Shared Services 5.0

Is Work from Home the next evolution of the Shared Service Function?

During my time in running and setting up the Shared Service Function over the last 20 years, I have seen it evolve and adapt to changing business requirements.

The typical evolution journey started with Centralisation of key functions, such as Finance, HR, IT, Call Centres and other Admin capabilities (SS 1.0). This then progressed into Outsourcing and Off-shoring of these capabilities to specialist service providers, located on-shore initially and then progressively off-shore, as the confidence in this capability was established (SS 2.0). These service providers used their expertise to Standardise the processes and brought in various technology and tools to simplify and automate elements of the process. They were able to cross-leverage the learnings from one account by bringing this capability to their other customers. This worked very well for most of the companies and some businesses even set up their own captive Shared Service functions On-shore and Off-shore, if they had the scale and the business alignment to own and manage this service (SS 3.0).
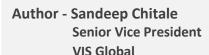
In recent years we have seen a growing trend to increase the scope and scale of automation, and companies together with their service providers have set up projects to leverage the emerging capability of RPA, AI, ML and Chat Bots. This automation has allowed the Shared Service functions to move the valuable human resource to more value adding work, taking on more sophisticated business services such as Marketing, Research, Customer Service, Complaints Handling, Outbound Calling, Sales support and other Commercial functions, such as Finance Reporting and Analysis, Budget creation and even HR employee advisory capabilities (SS 4.0).

But with the advent of Covid 19, this function has been significantly impacted. The ability for these teams to work from home was set up as a BCP or DRP capability at best, but not as a work from home function. Covid 19 has required whole teams to operate from home for extended periods of 3-6 months.

Companies had to hurriedly work out short term solutions and set up quick fixes to help them tide over this emergency.

But this event has now required us to look at this problem differently. Can we design the Shared Services as a function that can work from home as a regular business capability? This probably is the next evolution of the Shared Service Function?

If we were to initiate this strategy (SS 5.0), what are the issues and challenges that we will need to resolve?

Author - Sandeep Chitale
Senior Vice President
VIS Global

Sandeep has spent over 20 years in the shared service function, initially at ANZ setting up the Operations capability for the bank in Bengaluru from 2003 to 2008 and then later at Asahi Beverages from 2009 to 2017 as he set up the shared service function back in country for the Schweppes business after it was off-shored by Cadbury but brought back in house post the acquisition by Asahi. This function then grew into a multi-function, multi business and multi-geography capability that had teams both on-shore and off-shore. Since 2017, Sandeep has been consulting with Small and Medium businesses to better manage these functions, leveraging emerging technologies of gamification, automation and improved communication and collaboration tools. Sandeep joined VIS Global in 2019, a technology services company, to drive the integration of technology into business processes as companies drive their digital transformation initiatives across their operational functions. If you are interested in discussing these challenges and the way forward, you can get in touch with Sandeep at sandeep.chitale@visglobal.com.au

Technology - The first and most important issue would be – can this be technologically achieved both on-shore and off-shore? What are the changes we will need to make to the technology infrastructure to enable this method of working, where staff operate from home? Do they have laptops, do they have mobile phones or can they use their own devices? Can they log into the company network in a safe and secure way. Can the bandwidth in their homes handle the type of work they will need to perform from their homes? Will the core systems and the citrix arrangements work effectively in this type of geographic set up?

Remote Management - The second most important issue would be work allocation and team management and support. How will the team leaders of these service teams, manage their units in such a distributed way? What training and skills will they need to be given? What tools and technology will need to be implemented to enable this type of team work to succeed and be effective in meeting business and customer service expectations.

Digitised processes - The third most important issue would be the ability to manage entire business processes away from the office. We will need to ensure the end to end business process is digitised and there is the ability to track and manage this with a distributed workforce and yet have full visibility of process performance and service tracking, with reports and analysis of workflow volumes, backlogs and bottlenecks provided to the management team to help them take appropriate actions.

Service Management - The fourth issue will be around Service Management - the ability to track, measure and report on service performance. Ensure there are clear processes for service escalation, a clear approval matrix

for process exceptions and ability to draw in experts to make judgement decisions, when problems are escalated and need to be resolved urgently. The governance process, the audit capability and the monitoring of compliance requirements, will all need to be considered in designing these capabilities.

Performance Management - The final issue will be Team and Individual Performance Management, where by the shared service leadership is able to motivate, manage and reward and recognise staff and teams, whether it be tracking their regular performance metrics or recognising actions taken that were "above and beyond" their normally assigned roles. This type of Performance Management capability will be necessary to make the process fair and transparent to the whole team and to share more broadly with the business functions. New ways of working will need to developed to be able to operate effectively in this way.

Call Centre Management - Where shared service functions run call centres or contact centres, there would be some very specific capabilities required for this function that will need to be developed and discussed separately in more detail. Issues such as call recording, regulatory compliance and specific call centre KPI tracking will need to be reviewed and redesigned as part of this full review.

Covid 19 is changing the world and in some ways accelerating the changes we knew would come along at some stage. The shared service leaders will need to consider these challenges as they redraw their short, medium and long term plans, so that they can be better prepared to operate in the post Covid 19 world.