

Orchestrated Harmony Shared Services



Beloved classical compositions have a magical combination of instruments playing in orchestrated harmony. Organizations that effectively embrace shared services exhibit a similar flawless synchronization, turning complex movements into exceptional execution. With such shining examples around, why don't all companies embrace or expand the shared services model?

One plausible explanation is that historically, shared services centers (SSCs) were used primarily to reduce the cost of core business functions, such as finance, procurement, human resources, and information technology. With cost reduction as its focus, SSCs didn't always create harmonious experiences for users. Over time, many SSCs have evolved to be true service-oriented organizations, providing exceptional customer experiences over a much broader scope of services.

By focusing on the customer experience as well as internal execution, organizations are implementing a more coordinated strategy across functions leading to the creation of multifunction shared services and global business services. Shared services as a strategic business model transforms how a company with diverse business units operates globally. By connecting business units through their common core enabling functions, companies can streamline and improve how they conduct business – leading to consistent service delivery excellence leveraging effective and efficient practices.



Strategically linking services

Organizations transform their business for different reasons. Some are positioning themselves for new growth opportunities while others are restructuring to improve efficiency. What they have in common is the desire to dramatically improve business performance. Deloitte's Business Model Transformation (BMT) practice helps drive the business and operating model changes required to achieve an organization's strategic vision. Shared Services is one specialty area in BMT. Visit www.deloitte.com/us/bmt for more on our other capabilities.

Connecting different business units through their common core processes can lead to consistent service delivery excellence.

How we can help

The Deloitte's Shared Services team works closely with executives to consider how a shared services operating model aligns with their specialist business strategy. We help drive desired results at the highest strategic levels: from initial strategy development and determining what the value of shared services is to a company, through the implementation and opening of a shared services center, to refinements of the shared services organization to help it achieve the next level of performance.

Different triggers compel companies to consider shared services for the first time or to refine their existing shared services model, including:

- Relentless global competition, a pressure compounded by ongoing economic turmoil
- Mergers, acquisitions, consolidations, and making the transition from a holding company structure to an integrated operating company model
- The continual push by investors and stakeholders for increased controls and reduced costs
- Pooling of operations and people to address talent management issues

We advise companies as they:

- Develop and evaluate an initial SSC strategy or consider expanding an existing SSC
- Evaluate sites and facilities locally and globally to help effectively locate an SSC
- Design and implement the SSC's IT infrastructure and networks
- Address organizational and change management issues, including workforce transition, training, and communications
- Establish effective governance procedures and service-level agreements for ongoing shared services management
- Integrate the SSC into a company's broader service delivery model organization, which may include offshoring or outsourcing
- Explore potential benefits of outsourcing certain processes or services

Bottom-line benefits

An effective SSC can help a business:

- Create a platform for cost-competitive growth
- Improve cost visibility and metrics of back-office operations
- Improve internal control efficiency and effectiveness
- Optimize workforce through process improvement and consolidation of work
- Take advantage of labor arbitrage through relocation of operations
- Improve cash flows through tax-efficient structures and strategies
- Eliminate redundancy and work fragmentation



Learn more

Shared Services is only one strategic operating model implemented to transform a business. To learn more about how Deloitte can help, visit www.deloitte.com/us/bmt.

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Five ways to get more value now

Seek alignment. Aligning shared services delivery strategy with overall corporate strategy is imperative.

Gain leadership and organizational buy-in. Understand the organization's likely response to transformation before a firm decision is reached.

Consider sourcing options. A mix of services and sourcing options may be the most effective way to execute the shared services strategy.

Spend money to make money. Treat the SSC like a business by investing adequately in it.

Synchronize location with talent availability. Perform due diligence around talent before making decisions about where to locate the SSC.



The big idea

Whether a company is a veteran or new to outsourcing, or whether it is outsourcing one activity or many, Deloitte's Outsourcing Advisory Services practice is committed to aligning the various elements of the outsourcing or insourcing strategy with the company's business strategy and operating model.

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