterprise Wide Security

Business Continuity Planning, assessment & implementation

1

Who We Are

Founded 2006, headquartered California, global offices, over 50 full-time & 70 specialist resources

2

What We Do

Evaluations & assessments, strategic advice, project management, process and market expertise

3

Where We Focus

Finance, Human Resources, IT, Procurement, & other functions

4

The Chazey Difference

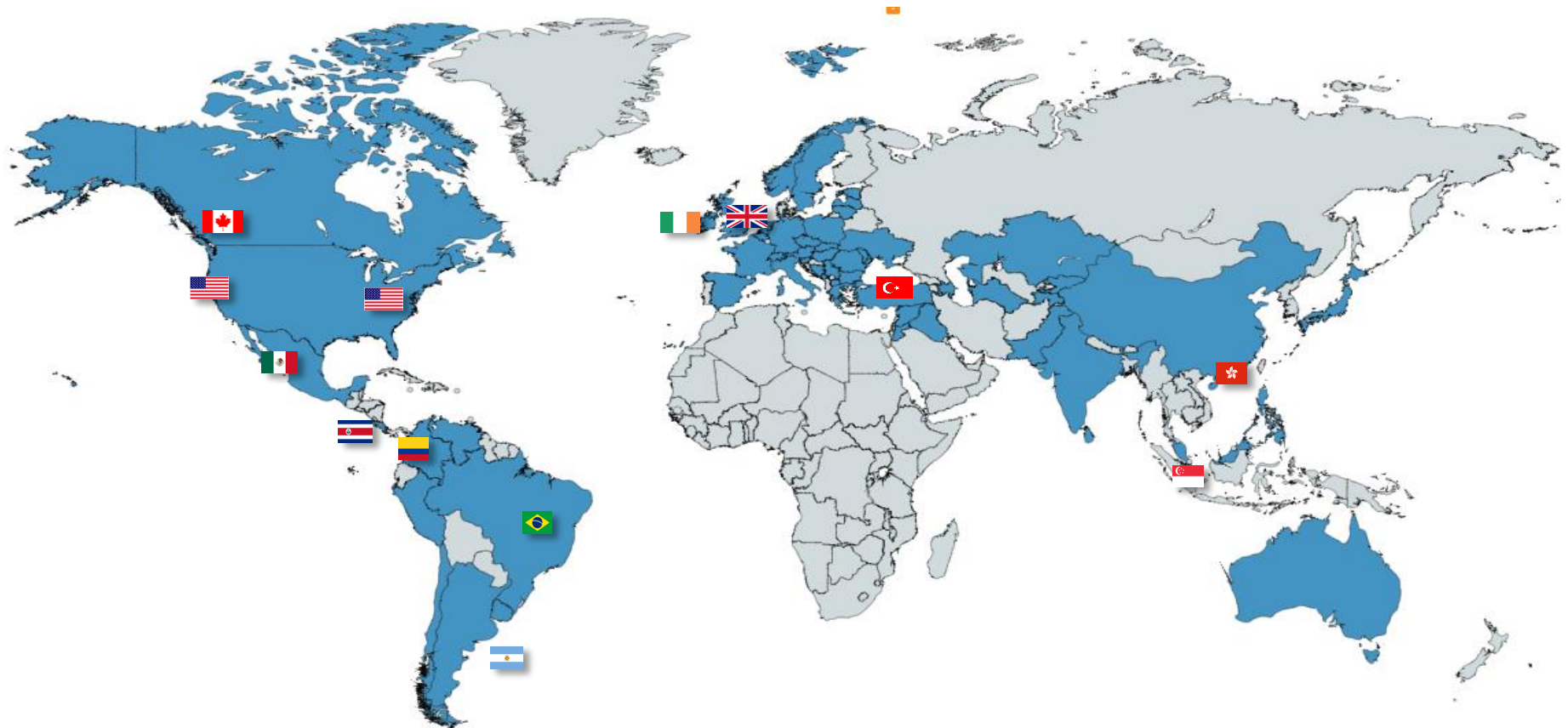
Practitioners first, staff continuity, knowledge transfer, client engagement in transformation

Project Countries/Experience



Who We Are: Founded 2006 • Global offices headquartered in California • Over 50 full-time and 70 specialist resources

What We Do: Evaluations and Assessments • Strategic Advice • Project Management • Business Continuity



Where We Focus: Transformation of Finance • Human Resources • IT • Procurement • Facilities • Other Functions

The Chazey Difference: Practitioners first • Staff Continuity • Knowledge Transfer • Client Engagement in Transformation

Who We Have Worked With



OUR CLIENTS



WHERE WE COME FROM



Our Service Offerings



OUR SERVICE OFFERINGS

SHARED SERVICES

End-to-End: From assessment to implementation

Optimization & Rebooting

Outsourcing Assessment

Technology Enablement

Global Business Services

Robotic Process Automation (RPA)

Coaching

BUSINESS TRANSFORMATION

Organization Design

Staffing Services

M&A

Technology Enablement

Business Continuity Planning

ENTERPRISE WIDE SECURITY

Audit Services

Cybersecurity

Operational Security

Business Continuity Planning

A GLOBAL MANAGEMENT CONSULTING & ADVISORY SERVICES

Content

Assessing

Optimizing

Growing

Questions

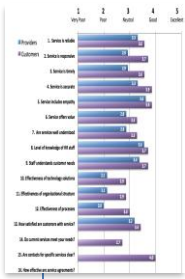
Assessing

Optimizing

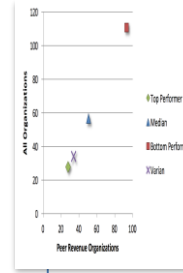
Growing

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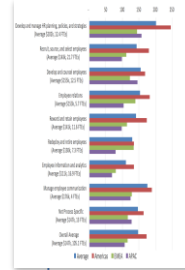
Assessment Activities



Voice of the Customer Interviews and Voice of the Provider Interviews



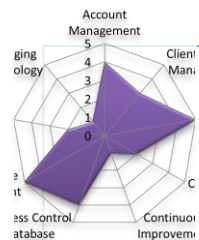
Baselining and Benchmarking calculated or gathered for in-scope functions



Activity Based Analysis collected for staff and contractors of all in-scope functions



Process Roundtables and Workshops with Providers and Customers



Client Interaction Framework review of customer and provider relationship



Opportunity Matrix consolidates observations and learnings into themes and recommendations

Critical Success Factors

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

Client Interaction Framework

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

Internal 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

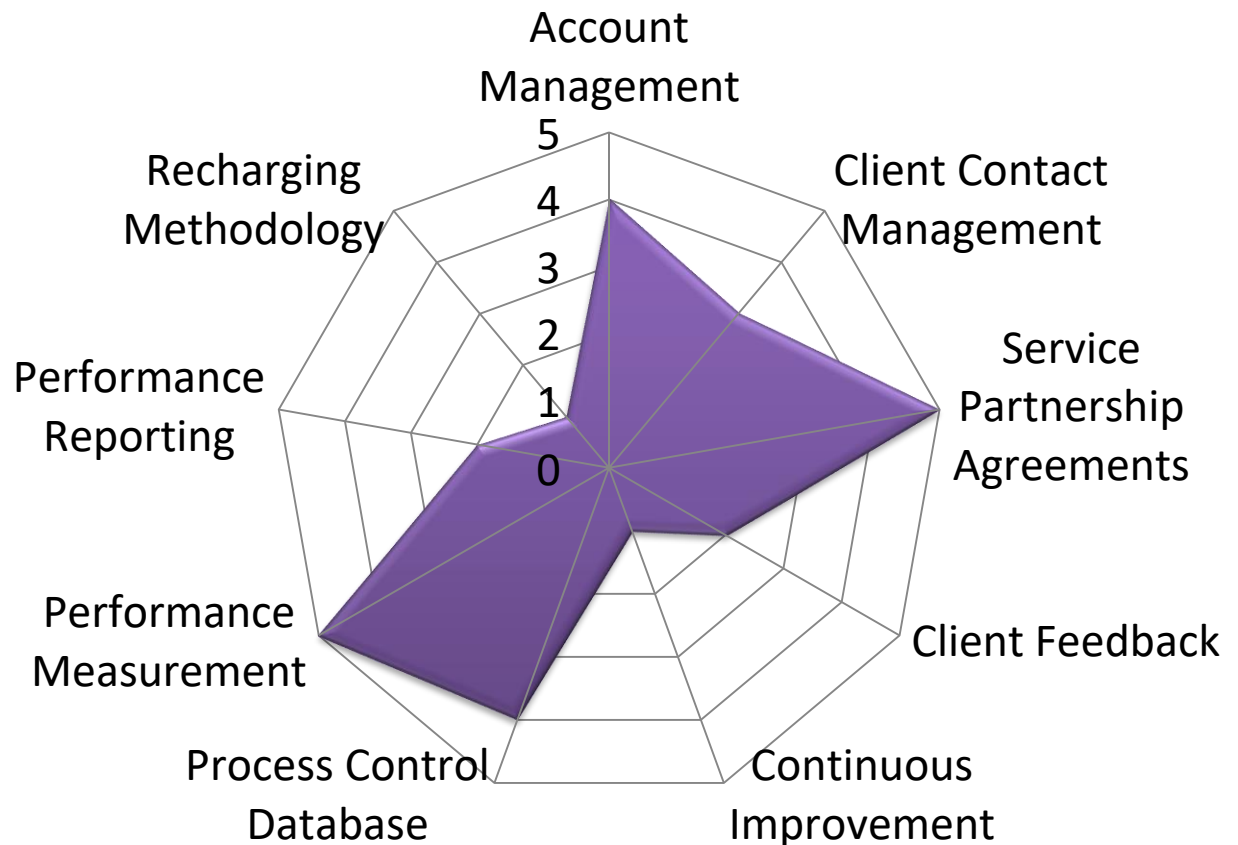
- Process performance will be reviewed monthly by SSO and client

Recharging Methodology

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

Self-CIF Assessment

Today, we will review the components of CIF in detail and have you perform a high-level self-assessment of your current operations based on the components and principles of CIF to identify areas for improvement and optimization.



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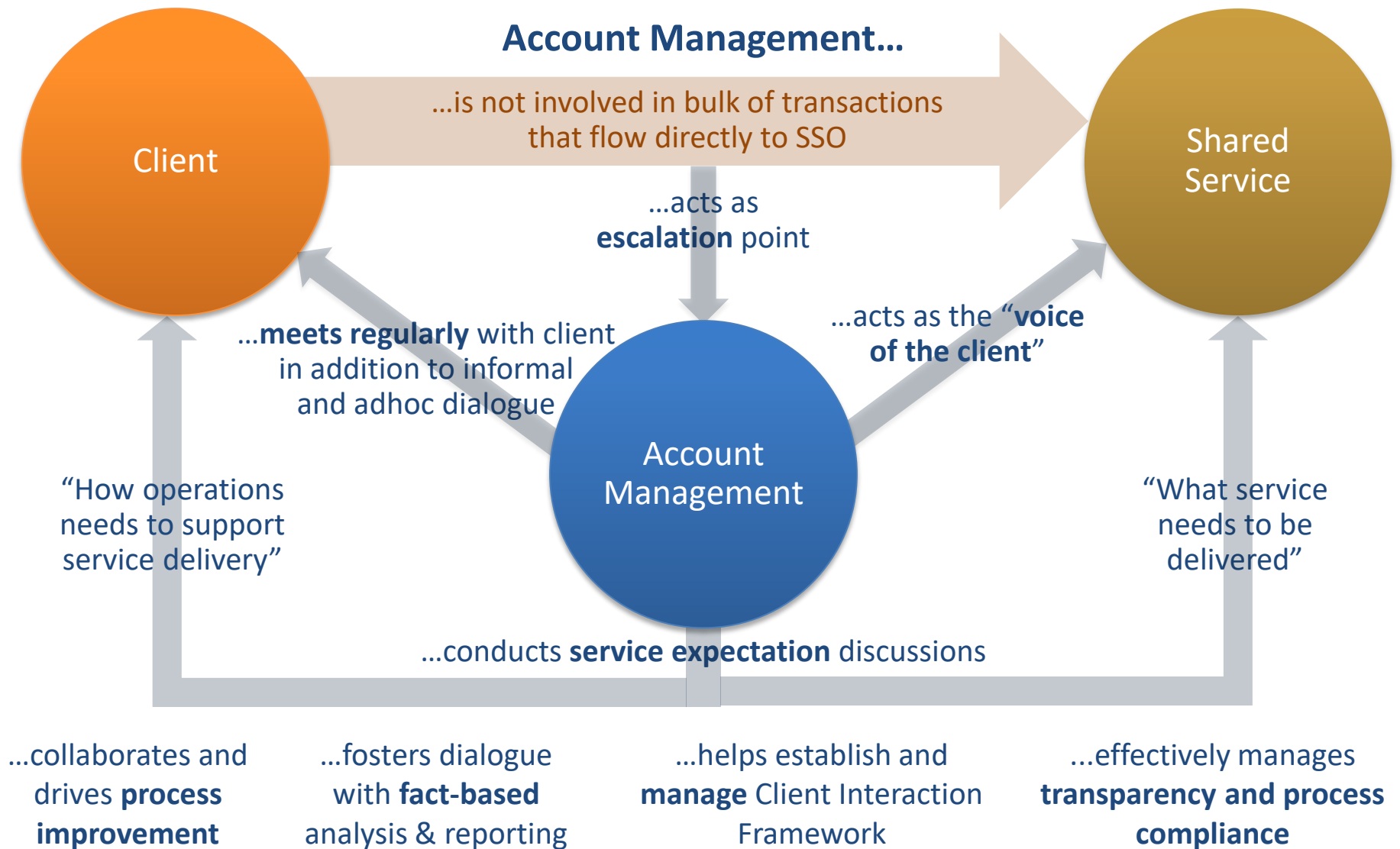
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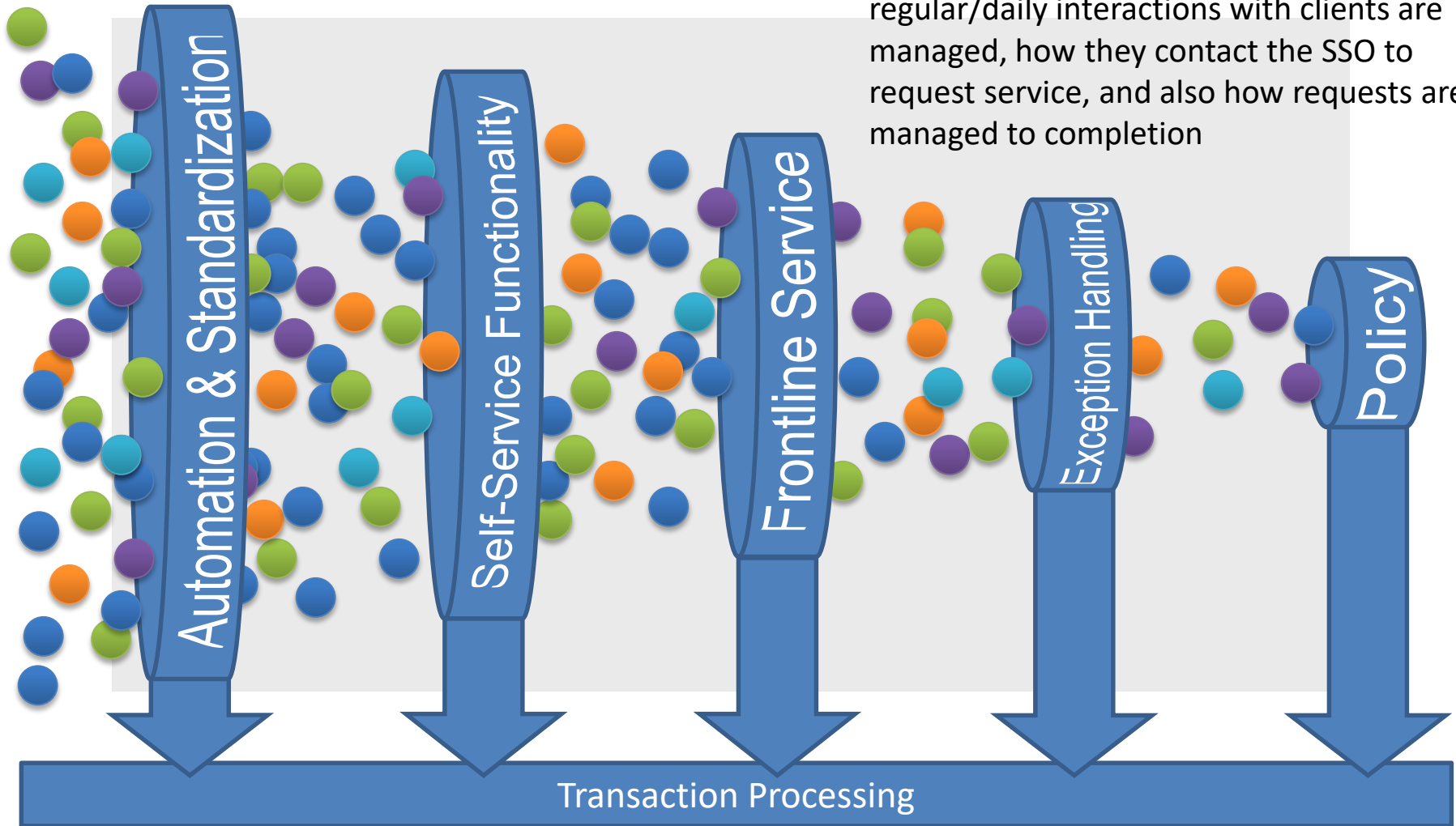
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Client Contact Management defines how regular/daily interactions with clients are managed, how they contact the SSO to request service, and also how requests are managed to completion

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Service Level Agreements (SLAs)

Service Partnership Agreements (SPAs)

Typically one-way outlining SSO services & cost to client

Direction

Bi-directional outlining SSO & client responsibilities in service provision

Catalogue of services that can be purchased by clients

Service items

End-to-end breakdown of service by process, showing ownership (whether client, corporate or SSO)

Can be inflexible & imposed; often presented to clients near go-live

Development

Negotiated & agreed between clients and providers; developed during Design & Build phases

Legal/contractual language

Language

Includes legal/contractual language and guide to operating business

Sometimes

KPIs

Negotiated & agreed

Generally avoid invoking SLAs as use indicates contractual/legal issue

How Used

SPAs used regularly to enhance understanding & drive process improvement

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Be clear on your purpose/intent and use the right type of communication (remember the 3 C's):

Communication

you own message, generally one-way information transfer

Consultation

recipient can influence/impact message, but you have veto

Collaboration

you do not control final result

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Service Offerings List is incorporated into Service Partnership Agreement and identifies:

- Respective responsibilities of SSO and Department/Corporate
- Department deviations from standard services

ID	Service Name	Description	Activities Performed	SSO	Department
P.100	Obtain/ Maintain Position	This service covers responsibilities involved in setting up a new or modifying an existing position	1. Identify need for position creation or modification		HR
			2. Prepare and submit service request to SSO		HR/Manager
			3. Receive service request, log, review, prioritize and process		HR
			4. Activate feedback for incomplete service request, if required	✓	
			5. Perform corrective action and re-submit to SSO, if required	✓	
			6. Input data into HR/Payroll systems		Manager
			7. Provide required internal/corporate confirmation notices	✓	
			8. File required documents and run required reports	✓	
			9. Send required documents to department & corporate groups	✓	

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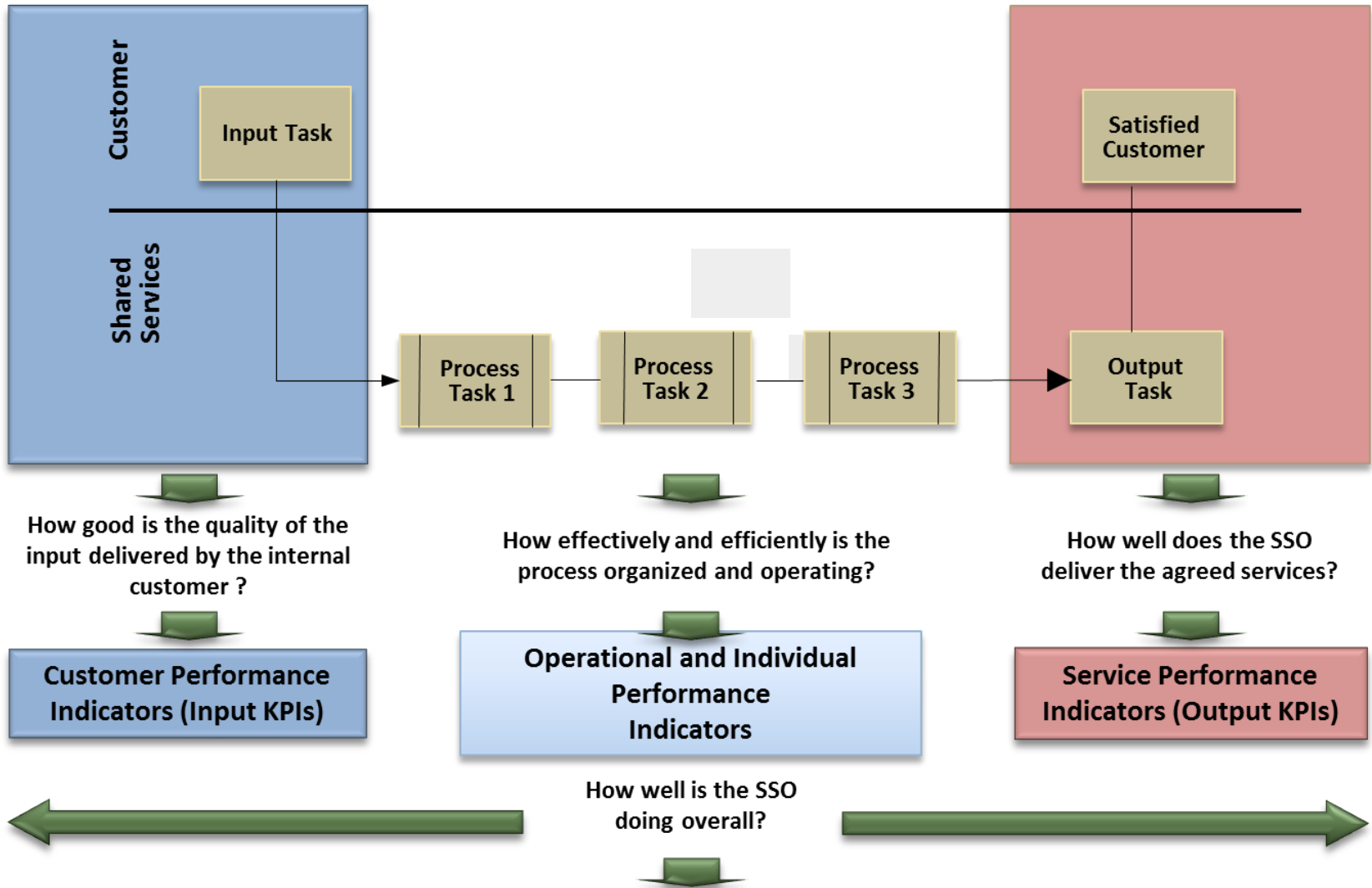
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Performance Commentary

- Achievements past period
- Initiatives for next periods
- Other commentary: main risks and issues, improvement activities, high-level summary of KPIs

Key Performance Indicators

- Output and inputs KPIs
- Selection of operational KPIs
- Department specific KPIs
- Root cause and effect analysis

Appendices

- Process improvement overview
- Adhoc services delivered
- Risks and issues
- Service incidents
- Backlogs

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The implementation of an equitable recharging methodology to recover operating costs enables the SSO to **operate as an independent business** and **encourages better behaviour** throughout the organization

Recharging methodology **critical success factors**:

SIMPLE

Avoid very complex time collection and billing systems

VISIBLE

Sufficiently detailed metrics and billing so critical cost elements are understood

FOSTERS CONTINUOUS IMPROVEMENT

Encourage better business practice through the chargeback mechanism

FLEXIBLE

Embed flexibility to account for variations in business requirements

FAIR

Ensure fairness for each client involved and SSO

Not one-size-fits-all; consider: cost per transaction, variable cost based on complexity/non-standard service, allocation of historical, future or actual costs, initial moratorium, availability of baseline funding

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Assessing

Optimizing

Growing

Questions

- Multi-functional SSC (Finance, HR and Payroll) established in 2012
- Higher Education Example
- Failing on many counts by end 2013
- “Design/Build/Shove It In”
- Lack of client engagement beyond theory and principles
- Poor use of technology
- Blame culture
- Short-cuts taken on SSO organizational design
- Change management inadequate

Optimization Areas

Customer

Process

Technology

People

Foundational

Optimization Area:

Customer

SSO Need/Symptom

Optimization Opportunity

Client experience is poor, interaction is reactive, confusion on process ownership, unclear channels

Account Management

Chargebacks are a clear pain point and cause of service dissatisfaction

Assess chargeback model and identify opportunities for more advanced models

KPIs don't reflect perceptions/perspectives of customers

Measures and Metrics Framework

Service level agreements were imposed on clients and/or are out-of-date

Develop Service Partnership Agreements

Inefficient communication through numerous emails or phone calls

Front-end customer contact systems

Optimization Area: **Process**

SSO Need/Symptom

Optimization Opportunity

Processes include duplications, loop backs, bureaucracy; no clear escalation path

Clear definition of process and process ownership

Negative perceptions from both customers and providers

Customer-provide process workshops to identify further improvement opportunities

SSC is seeking improved efficiency and effectiveness

Lean Six Sigma process improvement projects

SSC is seeking to provide more value-add services

Consider Robotics Process Automation (RPA) for manual and repetitive activities

Optimization Area: **Technology**

SSO Need/Symptom

Optimization Opportunity

Technology lacks integration/ability to communicate

Business system strategy group

Duplicative or shadow systems

End-to-end training programs on key/in-use technology

Competing technology systems across multiple areas of the business

Consolidated licensing to leverage better terms and functionality of new modules

Obsolete or inefficient processes and/or systems

Implementing new functionality under existing licensing agreements

Inefficient communication through email and phone

Technology Enablers like employee and manager self-service

Optimization Area:

People



SSO Need/Symptom

Optimization Opportunity

Staff not identifying with merits of Shared Services

Skill Training:
customer service and technical

Staff morale suffering; lack of mobility

Job rotation programs

Ineffective staff; wrong skills in wrong positions

Best practice end-to-end functional models

Lack of internal continuous improvement

Peer sharing with other SSOs

Optimization Area: **Foundational**

SSO Need/Symptom

Optimization Opportunity

Lack of accountability

Clearly defined strategic plan and roadmap

Lack of ownership

Clear governance structure

No resources dedicated to continuous improvement, change management, etc.

Continuous improvement culture

Unsupported claims as to the effectiveness of the SSC

Business case matching design, scope & technology

BREAK OUT SESSION: Your Biggest Areas for Optimization

1. Introduce yourself at your tables

30 Seconds each

Name, Role, Stage of Shared Services (planning, building, new, mature)

2. Share your optimization areas

30 Seconds each

From perspective of

- Provider
- Client

3. Discuss at your tables

5 Minutes

Choose 2 or 3 opportunities from critical success factors

4. Report out

5 Minutes

Three tables will be selected to report out to room on themes

Content

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Questions

Expand Scope

Provide a wider range of services

Additional Functions

Finance
HR
IT
Procurement
Legal
Customer Service
Help Desk
Facilities

New Processes in Current Functions

Examples:
P2P – Purchase Requisition or Purchase Order Processing

Expand Coverage of Business

Business Units
Divisions
Legal Entities

Increase Geographic Coverage

Regions
Locations
Countries
Time Zones
Languages



Additional Functions - Examples

P2P

- Purchase Requisitioning
- Purchase Order Processing

O2C

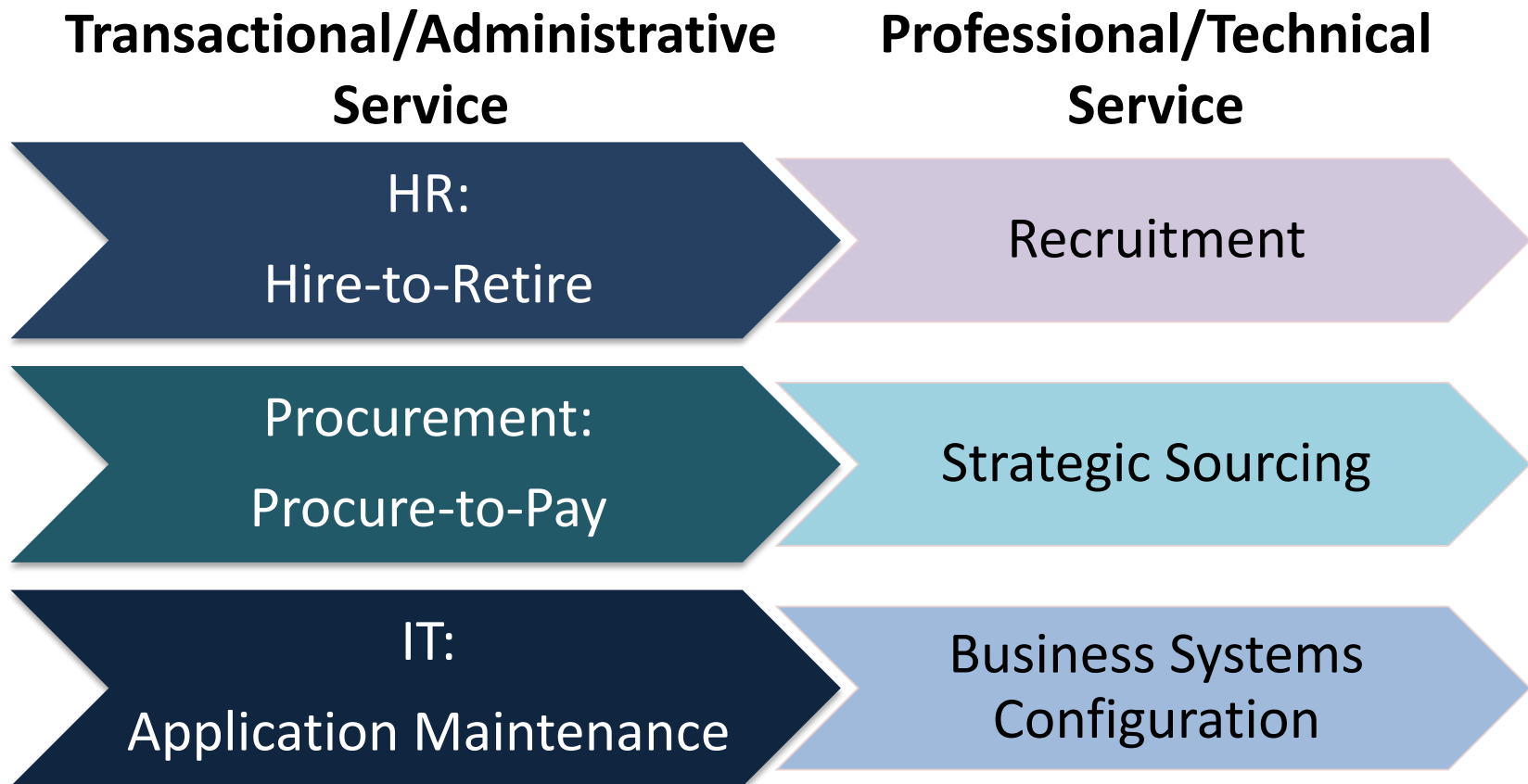
- External Customer Order Management & Billing

R2R

- Management Reporting
- Analytics

Move Up Value Chain

Revise operating model of in-scope functions to establish professional and technical Centers of Expertise



Leading Practice Organization



Corporate (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

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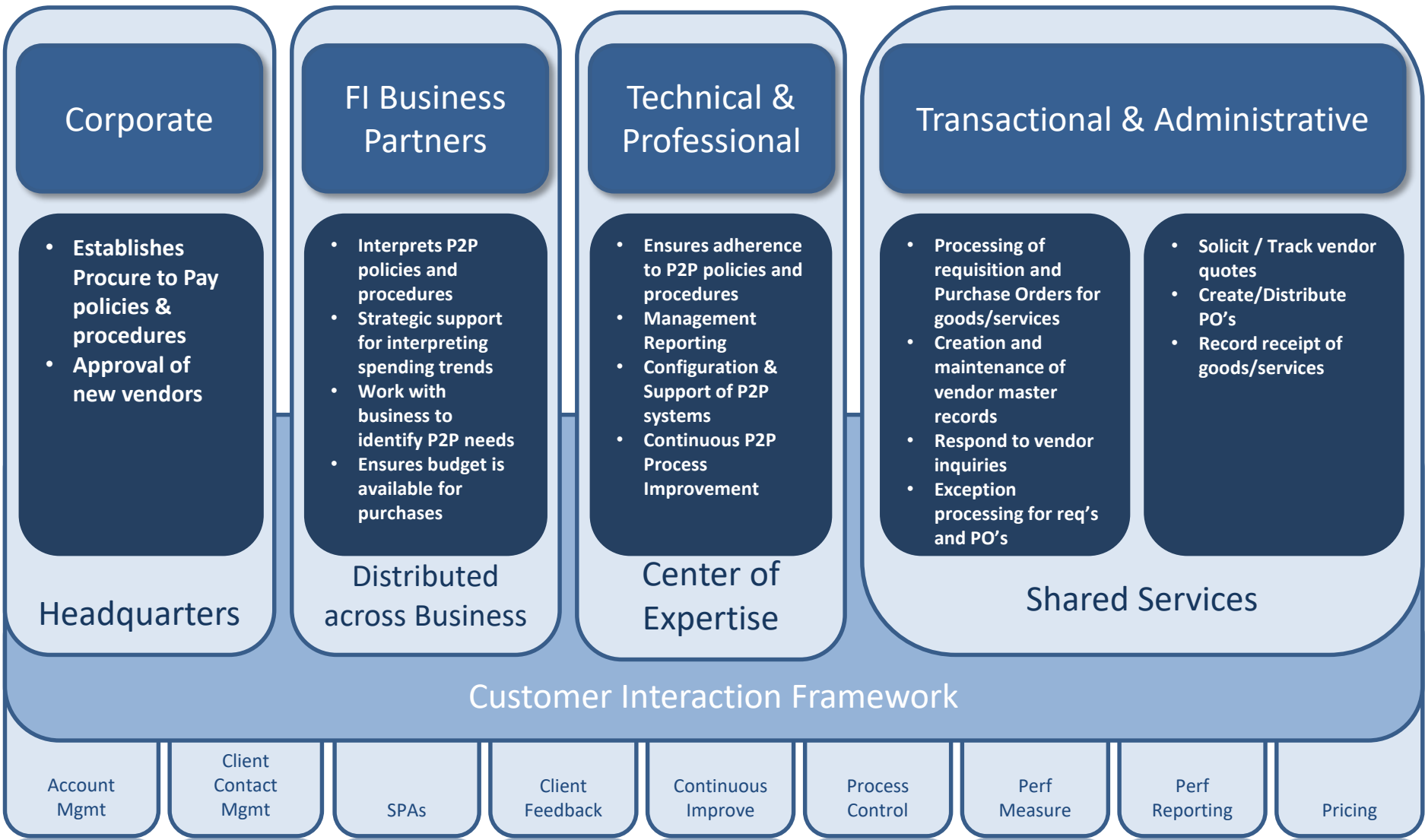
Continuous Improvement

Process Control

Performance Measurement

Performance Reporting

Procure-to-Pay (P2P)



Technological advancements have enabled support services to move closer to the business

BIG DATA & DATA ANALYTICS

- SSOs can provide strategic and decision support from the large amounts of data that they capture, manage and produce
- Previously this insight and information was not available

INTELLIGENT AUTOMATION & ROBOTIC PROCESS AUTOMATION

- By replacing mundane manual tasks, frees up FTEs for other value adding activities
- Allows for the consideration for 'insourcing' previously 'outsourced' activities

Provide consulting services to rest of business

- Six Sigma
- Project Management
- Change Management

Offer services to external third parties

- Federal Government can provide to other agencies
- Higher Education can provide other universities and Medical Centers and Hospitals
- Private sector can provide services to other companies

Contact us



www.chazeypartners.com/contact-us

info@chazeypartners.com