

Shifting to a Shared Services Organization

Consolidate through adaptation



For the past quarter-century, companies of every shape and size have been cashing in on shared services – shifting common administrative activities from individual business units to a centralized operation to reduce costs and improve service quality. A shared services organization (SSO) can improve overall efficiency and control while giving every business unit access to functionally deep and talented resources.

It can also let business units focus on what really matters: satisfying customers and developing new products and services to sustain competitive advantage.

But while a SSO is a simple concept, making it work is anything but easy. It involves consolidating and standardizing a wildly diverse collection of systems, processes, and functions. And it requires a high degree of cooperation among business units that generally aren't used to working together – with people who don't necessarily want to change.

Deloitte's research has identified seven trends to consider when assessing ways to drive greater business value from shared services:

1. *Improve your geographical SSO footprint.* Do you need to change the number and/or locations of your SSOs?
2. *Explore multi-functional, hybrid delivery strategies.*

What is the right mix of in-house, outsourced, onshore and offshore providers for your SSO?

3. *Strengthen controls.* Is shared services' ability to improve controls paying dividends for your organization?
4. *Enhance governance and business-unit linkage.* Are you managing effective relationships with internal customers and corporate leaders?
5. *Improve customer satisfaction.* Are you meeting critical service needs in a timely and responsive manner?
6. *Finding, keeping, and rewarding people.* Are you selecting the right people and developing them once they're with your SSO?
7. *Focus on optimization.* Are you concentrating on continuous improvement?

Bottom-line benefits

An effective SSO can help:

- Reduce headcount (typically 15 to 25 percent) through a combination of process improvement and consolidation
- Reduce labor cost due to relocation of operations
- Improve cash flows through tax-efficient structures and strategies
- Improve cost visibility and metrics of back-office operations
- Improve internal control efficiency and effectiveness
- Improve the quality of back-office operations

How we can help

Deloitte's comprehensive approach to providing SSO-related services is designed to help your company in its efforts to extract as much value as it can from its shared services initiative. Whether your company is planning its first shared services implementation or working to improve a long-standing SSO, our multi-disciplinary regional teams can provide the full range of services your company will need to contribute in its efforts to achieve the desired results. We can help your company to:

- Develop and evaluate its shared services strategy
- Evaluate sites and facilities worldwide in support of your efforts to select an SSO location
- Investigate and identify opportunities to capitalize on tax entity structures, credits and incentives, transfer pricing opportunities, and other tax-saving opportunities
- Design and implement the SSO's IT infrastructure and networks
- Address people and change management issues, including workforce transition, training, and communications

- Leverage shared services in your efforts to comply with the Sarbanes-Oxley Act of 2002 through the use of internal controls in your SSO's operations
- Explore the possible benefits of outsourcing certain processes or services
- Establish effective governance procedures and Service Level Agreements for on-going shared services management
- Stabilize current operations and plan to take actual SSO to the next level
- Benchmark current back office operations against other companies and industries

Over the past five years, Deloitte has provided services supporting more than 550 SSO projects covering all phases of the shared services journey, from the initial strategy through implementation and optimization. And our network of nearly 3,000 shared services practitioners worldwide gives us the reach to support your global shared services needs. Call us today to learn how our professionals can add value to your shared services efforts.

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