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Integrated Business Services (IBS)

Next generation of high performance
Shared Services

June 2016

What is Integrated Business Services?

What is driving the trend?

What does it look like?

How can it support key business priorities?

Is it right for my organization?

Why Deloitte?

Key contacts

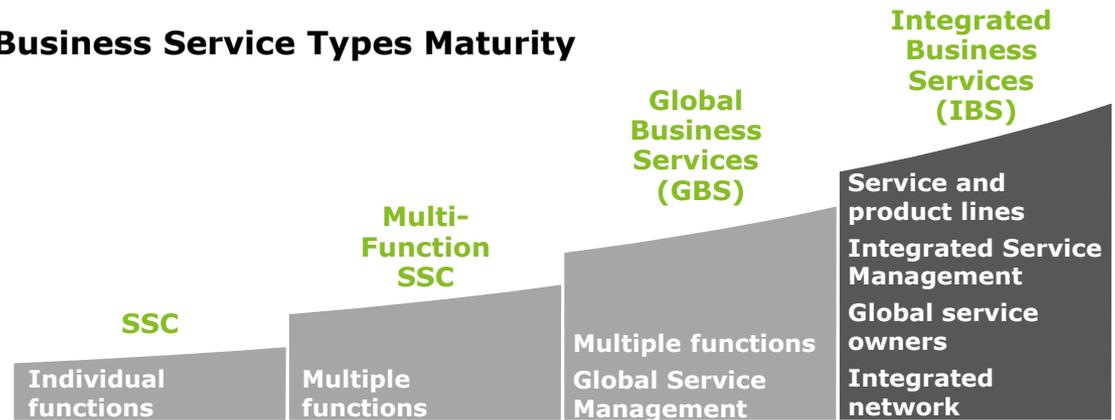
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What is Integrated Business Services?

Business leaders are recognizing the benefits of leveraging Shared Services and outsourcing consistently across multiple functions and regions.

Organizations have been using Shared Services and outsourcing to improve service delivery and reduce costs within defined parts of their businesses for more than two decades. Now, many business leaders are beginning to recognize that wider benefits can be achieved by leveraging Shared Services and Outsourcing consistently across multiple functions and regions, and in some cases moving all elements of this into a single organization or governance framework. This concept is Integrated Business Services (IBS). A move to Integrated Business Services requires much more than simply asking shared service centers to co-operate. It represents a fundamental change in how businesses utilize global assets and capabilities to most effectively deliver multiple functions, including Finance, HR, Procurement and IT.

Business Service Types Maturity



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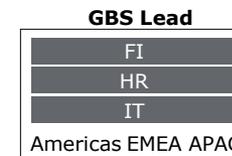
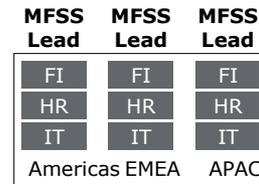
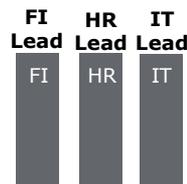
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What is Integrated Business Services?

Throughout the evolution to Integrated Business Services, function-oriented structures were growingly replaced by service-oriented structures.

IBS is organized by services or products and no longer by multiple functions. Delivered services and products are fully integrated into enterprise processes and the business lead is part of the C-Suite.

Evolution of Shared Services organizational structures



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What is driving the trend?

Our market research* and client experience has highlighted three key trends driving the shift to a Integrated Business Services approach.



Increased global operations

- Solutions to address prior concerns such as language skills, time zone coverage, and regulatory requirements
- Strategic choice to balance cost optimization and proximity when standing up operations



Leverage lessons learned

- Skipping single-function concept and pursuing multi-function SSCs at the start based on lessons learned from mature SSCs
- Adopting hybrid Shared Services models and customizing service delivery models by function



Focus on continuous improvement

- IBS as enabler of end-to-end process view is driving continuous improvement
- SLAs and scorecards are leveraged to focus time and energy on continuous improvement
- Continuous improvement as part of the culture of SSCs leveraging methods such as Lean and Six Sigma

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What does it look like?

Integrated Business Services can be implemented to varying degrees, from pure co-location to a fully integrated single enterprise.

		Fully Integrated Business Services
Geographical scope	Local/ regional	Global
Degree of value-add	Transactional	Process improvement and advisory
Functional scope	One function	Multi-function
Governance	By/ In function	Single over-arching governance with one IBS Lead, often C-level
Continuous improvement	Specific to function/ business unit	Enterprise-wide with common budget and tools
Process ownership	Informal process networks	End-to-end Global Process Owners
Customer interaction	Myriad of customer interaction tools	Universal customer interface supported by standard toolset
Systems & master data	Multiple systems and decentralized master data	One integrated platform, centralized master data management
Sourcing	In-house and outsourcing not aligned	Managed services blending captive and outsourcing solutions
People development	Specific to center and/ or function	IBS competency model and training curriculum
Location	Separate functional centers	Co-location into multi-functional centers

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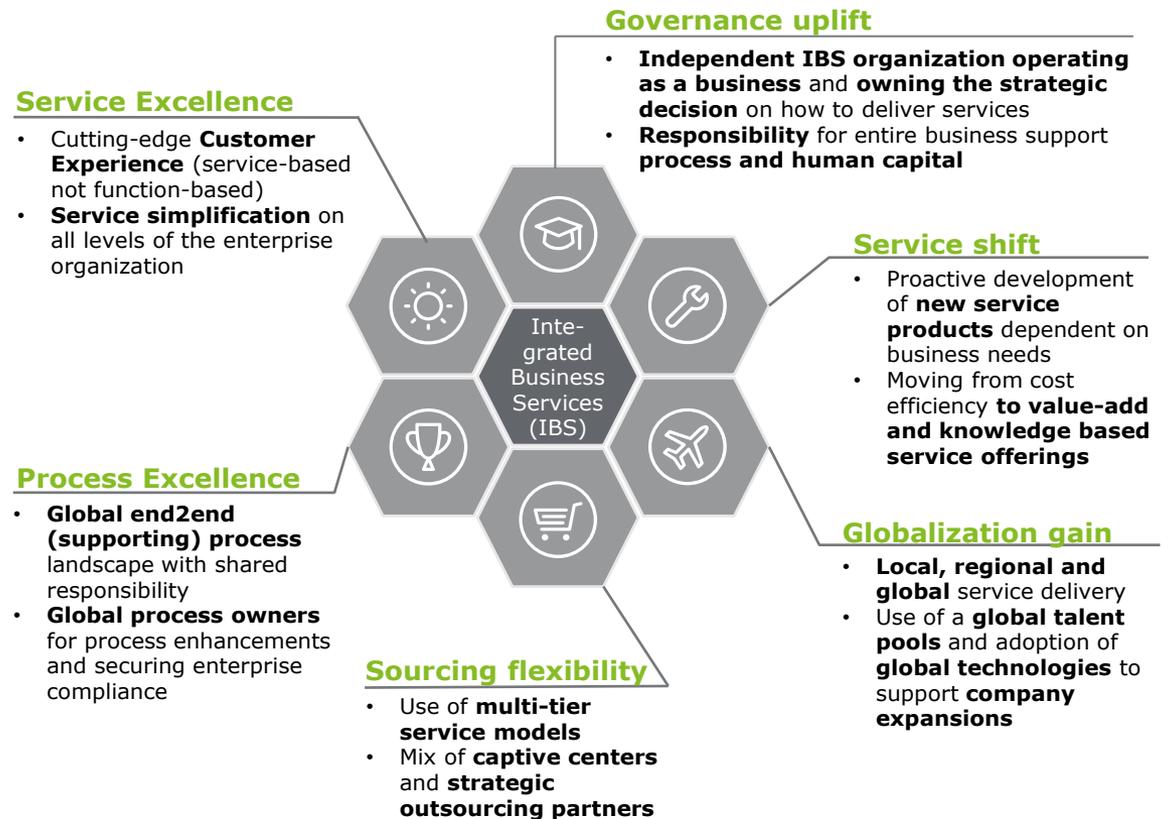
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How can it support key business priorities?

Integrated Business Services can deliver business value beyond the traditional cost and operational efficiencies associated with Shared Services.



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Is it right for my organization?

Adopting an Integrated Business Services model can produce significant benefits – but making it work is easier said than done. Here are some practical tips for implementing Integrated Business Services that might help you decide whether it is right for your organization:

Decide how far to go – There are three primary stages of Integrated Business Services: Sharing between support services operations without co-location, sharing with co-location, and sharing with co-location and enterprise-wide Integrated Business Services governance.

Establish sponsorship at the highest executive levels – Although an Integrated Business Services initiative might be rooted in a single silo, it requires enterprise-level sponsorship from the board, CEO or COO.

Define an effective leadership structure – Many Integrated Business Services leaders report to someone in the C-Suite, which is likely to ensure appropriate senior executive sponsorship.

Choose an organization structure that promotes global integration – Different companies use different organizational structures for support services, often based on the extent to which they employ Integrated Business Services.

Establish ongoing process leadership – A key enabler for Integrated Business Services effectiveness is having process owners who control how a process is run throughout the organization.

Aggressively manage change – It is important to develop a structured change and communications plan well in advance that can help deliver clear and consistent messages to all functions and stakeholders involved in the process.

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Why Deloitte?

Our experience, market reputation and global network of experts means best-in-class service delivery model design and implementation.

Our market reputation Ranked #1 globally in Consulting based on revenue* and named global leader in Business Transformation Consulting based on strategy and current offering.**

Our breadth of expertise 1,000 Integrated Business Services professionals across every function and specialism, including Tax and Technology. Plus a dedicated Outsourcing Advisory practice of over 200 experts.

Our global network A network of more than 200,000 professionals in independent firms around the globe, covering 100 languages, enabling global, national and local delivery.

Our independence Thorough and impartial overview of the supplier marketplace and objective recommendations on what's right for your business.

Our acclaimed leadership forums Our industry events are renowned in the marketplace for quality insights and access to the leading organizations in Integrated Business Services.



Leader
for global
Shared Services



1,000
Integrated business
services professionals



200
Dedicated Outsourcing
Advisory practitioners

* Gartner, Market Share Analysis: Consulting Services Worldwide, 2014

** Forrester Research, Forrester Wave™: Business Transformation Consultancies Q3 2015

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Why Deloitte?

We are the market leader in management consulting, Integrated Business Services and Shared Services providing thought leadership in all areas relevant to you.

HR

- Market-leading in Human Capital Consulting as well as HR Transformation & Technology
- Comprehensive **method and set of proven tools** available for HR SSC projects

Finance

- Over **500 SSC projects**, Outsourcing Advisory Services strongly growing
- Global **Finance Transformation as well as Shared Services methodology** covering Finance organization, Performance Management and Risk & Regulation

Procurement

- Development of **world class solutions for strategic, tactical and operational procurement**
- Procurement diagnostic, best practice database, score model, Industry Print, Category Sourcing Prints, strategic sourcing & Procurement guide

IT

- Over **500 IT projects**, from strategy through implementation/ stabilization, over 50 IT transitions
- Comprehensive **methodology and supporting analysis tools** for IT sourcing and IT transformation projects

Tax | Legal

- Extensive experience in providing **legal advice** (labor law, corporate law, commercial law and data security) for reorganization projects
- Compliance, reporting and risk management for **direct and indirect taxes**



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As a firm, we draw on the experience of numerous Integrated Business Services and Shared Services projects across all industries.

Industry	Functional Scope				
	HR	Finance	Procurement	IT	Tax / Legal
Manufacturing					
Caterpillar	•	•	•	•	
Chevron	•	•	•	•	•
Energizer	•	•			
Fiat					
Ford	•	•	•		•
Johnson & Johnson	•	•	•	•	
Johnson Controls	•	•	•	•	
Financial Services					
Citi		•		•	
Consumer Business & Transportation					
Carlsberg	•	•	•		
Coca-Cola	•	•	•		
FedEx		•			
McDonald's	•	•	•		

Industry	Functional Scope				
	HR	Finance	Procurement	IT	Tax / Legal
Technology, Media & Telecommunications					
Apple		•	•		
Cisco System	•	•	•		
Facebook	•	•			•
Google		•	•		
HP	•	•	•	•	•
TOSHIBA		•			
Yahoo!	•	•	•	•	•
Life Sciences & Healthcare					
Merck	•	•	•	•	•
Pfizer	•	•	•	•	
Energy & Resources					
BP		•			•
Du Pont	•	•	•		
ExxonMobil		•	•		

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Our practitioners have extensive experience in the areas of Integrated Business Services, HR Shared Services and HR Outsourcing Advisory.



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Our latest publications are designed to address the key issues and market trends driving Integrated Business Services.

Points of View



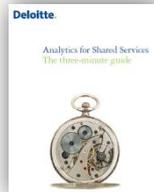
HR goes global



Global Business Services Better Together



10 ways to get more from your Service Delivery Organization



Analytics for Shared Services Three-Minute Guide



A Portfolio Approach for Shared Services Optimization



Beyond Consolidation: Unlocking value from Shared Services



Case Studies in G&A Complexity Reduction and Shared Services

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Technology-Enabled Shared Services Centers



Where will Shared Services go next?



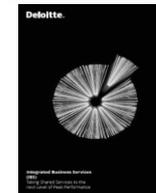
The value of global process owners in global business services Part 1 & 2



SSCs in Latin America – Aligning tax structuring considerations with the business agenda



Optimize your Shared Services Organization



IBS - Taking Shared Services to the Next Level of Peak Performance

Publications



Our Book – Shared Services handbook: Hit the road
A practical guide to implementing Shared Services



Our Study – Deloitte's 2015 Global Shared Services Survey Results
Deloitte's 2015 Global Shared Services Survey Results

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Our events have built up a reputation in the industry for delivering cutting edge insights and best practice, plus valuable networking opportunities

Events



Annual Shared Services & Business Process Outsourcing Conference

Attracting over 500 visitors from across Europe, this is a must attend event for Shared Services, Finance, HR and IT leaders either just starting out or running mature Shared Service centers.

Find out more at www.deloitte.co.uk/beinspired



Annual Shared Services & Outsourcing Week

Gathering of the German speaking Shared Services Community to discuss trends and to shape the future of the industry.

Find out more at <http://www.sharedserviceswoche.de/>



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