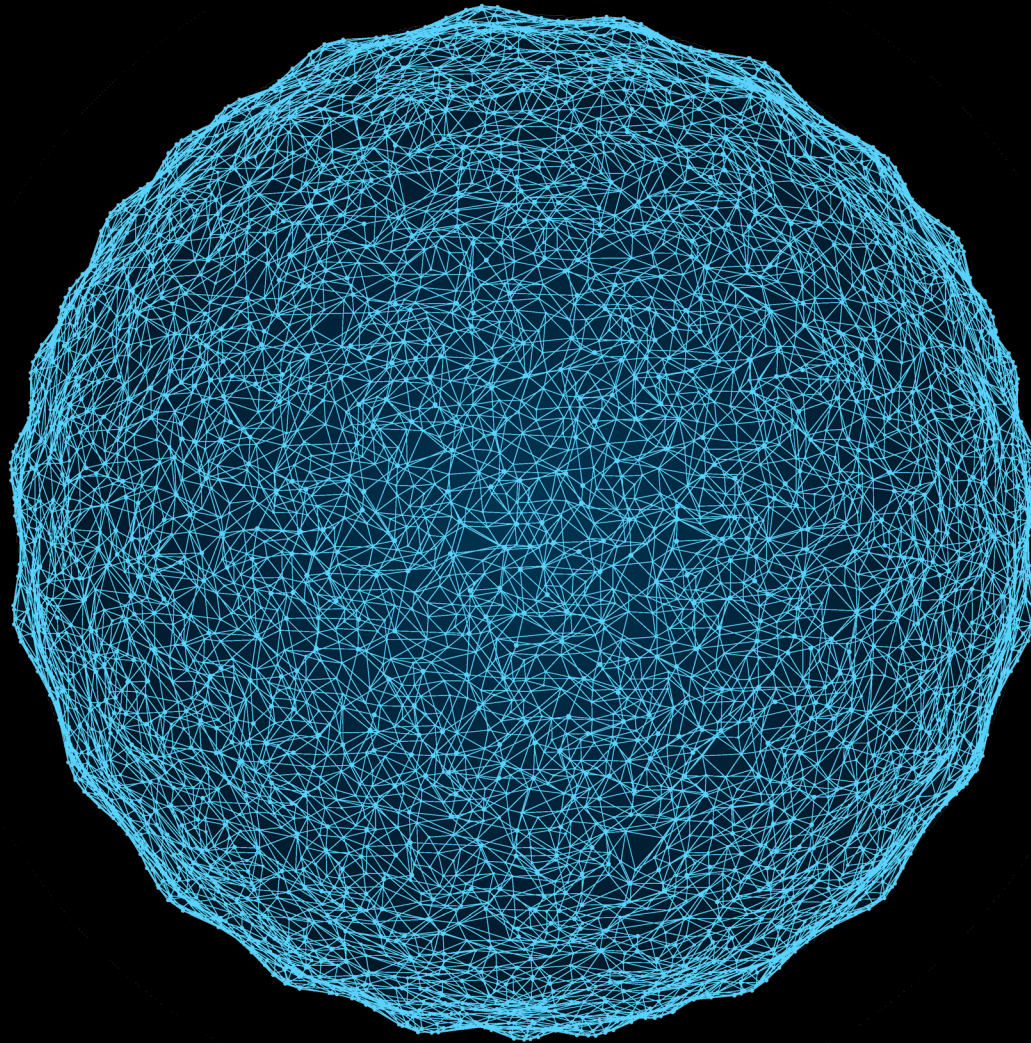


**Deloitte.**



**Connectors**

Making shared services work at the core of the business—rather than on the outskirts

# Real-time insights on hot topics in service delivery

As shared services strategies mature, some believe the next step in their evolution will move them to the core of the business – not just driving cost savings, but performing business-critical processes that contribute a different level of value. Your shared service talent may be ready for this shift. But is your organization?

After years of delivering major efficiency gains and cost savings, could it be that shared services centers have hit the wall in terms of value? Some organizations are already seeing signs of it. Think about it: the scale and scope of these centers have in many cases expanded to include thousands of employees in locations around the world. They are large organizations on their own terms – not just nimble teams focused on individual business tasks. Delivering incremental value back to the parent organization through labor-cost arbitrage and process improvement tends to become more difficult at this scale.

Meanwhile, these shared services organizations are becoming more sophisticated. Having done the same old things for years, many want to stretch into new areas – to deliver even more. It's possible to fuse these aspirations and growing capabilities with the evolving needs of the organization. In the most sophisticated organizations, this tends to look like what we call a GRID: Globally connected, Responsive, Integrated, Dynamic shared services structures that operate as a single coordinated unit. In this issue of Connectors, we'll look at GRID basics – what you need to know to determine whether or not this approach warrants more exploration, as well as some considerations for moving ahead.

# Map your current assets to the key characteristics of a GRID

## Do you already have what you need?

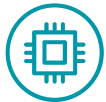
Many organizations pursuing a GRID approach find that they have many of the foundational GRID components already in place – but they haven't thought about them in that context. In those cases, the challenge is to determine how to link them all together in a more strategic way, in line with an overarching GRID strategy.

## Taking stock

That's why it's important to start by taking stock of your current model, comparing existing assets to those required to construct a GRID model. Here are the characteristics to look for.



Global centers with “glocal” talent pools, global process ownership, and financials that are competitive around the world.



Enabling technologies and predictive analytics capabilities that contribute to responsiveness and agility.



Global delivery networks that are integrated with one another, based on collaboration and interaction with other “nodes” in the network.



Capabilities such as on-demand service delivery, value-linked measurement systems, and fast, empowered decision making that, together, contribute to a dynamic enterprise.

You don't need to have all of these characteristics in place today. In fact, you probably don't. Find your existing strengths and plan on building around them.

# Home in on these five enablers

## **Not just more of the same**

Creating a GRID model isn't simply an exercise in scaling up existing resources. In fact, it's far more important to understand how those existing resources may need to change in order to enable a GRID reality. This isn't a hub-and-spoke model on steroids. It's something else entirely, and it requires excellence in five critical areas.

## **Where to focus**

**Talent:** GRID adopters should consider their future and current commitments to developing talent, particularly when it comes to forging connections with educational institutions, building a pool of "glocal" leaders, and defining cross-organizational career paths.

**Process:** Global in-house centers (GICs), a key part of the GRID model, often have a better view of what works well (and what doesn't) across the organization. That's valuable information, but to realize that underlying value, organizations will need to foster end-to-end process ownership that makes use of such insights.

**Service delivery:** Moving to the next level of value creation will require increased responsiveness, which in turn will require new, more innovative approaches to service delivery.

**Technology:** GICs will need to begin deploying emerging tools (like biometrics, cognitive automation, and analytics) in order to enable process standardization, reduce costs, and meet escalating service delivery standards.

**Measurement:** In any organization, the gap between the perception of value received versus the reality can be pronounced. That's especially true between GICs and their headquarters and business units. As GICs become more integrated with their parent organizations in a GRID environment, they will increasingly need to demonstrate how they support business strategy.

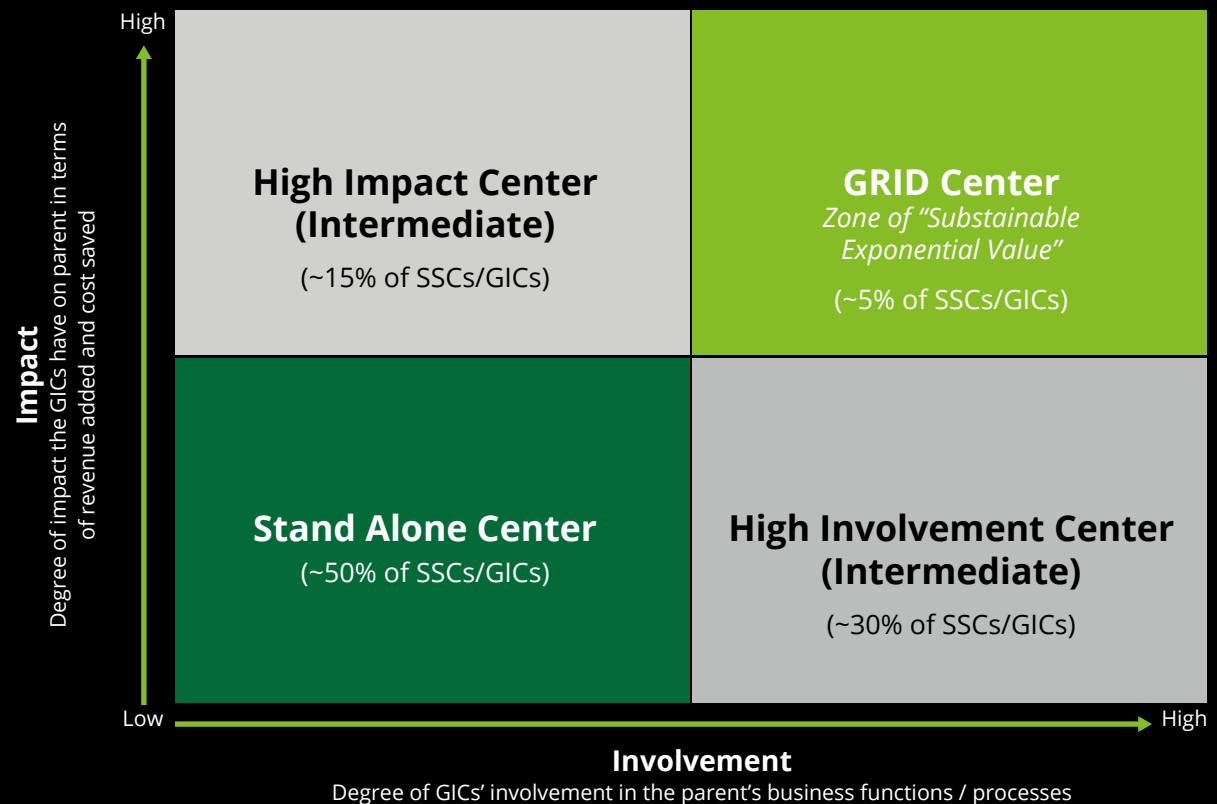
# Plan for impact

Clearly, a GRID model requires an increased level of involvement on the part of GICs, in terms of the parent business's functions and processes. But that's only one obvious dimension of the change. Less obvious: Impact. GICs should be seeking to make a greater impact on the parent organization in terms of cost management and revenue generation. In the simple 2x2 chart included here, that means moving up the Y axis, relying on innovation, analytics-generated insights, cognitive tools, and other high-impact capabilities that don't require the involvement of hundreds or thousands of people to generate results.

Achieving a higher level of impact also tends to require changes in the organizational and reporting structure. For example, say a process owner is currently situated in the parent's headquarters from an organizational reporting perspective. If

a GIC is taking a central role in creating a new, world-class, GRID enabled capability, that role would typically be within the GIC structure – rather than the headquarters' structure. This allows the process owner to

make connections across the organization, feeding insights back to headquarters, and building deep, sustainable capabilities where it matters most.



## 5 Connectors Making shared services work at the core of the business—rather than on the outskirts

# Ask questions – lots of questions

## **This is not a drill**

What do you want to achieve from moving to a GRID approach? After all, this isn't a step to be taken lightly. It has real implications. Here are a few questions that have proven instrumental in helping leaders focus their GRID strategies and plans.

## **Start with these**

1. What value can our shared services organization deliver beyond labor-cost arbitrage? Be specific.
2. What can we do to make the future value curve exponential and non-linear?
3. How can we enable the next phase in value creation?
4. What types of changes will we need to make in order to do things in a more innovative manner – not just faster, better, or cheaper?



# Let's talk

## To transform your business, transform your service delivery model

If your shared services organization has grown through the years, while delivering a lower level of value compared to its size, it may be time to rethink its structure and goals. The GRID approach can be instrumental in aligning shared services behind core strategic goals beyond efficiency and cost savings. It's an approach we've put to work for clients across industries – and we can put it to work for you.

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