



SHARED SERVICES DELIVERY AND OPTIMISATION»»

For smarter Shared Services, experience counts

THE SHARED SERVICES PRIZE

There's no question that Shared Services not only transform an organisation's bottom line but also enable it to act as a smarter and more cohesive whole.



"The Shared Services project was imperative for Symbol Technologies in order to rapidly bring control and standardisation across the EMEA business whilst delivering compliance with the requirements of the Sarbanes-Oxley Act. The elapsed time from launch of the project to the opening of the doors of the centre in Brno, in the Czech Republic, was just over six months. Atos Origin helped us to deliver on time and on budget a Shared Services operation of which we, and I'm sure they, are proud."

Ian Roche, Senior Finance Director, EMEA, Symbol Technologies



Truly successful Shared Services operations are led by realisation of operational advantages alongside financial goals. Any company that approaches its Shared Services initiative with the sole objective of saving money is courting disaster.

Such money-saving-only Shared Services implementations are often characterised by scant planning and failure to look at the bigger picture. In the rush to achieve cost reductions the non-financial benefits can be overlooked.

That's not to say that saving money is not important: far from it. Admittedly, a little extra time and effort put into the early phases of the exercise may delay slightly the time to achieve those savings. But in a programme that will require capital investment and fundamental organisational change, it is short-sighted to waste the parallel opportunity to achieve wider benefits.

With a carefully thought through and rigorously implemented Shared Services programme, significant additional benefits are achievable. These include:

- > Standardised, streamlined and, where appropriate, fully automated processes which ensure clarity and control
- > Clear demarcation of responsibilities and the genuine release of analyst resource to focus on business intelligence
- > A scalable structure which allows rapid incorporation of new business or volume.

Here we explore the Shared Services model, providing insight through examples and demonstrating how Atos Consulting's experience can be used to your advantage for lasting success in Shared Services.

During the last century, the swing between centralisation and decentralisation has occurred with monotonous regularity. Both approaches have their advantages. A decentralised business model suits a fast-moving, growing marketplace where entrepreneurship and revenue growth outweigh immediate shareholder returns.

A centralised enterprise succeeds in stable or depressed conditions where command, control and cost cutting are the keys to success.

This decade has seen new dynamics enter the equation:

- > Regulatory controls require the adoption of strict processes and standards right across the organisation
- > The public sector drive to free resources for front line service delivery creates the imperative to investigate new models, including the implementation of Shared Services
- > Today's web-enabled business applications talk to one another easily and allow access to shared software components and data, wherever they are located
- > Barriers of time and distance are breaking down, allowing organisations to adopt innovative and flexible business models.

In this new environment the Shared Services model has evolved. Leveraging best practice from both centralised and decentralised ways of working, Shared Services puts functions such as IT, Human Resources, Finance and Procurement at the core of the corporation, while leaving individual business units free to focus upon product development, markets and customers. Equally importantly, regulatory compliance is enabled through the adoption of common standards.

Many large organisations, mainly in the private sector, have tentatively approached Shared Services; but the experience was not always entirely positive, for reasons we explore in the following pages. Leveraging the experience of our teams in this field provides the pathway to swift success.

SHARED SERVICES IN PERSPECTIVE

Shared Services is a means of leveraging – right across an organisation – the benefits of scale and reduced complexity by creating Shared Service Centres (SSCs) to deliver support functions such as IT, Human Resources, Finance and Procurement. It provides a customer service and continuous improvement culture that gives value to business units and facilitates enhanced control and awareness of business processes.

Shared Services is not a blunt instrument for achieving savings by centralising and commoditising essential business support functions, in factory-style environments.

Nor is its inception an exercise that can be approached lightly or without careful consideration of the people implications. Apart from the risk of failure, there is also possible damage to corporate reputation from a poorly executed Shared Services implementation.

While it is true to say that ongoing cost savings of up to 50 per cent are realisable through Shared Services, the investment of time and capital up front is necessary to smooth the introduction and maximise long-term Shared Services gains.



"Atos Origin has exceeded our expectations. Working in close collaboration with our own people, its high-quality team has completed each stage of the project on time and on budget.

"Atos Origin worked hard to understand the business needs of Huntsman Tioxide and used the SAP technology to service those needs. Atos Origin helped us realise that this project was not simply about changing the technology we use to do business - it was a fundamental shift in the way we do business."

Doug Coombs, President,
Huntsman Tioxide

WHERE ARE YOU ALONG THE SHARED SERVICES SPECTRUM?

Atos Consulting sets out to address two audiences:

- > Those organisations who have either not considered or have previously discarded the idea of a Shared Services business model
- > Those organisations who have adopted a Shared Services approach and who seek to maximise the benefits or grow the scope of their centre.

Considering Shared Services?

If the topic of Shared Services is new to your organisation, or has previously been discarded, then consider the following:

- > Do you have a need to standardise business processes and operational procedures, perhaps driven by regulatory or customer demands?
- > Are you under pressure to reduce costs, cut corporate overheads and optimise operational efficiency?
- > Is your structure highly divisionalised with independent business units each running its own administrative services?
- > Are you finding it difficult and time-consuming to produce management reports and conduct the annual budget or rolling forecasts?
- > Is your corporate data held in storage silos surrounded by technology islands, making it difficult or impossible to make cross-company systems and business applications work together?

If you answered 'yes' to one or more of these questions, then your organisation would almost certainly benefit from adopting a Shared Services business model. Atos Consulting can help you to manage risk and maximise success to create that model.

Improving Shared Services?

If your company has already implemented Shared Services but is not realising the expected benefits, or is encountering unforeseen people or process related problems, then consider the following:

- > Is your company struggling to deliver the results forecast in the business case or having difficulty in measuring possible improvements?
- > Was the initiative undertaken purely as a cost-cutting exercise rather than, for example, to standardise and optimise business processes and improve service levels?
- > Does the Shared Services entity have a 'sweat shop' mentality or perception across the organisation, rather than acting as a valued service provider with the rest of the company as its customers?
- > Did your company bring together and standardise existing delivery methods without enlisting technology to find new ways of working, such as self-service?
- > Does your company lack a board-level champion for the initiative who is prepared to lead the company through changes required and deal with problems head on?

If you answered 'yes' to one or more of these questions, then your organisation could improve its Shared Services operation. Atos Consulting can help you to look at the issues with fresh eyes and manage your way to greater Shared Services success.



THE SHARED SERVICES EXPERIENCE SO FAR

Atos Consulting recently conducted a global survey on Shared Services. The survey analysed responses provided by more than 250 corporations from around the world. It produced the following insights.

Shared Services is recognised as an important strategic tool

- > Shared Services delivers benefits and better cost performance than traditional in-house functions
- > More than 70 per cent reported good to excellent results in terms of expertise, speed of response, willingness to help and accessibility
- > The most common candidates for a Shared Services approach are Finance and IT, but Human Resources is gaining in popularity.

Delivering benefits takes investment in people

- > Implemented correctly, Shared Services does not result in the chosen functions becoming detached from the business

- > More than 70 per cent of respondents said people are important for success, with appropriate skills in the management team being the single most important factor
- > It does not stop when an SSC is set up. The journey continues with fine-tuning technology enhancements, process improvements and business communications.

Shared Services is maturing

- > Some 43 per cent of respondents were hoping to expand their Shared Services operations
- > More than 50 per cent thought that Supply Chain and Customer Services would benefit from a Shared Services approach
- > A global SSC is just beginning to emerge as a concept – six per cent had this as a goal.

ENSURING SHARED SERVICES SUCCESS

It is clear that – properly applied – Shared Services works. So the question is: how best to make it succeed for you? When approaching a change as fundamental as Shared Services, it is critical to have a strong partner by your side, not only to access hard won experience, knowledge and skills but also to provide resource to smooth implementation peaks and troughs.

A large number of the Shared Services consulting professionals who join Atos Consulting come from the industries within which they consult – and many have direct exposure to managing Shared Services operations – bringing many years of practical experience to the table. Their pooled knowledge has been distilled into our Shared Services implementation best practices.

The exercise must be driven from the top

Having a board level champion creates confidence at middle-management level which is a real asset. Furthermore, without this clear direction from the top, personal agendas can take precedence – deflecting the programme from its original goals.

Objectives must transcend cost savings

An approach that is based solely on cost saving will waste the considerable opportunity for additional value, including improved availability and quality of management information and process simplification. This provides the standardisation and transparency necessary to meet regulatory directives.

We are already seeing Shared Services beginning to provide value from additional processes – for example saving working capital by reducing debtor days.

Performance and improvement targets are vital

A distinctive culture is vital to success and must be emphasised from the start. Excellence in an SSC depends upon a sharp focus on customer service and continuous improvement. Providing services that meet or exceed customers' expectations must be the prime goal. Performance and improvement targets must be carefully benchmarked, comprehensively measured and constantly communicated – and feedback loops from business unit customers must be established and monitored.

The right location is a strong foundation

Using existing facilities is the option chosen by some two-thirds of organisations for their SSCs. However, evidence shows that those opting for a greenfield site are more likely to achieve their goals. That greater likelihood of success is because of the opportunity to make a fresh start. New organisational structures, hiring policies and incentive and compensation programmes are more likely – and the risk of the SSC aligning solely with the business unit 'owning' the building is eliminated.

People management is the key to winning

Anyone who has managed a transition to Shared Services will tell you that the toughest challenges are about people. Recognition of this fact is the single most important step to take, as managing people is the area most commonly misunderstood. Transitioning roles is a complex process requiring significant time and effort. Strong executive support, continuous communication and comprehensive training – for both the SSC and the business units – are critical to success.

“The close working relationship that developed between Telewest and Atos Consulting staff played a major part in anticipating or quickly resolving issues as they occurred during the project. As Project Director, Atos Consulting provided me with a complete service; being an integral part of the project team, highly proactive in approach and with the ability to stand back and provide independent advice when necessary.”

Steve Dangerfield, Accounting Director, Telewest



THE IMPORTANCE OF STAYING POWER

The final piece of the jigsaw – whether approaching Shared Services for the first time, or seeking to improve an existing Shared Services implementation – is to establish whether your organisation has got the staying power to see the programme through.

There is always pain associated with moving people away from established working practices: rethinking then standardising sometimes long-established procedures, re-engineering business processes, uprooting employees and functions and setting and monitoring performance targets. Without staying power, initial enthusiasm can quickly turn to mid-term recrimination.

The regime necessary to pursue a successful Shared Services programme is not unlike that needed to excel in sport. It consists of setting realistic milestones and objectives, identifying and dealing with areas of weakness, adopting a structured approach to training, recognising the importance of regularly reviewing progress against objectives and – most importantly – acquiring and leveraging the skills of an expert and persistent coach.

Atos Consulting as Shared Services coach

There are five strategic principles for Shared Services success at the core of a successful programme.

- > **Standardise:** processes, systems, data structures and so on should be – as far as possible – standardised for all customers and geographies. Allowing exceptions on the basis that particular business areas claim to be ‘different’ may avoid conflict but will store up trouble for the future.

- > **Consolidate:** physically grouping like functions makes practical sense, provides economies of scale and assists standardisation. Not all functions need to be under one roof, but the fewer Shared Services establishments there are the better. Using technology to create ‘virtual’ SSCs does not create the same enabler for change.
- > **Integrate:** the horizontal integration of business processes, so that they operate in a seamless and end-to-end fashion, is as important as the functional integration of systems and applications. For example, it is not strictly necessary to have one ERP system, but whatever ERP systems you have must be joined up, able to share data and ideally provide a single user interface.
- > **Automate:** real ‘lights out’ processing is now being achieved, especially within the purchase-to-pay process, but genuine opportunities exist elsewhere.
- > **Measure:** a comprehensive system of measurement is often forgotten and seldom well done, but an SSC can and should be measured across many different dimensions. Only then can Shared Services be sure that it is meeting its obligations to stakeholders. The right technology is essential to provide such measurements automatically and not labour-intensively.

In fulfilling the role of Shared Services coach, Atos Consulting can focus its knowledge and skill on the needs of the organisation and ensure that these five strategic principles are adhered to.

Once the Shared Services model is agreed, the full Atos Origin portfolio can be drawn upon to ensure successful implementation and ongoing SSC management and optimisation.

WORKING WITH ATOS ORIGIN

Our Shared Services engagements follow the four phases outlined below. A senior consultant will take overall responsibility and act as coach to the joint client and Atos Origin team, while programme management keeps all project activities on track.

Phase	Top line advice	Detailed activities
Strategy	Map the objectives of the Shared Services programme against the business strategy, and clearly identify and allocate the finance and people resources required.	<p>In this phase our team will first assess the feasibility of the client's Shared Services strategy and support the client to produce or update its business case.</p> <p>A 'to be' analysis will validate and refine the scope of the project and produce a Shared Services vision. Atos Origin will support:</p> <ul style="list-style-type: none"> > business process analysis > IT systems analysis > SSC location analysis > skills audit and change readiness > change management and communications plan > outsourcing feasibility. <p>The output will include recommendations on processes, IT and location together with the scoping and definition of the project – leading to a high-level implementation plan and blueprint for the new organisation.</p>
Design	The right technology is essential to success but must not be designed in a silo. Ensure that the technology is designed to fulfil business requirements and not vice versa.	<p>In the design phase quick wins are identified and detailed solution and implementation plans are developed.</p> <p>Deliverables include proposals for:</p> <ul style="list-style-type: none"> > organisational design and role descriptions > redundancy and relocation policy > recruitment and training plan > service level agreements > performance measurements. <p>In addition to detailed business process designs, infrastructure requirements are specified and detailed plans produced for:</p> <ul style="list-style-type: none"> > IT implementation > data standardisation and migration strategy > system configuration.
Implement	<p>Drive to standardise the processes to the maximum while meeting local business regulatory requirements.</p> <p>Make clear plans and stick to them. Step up the frequency of reviews and include line management. Do not take shortcuts on training. Attend to quality as well as speed.</p>	<p>The implementation phase sees the Shared Services rollout, followed by the start of benefits realisation.</p> <p>If required, Atos Origin will act as programme manager and prime contractor in the core IT platform build and SSC fit outs, as well as manage system configuration and data standardisation projects.</p> <p>In transitioning the organisation to the Shared Services model, Atos Origin will support both business unit and SSC managers and staff, and also oversee the adoption of new business processes. Atos Origin will also construct models and processes for benefit tracking and delivery.</p> <p>Quality is assured through the benefits of our experience.</p>
Growth and optimisation	Do not sit back. Consider what additional functions and geographies can be brought under the Shared Services umbrella. Keep moving, and do not stop. Create competitive advantage by continually improving processes and service.	<p>In the final stage of growth and continual improvement, Atos Origin will support the client organisation as it consolidates and expands its Shared Services venture, bringing new functions into the Shared Services arena.</p> <p>Atos Origin Managed Operations can provide a range of services from applications management to full business process outsourcing and joint ventures.</p>

The attributes for Shared Services success:

In summary, our experience shows that the following four components make for success in pursuing a Shared Services strategy:

- > A clear organisational and senior executive mandate, with a demonstrable and well-communicated business rationale
- > A management team with a passion for a step change in performance, which is prepared to make and stand by tough decisions
- > A ring-fenced investment budget together with bolted down resources, including a dedicated Shared Services team with a strong project management
- > A culture of quality at speed and demonstrable success, with frequent and unambiguous communication to highlight quick wins and minimise anxiety.

With Atos Origin as your Shared Services partner, improvements in operational performance levels will silence even the most resolute Shared Services cynic. The consolidation and standardisation implicit in moving to a Shared Services business model provides a more manageable and portable functional entity. Should the organisation make a later decision to extend the remit even further - for example, by moving to outsourcing or off-shoring - Atos Origin are a natural partner to ensure a smooth transition.

To find out more or join our Shared Services User Group, contact Atos Origin on +44 (0)20 7830 1944 or visit our website at www.aosharedservices.co.uk

WHEN REUTERS MIGRATED FINANCIAL PROCESSING FROM 90 COUNTRIES TO JUST 4 LOCATIONS, HITTING AMBITIOUS TARGETS, IT WASN'T JUST A SUCCESS, IT WAS WORLDWIDE NEWS >>



Case study: Reuters

Reuters, a world leader in information services, recognised the need to fundamentally transform its finance function to better meet the needs of the business and to reduce costs. The finance transformation programme delivered such significant benefits it made headlines across Reuters worldwide.

About Atos Origin

Atos Origin is an international information technology services company. Its business is turning client vision into results through the application of consulting, systems integration and managed operations. The company's annual revenues are EUR 5.5 billion and it employs over 47,000 people in 40 countries. Atos Origin is the Worldwide Information Technology Partner for the Olympic Games and has a client base of international blue-chip companies across all sectors. Atos Origin is quoted on the Paris Eurolist Market and trades as Atos Origin, Atos Euronext Market Solutions, Atos Worldline and Atos Consulting. For more information, please visit the company's website at www.atosorigin.com

About Atos Consulting

Atos Consulting is a leading provider of business, process and technology consulting services. With more than 2,500 staff globally, it focuses on delivering proven, pragmatic solutions to the telecom, manufacturing, financial services and public sectors.

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