



2013 Global Shared Services survey results

Executive summary



Deloitte Consulting LLP
February 2013

The goal of Deloitte's Global Shared Services Survey is to provide insight to organizations regardless of where they are in their Shared Services journey

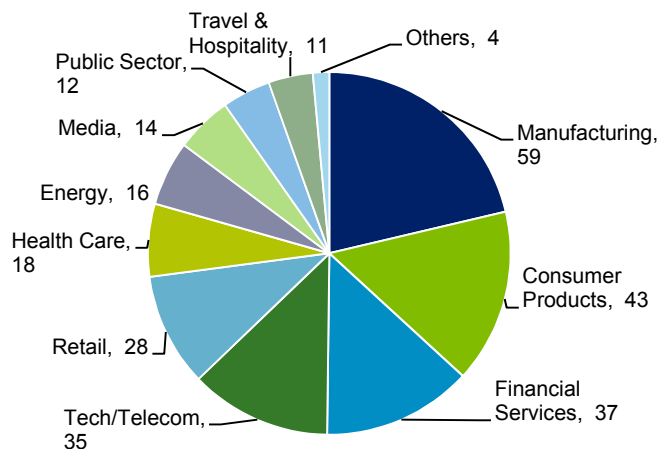
- Identify emerging trends in Shared Services by comparing and contrasting responses from the last seven Deloitte Global Shared Services surveys completed over the last 13 years
- Share concepts and insights from multiple geographies, industries, and revenue bases
- Provide the latest in thinking to:
 - Help organizations that are beginning their Shared Services journey learn from others
 - Infuse fresh ideas into more mature Shared Services operations
- Highlight best practices in the creation and delivery of Shared Services
- Capture the aggressive shifts organizations are making as a result of their past success with Shared Services

Survey participant profile

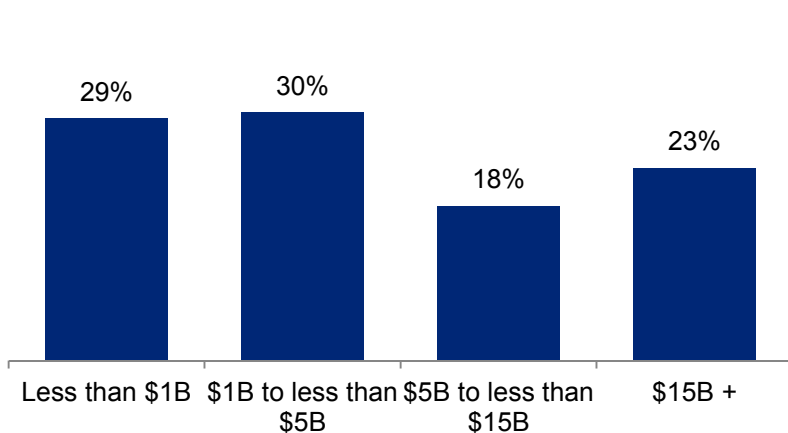


Deloitte's 2013 Global Shared Services survey attracted 277 respondents...

What is your organization's primary industry sector?



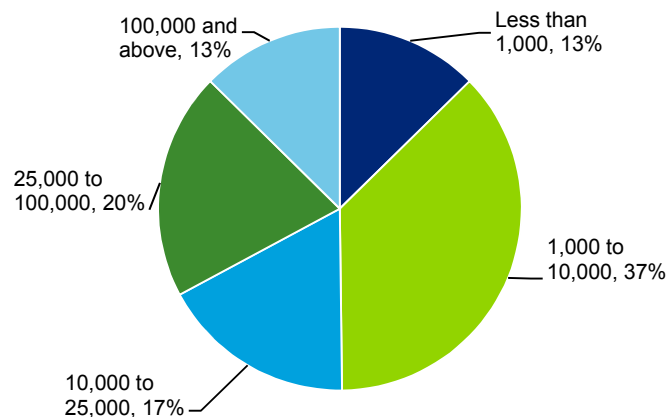
What are the annual revenues of your organization?



Respondent information

- Manufacturing and consumer products continue to be the top industries represented in the biennial survey
- The largest increase in participation over 2011 was in Financial Services
- Average revenue of participant organizations was approximately \$10 billion
- 50% of respondents had organizations over 10,000 FTEs
- As in 2011, the percentage of respondents in the "less than \$1B" category is significantly higher than in the past

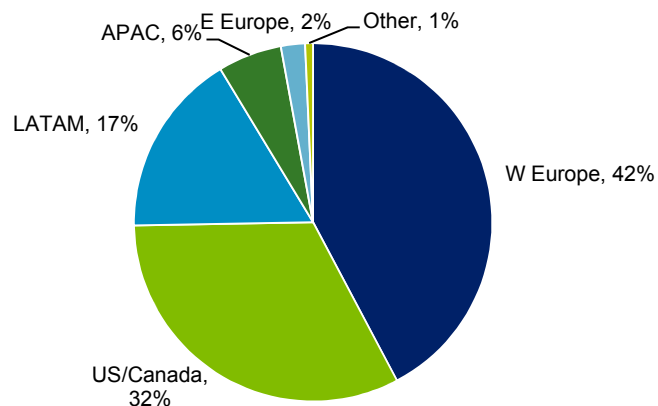
What is the size of your total organization in FTEs?



As used in this document, "Deloitte" means Deloitte LLP and its subsidiaries. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

...representing organizations headquartered in 38 countries across the globe...

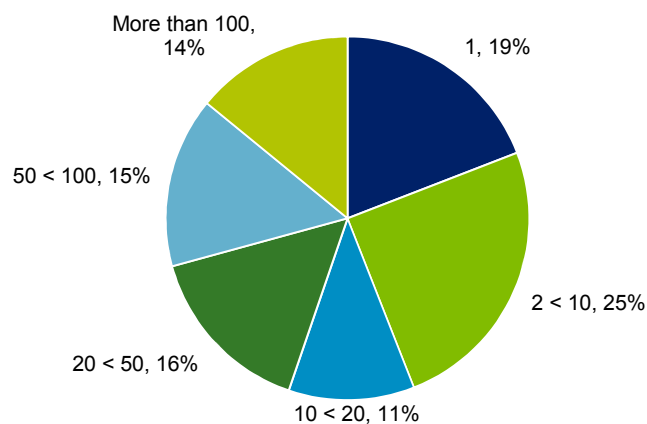
Where is your organization's HQ located?



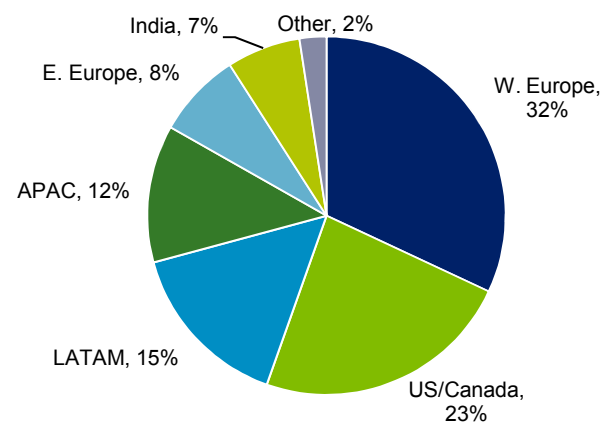
Respondent information

- 70% of this year's survey respondents were headquartered outside of the U.S.
- Respondents vary greatly in how many countries they operate in, but over half operate in less than 20 countries
- There is an increase in the number of Shared Services Centers (SSCs) located in Western Europe compared to the 2011 survey
- There was a decrease in the number of SSCs located in the U.S./Canada as compared to the 2011 survey

How many countries does your organization operate in?

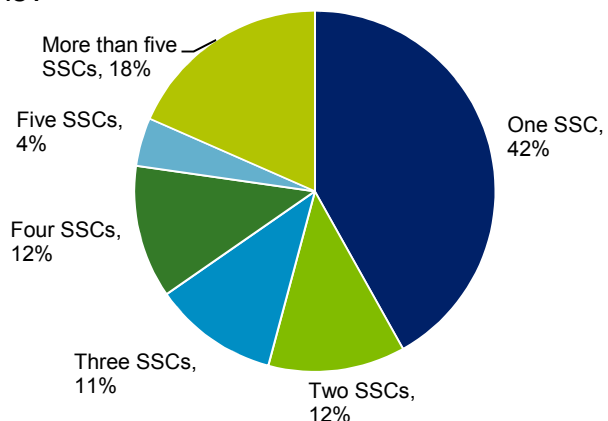


Where are your organization's SSCs located?



...providing data for 870 Shared Services Centers (SSCs)

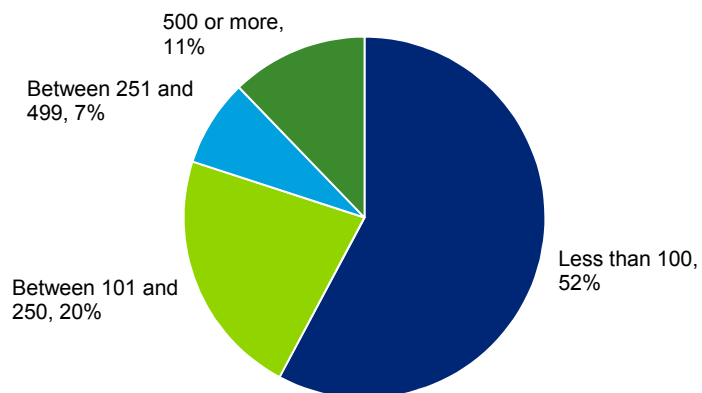
How many SSCs does your organization have across all functions?



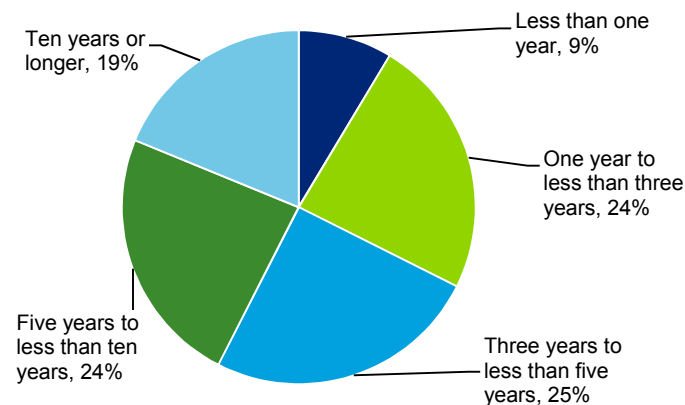
Center information

- The average number of SSCs per company this year was 3.3 — an increase of nearly 15% over 2011
- The average number of centers increased with the size of the organization
- Over half of the SSCs in the survey had less than 100 employees
- ~ 60% of the organizations have been operating for less than five years
- The average age across all centers was 5.3 years

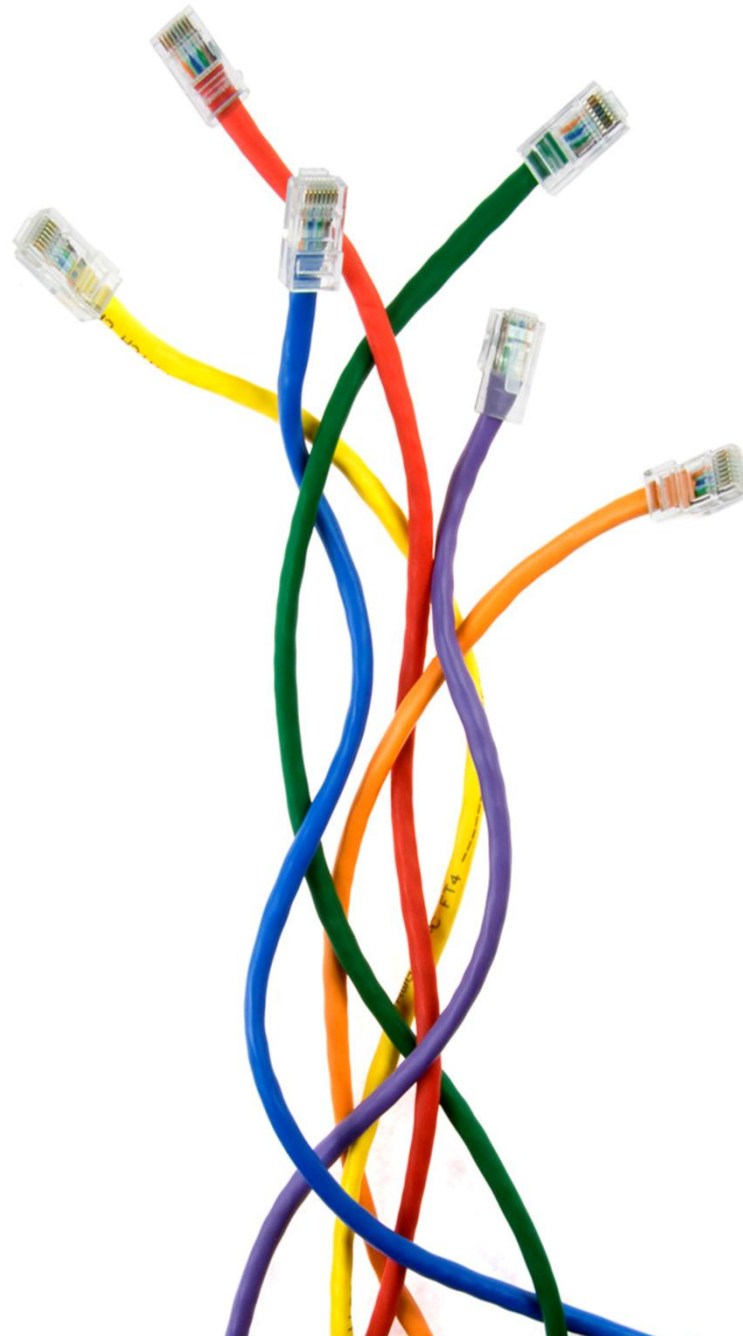
How many employees do your SSCs have?



How long have your organization's SSCs been operating?



Results overview



Key findings of the 2013 Global Shared Services Survey

Geography

- Organizations appear to be developing the ability to service multiple continents from one center—and driving towards making global centers a reality
- Newer entrants, across company size, are learning from the lessons of others and are increasingly more adventurous in functional scope, alternative delivery, and locations considered
- Organizations have become more open in their location selection for SSCs as compared to 10 years ago; the dispersion of centers across the world is much greater than it was 10 years ago with newer centers opening across a greater array of countries and cities in the global theatres
- Latin American and Eastern Europe have seen a significant growth in SSCs represented in the survey and show the greatest interest as locations for new centers
- Of the BRIC countries serviced by SSC's, China and Brazil are serviced equally by in-country and out-of-country SSCs. India is predominantly serviced by SSCs within the country and Russia from SSCs outside of the country.
- Labor factors continue to drive location selection for SSCs — and cost remains a perennial top driving factor

Organization & Governance

- As organizations move from single function to multifunction, there is a movement away from functional or country reporting relationships towards reporting into an independent Shared Services organization
- Even if organizations are not managing the functions in Shared Services as a single Shared Services organization, they are seeing numerous benefits from co-locating the functions
- Chargeback mechanisms vary widely, however, there is an increasing number of organizations that are not billing or allocating costs at all — specifically those organizations that mandate Shared Services
- Organizations are also using penalty pricing as a means to drive behavior between the SSC and its customers
- SLAs continue to be an important tool in governing the relationship between the SSC and the business, however, they require at least annual monitoring to remain effective
- Organizations are increasingly using global process owners to drive process efficiencies and standardization across the Shared Services organization

Key findings of the 2013 Global Shared Services Survey, continued

Scope

- SSCs continue to expand outside of traditional back office functions
- Organizations leveraging Shared Services are moving upwards of half to three quarters of their FTEs to an alternate service delivery model
- Even traditional corporate functions, such as Tax, Real Estate/Facilities, and Legal are moving towards a transactional SSC or outsourced model
- The capabilities of transactional SSCs and outsourcers are moving up the value chain such that knowledge-based SSCs/COEs make up a smaller portion of FTE distribution
- Organizations are beginning to leverage Shared Services as a way to manage customer relationships with contact centers and customer service desks
- Processes that are being considered future Shared Services candidates centered around managing data and driving business insights regardless of functions

Operations

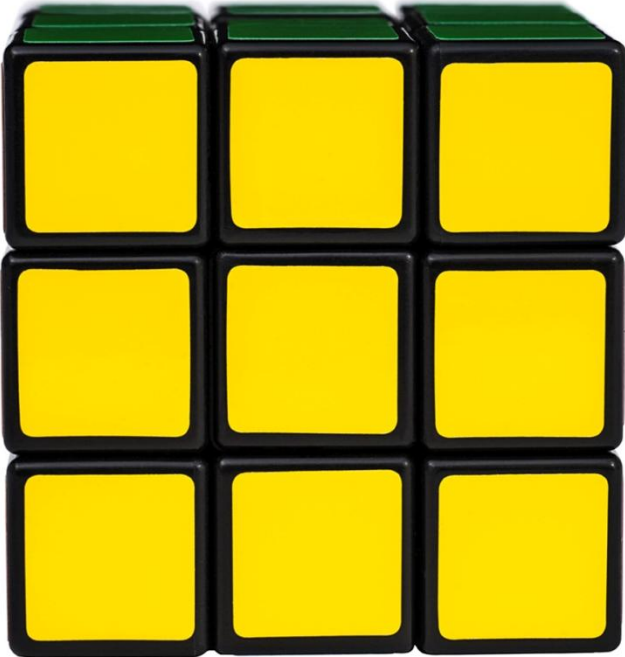
- Higher quality has become an important reason for business units to opt in to Shared Services signifying that cost is not the only consideration
- There is an opportunity for Shared Services to move from an execution to a management-based role in internal controls for the broader organization
- While technology spend is primarily allocated to productivity, there is a growing trend to build enabling technologies to improve the customer experience
- As SSCs expand their breadth of services, they should consider continue to deliver on the basics such as timeliness of response and cost containment
- Challenges with attracting and retaining talent have decreased as SSCs find innovative ways to make Shared Services a career destination

Key findings of the 2013 Global Shared Services Survey, continued

Journey and Value

- Organizations are effectively achieving benefits regardless of the order of implementation across functions and geographies
- More recent adopters of Shared Services are moving directly to multifunction as part of their initial implementation strategy
- Organizations continue to leave money on the table and increase their risks by not including Tax implications as part of their business case for Shared Services
- A multifaceted approach to addressing the retained organization is required to realize the intended benefits
- Shared Services continues to strive to be seen as a valuable partner to the business versus just a lower-cost alternative; SSCs see analytics as an important lever to increase their value
- The true value of analytics is leveraging the data, people, and technology infrastructure within the SSC to provide business insights to the broader organization
- Although Shared Services is a mature concept, the next generation includes higher value processes, new geographies, and a higher utilization of hybrid models, including SSCs, COEs, and outsourcers

Index of survey questions



The content of the complete survey results includes participant answers to the following questions:

Geography

- Where are your organization's SSCs located?
- What is the predominant deployment model for your Shared Services organization?
- What is the geographical coverage of your SSCs?
- What were the main factors in selecting the organization's current Shared Services location(s)?
- What are the top 3 locations you are considering or would consider for a new SSC or SSC relocation?
- Do your organization's SSCs provide services for the following countries – Japan, China, Brazil, Russia, India? If so, from where?

Organization & Governance

- How is Shared Services organized and managed across your organization?
- What have been the benefits to your organization of having multiple functions in Shared Services?
- What is the predominant reporting relationship for your SSCs?
- Has a position been created to manage the collection of Shared Service Center(s) across your organization?
- Who does the most senior leader of your Shared Services organization report to?
- How are Shared Services primarily being charged back to the locations/divisions serviced by the Shared Services Organization?
- Does your shared services organization leverage SLAs to drive governance? How often are they revisited? How effective do you find SLAs?
- How does your company drive end-to-end process efficiency and effectiveness as part of your Shared Services organization's governance structure?

The content of the complete survey results includes participant answers to the following questions:

Scope

- What functions are performed in each of your centers? Within those functions, what processes are in Shared Services or outsourced?
- Segmented by function, what % of the total FTEs (approximately) are located in the local business, at Corporate, in transactional SSCs, in knowledge based SSCs/COEs, or outsourced?
- How do you expect your organization to change its use of Shared Services in the next 3-5 years?
- How do you expect your organization to change its use of outsourcing in the next 3-5 years?

Operations

- Does your organization mandate participation in Shared Services or does it use an opt-in model? What are the reasons and/or perceptions that business units/segments choose to opt in or opt out?
- What percentage of the organization's business units/segments are served by your SSCs/COEs by function?
- What roles does your shared service center play in management and oversight of internal controls? What is the scope of internal control activities within your SSC?
- What benefits has management and oversight of internal controls provided?
- How many core technology platforms is your organization using on average within EACH of your SSCs?
- How are you primarily allocating your spend on technology for your SSCs?
- Which customer facing technologies/enhancements has and/or will be implemented in your SSCs?
- Which internal processing technologies/enhancements has and/or will be implemented in your SSCs?
- What is important to your internal business unit customers?
- What % of the labor force in Shared Services is contractor/temporary?
- What people-related challenges do you anticipate becoming significant within your organization's SSC(s) over the next three years?
- What is your annual percent in employee turnover by center?
- How do you attract and retain talent in your Shared Services organization?

The content of the complete survey results includes participant answers to the following questions:

Journey and Value

- What was the primary driver or business event that led to your original decision to implement a Shared Services organization?
- What approach did your organization initially take to design and implement Shared Services?
- When creating a SSC, has your organization usually first standardized processes or has it first moved to shared services?
- Has your organization typically moved processes to SSCs before or after technology change?
- How did you typically address the organization and talent changes needed at the local level when shifting to SSCs/COEs?
- What tax process considerations were taken into account prior to or in connection with the formation of the SSC?
- Where has Shared Services had a positive impact?
- What is the average headcount reduction achieved by implementing Shared Services at your organization over the first 12 months after full operations began?
- What has been the average annual increase in headcount productivity (headcount reduction or hiring cost avoidance) achieved by your organization's SSCs after the initial implementation?
- What was the payback period for your Shared Services implementation?
- In what areas has your organization achieved its objectives for Shared Services implementation?
- How could you have improved your Shared Services journey?
- How are you leveraging Shared Services as a strategic asset at your organization? What role(s) is your SSC(s) / organization currently playing – or you anticipate playing - in analytics?
- What trends do you think Shared Services programs/organizations will follow in the future?

Contact information



To discuss the full survey results and trends, contact:

Americas

Susan Hogan

Atlanta

+1 912 996 7770

shogan@deloitte.com

Andre Pienaar

Toronto

+1 416 874 3302

apienaar@deloitte.ca

Francisco Silva

Mexico

+52-55-50806310

fsilva@deloittemx.com

Ulisses de Viveiros

Sao Paulo

+55(11) 5186 1004

uviveiros@deloitte.com

Federico Chavarria

San Jose

+506 25216790

fechavarria@deloitte.com

EMEA

Peter Moller

London

+44 20 7007 3973

pmoller@deloitte.co.uk

Jeppe Larsen

Copenhagen

+45 22202314

jelarsen@deloitte.dk

Christoph Greving

Frankfurt

+49 69 97137 393

cgreving@deloitte.de

Jean-Michel Demaison

Paris

+33 1 55 61 54 39

jdemaison@deloitte.fr

Krzysztof Pniewski

Warsaw

+48 22 511 06 09

KPniewski@deloittece.com

APAC

Sachin Sondhi

Mumbai

+91 22 6185 4270

sacsondhi@deloitte.com

Donal Graham

Sydney

+61 0 2 9322 7279

dgraham@deloitte.com.au

Hugo Walkinshaw

Singapore

+65 62327 112

hwalkinshaw@deloitte.com

Marco Liu

Shanghai

+86 21 61411598

marcoliu@deloitte.com.cn

Koji Miwa

Tokyo

+81-80-4359-3273

kmiwa@tohatsu.co.jp



This presentation contains general information only and is based on the experiences and research of Deloitte practitioners. Deloitte is not, by means of this presentation, rendering business, financial, investment, or other professional advice or services. This presentation 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 presentation.

Copyright © 2013 Deloitte Development LLC. All rights reserved.
Member of Deloitte Touche Tohmatsu Limited