



SHARED SERVICES

Turn your back-office operations into a true value-add asset.

The concept of shared services is not new, yet many organizations have not implemented the service delivery model for a variety of reasons. As budgets get tighter and pressure mounts to cut costs for back-office support functions, shared services is a viable option that can offer benefits such as cost reduction, effective use of automation, and improved standardization, quality, accuracy, and flexibility.

SHARED SERVICES OVERVIEW

Shared services is a service delivery model utilized by business support functions to efficiently and effectively serve operating units. It is often employed to facilitate common, routinely used back-office processes in support of finance and accounting, human resources, and IT.

Shared service centers (SSCs) are built around the core elements of people, processes, and technology, and they can be created from existing centralized or decentralized models. What separates them from other cost centers is that they have a strong culture of customer service, follow best practice methodologies, and are often run like a business.

SHARED SERVICES MATURITY

Although the initial implementation of an SSC delivers immediate benefits, it is possible to obtain even more value. When formed, SSCs are generally reactive and full of non-repeatable, informal processes. But once they are fully mature, SSCs are defined as being proactive, strategic enablers and customer-focused service providers that are viewed as valued assets by the larger organization.

When a plateau of efficiency is reached, new services and activities can be incorporated into shared services to maximize value. As shared services has evolved, businesses have looked to SSCs to provide analytical expertise, data mining and analytics, business intelligence, and talented professionals with evolved skill sets to fill strategic positions. Other high value-add activities include process transformation, project management, statutory compliance, and vendor management.

Benefits of Shared Services:

- Eliminate or reduce costs due to inefficiencies, redundancy, and manual processes.
- Create economies of scale that allow business units to focus on core activities.
- Improve process and data quality.
- Boost customer satisfaction.
- Establish consistent standards and controls across processes, policies, and systems.
- Develop a footprint for the organization to leverage.
- Create value-add functions such as analytics, business intelligence, and PMOs.
- Develop talent to incorporate back into the business units.

REACTIVE		PROACTIVE		
FORMING	EMERGING	EXECUTING	REFINING	REALIZATION
<p>Initial definition of scope and organizational alignment</p> <ul style="list-style-type: none"> • Reactive • Non-standard • Manual • Mission planning • Centralized • Consolidated • Limited scope • Limited capability 	<p>Creating awareness, structure, and standards</p> <ul style="list-style-type: none"> • Repeatable processes • Customer awareness • Service level agreements • Metrics • Emerging value • Economies of scale • Developing/emerging capability 	<p>Operational and service delivery mode</p> <ul style="list-style-type: none"> • Stabilized • Defined • Effective • Operating culture • Process improvement • Customer service • Performance measurement • Capability 	<p>Moving past normal operations and beginning to add more value</p> <ul style="list-style-type: none"> • Enablers to add value • Scalable • Benchmarking • End-to-end awareness • Informed analytics and decision support • Quality improvement • Value opportunities • Improving capability 	<p>A true asset to the organization, offering innovative solutions and highly skilled resources</p> <ul style="list-style-type: none"> • Proactive • Strategic business partner • Transformational • Automated and optimized • Value-add skill sets • Large scope • Leader in capability

SHARED SERVICES IMPLEMENTATION

MorganFranklin helps organizations quickly and cost-effectively address challenges throughout the shared services life cycle—from formation to realization. Our implementation methodology can be utilized as clients explore the use of shared services.

- **Potential**—Confirm that shared services merit further investigation.
- **Strategy**—Confirm viability of implementing shared services.
- **Design**—Develop an operating solution with a detailed implementation plan.
- **Transition**—Implement operational change successfully.
- **Formation**—Stabilize change, implement improvements, support mission, and create identity.

From creating a strategic business case to fully implementing operational change and maximizing the value of an SSC, MorganFranklin emphasizes the need for strong project management, functional expertise, flexible resourcing, and an implementation methodology tailored to meet the needs of each project. While implementing shared services, areas for consideration and strategic development include staffing, business processes, metrics, service level agreements, training, infrastructure, and technology. A holistic approach to implementation will improve the return on investment and accelerate the path to full maturity.

CHOOSE MORGANFRANKLIN

MorganFranklin is a single source for all financial, management, and technology support with a proven track record leading time-sensitive and technically intensive initiatives. We bring together individuals with operations and Big Four audit and consultancy experience, including an average of 20 years of experience at manager and higher staff levels. Our teams carry certifications and advanced degrees such as CPA, CIA, CISA, MBA, and PMP, just to name a few. Our ability to tap diverse in-house expertise allows us to proactively manage your requirements and quickly address issues that could impact your compliance, efficiency, or profitability. Count on MorganFranklin to bring extensive experience, diverse perspectives, determination, and competitive rates to meet all of your business, financial, and information technology needs.

Have you already implemented shared services? Our experts can help you get the most out of your investment.

Key steps to a successful implementation include:

- Obtain executive-level sponsorship and communicate purpose and vision to employees.
- Form executive-level steering committee to set strategic direction and gain additional buy-in.
- Create solid operating model with efficient and effective processes.
- Form customer council of key clients to define requirements.
- Leverage technology for quick wins.
- Create detailed business case and comprehensive implementation plan.
- Establish shared services identity.



Call 703.564.7525 for more information about our capabilities or visit www.morganfranklin.com.