

Shared Services: Unlocking the True Value for Business Units!

Shared Services have emerged as a game-changer for businesses of all sizes and industries. By pooling resources and streamlining operations, they allow organizations to focus on their core competencies and grow without being bogged down by non-core functions. In this article, we will explore how shared services can add value to business units and bring about a positive transformation in the way companies operate.

Understanding Shared Services

Shared Services refer to the consolidation of common business functions, such as HR, IT, Finance, Procurement, and more, into specialized units that serve multiple departments or entities within an organization. Unlike traditional decentralized approaches, where each business unit has its own support functions, shared services centralize and standardize these processes under a single umbrella, enabling economies of scale and enhancing efficiency.

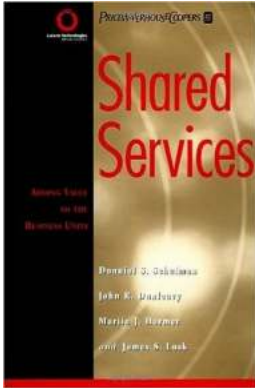
Historically, shared services were primarily seen as cost-saving initiatives. They aimed to reduce duplications and redundancies, cut down on expenses, and generate economies of scale. While cost efficiency remains a core benefit, today's shared services have evolved to offer much more than just monetary savings. They have become a powerful tool to drive value creation and contribute to the success of business units.

Shared Services: Adding Value to the Business

Units by Donniel S. Schulman (1st Edition, Kindle Edition)

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Screen Reader : Supported
Word Wise : Enabled
Print length : 320 pages
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How Shared Services Add Value to Business Units?

- 1. Efficient Resource Allocation:** By centralizing support functions, shared services reduce the burden on individual business units to handle non-core tasks. This enables the units to reallocate their resources, both human and financial, towards activities that directly contribute to their strategic objectives. As a result, business units can focus on growth, innovation, and customer satisfaction, unleashing their full potential.
- 2. Standardization and Best Practices:** Shared services promote standardization of processes, policies, and procedures across business units. This uniformity simplifies collaboration, enhances communication, and ensures consistent delivery of services. By implementing best practices and sharing knowledge, shared services enable business units to adopt efficient and effective workflows, leading to higher productivity and quality outputs.
- 3. Expertise and Specialization:** Shared services often house specialized teams with deep domain knowledge and expertise in their respective functions. This gives business units access to a pool of skilled professionals who can handle complex tasks with superior proficiency. Whether it's IT infrastructure

management or complex financial analysis, shared services provide business units with a competitive advantage by leveraging expert resources.

4. **Scalability and Flexibility:** Shared services are designed to scale up or down according to business requirements. They can cater to the needs of multiple business units simultaneously, allowing companies to expand or contract their operations without straining their support functions. This adaptability enables business units to respond quickly to market changes, seize opportunities, and stay agile in today's dynamic business environment.

5. **Analytics and Insights:** Shared services harness the power of data and analytics to derive actionable insights for business units. By aggregating and analyzing operational data, shared services provide valuable inputs and recommendations to improve decision-making, identify bottlenecks, and drive continuous improvement. This data-driven approach empowers business units with fact-based insights and enables them to make informed strategic choices.

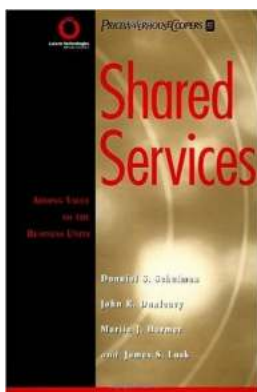
Implementation Considerations for Shared Services

While shared services offer numerous benefits, implementing them successfully requires careful planning and execution. Here are some considerations to ensure a seamless transition and maximize value creation:

- **Clear Objectives:** Define the specific goals and outcomes the shared services will achieve for business units. Align these objectives with the overall organizational strategy for a holistic approach.
- **Communication and Change Management:** Communicate the rationale, benefits, and impact of shared services to all stakeholders, addressing any concerns and ensuring buy-in. Establish change management processes to minimize resistance and facilitate a smooth transition.

- **Service Level Agreements:** Define clear service level agreements (SLAs) that outline expectations, performance standards, and reporting mechanisms between shared services and business units.
- **Technology Enablement:** Invest in robust technology platforms and automation tools to support the shared services operations. This enhances efficiency, accuracy, and enables effective collaboration with business units.
- **Continuous Improvement:** Foster a culture of continuous improvement within shared services and encourage feedback from business units. Regularly evaluate processes, measure performance, and implement enhancements based on evolving needs.

Shared services have come a long way from being mere cost-saving mechanisms to becoming catalysts of value creation for business units. By optimizing resource allocation, standardizing processes, leveraging expertise, and embracing digital technologies, shared services unlock the true potential of business units. They enable companies to focus on their core competencies, enhance productivity, and drive innovation, ultimately leading to sustained growth, profitability, and success.



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"One of the ways companies are looking for competitive advantage in this frenetic [business] environment . . . is through the use of a tactical technique called shared services. . . . In this book, we bridge [the] chasm between the theory of how a shared services operation 'ought to' work and the practical issues involved in how to make it work, how to carry out a successful implementation of a shared service operation in your business."-from the Preface.

Gaining competitive advantage in today's fierce business environment requires focus throughout the company on value, as measured by quality, cost, speed, and service. In the quest for superior performance, a growing number of companies are now turning to shared services, a tactical technique by which corporations can organize financial and other transaction-oriented activities to reduce costs and provide better service to business unit partners. Written by four authorities, three PricewaterhouseCoopers consultants and the executive who has directed the shared service efforts at Lucent Technologies, this comprehensive resource-the first of its kind-examines shared services from the macro issues that compel senior management to embrace this approach through the design and implementation of a shared services environment that leads to increased customer and shareholder value.

Of all the tools available for gaining competitive advantage, why shared services? One of the principal reasons is that it creates, through consolidation of often disparate activities, more of a "one company" feel among business units. The benefits of this are twofold: one, it enables companies to show a consistent face to clients and customers, vendors and suppliers, shareholders and potential shareholders; two, it provides increased flexibility to all of the business'

operations, allowing corporate leaders to maintain a global perspective while at the same time allowing business unit leaders to take strong, customer-focused actions.

Providing both a domestic and global view, Shared Services addresses the full spectrum of issues, including:

- * Assessing whether shared services is right for you-issues to consider, goals to be reached.
- * Getting started-building support, establishing an effective organization, instituting continuous communication.
- * Setting up the infrastructure-billing shared services to business units, dealing with tax and legal entity issues.
- * International challenges-complexity, time zone, legal issues, currency stability, and security.
- * Program and project management-structures, planning, execution, and control.

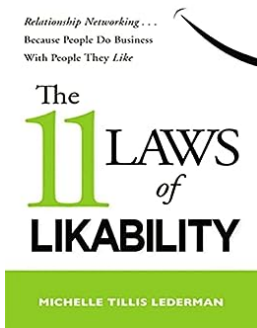
A groundbreaking book that examines a timely and important topic, Shared Services is an accessible and thorough guide to what could be a critical component in achieving long-term business success.

This comprehensive resource is the first to introduce, explain, and explore shared services, an innovative business strategy that involves centralizing various business units, including accounting and transactional operations, to reduce costs and increase customer satisfaction. Presenting a practical and easy-to-follow blueprint for the smooth and sound implementation of shared services in your organization, Shared Services: Adding Value to the Business Units covers all the fundamentals, from how to get started to proper management techniques.



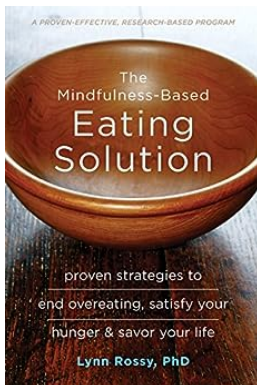
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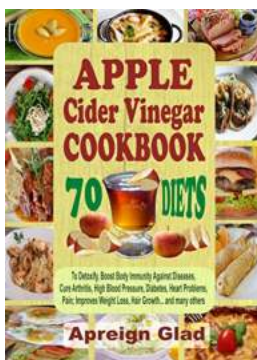
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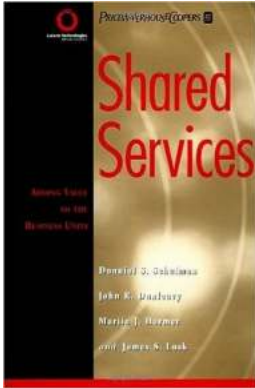
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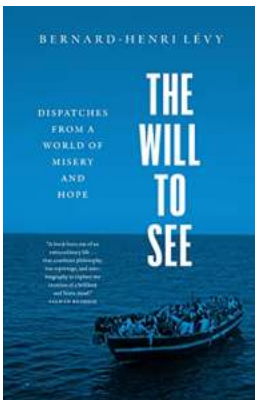
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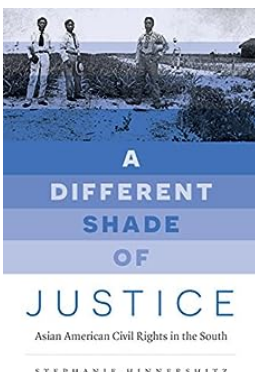
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