Min Qin, Karen Hilton | November 2014

Maturity matters! Organizations with mature shared services models that have continued to innovate and improve create greater value. In ScottMadden's Human Resources Shared Services (HRSS) benchmarking study conducted with APQC, a majority of participants have been operating for three or more years. While likely not wholly attributable to the service delivery model, organizations with mature models are more likely to show lower turnover, higher efficiency levels, better call center metrics, as well as lower costs.

Early shared services centers were set up with a clear objective: efficiency and centralization in pursuit of cost reduction. The next step, however, is more complex. We are witnessing a growing trend where service centers are optimizing their shared service models to drive higher levels of service and cost efficiency as they mature.

Participant Maturity
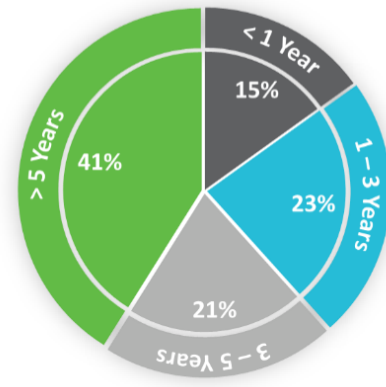
Source: 2014 ScottMadden HRSS Benchmarking Survey

Five characteristics stand out as being critical to organizations driving business efficiency and value as their HRSS organization matures:

- **Leveraging the "Tier 2" role:** Top-performing organizations in terms of staffing levels, process efficiency, and cost specialize their delivery model with Tier 2 specialists. Higher use of Tier 2 enables more strategic field HR staffing and higher efficiency with recruiting transactions.

- **Strong governance:** An emphasis on optimizing structure and governance characterized the top-performing mature HRSS organizations. Strong governance is always required for effectively delivering a broad range of processes to a diverse business. Seventy-eight percent of top performers indicate their HRSS organizations report to an HR executive, which provides the most direct and simple governance model.

- **Optimized processes:** A high level of process optimization and integration is an underpinning for supporting HRSS organization growth as an organization matures.

- **Robust technology:** Correct portal set-up drives volume. Higher self-service use can lead to more efficient staffing within COEs and service centers.

Benefits

10% vs. 14% Turnover

Service centers operating for more than five years report lower employee turnover rates than less mature centers.

2X Tier 1 Transaction Efficiency

Mature service centers are able to handle more transactions and calls than less mature centers.

90% vs. 70% Resolution

Mature centers are more efficient in terms of average speed to answer and first contact resolution rate.

Lower SSC Cost per Customer

More mature service centers' costs are also lower than less mature centers.

Source: 2014 ScottMadden HRSS Benchmarking Survey

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- **Strong performance management approach:** Capturing, mining, and analyzing performance data plays an important role in HRSS organization continuous improvement. Better performance drives better satisfaction and organizations that have higher customer satisfaction are able to operate with lower staffing levels.

Maturity alone does not yield benefits, but by focusing on continuous improvement and periodically reassessing your shared services model, you can ensure that you continue to reap the benefits for years to come.

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