Integrating Multi-Functional Shared Services
Better Together!
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For more than two decades, organizations around the world have been using shared services and outsourcing to improve service delivery and reduce costs within defined parts of their businesses. Now, leading organizations are taking the next step. Instead of operating numerous multi-functional Shared Services Centers (SSCs) and managing outsourcing vendors independently, they are implementing integrated Global Business Services (GBS), providing integration of governance, locations, and business practices to all shared services and outsourcing activities across the enterprise.

A move to, or expansion towards, fully integrated multi-functional Shared Services require much more than simply asking shared services centers to cooperate. It represents a fundamental shift in how businesses think about and manage shared services and outsourcing. Those that get this right can achieve enormous improvements in performance, efficiency and reduced costs. These SSCs and GBS constructs are creating an environment where digital capabilities can be rapidly adopted, positioning them as incubators for enterprise-wide digital and operating model transformation.

What market SSC leaders are saying
Results from the 11th biennial 2019 Global Shared Services Survey by Deloitte, 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-heavy functions like customer, sales and marketing support, and procurement.

The key highlights from the survey that shape the current and upcoming landscape are:

1. GBS organizations are adopting digital rapidly, thereby positioning themselves as catalysts for enterprise-wide digital transformation. Cloud, RPA, or Single-Instance ERP have been employed by more than 85% of respondents but far less so in concert.
2. As organizations scale up, GBS organization structures and GPO implementations become more prevalent. The largest organizations overwhelmingly leverage GBS operating models.
3. GBS organizations are increasingly expected to provide higher values at lower cost. Being cost efficient and driving business value are top priorities for GBS strategy and investments. Companies on average achieve 30% one-time and 10% run-rate benefits.
4. The largest companies ($>25B) are seeking the greatest labor differential opportunities and scale as well as global delivery. They actually assess their location strategy for delivery of Global Shared Services.

Overall, what’s clear is that multi-functional SSC organizations 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.
To accommodate these trends, one conclusion is that Shared Services are on a transformation journey for a while now, moving from Separate Service Centers, via a Co-located Service Center to a fully established Global Business Services set-up. And from there shifting to an integrated delivery organization, with keeping the both the internal and external customer in focus. With ultimately becoming a ‘Center Office’, rather than a ‘Back Office’!
Digital transformation and GBS

Can cross-functional, cross-regional models such as Global Business Services (GBS) – serving multiple business units, with access to wide swaths of data and talent – be catalysts for enterprise-wide digital transformation?

The transformative effects of digitalization have upended entire industries and disruptive technologies will change every business operating models. Digital transformation helps to unlock the scale needed to create new or enhance existing business and operating models.

Cross-functional and global organizational models such as GBS are becoming increasingly relevant in driving and enabling this kind of enterprise-wide change. GBS provides access to cross-functional data and talent from various business units and regions along with a focus on customer service and continuous improvement. This is a truly unique and ideal position from which to incubate new ideas and implement digital innovation.

The shared services organization of the future is digital and creates value through Customer experience, Strategic insights and Speed.

Digital is a means to achieving these goals. Digital isn’t a technology but a strategy, a new era of business, to fuel cost-efficient growth.

Digital transformation requires a different way of thinking and operating.
It’s about having:

• the right strategy
• appropriate processes and governance
• a different kind of talent and culture to support becoming digital
• and, of course, technology

It is evident that winners in the digital transformation are those that are able to use technology to harness potential of data and have a mindset and culture to improve continuously in order to respond to change.
Top 3 agenda for the SSC leaders to drive change in the next 3–5 years are

- Automation
- Focus on digital experience
- Focus on continuous improvement.

GBS and Automation

Service center interactions are projected to increase not just in volume, but also in complexity. With the growing complexity of content and channels, service centers are seeking out new technologies to support interactions. Robotic process automation (autonomic) is a rapidly emerging technology that could transform shared services and global business services by dramatically reducing the money and effort required for routine, labor-intensive tasks, and can thus be a potential solution where technology replaces human resources to perform the transactional GBS work. This can have multiple benefits—decoupling of business growth from labor requirements and freeing human resources to focus on more innovative and value-added work.

Autonomics can be impactful in back-office centers running high volume, rules-based work. It can perform these tasks round the clock at a fraction of the cost of a human resource without any manual errors and maintaining or mitigating processing risk. Industry analysts predict this technology will completely transform the business process outsourcing industry. A number of companies have hyped this technology and have developed early incubated software platforms with hopes of improved accuracy, enhanced service levels, and reduced costs. Early autonomic platforms combine both back-end and front-end automation to enforce logic and imitate the human decision-making process.

Furthermore, autonomies could be the next wave to shake the market at its roots, with technology at the heart of the revolution. Early adopters, those now thinking about using this technology could realize cost reductions in the range of 60% in contrast to 15–30% offered by the conventional approach (that relies on labor arbitrage).

Autonomics landscape is nascent with only a handful of autonomic technology players in the market. However, as these players continue to develop their products and new players enter the market, the potential of autonomies to be a market disrupter is significant. It would be prudent for the outsourcing market players to carefully scrutinize developments over the next few years in order to plan for changes in revenue streams, avoid cash flow erosion, and ride the automonies wave in style.

Autonomics has the potential to be a disruptor in the industry, particularly altering the conventional approach to GBS and BPO. However, due to the lack of industry use cases, stakeholders are waiting to witness how the large-scale implementation of automonies will pan out. It is important to remember that successful automation of complex services is as dependent on the orchestration of diverse initiatives and proper service delivery as on the technology itself.

Moreover, by driving data standards and consistency, robotic process automation could also lay the groundwork for more advanced cognitive technologies that augment or replace the need for human judgment in complex, knowledge-based processes, enabling shared service centers to efficiently perform higher value tasks and analysis—such technologies could lead to fundamental changes in how shared service centers operate and deliver service to customers.
A few insights to move forward

Siloed platforms won’t work

When moving towards Global Business Services or transitioning from single function shared services towards a more integrated approach, a single platform that enables a multi-function service delivery is required. ServiceNow® Service Delivery is an enterprise platform, an integrated suite of applications designed to create a consumer-like service experience, while increasing productivity within a shared services environment or a global business service function.

Increase customer and employee satisfaction whilst reducing cost

Whether it’s a simple request for information or a multi-departmental process like onboarding, either employee or customer requests that also involve multiple departments like facilities, finance, customer support or HR, ServiceNow Service Delivery provides employees, managers and customers with a single place for all internal or external service needs. Already proven with 800+ HR customers that this will drastically increase customer and employee satisfaction, and at the same time will reduce the costs of service delivery.
Global Shared Services is just the start of working differently
Once you are moving towards global business services, no matter what phase you are in today or coming from, there should be a focus on continuous process optimization. It will turn out that processes developed before, could be open for improvement or further automation. And, when adding new processes or additional work, the processes need to be adapted towards the way service deliver will be done in the future.

Swiss Re extends one-stop service delivery from employees to customers with ServiceNow.

Swiss Re recognizes employee satisfaction is key to building strong, lasting customer relationships
Insurance is a relationship business. The better employee satisfaction is, the better customer relationships will be, and excellent customer relationships are a key differentiator in a commoditized industry. That's why Zurich-based Swiss Re—a leading, global reinsurance company—is embracing trailblazing changes to provide a next-generation employee experience.

When it first partnered with ServiceNow 10 years ago, Swiss Re had multiple IT service management tools and many different processes across multiple locations. To consolidate IT systems, streamline operations, and improve IT service levels, Swiss Re chose ServiceNow IT Service Management. It soon became the company’s single system of record, replacing 20 legacy tools.

The initial successes with ServiceNow led Swiss Re to adopt a true enterprise service management philosophy—underpinned by the promise of supporting simplification and consolidation initiatives to improve employee satisfaction.

With so much intellectual property wrapped up in its workforce, Swiss Re’s employees are vital to its success. Its employees make it a very different company and retaining them is a priority.

Swiss Re leadership knows it has to make employees’ lives easier and better to maintain its position at the industry forefront and meet ambitious goals. The philosophy of treating employees as customers is founded upon one question: “How can we make it easier for employees to do their jobs?”

Stefan Sieger, the Head of Customer Experience & Digital Delivery, Group Operations, believes that “if you work for an enterprise, you should get the same service experience at work as you do in your private life”. Therefore, his team is focused on making it quick and easy for employees to get what they need from Group Operations.
With ServiceNow, Swiss Re consolidates 7 employee service centers covering 90% of its business services

Prior to the ContactOne deployment, Swiss Re employees had to use seven different service centers to resolve business issues, which impacted the organization’s productivity and employee NPS scores.

Today, ContactOne combines the seven service centers into a single, centralized destination serving 170 business services. It covers 90% of business services across the enterprise—encompassing human resources, legal and compliance, information technology, communications, global business solutions, corporate real estate, finance operations, customer experience, and digital delivery departments.

ContactOne—powered by ServiceNow—helps Swiss Re improve employee experience and reach productivity targets

According to Stefan, ContactOne streamlined the way they provide service and helped us achieve their annual productivity aspiration of 3% for Group Operations.

A team of just 45 service agents supports 14,500+ employees, with 66% of the 660,000+ service inquiries received each year resolved through self-service. These service agents now use some of their newly-acquired capacity to create knowledge base articles to further enhance the efficacy of ContactOne.

ServiceNow and Deloitte – Better Together!

Deloitte has a strong footprint in supporting organizations in their shared service transformation journey. And ServiceNow is the recognized innovator, delivering enabling technology in one unique, proven, single enterprise platform that can span a global organization. When combining these capabilities and work side-by-side to support organizations who are focusing on (global) business services, we believe we deliver a unique service with unique added value – Better Together!

We kindly invite you to review with us the opportunities in this, by running an ‘Inspiration Workshop’ or an ‘Art of the Possible Workshop’. Please feel free to contact us via the details below for more information.