Waarom kiezen voor een shared services center?

Succesfactoren en valkuilen in de publieke sector

Rolf Driesen, 15de Overheidscongres, 21 Oktober 2014
The concept of Shared Services revealed
Shared Services…best of both worlds?

Decentralised
- Redundant
- Customer focused
- Inefficient
- Close to business
- Non-standardised
- Back office
- KPIs not often existing

Shared Services
- Economies of scale
- Customer focused
- Best practice driven
- Service Culture
- Scalable
- Independent unit
- Use of KPIs and SLAs

Centralised
- Economies of scale
- Unresponsive
- Standardised processes
- Detached from business
- Inflexible
- Corporate function
- Focus on volume-efficiency

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Shared services are relevant for a defined set of activities

Interaction with the business

- High / Specific: Local Service
- Low / Generic: Shared Services

Common / Volume

Unique / Knowledge

Process characteristics
Cost reduction, process efficiency, effectiveness of internal controls, data visibility, growth & scalability remain key drivers for shared services

- **Cost reduction**: 47% (Significant positive impact), 41% (Somewhat positive impact)
- **Process efficiency**: 42% (Significant positive impact), 50% (Somewhat positive impact)
- **Effectiveness of internal controls**: 39% (Significant positive impact), 48% (Somewhat positive impact)
- **Data visibility**: 39% (Significant positive impact), 42% (Somewhat positive impact)
- **Platform to support growth/scalability**: 39% (Significant positive impact), 44% (Somewhat positive impact)
- **Process quality**: 32% (Significant positive impact), 51% (Somewhat positive impact)
- **Cross-organization comparability**: 29% (Significant positive impact), 52% (Somewhat positive impact)
- **Removal of distractions from core business**: 21% (Significant positive impact), 48% (Somewhat positive impact)
- **Ability to meet regulatory requirements**: 20% (Significant positive impact), 37% (Somewhat positive impact)
- **Service levels**: 20% (Significant positive impact), 55% (Somewhat positive impact)
- **Acquisition/M&A synergies**: 16% (Significant positive impact), 35% (Somewhat positive impact)
- **Developing new talent**: 12% (Significant positive impact), 46% (Somewhat positive impact)
- **Working capital**: 12% (Significant positive impact), 35% (Somewhat positive impact)
- **Tax benefits**: 2% (Significant positive impact), 14% (Somewhat positive impact)

*Source: 2013 Deloitte Global shared services survey results*
In most of the support functions more than 50% of the work can be scaled

<table>
<thead>
<tr>
<th>Function</th>
<th>Local</th>
<th>Nonlocal (corporate, COE, SSC, outsourced)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax</td>
<td>12%</td>
<td>88%</td>
</tr>
<tr>
<td>Real estate/Facilities management</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>Information technology</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>Procurement</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>Finance</td>
<td>25%</td>
<td>75%</td>
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<tr>
<td>Legal</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>Human resources</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Customer service/Support</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>Sales/Marketing</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>Supply chain/Manufacturing support</td>
<td>43%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Source: 2013 Deloitte Global shared services survey results
Traditional back office functions, Finance, HR and IT are most often moved into shared services

**Which functions are in your organization’s SSCs?**

- Finance: 93%
- Human resources: 62%
- Information technology: 52%
- Procurement: 41%
- Customer: 39%
- Tax: 35%
- Real estate/Facilities: 27%
- Legal: 20%
- Sales/Marketing: 18%
- Supply: 17%

*Source: 2013 Deloitte Global shared services survey results*
Shared services in a free world or not?

Does your organization mandate participation in Shared Services or use an opt-in model?

- **Mandated (78%)**
- **Opt-in (22%)**

**Why do business units/segments choose to opt in?**

- Lower costs: 77%
- Expertise: 57%
- Flexibility in staffing: 45%
- Higher quality: 45%
- Internal / political pressure: 39%
- Infrastructure / larger scale: 39%
- Higher talent: 14%
- Greater geographic reach: 11%
- Other: 11%

**Why do business units/segments choose to opt out?**

- Not being able to support the business remotely (from a SSC): 38%
- Lack of service responsiveness: 32%
- Poor quality: 29%
- Higher costs: 23%
- Not being able to drive/contribute to the mandate/scope/budget: 21%
- Other: 11%

*Source: 2013 Deloitte Global shared services survey results*
The (long) way to success
“Een shared services realiseert misschien wel schaalvoordelen maar verbeter niet de klantennabijheid die onze klanten iedere dag verwachten.”

“Onze producten en systemen zijn nog niet gestandaardiseerd. Dit houdt ons tegen een shared services op te richten.”

“Er is geen duidelijke business case voor een shared services center. We hebben nu eenmaal geen precieze cijfers.”

“Shared services betekent het leveren van minder kwaliteit.”

“Als overheidsmanager stel ik liever mijn HR vragen aan een adviseur dicht bij mij en die mijn organisatie best kent.”

“Als ik niet mee kan beslissen over de service levels, stap ik liever niet in de shared services.”

“Er zijn onvoldoende incentives om shared services mogelijk te maken. Efficiëntiewinsten gaan naar een algemene pot.”

“Ik heb geen vertrouwen in de dienstverlening van een shared services center.”

“Iedere overheidsmanager moet zelf kunnen beslissen hoe hij zijn ondersteunende diensten organiseert!”
The road to shared services

Shared Services

- Multiple systems
  - Rationalise systems
  - Move to one database
  - Consolidate within region
  - Consolidate within country

- Multiple locations

- Multiple processes
  - Define processes
  - Standardise policies
  - One organisation per process
  - Separate from service units

- Multiple organisations

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“Our SSC implementation experience has revealed 10 critical success factors”

1. Develop the **business case with strategic and tangible benefits**
2. Don’t start the project without **top management involvement**
3. Get serious about **managing change**
4. **Accelerate decision making**
5. Implement **creative project team incentives**
6. Be rigorous about **project management and partnerships**
7. Establish an overall ongoing **performance measurement system**
8. Redesign **must consider people, process and technology**
9. Pay attention to **training and support needs**
10. Maintain **focus on delivering results**
Some considerations
Enkele aandachtspunten voor de beleidsmakers

1. Integreer “lessons learned” en gebruik business cases

2. Voorzie een centraal kader en definieer een incentive schema

3. Evoleer van single-function naar multi-function shared services

4. Bepaal het optimale implementatiescenario (e.g. lift & shift)

5. Werk een aangepast sturingsmodel uit