



Analytics in shared services and global business services Emerging as an engine room for insights

Analytics is permeating all areas of business and it is now well understood that collecting, storing, analyzing, and driving insights from data should be a company-wide endeavor. The goal should be to build enterprise-wide analytics capabilities which are sufficient to support the business in a digital and data-driven world.

Growing demands on shared services and global business services (GBS) leaders

Now with initial savings from centralization, labor arbitrage and process improvement often achieved, the demands on shared services center (SSC), and GBS leaders from the rest of the business have moved up a notch. The expectation has grown from operational efficiency and cost savings to driving more impact to the wider business.

Just as greater demands are being placed on the business to use data more effectively, shared services, and GBS leaders are increasingly using analytics to enhance their workforces, processes, and operational models, as well as to provide actionable insight back to the business.

All of this is collectively driving towards one end-goal: generating business value.

Over 65 percent of SSCs said they are investing in building analytics capabilities and will offer Insight Services by 2018

Deloitte's Global Shared Services Study, 2015

Using analytics to move SSCs and GBS up the value chain

Analytics can provide a valuable springboard, helping SSCs to move away from simply processing information to providing insights gleaned from that information which help the business make better decisions. As the 'engine room' of the organization, shared services have access to much of the valuable organizational data being created.

Here are some examples of the different stages of maturity we are seeing in our clients:

- **Analytics to drive shared services improvements**
There are a wide range of single-use projects, including applying process analytics to reduce process circumvention within Travel & Entertainment (expense) T&E policies; conducting segment analysis to identify high performing employees; or monitoring working capital and cash flow in real time using data visualization. Analytics can also be used to monitor the performance of outsourcing providers and minimize delivery risks.
- **Analytics across multiple SSC or GBS towers**
For organizations with multiple SSC or GBS towers (e.g. finance, HR, and procurement), combining data sets from across towers can deliver unique operational insights, and reveal leading indicators for behavioral trends within the business. For example, mixing payroll data, recruitment records, and performance reports can reveal correlations between best hires, and attrition rates. Similarly, visualizing supplier spend and Accounts Receivable (A/R) data together can uncover opportunities for better contract negotiations or vendor contagion risks.
- **Analytics as a service to the business**
Providing advice to the business through a data and insights central service (e.g., an Analytics Centre of Excellence or data services function) helps positions SSC or GBS further up the value

chain. The types of services provided in this model range from data scouting and extraction of data sources for the business to analyze itself, through delivering standardized dashboards and end to end execution of recurring analytics projects.

- **Owning the analytics agenda: Insight driven organization (IDO)**
Building on the experience of internal centralized service delivery, major change programs and access to information on many aspects of the organization, SSC, and GBS leaders are supporting C-Suite moves to combine front line and back office data for a clear view of how daily operations are impacting delivery of corporate strategy. More and more, shared services are leading the delivery of IDO projects to generate quantifiable savings and revenue.

These options to embed analytics put shared services and GBS leaders in a prime position to harness organizational information and take ownership of progressing the organization (and shared services and GBS itself) on a journey from a backward-looking function that reacts to historical data to one which uses predictive analysis to guide decision making.

"Good analytics uses data to deliver insights about the organization and its environment. Successful analytics builds the mindset and ability to make data-supported decisions."

COO, Global Energy Company

Taking your first analytics steps

Initiatives in analytics are deployed in different ways depending on factors such as ownership, organizational culture, structure, and readiness. Making analytics 'stick' will also depend on the maturity of the SSC, outsource provider relationships, and geographic hubs. It is therefore most important that analytics

should be approached in an agile manner.

The early focus should be on conducting development in bite size pieces and executing niche 'proof of concept' projects that are able to deliver value over the short term (say, six to eight weeks).

There will be a considerable amount of trial, error, and learning as you go so we recommend as a positive first step that you should begin by thinking about conducting analytics projects internally within the SSC, building your knowledge, and expertise in a 'safe environment'.

Once your SSC or GBS analytics team has started to gain confidence and has acquired a more thorough understanding of the process of developing insights, you can then turn your attention to executing analytics proofs of concept for your supportive business customers.

If the culture and set up allows, SSCs can then progress to provide regular 'insights as a service' back to business customers, in a similar way to that in which higher value finance, HR or procurement services are delivered through the SSC.

A global oil and gas company began their journey by conducting process analytics on their finance function, resulting in substantial savings and highlighting the benefits of shared services analytics.

A well-known European airline established an Analytics Center of Excellence (CoE) including insight processes across the analytics lifecycle, KPIs for the services provided by the CoE and career paths for analytics talent.

Embedding analytics capabilities in your SSC or GBS

There are various operating models an organization can adopt when establishing an analytics function. There is no 'one size fits all' approach. Much depends on the SSC's relationship with the business as to whether it has 'business permission' to centralize analytics capabilities and deliver some of the more advanced insight services.

A challenge for SSC leaders is to decide which aspects of analytics to provide as a centralized function and how that function can be seamlessly linked with both IT and front line business services.

Relationships are important. It will be necessary to win support from leaders across the businesses, winning advocates of the

program, and who clearly, consistently, and powerfully articulate the need for change, and the direction it should take.

It can be easy to underestimate the education your people and the wider business will need. Considerable time should be spent on getting all stakeholders aligned on what analytics really means to your organization and the overall vision for where it's heading. Generating and acting upon insights derived from data also requires a wide range of technical, business, and communications skills.

Analytics is a journey, not a destination

The analytics journey in a GBS or SSC environment will be difficult. Few organizations have completed the transformation fully, and there will be problems and setbacks on the way. The analytics journey must be supported by multiple layers of collaboration, communication, education, and change management and the importance of these elements should not be underestimated.

However, by approaching analytics with a wider lens than just technology, shared services leaders can play a valuable role in constructing an analytics capability that is innovative, agile and ready for more.

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