

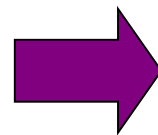
March HCM Webinar Part 1: The Fundamentals of Designing, Building & Implementing a Service Delivery Center

Trey Robinson, Partner, ScottMadden



Housekeeping

- Audio is available through computer speakers or telephone.
- All lines are muted. Questions may be submitted in the Question and Chat window at the right of your screen.
 - Type in your question and click send.
 - All questions will be answered during the Q&A session at the end.
- GoToMeeting technical support: (888) 259-8414 or 1 (805) 690-5751.
- A copy of the recording and slides will be sent to registrants following today's presentation.

A screenshot of a software window titled 'Question and Answer'. The window has a title bar with a close button (X) on the right. Below the title bar is a text area labeled 'Question and Answer Log'. Below that is a text input field with the placeholder text 'Enter a question for the staff:'. At the bottom of the window is a 'Send' button.

Your Faculty



Trey Robinson
Partner
Finance and Accounting

Agenda

- ◆ Introduction to ScottMadden
- ◆ Shared Services Value Proposition
- ◆ Fundamentals for Designing, Building, and Implementing Shared Services
 - Critical Success Factors for Your Business Case
 - Top Ten Implementation Challenges
 - Three Keys to Start-up Success
- ◆ Faculty Contact Information



Introduction to ScottMadden

About ScottMadden



Energy



Clean Tech and Sustainability



Corporate & Shared Services



Federal Government

Our Commitment to Clients

We place the long-term good of our clients above our own interests.

We do what we say we will do, we do it extraordinarily well, and we exceed our clients' expectations.

We are known for practical results, the quality of our service, and the integrity of our client relationships.

Helping Clients Succeed for Nearly 30 Years

Introduction to ScottMadden

What We Do – Corporate & Shared Services

ScottMadden has been helping clients create greater value for their corporate services organizations for nearly 30 years. Our highly efficient, collaborative teams employ measurable, award-winning methods and deep cross-functional expertise to improve operational performance.

Finance & Accounting

ScottMadden can improve process efficiency and automation to ensure accurate and timely financial information and compliance.

Human Resources

ScottMadden designs, builds, and implements HR Service Delivery models to ensure efficient and effective HR operations that meet business needs.

Information Technology

ScottMadden helps organizations create measurable IT value engaging technology users to improve IT decision-making.

Supply Chain

ScottMadden can craft new supply chain strategies and deliver improvements in operations, increasing the value delivered to customers.

Introduction to ScottMadden

ScottMadden Clients – Sample

Consumer Products and Services



Manufacturing



Technology and Communications



Public Sector and Government



Energy and Utilities



Healthcare and Pharmaceuticals



Note: Representative sample; not all-inclusive of clients within an industry or industries served. Excludes numerous well-known Global 100 clients due to confidentiality agreements.

Shared Services Value Proposition

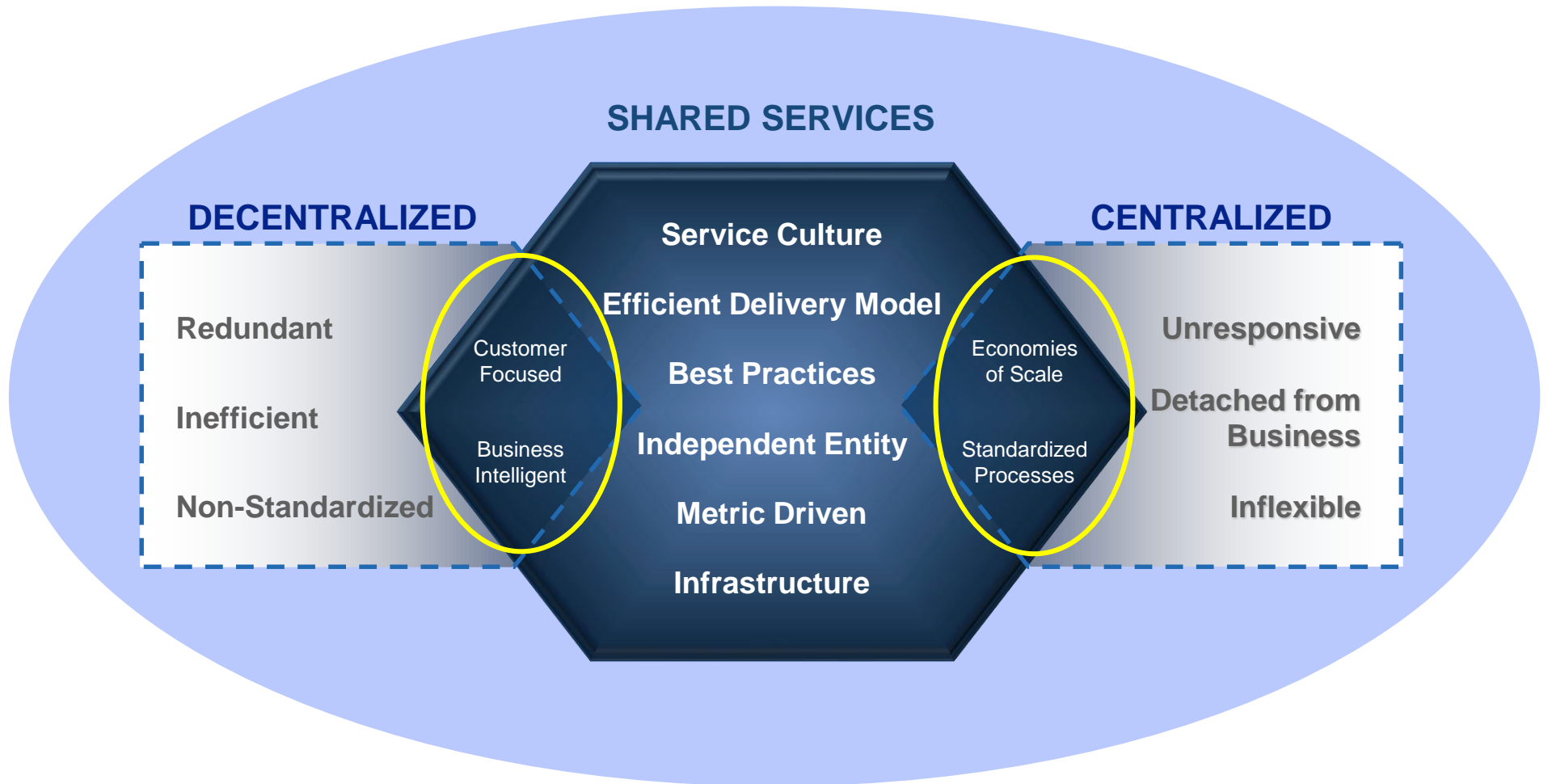
Introduction to Shared Services

Shared Services Is. . .

when a business consolidates its support functions to serve the corporation and its business units, operating as a business within a business, utilizing a well-defined infrastructure to enable higher-value service delivery.

Introduction to Shared Services

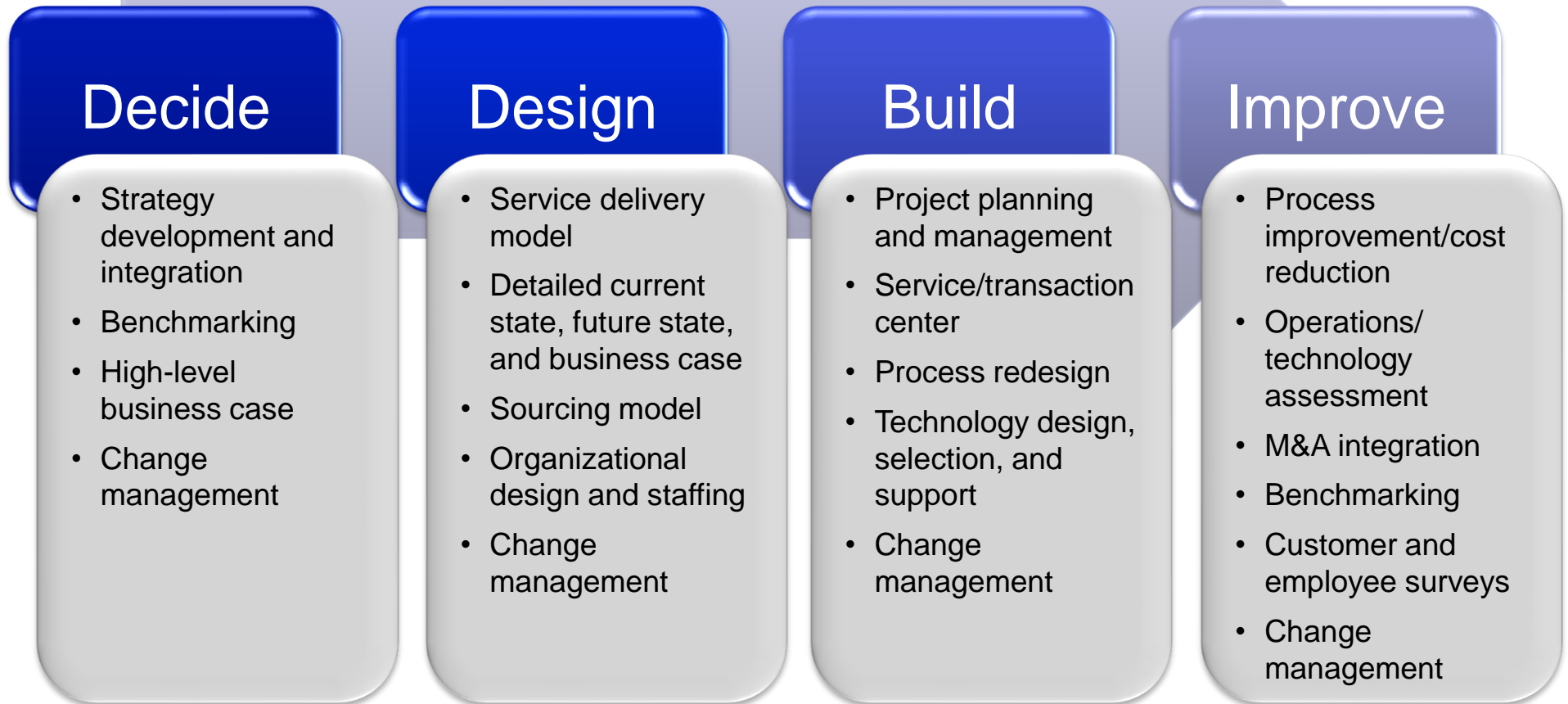
Shared Services Overview



Combines the best of both worlds

Introduction to Shared Services

Approach to Implementing Shared Services



Common Functions



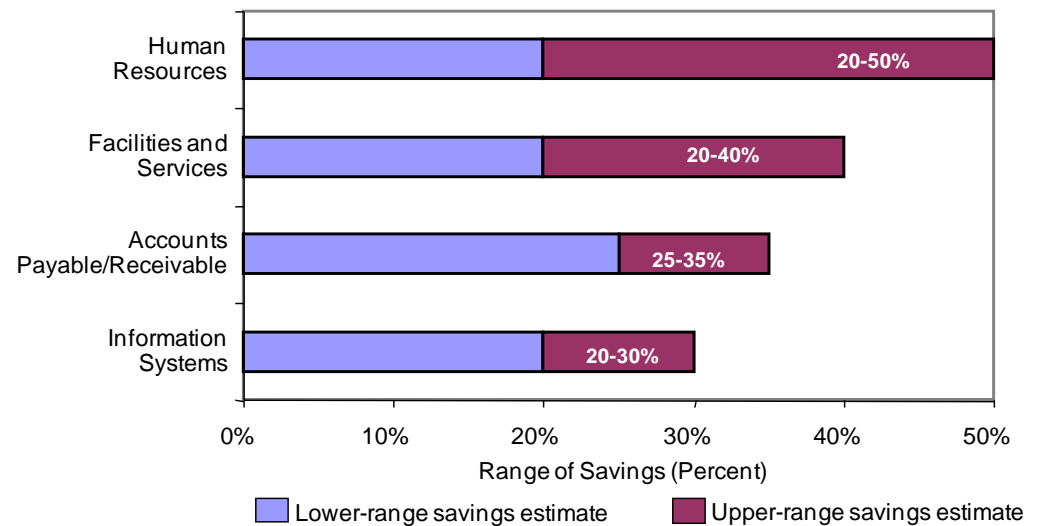
Shared Services Value Proposition

Benefits of Shared Services – Hard Dollar Savings

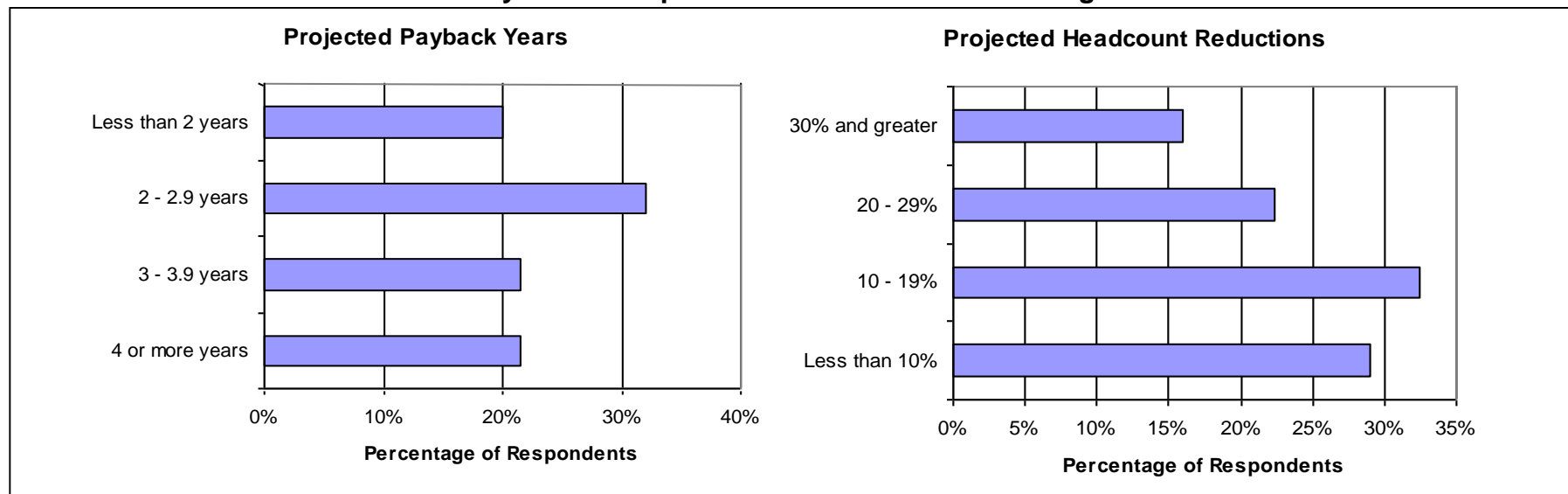
New Delivery Model Results Examples

Industry	FTEs Reduction (Avg)	Savings/# of EEs Served (Avg)
Healthcare	31%	\$448
Manufacturing	40%	\$731
Utilities	30%	\$358
Government	19%	\$156
Consumer Goods	31%	\$238
Security/Defense	24%	\$271
Other	22%	\$113

Service Delivery Model Savings by Function



A Survey of 70 Companies Produced Similar Findings



Shared Services Value Proposition

Benefits of Shared Services – “Soft” Dollar Savings

Typically, a new service delivery framework yields soft-dollar benefits in addition to hard-dollar savings.

- ◆ Reduced turnover
- ◆ Reduced cycle times of critical processes
- ◆ Improved customer satisfaction
- ◆ Reduced risks related to compliance or potential litigation
- ◆ Improved scalability and nimbleness
- ◆ Better and faster decisions based on company-wide metrics

Reported Soft Dollar Savings for Model Implementation

Attribute	Company	Impact of New Framework
Customer Satisfaction	➤ Charles Schwab	↑ 28%
	➤ Honeywell	↑ 25%
	➤ UPS	↑ 23%
	➤ Qualcomm	↑ 22%
	➤ American Cancer Society	↑ 17%
Turnover (HR)	➤ AFLAC	↓ 15%
Time to Fill (Externally Hired Positions)	➤ Commonwealth of Massachusetts	↓ 21 weeks
Vendor Costs	➤ Syngenta	↓ 30%
Travel Expenses	➤ Charming Shoppes (retail)	↓ 25%

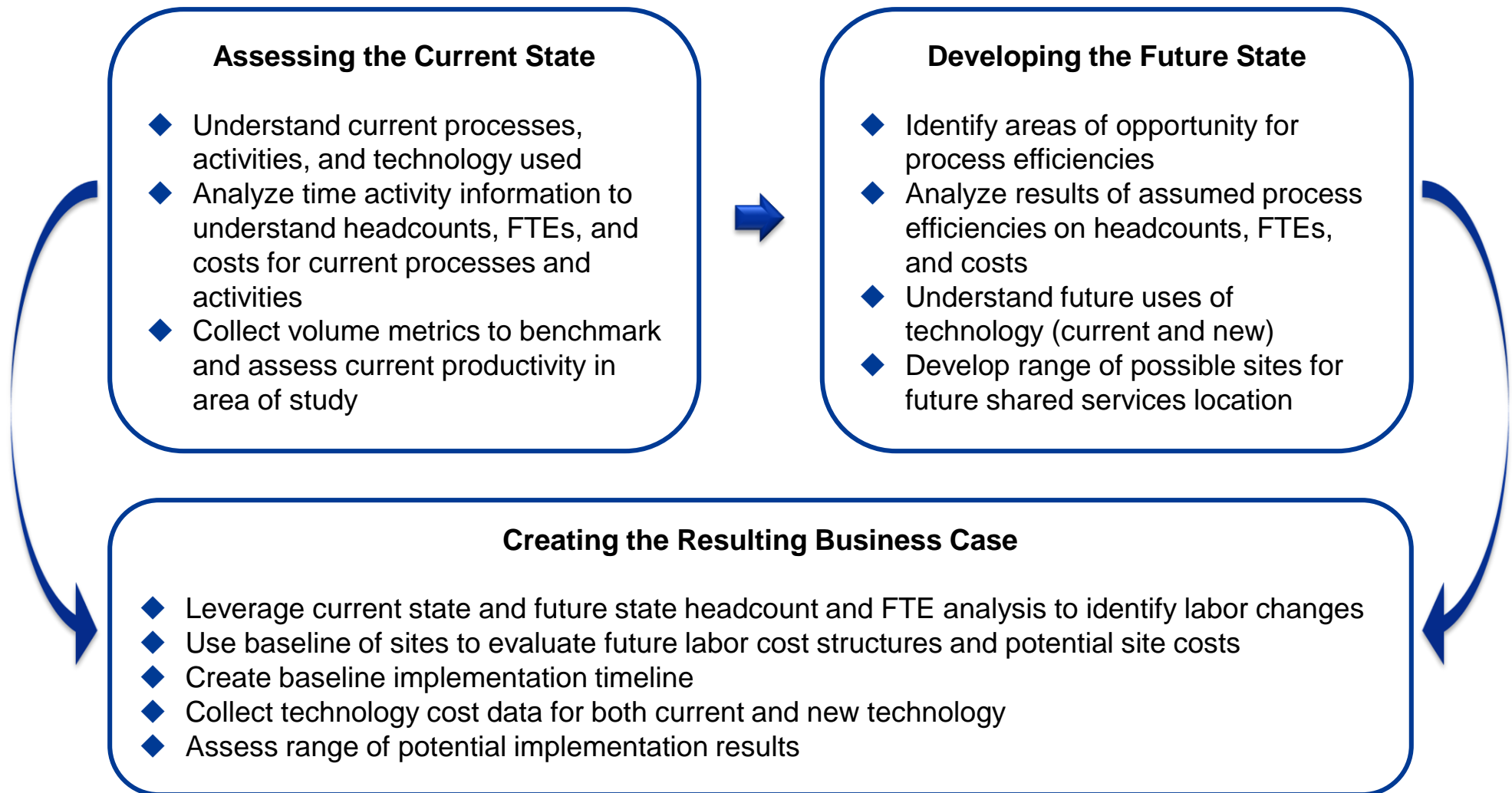
Source: IQPC Conference Presentations

Critical Success Factors for Your Business Case

Setting the Shared Services Context

Approach for Developing a Business Case

The development of the business case in a shared services engagement will most often follow a common set of steps regardless of the client or functional area of study.



Assessing Your Current Situation Elements Required for Success



The use of interviews can often support data collection efforts by providing context and details that will enable (1) better assessment of the appropriate benchmarks to use and (2) interpretation of the data.

Data Collection

Collect costs across key areas to obtain headcount and benchmark information and enable process and service comparisons across business units. Specifically collecting:

- ◆ Activity data by person
- ◆ Transaction volumetrics
- ◆ Organizational cost and budget

Interview Conduction

Interviews conducted with subject matter experts over the course of several days permits one to:

- ◆ Develop context to interpret the data
- ◆ Understand key business drivers of the business that might impact benchmark comparisons
- ◆ Review in detail processes and structure

Current State Assessment

Using a quantitative, data-driven approach combined with the qualitative interviews, the current state assessment can ensure objective analyses are done while still retaining a broader understanding of the business drivers for the organization.

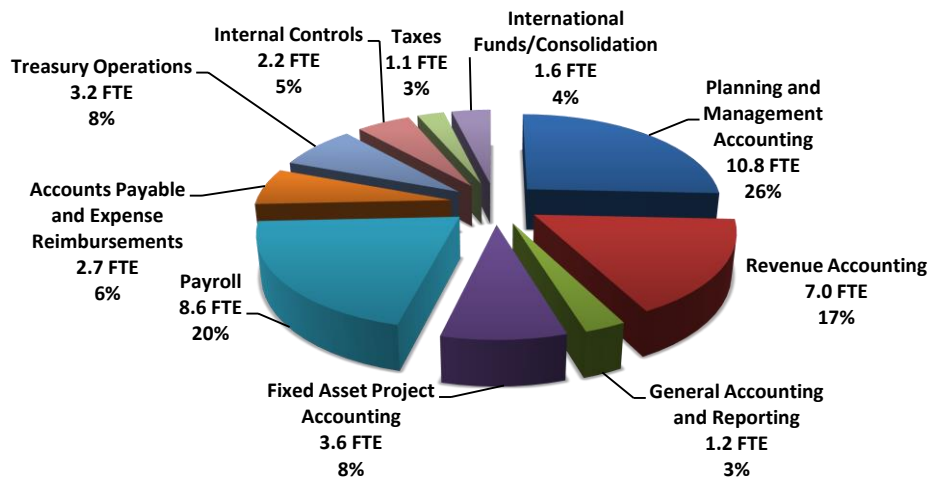
Assessing Your Current Situation Headcount Activity Results – Example



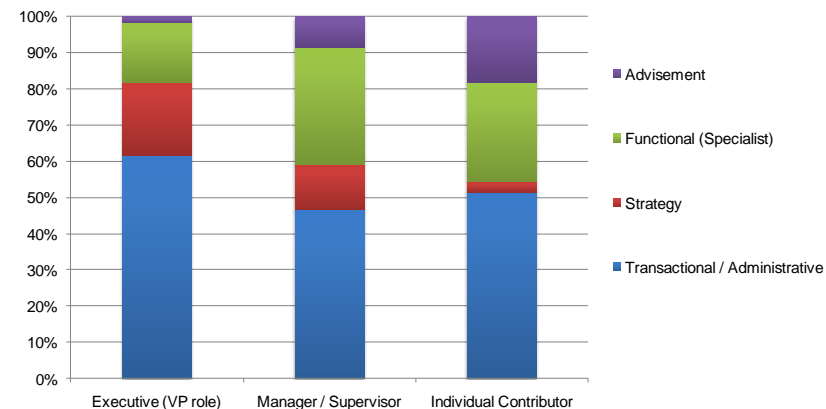
Typical analysis includes FTE and labor cost summaries by functional area, type of work, and position. Collecting and analyzing the data is important for understanding current state, highlighting areas for further focus, and creating a baseline from which improvements can be measured.

Example of Finance and Accounting Output

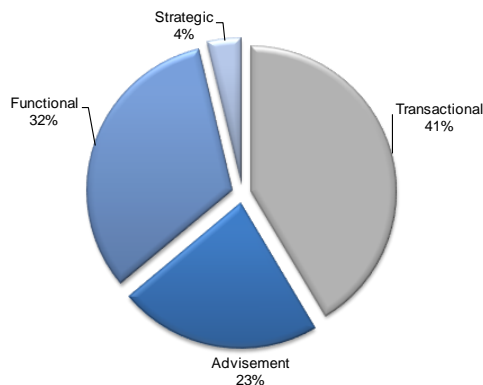
FTEs by Major Activity



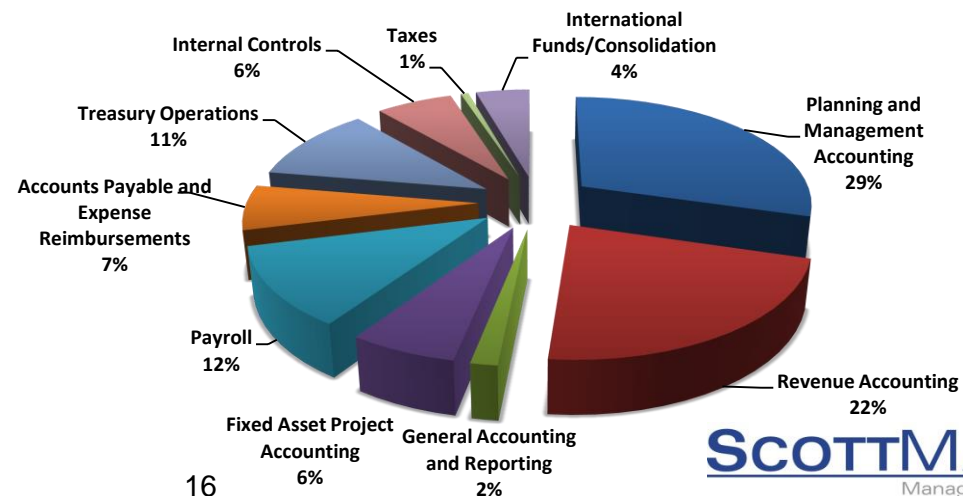
FTEs by Position and Type of Work



FTEs by Type of Work



Labor Cost by Major Activity



Making Your Case

Quantifying the Benefits



In quantifying the benefits the organization can receive from implementing shared services projects, the reduction in headcount is often the largest and most important.



Headcount Benefits (Labor)

- ◆ Headcount savings should include all labor-related savings
 - Savings in base salary
 - Savings in bonuses or incentive compensation
 - Savings in fringe benefits
- ◆ Labor arbitrage opportunities create benefits beyond simply reducing headcount

Other quantifiable benefits can include:

- ◆ Technology
 - Savings associated with sunset of older or unused technology
 - Savings driven by reduction in licenses required for given technology
- ◆ Vendors
 - Savings associated with consolidation and optimization of contracts across the organization
- ◆ Site
 - Savings associated with departure from a building or lease of a floor

Making Your Case Benchmarking Results



Using benchmarks for labor reductions maintains an unbiased and transparent approach for the project.

	<i>Conservative Savings</i>		<i>Aggressive Savings</i>
	Benchmark Internally	Benchmark Against Industry	Benchmark Against Leading Practice
Advantages	<ul style="list-style-type: none"> ◆ Ensures easier acceptance that change and implementation are possible ◆ Allows implementation to leverage processes and tools based on leading processes within the organization ◆ Enables improvements without wholesale process re-engineering 	<ul style="list-style-type: none"> ◆ Forces business to look externally for comparisons ◆ Limits comparisons to similar companies with similar demands ◆ Provides potential benefits to all internal groups 	<ul style="list-style-type: none"> ◆ Provides leading comparisons to force business to consider all possibilities ◆ Ensures business takes a more aggressive view toward change ◆ Maximizes savings potential and provides strong business case
Disadvantages	<ul style="list-style-type: none"> ◆ Hinders ability to show potential for large gains in the business case ◆ Minimizes benefit for leading internal group as they are the benchmark ◆ Limits the realm of possibility for the organization, potentially providing only a short-term solution 	<ul style="list-style-type: none"> ◆ Hinders ability to show potential for large gains in the business case ◆ Limits potential benefits to achieving current industry best practice 	<ul style="list-style-type: none"> ◆ Requires more effort to drive internal buy-in on savings potential and potential for success ◆ Maximizes potential change required to reach leading practice ◆ Increases potential technology investments

Benchmarks should not reduce or eliminate the use of “common sense.” Experience and expertise should be leveraged to validate the savings.

Making Your Case

Showcasing Soft Benefits



Beyond quantifiable benefits, there are also a number of intangible benefits that should be reinforced even if they cannot be included in the business case itself.

Increases customer orientation

- ◆ Provides strong customer service with a balance of human interaction and self-service tools
- ◆ Improves accountability for service and facilitates continuous improvement through the use of metrics and dashboards
- ◆ Improves customer satisfaction among recipients of service
- ◆ Creates a “one-stop shop” for customers with improved accessibility

Improves controls

- ◆ Introduces more accurate and predictable costs for the function
- ◆ Incorporates more consistent internal controls across the business
- ◆ Reduces risks and increases transparency and compliance in processes

Enables strategic decision-making

- ◆ Allows business partners to perform more strategic work
- ◆ Improves scalability and nimbleness for acquisitions and major change
- ◆ Accelerates the adoption of leading practices
- ◆ Permits better and faster decisions based on company-wide metrics

Enables further, indirect efficiency

- ◆ Eliminates redundancies among different business units
- ◆ Reduces cycle times of transactional processes, potentially impacting external stakeholders (e.g., suppliers)
- ◆ Reduces overall operating costs while improving accuracy and speed of service
- ◆ Reduces potential employee training for new hires or transitions

Once the business case has been approved, the projected benefits and costs should be measured and tracked to ensure that the estimated savings are actually achieved.

Avoiding Pitfalls Calculating Costs



As with benefits, labor can get a significant amount of attention when calculating costs for the business case. However, unlike the benefits, costs are more evenly spread among the different areas.



Headcount Costs (Labor)

- ◆ Labor costs are impacted by, and should therefore consider:
 - New hire salaries, by position
 - Retention rates of current staff, by position
 - Timing of hires and termination
 - Cost to hire and severance
 - Transfers in and out
 - Internal project team costs and composition

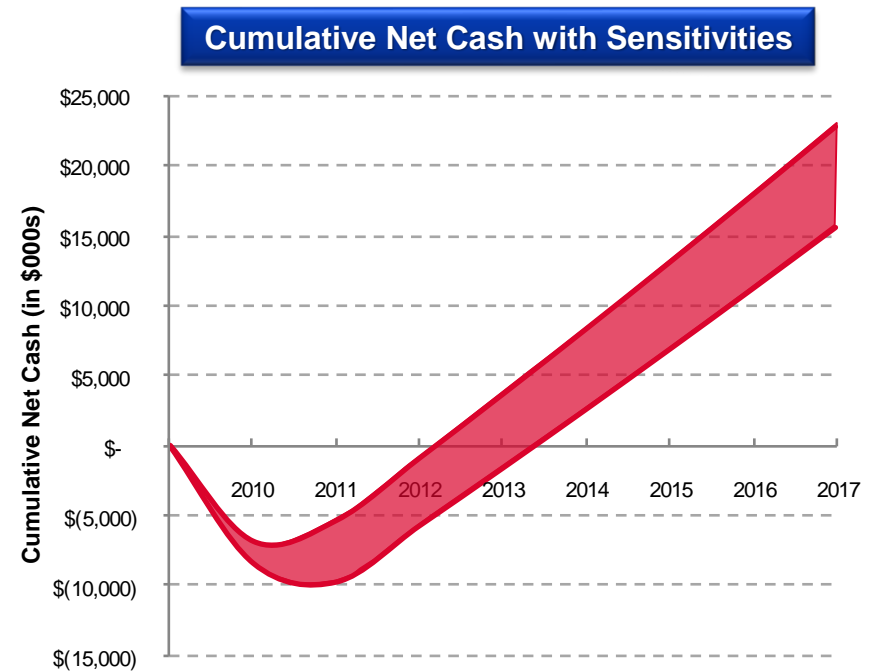
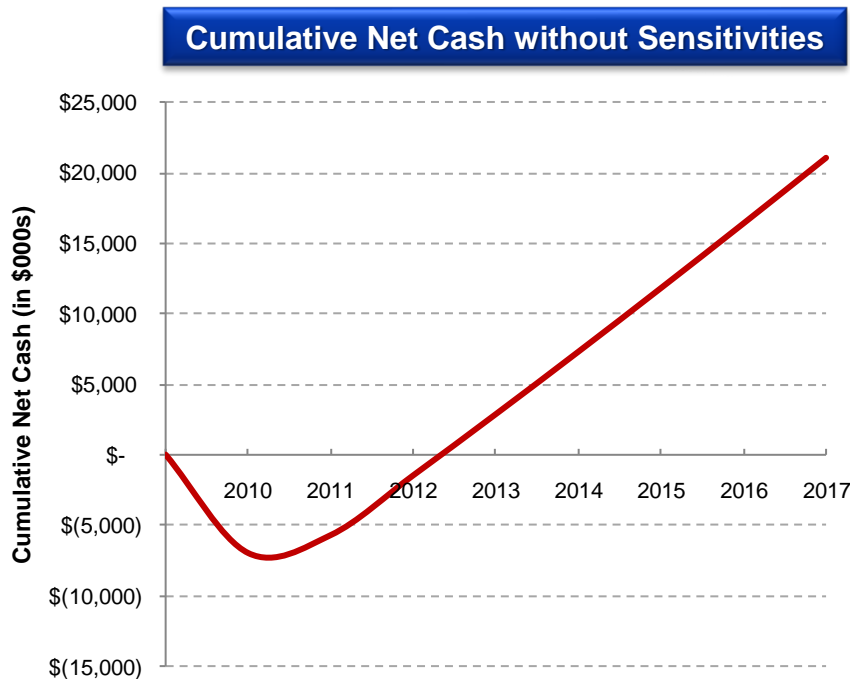
Other costs can include:

- ◆ Technology
 - One-time implementation or setup costs
 - On-going maintenance and service costs
 - License or hosted costs
- ◆ Consulting and Project Team
 - Support for design and implementation
- ◆ Marketing and Training
 - Development and execution costs
- ◆ Site
 - Leasing and renovation costs
 - Furniture, fixture, and equipment costs
 - Site selection travel costs

Avoiding Pitfalls Creating Sensitivity Analysis

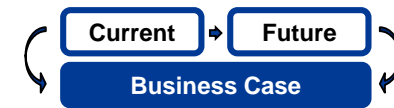


Developing comprehensive sensitivities for the business case, enables the project team to sell the concept internally in the organization by showing the range of possible results from the initiative.

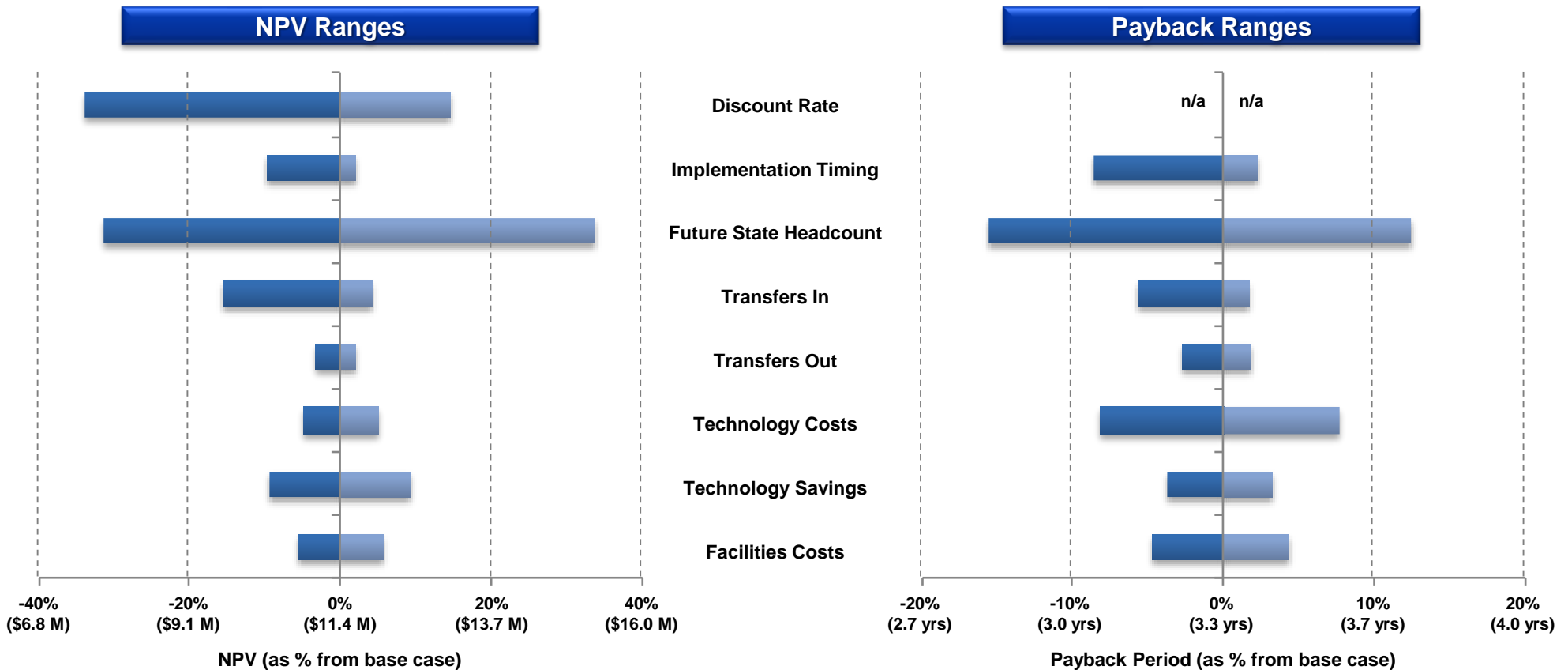


- ◆ It is easier to disagree and dispute a single dollar-value result, and much harder to dispute a range
- ◆ Sensitivities ensure ranges can be calculated and reviewed to understand the largest areas of risk and gauge what it would take for the business case to no longer be appealing
- ◆ Intent is not to give the appearance that all the variables have been figured out, but that there may still be areas of change

Avoiding Pitfalls Creating Sensitivity Analysis (Cont'd)



By illustrating the impact of key sensitivities the project team can instill comfort in the outcome even if the precise details of implementation are not yet finalized.



- ◆ Sensitivities provide “guard rails” on outcome
- ◆ Analysis clearly identifies those variables that will have the largest impact, and therefore will require most of the attention and focus during implementation

Introduction – Top Ten Implementation Challenges

Implementing a shared services organization is complex and requires thoughtful preparation and execution. We will discuss the top ten implementation challenges that organizations typically face.

1. Obtaining and Maintaining Sponsorship
2. Planning the Implementation
3. Staffing the Project
4. Integrating Technology
5. Getting and Sticking to Decisions
6. Avoiding Surprises and Mitigating Risks
7. Selecting the Right Staff
8. Preparing Customers and Stakeholders
9. Preparing Staff
10. Testing Launch Readiness

1. Obtaining and Maintaining Sponsorship

Assess Leadership Capabilities

What is the project sponsor willing to do? Sit down and discuss the required leadership activity with a sponsor and determine the type of support you will receive from the sponsor.

- ◆ Build on the strengths of the executive sponsor
- ◆ Assemble and leverage a coalition that supplements your executive sponsor

Leadership Activity	Willingness to Perform		
	Low	Medium	High
Provide (obtain) resources and budget for change management activities		✓	
Speak publicly with superiors about the importance/urgency of this project		✓	
Make this project a standing section of key department meetings			✓
Send e-mails to direct reports			✓
Send e-mails to mass population		✓	
Hold face-to-face meetings with key stakeholders		✓	
Speak at town hall	✓		
Present through pre-recorded web session	✓		
Meet face-to-face with middle management; attend their department meetings		✓	
Meet face-to-face with resisters	✓		

1. Obtaining and Maintaining Sponsorship

Assess Stakeholder Support

Example Stakeholder Assessment

The opinion of key stakeholders must be known throughout the implementation process. Meet with stakeholders early to obtain their views. It is important to know who is supportive, resistant, and neutral to the desired change or to some aspect of the change. Build their support or opposition into your change plans and check back with them often during implementation.

Influencer	Organization/ Position	Assessment +/0/-	Issues/ Assessment Comments	Mitigation Plan	Responsibility/ Meeting Date
Executive A	Corporate Finance/ Treasury	+	◆ Supports the establishment of the Service Center as long as it delivers	◆ Cost transparency and value setting	Sponsor/April
Executive B	Business Unit President	-	◆ Thinks the costs of the Service Center services are too expensive	◆ Cost transparency and value setting, benchmarking	Sponsor/April
Leader C	Operations Manager	0	◆ Is concerned about the quality and consistency of service and information	◆ Provide overview of training plan, content database, issue resolution plan	Center Manager/April
Manager D	Manager of Business Services	0	◆ Suspect of Service Center due to past history with other attempts	◆ Obtain issues from past experience as lessons learned	Project Manager/March

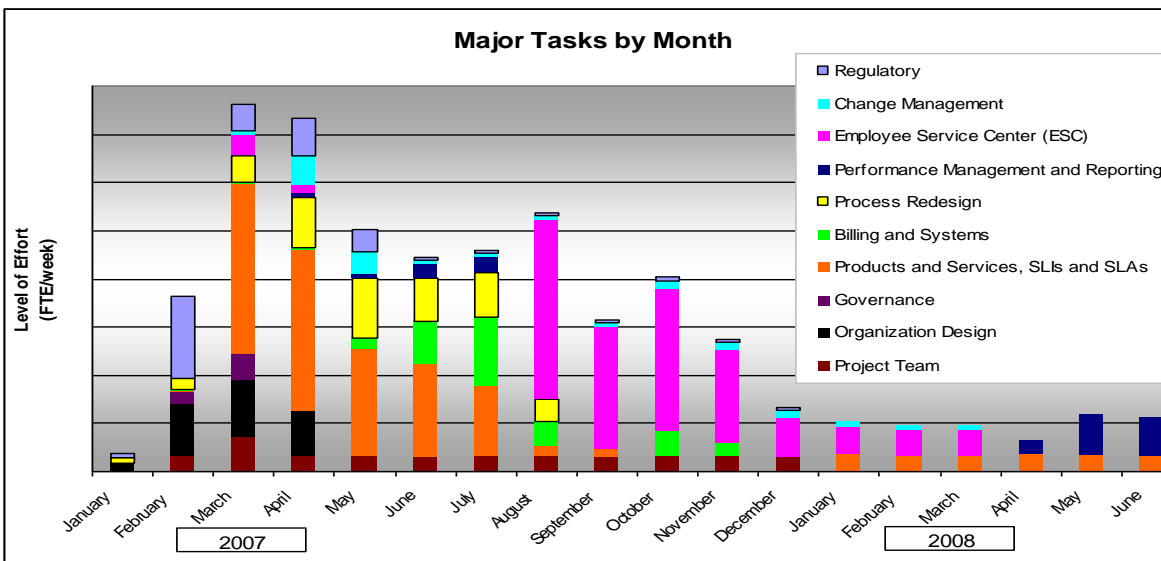
What stakeholders should be assessed in a shared services implementation?

2. Planning the Implementation

Determine Level of Effort Required

Task Name	Hours	Start	Finish	2007				2008					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
A. Project Plan	1,540	1/8/07	3/1/07	■									
B. Project Team	1,370	1/31/07	12/31/07	■	■	■	■						
C. Regulatory Filing	1,428	1/29/07	12/31/07	■	■	■	■						
D. Organization Design	1,200	1/29/07	4/30/07	■	■								
E. Governance	295	2/5/07	3/30/07	■									
F. Products and Services (P&S), Service Level Indicators (SLIs), and Service Level Agreements (SLAs)	5,360	1/29/07	6/27/08	■	■	■	■	■	■	■	■	■	■
G. Billing and Systems	1,440	2/12/07	11/30/07	■	■	■	■						
H. Process Redesign	1,960	1/18/07	8/15/07	■	■	■	■						
I. Performance Management and Reporting	980	4/2/07	6/30/08			■	■	■	■	■	■	■	■
J. Employee Service Center	5,120	3/1/07	3/31/08	■	■	■	■	■	■	■	■	■	■
K. Communication and Marketing	440	3/1/07	4/2/07	■									
L. Change Management	840	3/1/07	3/31/08	■	■	■	■	■	■	■	■	■	■

- ◆ Design your implementation plan to include major processes, activities, tasks, and durations while factoring in internal dependencies and external constraints
 - Consider business lifecycle activities that will be impacted, align the project calendar with external initiatives, and highlight dependencies
- ◆ Determine level of effort by month and by task. Resource loading is critical for staffing and managing the project
 - Determine availability of internal resources (full or part-time)
 - If using external support, ensure the project team is heavily loaded toward client team members in order to foster knowledge transfer (client team members often transition from participating on the project team to managing the shared services center)



3. Staffing the Project

Sub-Team Skill Requirements

Team	Skill Requirement
1. Service Delivery Scope	<ul style="list-style-type: none"> ◆ Understanding of the new service delivery model ◆ Ability to differentiate between transactional, strategic, and specialist services ◆ Understanding of services critical to the business
2. Policy Harmonization	<ul style="list-style-type: none"> ◆ Strong content knowledge ◆ Ability to facilitate consensus amongst stakeholders ◆ Ability to identify policies critical to the business/financial impacts
3. Facility	<ul style="list-style-type: none"> ◆ Strong project management skills
4. Organization	<ul style="list-style-type: none"> ◆ Strong understanding of people's skill sets ◆ Ability to adequately assess required position skill set versus employee strengths
5. Process	<ul style="list-style-type: none"> ◆ Strong operational knowledge ◆ Ability to identify improvement opportunities based on feedback and analytics ◆ Knowledge of process redesign principles
6. Technology and Knowledgebase	<ul style="list-style-type: none"> ◆ Strong project management skills ◆ Understanding of future state processes and system functionality
7. Infrastructure	<ul style="list-style-type: none"> ◆ Strong project management skills
8. Training	<ul style="list-style-type: none"> ◆ Strong communication skills ◆ Functional and system knowledge
9. Communications, Marketing, and	<ul style="list-style-type: none"> ◆ Strong communication skills

Team leaders must be able to translate knowledge and related experience into a structured approach for their team.

4. Integrating Technology

Leaping Over the Technology Hurdles

Hurdle	Action
Late decisions on technology requirements	<ul style="list-style-type: none"> ◆ Understand supporting tools is one of the long poles ◆ Conduct iterative planning—high-level quick plans that are iterated in parallel with functional design
IT claim of insufficient resources/lead time	<ul style="list-style-type: none"> ◆ Establish as an IT project ◆ Involve IT from the start (two-in-a-box) ◆ Conduct resource analysis early in planning
Lack of IT expertise in shared services technologies	<ul style="list-style-type: none"> ◆ Hire reps that are experienced with technologies ◆ Visit other companies/organizations
IT control of requirements	<ul style="list-style-type: none"> ◆ Appoint tech-savvy functional lead to write functional specifications; set up functional management review
Late delivery of technologies jeopardizing completion of documentation and training	<ul style="list-style-type: none"> ◆ Publicize key milestones and define what the milestones mean ◆ Insist on progress reviews
IT claim that requirements are unclear (frequent claim to cover for internal deficiencies)	<ul style="list-style-type: none"> ◆ Write thorough functional specifications ◆ Review specifications with IT including those who will configure/program
Delivered functionality falls short of requirements	<ul style="list-style-type: none"> ◆ Have IT build early prototypes ◆ Conduct periodic design reviews ◆ Manage change control
Vendors do not deliver	<ul style="list-style-type: none"> ◆ Establish escalation points during contracting phase ◆ Set expectations during negotiations

5. Getting and Sticking to Decisions

Decision-Making Process

Getting accurate, timely decisions requires planning and discipline and is key to maintaining project traction.



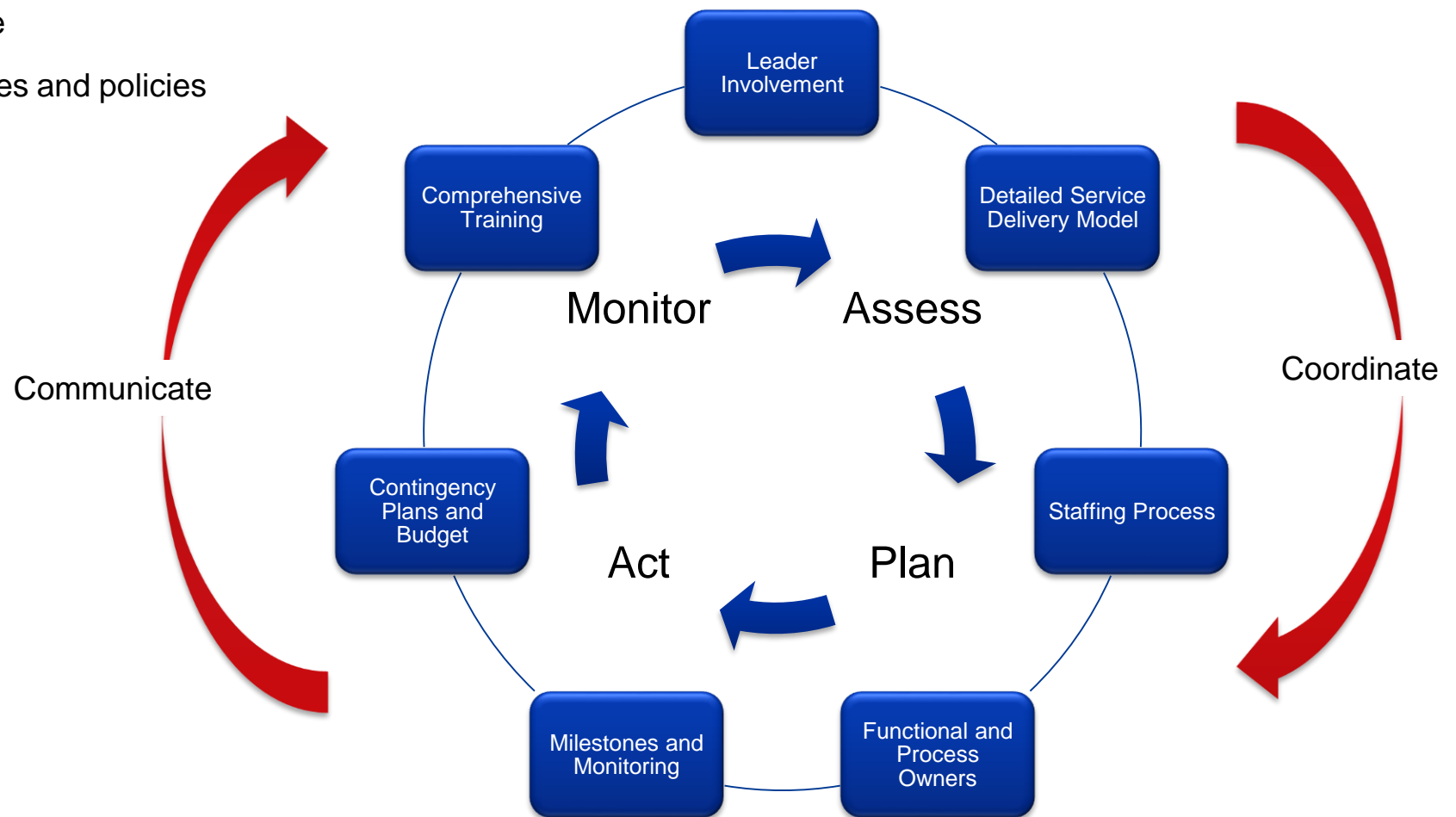
Challenge	Action
Endless meetings, endless discussions on tough issues	<ul style="list-style-type: none"> ◆ Take time to develop a process for making decisions ahead of time and refer back to the process to push decisions ◆ Clearly identify who will make decisions ◆ Set deadlines for the big decisions in the plan ◆ Set clear agendas for meetings with objectives for decisions to be made
Unquenchable thirst for information to get to decisions	<ul style="list-style-type: none"> ◆ Make assumptions as needed to continue planning ◆ Revisit assumptions when information is available ◆ Make decisions at a high level and iterate the decisions to lower levels as project progresses
Frequent revisiting of decisions	<ul style="list-style-type: none"> ◆ Document decisions to be made ◆ Document decision, date, and decision maker as decisions are made ◆ Set up change control process ◆ Use sponsor to communicate decisions
New information unsettles decisions	<ul style="list-style-type: none"> ◆ Collect, organize, and document information for decisions ◆ Use sponsor to communicate decisions ◆ Set up change control process at point in project where design and decisions are complete ◆ Defer changes to point in future that will not impact implementation schedule

6. Avoiding Surprises and Mitigating Risks

Effective Risk Management

Shared services implementations face a multitude of risks including task underestimation or schedule slippage due to a variety of reasons. Strong risk planning will help mitigate:

- ◆ Resource issues
- ◆ Defiance
- ◆ Processes and policies
- ◆ Delays



6. Avoiding Surprises and Mitigating Risks

Effective Risk Management (Cont'd)

It is important to identify potential risks during project scoping and build actionable plans to alleviate them. These risks should be monitored and additional risks added during implementation. A disciplined approach needs to be followed to review, report, and complete actions to eliminate or reduce the impact of risks.

#	Definition			Quantification		Response		
	Risk	Category	Indicators	Impact Level (L/M/H)	Status (G/Y/R)	Owner	Project Actions Needed (to reduce / eliminate risk)	Mitigation Plan (should risk occur)
Risks to Actively Manage								
1	Facility not ready for move in	Facilities	1. Contract and construction schedule not complete 2. Technology team not able to access to begin installations mid April 3. Work team activities not completed on time (lack of furniture, technology,	Medium	Y	Project Manager	1. Intervention of team lead into process (negotiations, legal, facilities, construction progress) 2. Early May - create contingency plan with no-go date and alternate location for training to begin, notification to	1. Center Manager to notify staff 24 hours before scheduled attendance 2. Move to alternate location for training and/or workstation testing
2	Vendor contracts complete and software loaded	Technology	1. Unable to load and test vendor software	High	Y	IT Lead	1. Review requirements, options, and workarounds with IS. 2. Escalate schedule with IT and project	1. Modify project plan and notify Core Project Team of potential impacts
3	Delayed approval of processes and content from Subject Matter Experts	Process	1. Processes not defined, approved and provided by deadline 2. Knowledge Base is unable to compare against processes 3. Self-service is unable to addit approach against processes	High	Y	Process Lead	1. Report weekly status project 2. Escalate availability of Subject Matter Expert as needed 3. Identify need for resource support	1. Identify impacts to project plan 2. Hold impact discussion with Core Team and find alternative solutions 3. Report options to Project Sponsor
Risks to Monitor								
4	Technology unable to deliver workstations on schedule	Technology	1. Project schedule is disrupted and impacts overall technology deadline or other work teams dependent on workstation schedule	High	G	IT Lead	1. Review requirements, options, and workarounds with IS 2. Modify technology requirements necessary to maintain critical path toward implementation	1. Modify project plan and notify Core Project Team of potential impacts
5	Other HR projects taking resources from the HR Direct implementation	Project Management	1. Missed deliverables or meetings, lack of involvement, expressed concerns of availability	Medium	R	Team Leads	1. Team leads to verify availability with resources on a regular basis. Teamwork. 2. Team leads report progress accurately and resource availability immediately	1. Confirm issues with resources are due to availability and not conflict 2. Have project sponsors meet with COE / search alternate resource support

What are typical risks in a shared services implementation?

7. Selecting the Right Staff

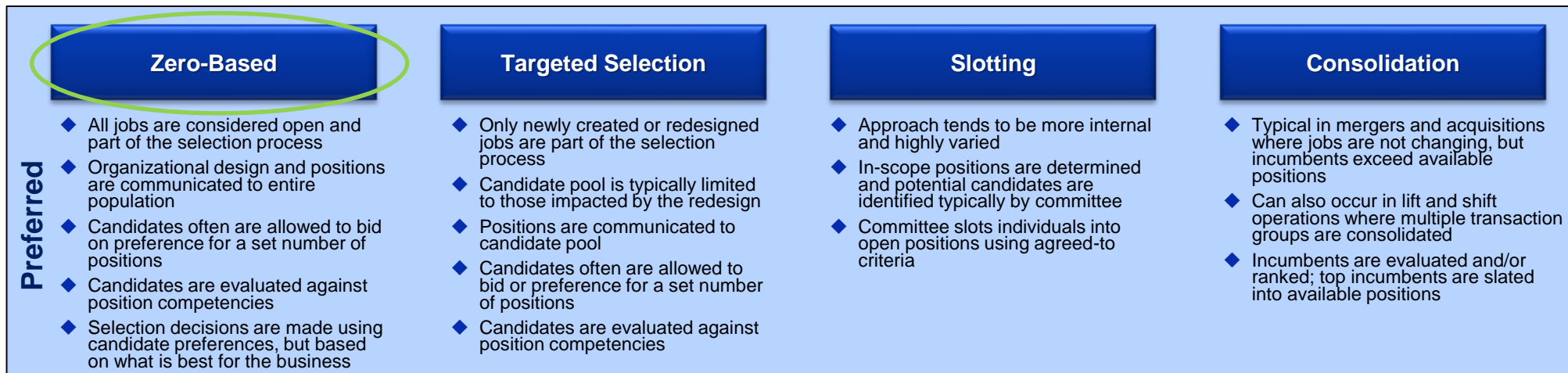
Planning and Selection Process

Staff selection should not be based on tenure at corporation or existing relationships, but rather a structured, equitable approach. Shared services most often requires customer-oriented employees who are comfortable using technologies and are flexible problem solvers.

- ◆ Define core competencies required by position (EXAMPLE)

Competency	Definition
Critical Thinking	Applies broad knowledge to issues and problems. Remains flexible and determines alternate solutions in problem solving approach
Customer Oriented	Maintains a clear focus on customer needs and expectations and strives to meet or exceed; anticipates customer needs and expectations; searches continually for ways to improve customer service
Technical Ability	Adept at learning and using multiple new technologies and applying knowledge to processes. Demonstrates ability to balance technologies with customer service demands

- ◆ Determine staff selection options



- ◆ Develop job descriptions, evaluate positions at market rates, and post job openings, as applicable

8. Preparing Customers and Stakeholders

Change Management Planning and Execution (Cont'd)

Keep the list of change activities aligned and on track through a consolidated list of actionable items. Organize activities by the project milestone they support. Additionally, provide clarity on changing roles and responsibilities to customers and stakeholders using a Stop/Start/Continue matrix to assist in acceptance and adherence to the new delivery model.

Type of Event (C,M,T)	Event	Target Audience	Message	Media/ Material	Who Develops?	Who Delivers?	Date
T	HR training on Recruiting Management System (RMS) processes and system	Talent Acquisition staff—recruiting coordinators	Customer first Responsive, improved service	Face-to-face training Hands-on use of	Howard/ Mulligan	Howard/ Mulligan	Aug 9-11

Individual/ Organization	Activities to Continue	Activities to Stop	Activities to Start	Change Management Actions
Line Managers	Focusing on operations	Using HRBP as administrative assistant (answering questions on policies and procedures, performance, staffing)	<ul style="list-style-type: none"> Using Service Center as single point of contact for HR questions Obtain consulting assistance from HRBR on: <ul style="list-style-type: none"> Workforce planning Succession planning Employee development and retention 	<ul style="list-style-type: none"> Train managers on: <ul style="list-style-type: none"> New HR delivery model New processes that impact them, especially, Talent Acquisition
Employees	Focusing on assigned roles and responsibilities	Going to HRBPs for routine HR questions, processes and policies and procedures	Call HR Service Center as the single point of contact for HR issues	<ul style="list-style-type: none"> Market Service Center to employees answering, "What's in it for me?" Market Service Center as the first contact for all HR matters Communicate scope, timing, and personal impacts of changes
HR Business Partners	<ul style="list-style-type: none"> Maintain relationships with businesses at plant and regional levels Forward HR needs to Team Leaders and COEs Respond to requests from managers for service 	<ul style="list-style-type: none"> Being primary and first point of contact for employees—answering routine questions <ul style="list-style-type: none"> Stop directing employees on HR processes and procedures Stop forms administration Stop delivering training Assisting managers with recruiting activities 	<ul style="list-style-type: none"> HR consulting <ul style="list-style-type: none"> Succession planning Identify long-term workforce requirements and skills Identify new needs to retain employees—compensation, benefits, etc. Identify needs for additional staff and/or positions Assist with talent identification 	<ul style="list-style-type: none"> New job description for HRBPs Train on new HR delivery model Train HRBPs in consulting tasks— <ul style="list-style-type: none"> Organization assessment Strategic planning Succession planning Workforce forecasting HR requirements formulation Train on customer relationship management and new HR delivery model Communicate new processes for accomplishing admin activities Measure performance on metrics aligning with new delivery model

Thoughtful, deliberate, and long-range communication planning is critical to project success.

9. Preparing Staff Training Assessment and Plan

Assess individual training needs by curriculum. Develop a detailed training plan and schedule by module.

Example Training Assessment

Staff	General				Operations						Content				Technology								
	Company	Values and Culture	Service Delivery Model	Customer Service	Answering Calls	Retrieving Data	Entering a Case	Escalating an Issue	Transferring a Call	Closing a Case	Scheduling	Functions	Programs	Policies	Processes	KB Content	Telephony	CMS	KB	HRIS/Financial System	Document Management	Equipment	Desktop & Applications

Example Training Plan

Training Requirement	Lesson Plan	Training Materials Developer	Approver	Materials Due Date	Training Date	Instructor
General	Company					
	Values and Culture					
	Service Delivery Model					
	Customer Service					
Operations	Answering Calls					
	Retrieving Data					
	Entering a Case					
	Escalating an Issue					
	Transferring a Call					
	Closing a Case					
	Scheduling					

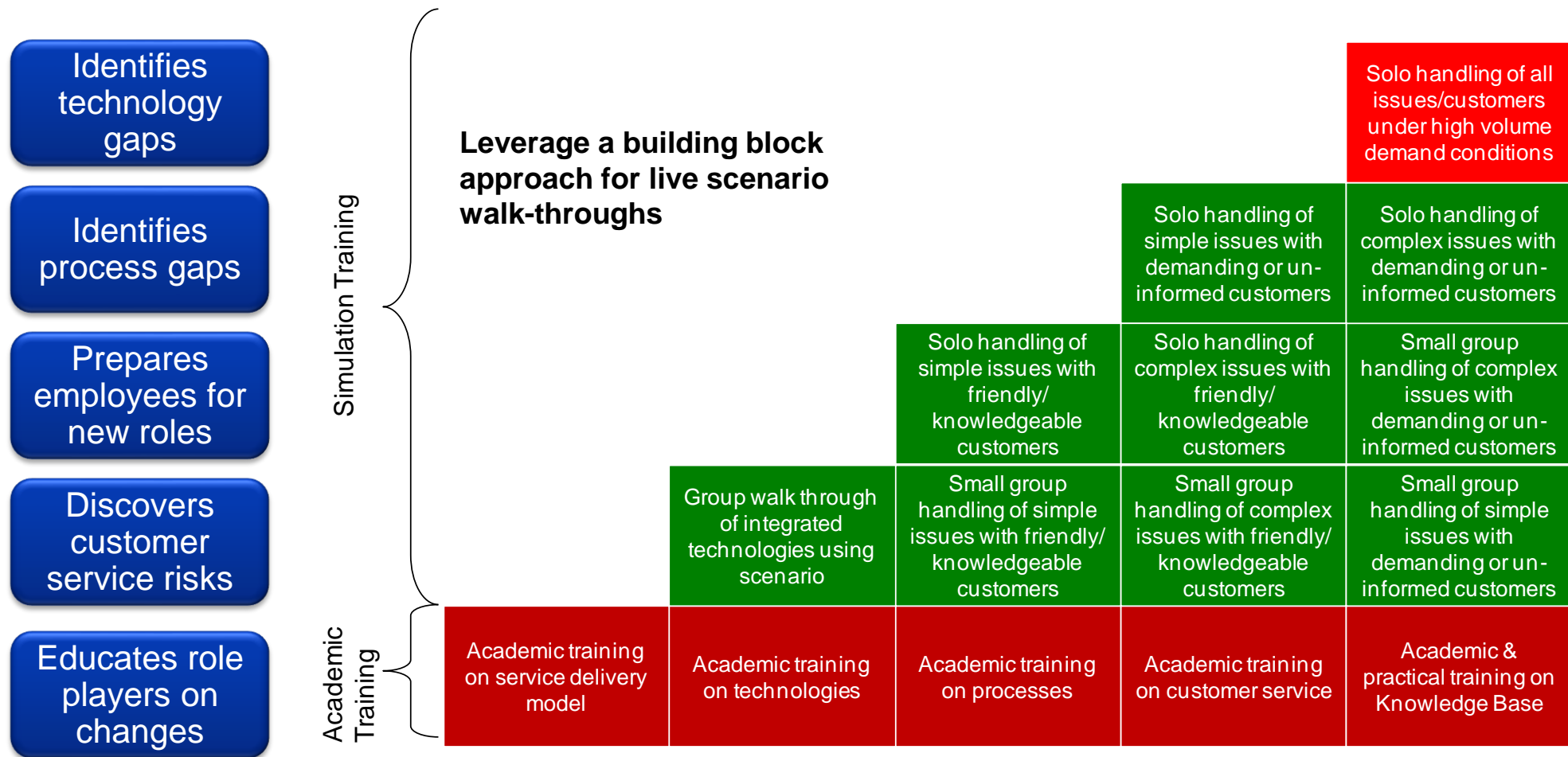
Example Weekly Training Schedule

Objectives		Dec 3	Dec 4	Dec 5	Dec 6	Dec 7
<ul style="list-style-type: none"> Simulation introduction Small group walk through Few complex issues Few difficult customers Initial solo scenarios Off phone training 	9:00	Simulation overview	Pre-brief	Pre-brief	Pre-brief	Pre-brief
	10:00		Simulation: • Groups of 2-3 • Simple issues • Accommodating customers	Simulation: • Groups of 2-3 • Solo last hour • Complex issues • Accommodating customers	Simulation: • Solo • Simple and complex issues • Accommodating customers	Simulation: • Solo • Complex issues • Accommodating customers
	11:00	Phone and technology review	Wrap-up	Wrap-up	Wrap-up	Wrap-up
	12:00	Lunch	Lunch	Lunch	Lunch	Lunch
	1:00	Walk through business processes with full-up technologies	Off phone training	Off phone training	Off-phone training	Escalation training
	2:00		Debrief	Debrief	Debrief	Debrief
	3:00					
	4:00		Self-study	Self-study	Self-study	Self-study

10. Testing Launch Readiness

Conduct a Business Simulation

Issues will inevitably materialize in the first few weeks after an official project launch, despite vigilant planning and execution. To mitigate impact, plan and execute a business simulation, or “dress rehearsal,” that evaluates people, processes, and technologies integrated into a realistic operational environment.



Three Keys to Start-up Success

1. Establishing and Enforcing Governance Governance Board

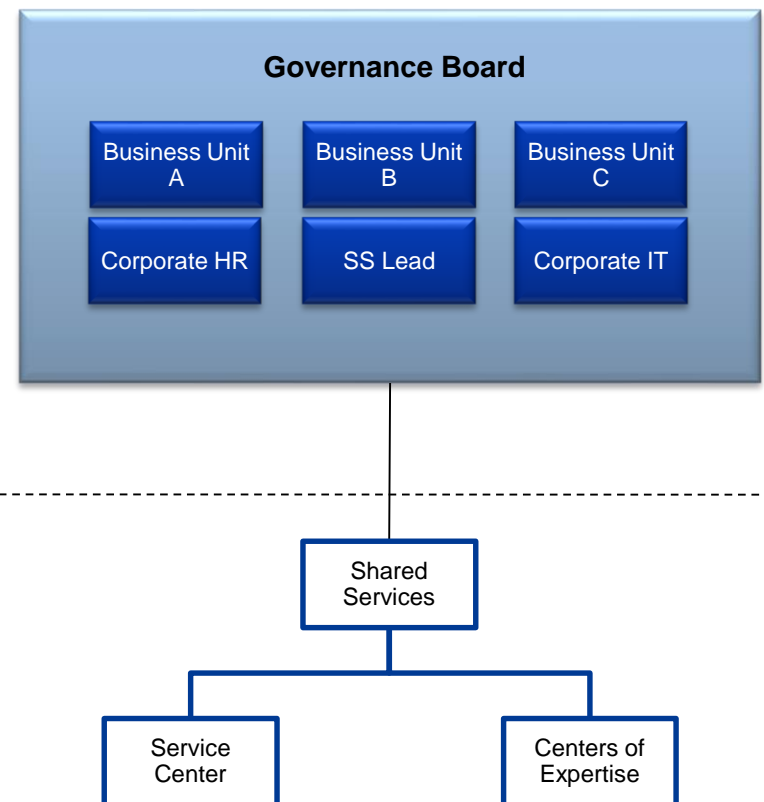
The formality and participating members in an oversight committee or board are influenced by factors such as size of the organization, the number and complexity of services, organizational culture, and hierarchy.

Shared Services Governance Board Characteristics

- ◆ Comprised of executives from key business units, the head of shared services organization, and representatives from critical support organizations (e.g., IT, HR, etc.)
- ◆ Accountable for the shared services vision and ensuring strategies are aligned to achieve success
- ◆ Provides direction to the operational team and serves as a point of escalation for the resolution of critical business decisions

Key Benefits

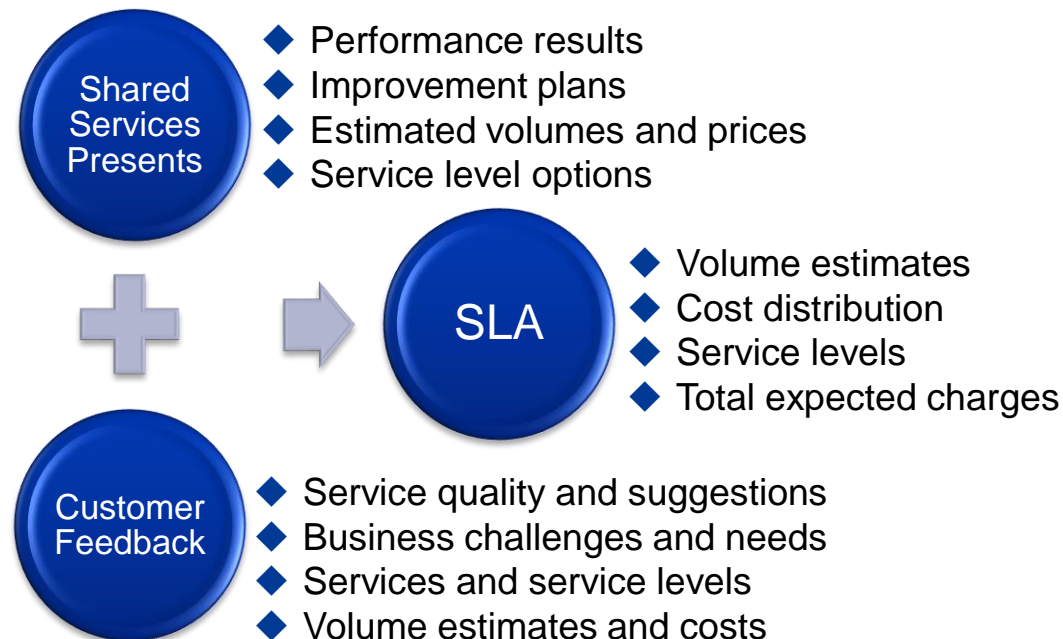
- ◆ Provides representation for the shared services organization among senior management
- ◆ Allows customers to strongly influence the direction of shared services and ensure that shared services are responsive to business unit needs
- ◆ Creates an additional layer of accountability for the shared services organization
- ◆ Creates a formal process to control spending and prioritize initiatives
- ◆ Ensures integration with other business initiatives



2. Managing Performance Service Level Agreements

A service level agreement (SLA) is between the provider of a service and a customer that quantifies the target quantity, quality, and cost of services to be provided in a future period. Dialogue, planning, and continuous improvement are outcomes that will drive your organization's success.

Service Level Agreements – A dialogue between service provider and customer



Service Level Agreements are:

- ◆ Concise
- ◆ Negotiated, not dictated
- ◆ A vehicle for understanding and managing demand
- ◆ A basis for regular discussions with customers
- ◆ Updated as necessary (typically annually)
- ◆ Standard across internal customers with only business justified exceptions

Questions?



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Next Steps

Elissa Tucker, Research Program Manager, APQC

Assess the Need

Moderate or High Performer? Which is your HR Department?



SERVICE DELIVERY—QUALITIES OF HIGH-FUNCTIONING HR SERVICE DELIVERY MODELS

- Administrative aspects of HR are outsourced to shared services centers or third-party providers to reduce HR's transactional work load.
- Technology is used to automate administrative HR tasks that are not outsourced.
- Services that are provided to internal clients by HR are highly consistent and reliable.
- A formalized project/initiative management approach is used for services that the HR function provides.
- Cross-organizational issues are resolved very effectively in the human capital/human resources area.

METRICS AND MEASUREMENT—MEASUREMENT TECHNIQUES THAT HIGH-PERFORMANCE HR USES

- An HR-specific competency model guides employees in developing critical skills.

Build the Business Case

Making the Journey from Moderate to High-Performance HR

- HR still has an “administrative burden”
- Outcomes from alternative approaches to administration such as technology or outsourcing acceptable but not superb

Strategic HR Partnerships

- Non-business partner HR functions retain a large portion of their operational and transactional HR duties

Plan the Transformation

- Managing Change (Collection)
- Change Management for HR Professionals (Collection)
- Overcoming Organizational Resistance
- Project Management Basics (Collection)

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