Service delivery models are always evolving. For the world’s largest companies, there is an increasing shift to more global, multi-functional models that are expected to provide higher value at lower cost. These shared and global business services organisations are creating an environment where digital capabilities can be rapidly adopted, positioning them as incubators for enterprise-wide digital and operating model transformation.

Results from the 11th 2019 biannual Global Shared Services Survey indicate that shared services centers (SSCs) are, in fact, shifting from being a “provider of what they ask for” to a generator of tangible business value—especially as SSCs are witnessing an increased penetration in strategic and interaction of heavy functions like customer, sales and marketing support, and procurement.

Companies report a new focus on countries like Costa Rica and Mexico—and the implementation of on/near-shore models (closer proximity to HQ) are a notable part of companies’ location strategy. When evaluating location decisions, the 2019 survey indicates a fivefold increase in respondents considering “labor quality” as a key metric.

Overall, it is clear is that SSC organisations are and will increasingly become more global, complex, and digital, as they seek to provide nimble and efficient services, stronger customer service, and high-impact business outcomes.

The 2019 Nordic Shared Services Survey (Nordic Survey) is based on a subset of data from the 2019 Global Shared Services Survey (Global Survey) with 379 respondents. The Nordic Survey includes the data from respondents with headquarter located in a Nordic country. This paper highlights the key findings from the Nordic Survey and compares these to the findings from the Global Survey.

For more information about the Global Survey and the Nordic Survey visit Deloitte.dk

Respondent information of the Nordic Survey

- **Respondents:** 26 respondents
- **Countries:** Sweden, Finland and Denmark
- **Top 3 Industries:**
  1. Industry Products & Construction
  2. Retail & Consumer Products
  3. Power & Utilities
SSC/GBS organisations are adopting digital technologies rapidly, thereby positioning themselves as catalysts for enterprise-wide digital transformation.

RPA, Global Standard Processes and Cloud are the most commonly employed digital solutions according to Nordic organisations, whereas Cloud, RPA, and Single Instance ERP are more common in Global organisations.

Key findings from the 2019 Nordic Shared Services Survey

- **Top 5 Digital Adoption**
  1. Robotic Process Automation (RPA)
  2. Global Standard Processes
  3. Cloud
  4. Single Instance ERP
  5. Culture of Innovation

- **The Role of the Global Process Owners**
  - Larger companies are more likely to adopt Global Process Owners in the SSC/GBS governance structure and their most important role is re-designing processes/continuous improvement.
  - Overall business strategy and plans
  - Developing Capabilities
  - Driving business value

- **Value for the organisation**
  - SSC/GBS organisations are increasingly expected to provide higher values at lower cost.
  - In the Nordic Survey, Overall business strategy and plans, Developing Capabilities and Driving Business Value are top 3 priorities for GBS strategy and investments, and in the Global Survey the top 3 are Being Cost Efficient, Driving Business Value and Overall Business Strategy and Plan.
Geography and Organisation
Where are the SSCs located and how many SSCs do the organisations have?

Where are your organisation’s SSCs located?

<table>
<thead>
<tr>
<th>Top 5 countries</th>
<th>Nordic</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>21%</td>
<td>🇵🇱</td>
<td>🇺🇸</td>
</tr>
<tr>
<td>11%</td>
<td>🇳🇴</td>
<td>🇮🇳</td>
</tr>
<tr>
<td>9%</td>
<td>🇸🇪</td>
<td>🇻🇳</td>
</tr>
<tr>
<td>6%</td>
<td>🇫🇮</td>
<td>🇷🇺</td>
</tr>
<tr>
<td>6%</td>
<td>🇪🇸</td>
<td>🇷🇺</td>
</tr>
</tbody>
</table>

• **Poland and India** top the list for existing SSC locations followed by countries in the Nordics.

• Nordic respondents provided data for 47 Shared Services Centers (SSCs).

• **52%** of the respondents have **more than one SSC** in their organisation (64% for Global respondents).

• The average number of SSCs per company **was 1.8** (3.1 for global).

How many SSCs does your organisation have?

<table>
<thead>
<tr>
<th># of SSCs</th>
<th>Nordic*</th>
<th>Global*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>48%</td>
<td>36%</td>
</tr>
<tr>
<td>2</td>
<td>28%</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>36%</td>
</tr>
<tr>
<td>4</td>
<td>4%</td>
<td>12%</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* % of respondents

How many employees are present in your SSC?

<table>
<thead>
<tr>
<th># of FTEs</th>
<th>Nordic**</th>
<th>Global**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 100</td>
<td>60%</td>
<td>52%</td>
</tr>
<tr>
<td>101 to 500</td>
<td>34%</td>
<td>35%</td>
</tr>
<tr>
<td>More than 500</td>
<td>6%</td>
<td>13%</td>
</tr>
</tbody>
</table>

** % total SSCs
What are the preferred locations for new or relocated SSCs, and what metrics are used to evaluate locations?

What are the top locations you are considering or would consider for a new SSC location or SSC relocation?

- Poland, India and Lithuania are the preferred destinations for setting up new SSCs. Estonia and other Nordic countries are within top 4. For the Global respondents, India, USA and Poland are the preferred locations.
- Close proximity to current operations (and headquarters) is a key parameter to consider when deciding on a SSC location strategy for the Nordics. Labor cost and availability of labor is somewhat important when evaluating Service Delivery deployment strategy.
- For the Global respondents, Expertise is considered a critical metric to evaluate.
Shared Services Scope
What specific areas are performed via shared services in your organisation and how many functions are performed in SSC?

**What functions are performed via SSC in your organisation?**

<table>
<thead>
<tr>
<th>Function</th>
<th>Global 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>100%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>50%</td>
</tr>
<tr>
<td>Procurement</td>
<td>45%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>40%</td>
</tr>
<tr>
<td>Customer Service/Contact Center</td>
<td>35%</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>25%</td>
</tr>
<tr>
<td>Supply Chain/Manufacturing Support</td>
<td>20%</td>
</tr>
<tr>
<td>Legal</td>
<td>15%</td>
</tr>
<tr>
<td>Tax</td>
<td>15%</td>
</tr>
<tr>
<td>Real Estate &amp; Facilities Management</td>
<td>10%</td>
</tr>
<tr>
<td>Other Function</td>
<td>10%</td>
</tr>
</tbody>
</table>

- **Global 2019**: Finance: 100% (11%), Human Resources: 50% (-13%)
- Procurement: 45% (+3%)
- Information Technology: 40% (-7%)
- Customer Service/Contact Center: 35% (-5%)
- Sales & Marketing: 25% (+2%)
- Supply Chain/Manufacturing Support: 20% (0%)
- Legal: 15% (-1%)
- Tax: 15% (-19%)
- Real Estate & Facilities Management: 10% (-6%)
- Other Function: 10% (-1%)

**How many functions are performed in SSCs?**

- 1 Function: 55%
- 2 Functions: 9%
- 3-5 Functions: 30%
- 6-10 Functions: 4%
- >10 Functions: 2%

% of total SSCs captured in Nordic part of global survey

- **Single-function SSCs** are most prevalent, as 55% of all SSCs captured in the Nordic Survey operates as single-function SSC. This differs significantly from the Global Survey, where only 37% operates as single-function SSCs.
- All respondents are performing Finance in their SSC.
- Four GBS functions – **Finance, Human Resources, Procurement, and IT** are the most deployed by Nordic respondents and is consistent with Global Survey.
- Deployment of **strategic and interaction-heavy functions** (such as procurement and sales & marketing) demonstrates “upstream” growth in scope.
- **Finance** (+11%), **Human Resources** (-13%) and **Tax** (-19%) differ most from the results in the Global Survey.
Global Shared Services Governance
On a scale of 1 to 5, with 5 being most important, which factors do you consider when making decisions regarding your Shared Services or GBS strategy and investments?

- SSC/GBS organisations are increasingly expected to provide **higher values at lower cost**.

- In the Nordic Survey, **Overall business strategy and plans, Developing Capabilities** and **Driving Business Value** are top 3 priorities for GBS strategy and investments, and in the Global Survey the top 3 are **Being Cost Efficient, Driving Business Value** and **Overall Business Strategy and Plan**.
Do you plan to shift to a multi-functional model?

Do you have plans to shift to a multi-functional model? If so, when?*

- No Plans: 38%
- Yes, in next 3-5 years: 12%
- Yes, in next 1-2 years: 12%
- Yes, but no timeframe: 12%

Why have you opted against using a multi-functional model?

- 75% of respondents indicated they were not ready for end-to-end process execution (Global Survey = 52%)
- 25% said lack of leadership support was the major factor for opting against multi-functional model (34%)
- 25% said difficulty in sourcing functional talent impeded expansion of functional scope (7%)

*# of respondents are the ones who have not opted for multi-functional model yet (~37% of the total)

- Of the Nordic respondents that have not yet opted for a multi-functional model, 38% of the organisations do not plan to shift to a multifunctional model (Global Survey = 51%) whereas 62% of the organisations, plan to shift to a multi-functional model, with more than half of them planning to shift within the next 5 years (Global Survey = 42%).
- The main reason for opting against using a multi-functional model is that companies were not ready for end-to-end process execution.
- Other challenges faced by Nordic respondents in shifting to a multi-functional model are lack of leadership support and difficulty in sourcing functional talent.
Who owns Shared Services processes and what roles do they play?

Have you adopted Regional or Global Process Owners as SSC/GBS governance structure?

- All the Nordic respondents from organisations with revenue earnings greater than $25B have adopted regional or global process owners as part of their governance structure.
- Top role played by GPO owners across all the respondents are Re-designing processes/continuous improvement, which is similar to the Global Survey.

What roles do Regional or Global Process Owners play in driving end-to-end process efficiency and effectiveness?

- Redesigning processes/continuous improvement: 80%
- Requesting changes to technology configuration: 62%
- Monitoring performance metrics: 62%
- Accountable for process outcomes: 65%
- Approving changes to process specific systems and tools: 78%
- Managing and reviewing SLAs: 46%
- Managing relationships with business units/functions: 50%
- Owning and updating policies: 53%
- Resolving issues: 52%
- Revising roles and responsibilities: 34%
- Incorporating new BUs/locations: 34%
Shared Services Journey and Value
What is the headcount reduction and payback period experienced as a result of Shared Services?

What was the average headcount reduction achieved by your last significant SSC implementation over the first 12 months after full operations began?

- **52%** Nordic respondents were able to achieve a **headcount reduction of 10% or more** within 12 months of SSC implementation.
- In the Global Shared Services Survey, **47%** was able to achieve a **headcount reduction of 10% or more** within 12 months of SSC implementation.

What was the payback period for your last significant SSC implementation?

- **74%** of the Nordic respondents recovered their investment **within first 3 years** of their significant SSC implementation; **42%** were able to achieve break-even within first 2 years.
- **Similar results** are observed in the Global Shared Services Survey.
What productivity improvements have you experienced from Shared Services, and how have you invested these savings?

What has been the average annual productivity improvement achieved by your organisation’s SSCs?

- The majority of Nordic respondents achieve up to 10% annual productivity savings from their SSCs. For the Global, the majority of companies achieve up to 15%.

How do you use the savings generated by SSC productivity improvements?

- 49% of SSC leaders aim to pass on the savings generated due to SSC onto the business. These findings are similar to the Global Survey.
- 51% respondents reinvest the cost savings in the SSCs, with 26% reinvesting in technology and 12% in process improvement. In the Global Survey, 48% respondents reinvest the cost savings in the SSCs, with 20% reinvesting in technology and 14% in process improvement.
How could you have improved your Shared Services journey?

What changes would you have made along your Shared Services journey based upon your experience to date?

- In the Nordic Survey, 17% of the respondents would have made a **better alignment b/w process & tech change** based upon their experience to date. This differs from the global results, where the majority would have made **better change management** along their Shared Services journey.

- **Similar results** are observed in the Global Shared Services Survey.
Shared Services Operations
What matters most to internal business unit customers?

On a scale of 1 to 9, in ascending order, what is most important to your business unit customers?

- The ranking in terms of what is most important to the customers in the Nordic Survey differs from the ranking in the Global Survey.
- In the Nordic Survey, customers of the SSC/GBS organisations rank **Staff knowledge of multiple shared services processes** and **business unit objectives** highest, whereas in the Global Survey, **cost of services** is ranked as the most important, and **staff knowledge of multiple shared services processes** as the least important.
How do you attract and retain talent, and what non-traditional talent models have you considered?

What methods are adopted to attract and retain talent?

- **Focus on the development of a strong culture** - 74%
- **Focus on employer branding & market reputation** - 58%
- **Financial support for continuing education** - 47%
- **Job sharing/flexible work practices** - 42%
- **Job rotation outside of an SSC** - 42%
- **Performance-based pay** - 37%
- **Multi-function opportunities to provide variety** - 26%

74% of respondents rate **development of strong culture** as the top method to attract and retain talent.

Focus on **employer branding & market reputation** is ranked no. 2. This differs from the Global Survey, where this method is ranked no 5.

**Job rotation outside SSC** is ranked higher by Global respondents than by Nordic respondents.

What are the non-traditional talent models within shared services?

- **Part-time** - 53%
- **Contract/contingent** - 26%
- **Virtual work practices** - 16%
- **Crowdsourcing of work** - 5%

**Part-time** is more preferred in the Nordics compared to the Global Survey, where **Contract/contingent** is the most preferred non-traditional talent model.
Future of Shared Services
How do you expect the way SSCs are used to change?

How do you expect your organisation to change its use of Shared Services in the next 3-5 years?

- Around 95% of the Nordic respondents expect an increase in use of robotics, focus on digital experience, and focus on continuous improvement.
- A large part of the Global respondents expect an increase in focus on continuous improvement, number of customer-facing processes in SSCs and number of geographies/regions being served by SSCs, compared to the Nordics.
- 16% of the Nordic respondents expect a decrease in number of processes delivered on a regional basis or outsourced.

In which areas is your organisation expected to reduce usage of Shared Services in the next 3-5 years?

- 84% expect a decrease in number of processes delivered on a global basis.
- 84% expect a decrease in number of transactional processes in SSCs.
- 84% expect a decrease in number of geographies/regions being served by SSCs.
- 63% expect a decrease in number of processes delivered on a regional basis.
- 61% expect a decrease in number of processes outsourced.
- 60% expect a decrease in number of processes delivered on a global basis.
- 58% expect a decrease in number of transactional processes in SSCs.
- 58% expect a decrease in number of geographies/regions being served by SSCs.
- 58% expect a decrease in number of processes delivered on a regional basis.
- 58% expect a decrease in number of processes outsourced.
- 58% expect a decrease in number of processes delivered on a global basis.
- 58% expect a decrease in number of transactional processes in SSCs.
- 58% expect a decrease in number of geographies/regions being served by SSCs.
- 58% expect a decrease in number of processes delivered on a regional basis.
- 58% expect a decrease in number of processes outsourced.
- 58% expect a decrease in number of processes delivered on a global basis.
- 58% expect a decrease in number of transactional processes in SSCs.
- 58% expect a decrease in number of geographies/regions being served by SSCs.
- 58% expect a decrease in number of processes delivered on a regional basis.
- 58% expect a decrease in number of processes outsourced.
What other enablers do you expect your organisation to use for its Shared Services in the future?

What are digital solutions/enablers employed by your organisation?

- SSC/GBS organisations are adopting digital rapidly, thereby positioning themselves as catalysts for enterprise-wide digital transformation.
- RPA, Global Standard Processes and Cloud are the most commonly employed digital solutions according to Nordic organisations, whereas Cloud, RPA, and Single Instance ERP are more common in Global organisations.

Is increasing digital capabilities fundamental to achieving your shared and global business services objectives?

- 9 out of 10 respondents agree that increasing digital capabilities is fundamental to achieve shared and global business services objectives.
- Similar results are observed in the Global Shared Services Survey.
What is the level of automation employed by your SSCs, and what are the savings generated through RPA implementation?

How many end-to-end (process) automations does your GBS/SSC organisation employ?

<table>
<thead>
<tr>
<th>Number of Processes</th>
<th>Nordic Respondents</th>
<th>Global Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>22%</td>
<td>36%</td>
</tr>
<tr>
<td>1-2</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>3-5</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>6-8</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>9-12</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>12+</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

- The Nordic survey shows that **58%** of the respondents have automated 1 or more end-to-end process, whereas globally, 63% has automated 1 or more.
- **5%** of the Nordic respondents have automated more than 12 processes, and globally, this number is 10%.

Based on your Robotics Process Automation (RPA) experience thus far, what level (%) of savings have been achieved?

- **58%** of Nordic respondents have automated 1 or more end-to-end processes (Global: 63%)
- **82%** have achieved up to 20% savings through their automation programs, which is very similar to the Global respondents, where 80% have achieved up to 20% savings.

- **40-60% savings**
- **10-20% savings**
- **< 10% savings**
- **55%**
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