

OPINION
PAPER

Shared Services: Always optimising

*Exploring the six levers of
Shared Service effectiveness*



The journey to ideal

The concept of Shared Services isn't a new one, with many deployments now in their second or third generation. A number of organisations therefore find themselves challenging the effectiveness of their existing Shared Service: questioning whether it could be more effective and if it's still fit for purpose and delivering value as planned.

As one of Europe's leading providers of Shared Services, Sopra Steria helps organisations to step back and assess their approach using a proven Shared Service assessment model called SWARM*. This takes a powerfully formalised approach to understanding the performance of an organisation's existing operation, which is then used as a springboard for the development of a personalised roadmap to optimised performance.

The founding principle of this assessment is that every organisation is fundamentally unique, in terms of its internal structure and external pressures as well as regarding its aspirations and goals. We therefore believe that an organisation's Shared Service vision should not necessarily be built on what is considered world class or best practice. It should rather be built on a flexible, pragmatic target operating Model specific to the needs of their business. We refer to this as an organisation's 'Ideal State'.

*Shared Service Weighted Assessment of Relative Maturity (SWARM)

Examining the vital levers driving an effective Shared Service

SWARM's consultancy-based approach is built around a 6-point assessment, examining the key operational 'levers' that Sopra Steria uses to drive the effectiveness of some of the world's most successful Shared Service Centres.

Our market leading approach enables organisations to vary each lever, accelerating the journey to their desired Ideal State.

Why conduct a SWARM Assessment?

- Benchmark the current effectiveness of your Shared Service using a range of proven and defined assessment criteria
- Gauge the performance of an existing operation in granular detail
- Update your Shared Service roadmap re-defining your Ideal State whether this be a large scale transformation or through improvements in specific areas
- Learn about the latest Shared Service developments and possible improvements based on your desired Ideal State
- Build a business case for change

An in-depth look at each critical business lever

What makes for an optimal Shared Service is dependent on a multitude of factors. Sopra Steria's 6-point assessment framework captures the areas which contain the highest degree of influence and value-add at a given point in time. Flexing these 6 levers to their optimal levels will release the expertise, insight and economies of scale required to improve the effectiveness of a Shared Service.

Let's explore each one in more detail.

1. Customer Relationships

The customer rules

One of the most common myths surrounding Shared Services is that cost-saving is the most prominent business driver. However, giving cost back to the business is just the start - Shared Services should equally be driven by the need to create progressive business value for their stakeholders. More mature Shared Services will continue to scrutinise their customer touch points in the quest for clear, open and consistent lines of communication ensuring they are efficient, keep stakeholders informed and provide a positive experience. Sopra Steria's use of analytics and league tables provides Shared Service leaders with a greater understanding of the business - moving the role of the Shared Service from a 'transactional' support function to strategic business partner, freeing up valuable resources to redeploy to value-add activities.

Aligning objectives between the service heads of the retained organisation, the business operations and the supporting IT, is a key way we ensure that the shared service delivers the business benefits, reacts as one to operational crises, and is not siloed when it comes to service. Too often we see the failure to align and then strict imposition of cost only mindset as the key barriers to long-term success.

Sopra Steria is improving the performance of frontline citizen services for Cleveland Police - while providing significant efficiency savings. So far, we have enabled over 100 officers to return to frontline duties and we're on target to achieve over 20% cost savings.

“The strategic partnership with Sopra Steria is delivering more efficient and lower cost business support services which are helping us to maximize time and resources spent on the communities of Cleveland.”

Iain Spittal, Deputy Chief Constable



2. Process optimisation

Simplify. Standardise. Streamline.

If approached in the wrong way, process variety and complexity can kill efficiency. Bespoke and fragmented processes make it harder and costlier to change and adapt to new operational needs and gain vital visibility, agility and control. Most organisations are able to deliver a far greater degree of process standardisation than they imagine, but this can require cultural change and the enforcement of standardisation. Sopra Steria challenges organisations to question the design of their processes and activities and to increase the degree of standardisation.

The maturity of service design within an organisation will largely depend on how much investment has been made into platforms, process re-engineering and staff training. Sopra Steria will identify the right stretch target to optimise process delivery.

3. Technology

Efficiency enabler or business blocker?

Technology can either be the main driver of Shared Service effectiveness or a major barrier, dependant on what investment priority the shared service is given. Most organisations balance costly investment in maintaining a current version of ERP, but if this is not continually updated, or - even more commonly - if the full functionality is not exploited, then the technology becomes suboptimal and so does the Shared Service. Leading Shared Services will maximise the use of technology such as automation, self-service and robotics - implementing workflow approaches to improve collaboration, storage and access.

Sopra Steria works with organisations to develop technology roadmaps, designed to maximise automation and enhance effectiveness for the service staff. Deploying this as part of a managed service helps organisations reach their ideal state quicker.



4. People & organisation

People are at the heart of transformation

For all the investment made in systems and platforms, it is the people who ultimately will make service delivery a success or a failure. The most successful Shared Services have a people strategy at their core. This requires more than platitudes about importance of staff. It takes time and investment in talent development. It also takes real direction from the top that builds and nurtures a culture of 'results' and 'challenge' within the teams - that is then sustained by the teams themselves - without explicit management influence. This requires ongoing commitment.

Sopra Steria has seen examples of both good and bad people practice in Shared Services. The latter is often driven by a cost reduction mind-set. Productivity and innovation is rewarded with a cut in heads, leading to negative feedback loops which quash further innovation. Shared Services that really impress use long-time planning horizons, encourage and reward staff who come up with improvement ideas and reinforce positive feedback loops.

The long-term difference is stark. Most Shared Services follow a pattern of 30-40% initial efficiency improvement, and thereafter 10% down to 3% year on year improvements. After 5-10 years they start atrophying. In those with strongly executed people strategies, Sopra Steria finds a huge difference. On top of the benefits above, it is still possible to drive more than 100% improvements from an optimal performing operation, even after 10 or more years.

In terms of organisation, Sopra Steria can also examine the location strategy for the current service, and propose areas to optimise - either onshore or using a Global Integrated Centre (GIC). Whilst this lever is often one of the quickest ways to cut cost, it is not for everyone, and Sopra Steria's SWARM assessment drives a flexible, pragmatic model, suitable to the needs of the business. If an adjustment is required, Sopra Steria's Process Intelligence Methodology ensures effective knowledge transfer, a smooth transition, seamless multi-location delivery, and continuous improvement to any location - all run via a highly-secure environment.

At Thames Water, Sopra Steria has helped cross-train staff so they can move between departments with speed and minimal service disruption. This gives Thames Water greater flexibility to respond to changes in customer demand, ensuring the customer always receives an excellent level of service. Sopra Steria has also hired and trained batches of staff in record turnaround time which has helped to clear revenue-generating backlogs for Thames Water.

A comprehensive understanding of Thames Water's business and processes was built quickly to minimise transitional and operational risk, and ensure a subsequent high quality of service delivery. The knowledge acquisition and transfer was managed by a Six Sigma accredited team - the industry standard business management strategy used to identify and eliminate errors in business processes. This ensured the move to offshore was completed meticulously.

“*Two of Thames Water's values are 'Reliable' and 'Committed'. Sopra Steria has demonstrated once again that we can rely on the team at Noida to deliver, but also how that delivery rests on the commitment of all individuals to go the extra mile.*”

Susannah Hoskins, Contracts Manager, Thames Water

5. Governance

Go beyond SLAs to drive actionable insight

Organisations moving to a Shared Service need to align new roles and structures and culturally align the retained organisation to new ways of working. Sopra Steria's experience of different governance approaches helps us to assess whether an organisation is effective and drives the long-term success of the Shared Service centre - whether in-house, captive or outsourced. If the Governance process is supported by the right commercial relationship, it will drive sustainable advantages.

Successful Shared Services will drive cultural change and push the boundaries of the retained organisation. They will move from operating tactically with few or no SLAs to having well-directed, proactive governance strategies that mutually benefit both parties.

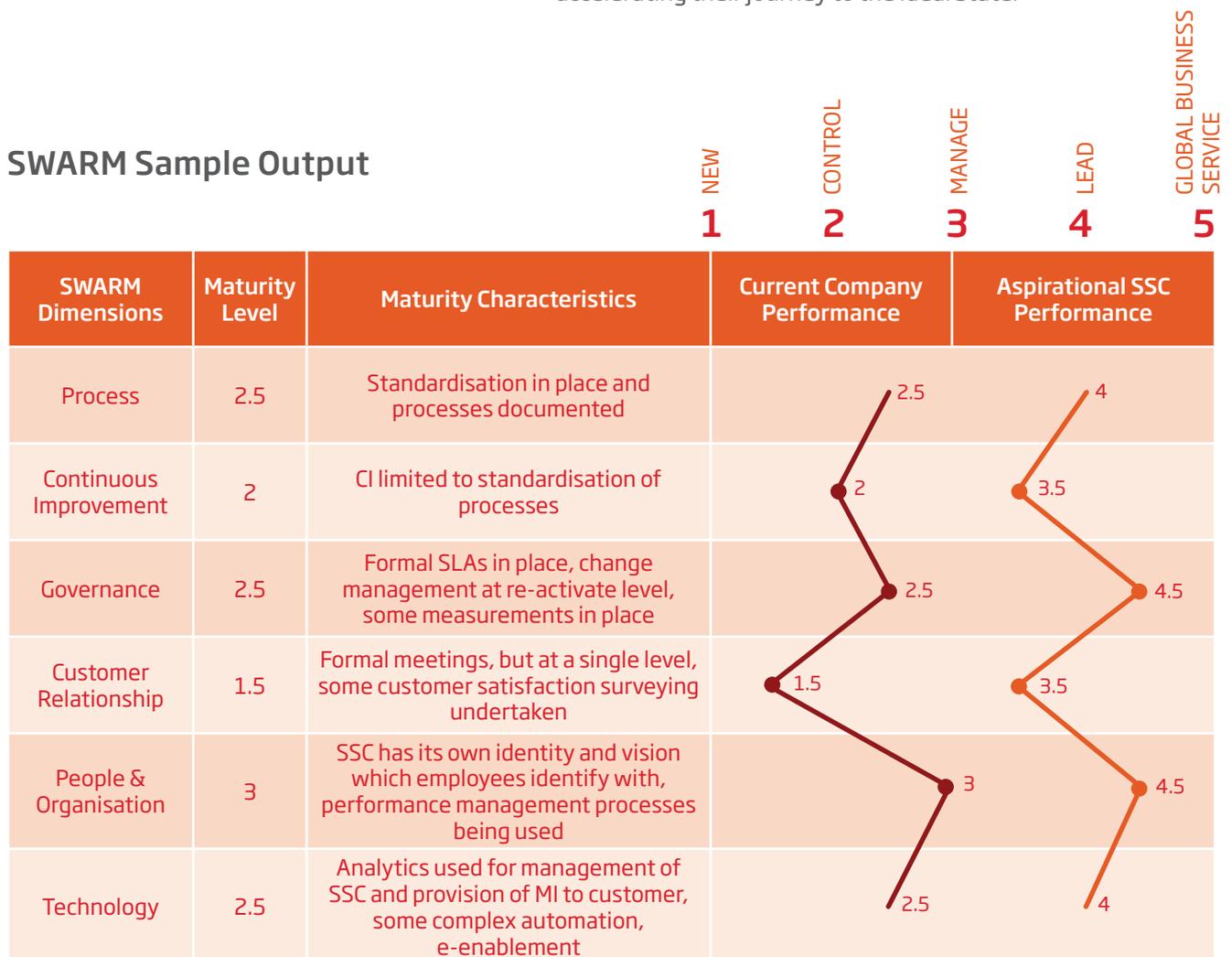
6. Continuous improvement

Ongoing enhancement not just short term gain

Optimal Shared Services challenge themselves: they challenge whether they really have reached their Ideal State, they embed Continuous Improvement into the culture of the operation and they invest in a toolset that encourages marginal gains right through to large scale innovation.

To future proof the Shared Service and maintain its effectiveness, Sopra Steria's Process Intelligence Methodology assesses an organisation's approach to Continuous Improvement, categorising activity into waste, value-add and incidental activity. We work with clients to create a structured plan that culturally embeds refining processes and problem solving tools into the heart of the operation - tools such as lean, the '5C' model, and DMAIC from Lean Six Sigma. Our value-stream mapping helps organisations to focus on the most beneficial areas of their Shared Service - further accelerating their journey to the Ideal State.

SWARM Sample Output



NHS SBS has a robust programme of activity and core focus on continuous improvement. This fosters a culture of innovation and customer excellence rapidly bringing new services into play, such as a recent investment in developing added-value services and systems to support them. One such service is transforming the provision of Primary Care Services with high quality, cost effective administration processing and data management processes. Other new services include ePay, a web-based solution for effective claims management and the recently launched range of Commissioner Support Services, designed to meet the needs of the newly formed Clinical Commissioning Groups. Service excellence is paramount. The success of this programme is evident in the customer satisfaction scores with 94% of NHS SBS customers saying they would recommend the business.

“ I was struck by the commitment, enthusiasm and professionalism of all the staff I met within the different functions. They are clearly committed to continuous improvements in their systems and delivery, recognising that the end result of their efforts is an improvement for the NHS.”

Director of Finance and Deputy Chief Executive, North Cumbria University Hospitals NHS Trust

Shared vision. Increased results. Better together.

A smart Shared Service will deliver the following benefits to organisations on their journey to the Ideal State:

- Reduce operational inefficiency, removing value destroying activities
- Streamline expensive cost bases, optimising delivery
- Transform poor productivity, exploiting comparative analytics, talent and culture to focus on performance
- Improve customer satisfaction, aligning service to the customer journey
- Benchmark performance to enable continuous improvement

A SWARM assessment can be conducted independently or as part of a full-service including blended consultancy, implementation and optimisation.

The expert team at Sopra Steria is here to help. Take advantage of our Shared Services assessment by contacting us today. Simply call the team on +44 (0)845 601 8877 or email us at info.uk@soprasteria.com and let's get started.

Run smarter, with Sopra Steria.

About Sopra Steria

Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development and Business Process Services. Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added-value and innovation, Sopra Steria enables its clients to make the best use of information technology.



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