

## HR Shared Services

### Run HR like a commercial enterprise

More than any time in recent memory, the human resources (HR) function has an opportunity to step up to a more strategic role, helping their organizations grapple with changing workforce demographics, globalization, new working styles and new technologies. Sounds great – after all, HR has been pushing for a seat at the strategy table for years. But it can seem nearly impossible given the time-drain of day-to-day service delivery. That’s why many companies are giving renewed consideration to a shared services HR model that not only helps improve cost, efficiency and service, but can also generate organizational capacity to focus on big-picture issues that make a difference.

#### An internal resource that treats you like a customer

HR Shared Services can be the vehicle that helps turn a mere “need to have” function into a competitive advantage, helping companies save money, make services more consistent and react quickly to business changes. With a shared services approach, business units can have better internal “customer service” access to HR when they need it, resulting in more consistent levels of service and a higher degree of customer satisfaction. But to achieve these benefits, simply deciding to combine disparate services isn’t enough. An HR Shared Services operation creates clear definition and structure, uniform standards of operation and direct alignment with the larger business.

Understanding how to position and leverage HR Shared Services in the context of a broader transformation of the HR function is key. Effectively addressing HR service delivery from all angles enables companies to drive improved business performance and increase shareholder value. Today, CHROs are facing challenges and pressures unlike any we have seen for decades – delivering value with fewer resources and lower investments, maintaining positive corporate culture in the face of downsizing, attracting and retaining the right talent in the right positions and delivering high-quality service at lower costs. HR Shared Services is a critical component of the solution required to address an organization’s needs.

#### How we can help

Deloitte’s HR Shared Services practice uses a comprehensive approach to assist clients through the entire life cycle of shared services, from concept through implementation. Our experience with more than 250 large, complex projects gives us the knowledge and capabilities to address the organizational, functional, process, change leadership, logistical and technology needs that both commercial and public sector organizations need to satisfy when they commit to such an important change.

With access to a network of more than 7,500 practitioners globally, Deloitte is recognized as a human capital leader, consistently ranked among the top global human capital practices, as reported by Kennedy Information Services. Our breadth and depth of strategy, process and technology services distinguishes us from other professional services organizations. Our approach uses tools and templates for every stage to facilitate not only operational changes, but also thought leadership and knowledge transfer.

Our capabilities start with concept and carry our clients into actual design and then through implementation. But because we do not provide outsourced solutions themselves, we can offer advice independent of sales pressure, whether your ultimate solution lies in-house, in an outsourcing agreement or in a combination of core internal services with outside vendors.



Our comprehensive HR Shared Services offering incorporates Deloitte's broad and deep advisory capabilities, including:

- Human Resources Service Delivery
- Change Management
- Organization and Talent
- Outsourcing Advisory
- Technology Integration
- Enterprise Applications
- Risk Management
- Security and Controls
- Compliance and Tax Services

### Bottom-line benefits

An effective HR Shared Services strategy, design and deployment can help an organization in its efforts to:

- Deliver routine transactional and administrative services more efficiently and consistently, helping to drive lower HR delivery costs and enhanced levels of customer satisfaction, control and legal compliance
- Deliver higher-value operational and consultative services (e.g., recruitment, employee relations) more effectively, helping to realize better-quality outcomes, employee satisfaction and lower cost to serve
- Drive transformation efforts in other areas of its HR service delivery model
- Turn HR generalists into strategic HR business partners
- Turn an HR department into an HR Center of Excellence

### Five ways to get more value now

Delivering HR through a shared services organization takes more than a broad knowledge of HR organization and process redesign. It also requires linking that knowledge to an organization's business strategies and objectives. Here are some principles organizations often apply to achieve this link.

**Data driven.** Everyone has an opinion. That's why it's important to have a rational, fact-based analysis of current capabilities and future opportunities guiding your decisions – not guesswork or emotions.

**Avoid analysis paralysis.** Value begins with execution. Once you've set a course of action, don't get sidetracked by overanalyzing the roadmap. Start putting it into action, be careful to monitor progress and modify your approach accordingly as you move ahead.

**Accelerate deployment.** Begin thinking now about how new solutions will be deployed later. Account for existing processes, systems, new organizational competencies and capabilities. That's a smart way to minimize business disruption and manage risks.

**Get out of the bubble.** The success of any organizational transformation strategy will rely heavily on participation from customer groups throughout an organization. Actively engage HR and business leaders throughout your enterprise from the start.

**Understand the linkages.** Shared services initiatives are typically among an organization's most important endeavors, but that doesn't mean they're the only ones. It's important to know about other enterprise initiatives to guard against any unplanned surprises on the path to implementation.

### HR Shared Services in action

- After benchmarking its performance in the lowest quartiles from both cost and customer satisfaction perspectives, this large integrated energy company determined that it needed to deliver HR services more efficiently and effectively. With HR Shared Services as a core enabler of global HR transformation, this organization was able to realize its goal of significantly reducing HR delivery costs while significantly improving employee and manager satisfaction.
- When a medical device manufacturer needed assistance in building an HR Shared Services organization to help drive additional value from its global HR system implementation, we helped by developing a global HR Shared Services strategy and business case, designing the HR Shared Services organization, and helping to build and deploy HR Shared Services. With our assistance, this organization built a platform to support significant planned growth over the next five years that will yield higher-quality HR delivery at a significantly lower cost per employee.

### Related insights

- [Insights From Deloitte's 2009 Global Shared Services Survey](#)
- [Ten Ways to get More from your Service Delivery Organization](#)
- [Deloitte Debate: Which is Better: Outsourcing or Shared Services?](#)
- [Deloitte Debate: Has the Window Already Closed on Offshoring Shared Services?](#)

### Related offerings

- HR Transformation Strategy and Planning
- HR Operating Model and Function Design
- Benefits Administration and Operations
- HR Technology
- [HR Outsourcing](#)
- Organization Strategy and Design
- [Strategic Change](#)

### Contacts

#### **Marc Solow**

Director  
Deloitte Consulting LLP  
[msolow@deloitte.com](mailto:msolow@deloitte.com)

#### **Jason Geller**

Principal  
Deloitte Consulting LLP  
[jgeller@deloitte.com](mailto:jgeller@deloitte.com)

#### **Beth Thiebault**

Principal  
Deloitte Consulting LLP  
[bthiebault@deloitte.com](mailto:bthiebault@deloitte.com)

This publication contains general information only and is based on the experiences and research of Deloitte practitioners. Deloitte is not, by means of this publication, rendering business, financial, investment, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte, its affiliates and related entities shall not be responsible for any loss sustained by any person who relies on this publication.

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.