# *How do I remain nimble and efficient?*

*We help the office of the CXO optimise performance of the support functions*

# Unlocking the performance culture

**pwc**

# *We address the fundamental questions on a CXO's mind*

| Key responsibilities | Top of the mind issues |
|---|---|
| Share holder value | • How can I optimise the cost and improve performance of my support functions which are operating in a standalone manner today?<br>• I have brought the right set of skills to the shared service organisation. My governance mechanism is running well. But how do I uncover the value I am generating for business?<br>• How do I articulate the value that I am able to generate from my outsourcing relationship beyond Total Cost of Ownership? |
| Risks and Controls | • How will the changing regulatory regime affect governance and compliance?  How do I respond to this change?<br>• Do I have the right systems and processes for support functions to give me an early warning?<br>• Am I compromising on controls by outsourcing?<br>• Can I reduce my risks by co-locating? |
| Enabling growth | • I am able to meet the needs of business today. However, given the business projections, I am not sure if I can continue to do so without changing the way I operate. What do I need to do for tomorrow?<br>• My business is growing at a rate higher than industry. How can I ensure my support functions are able to support this kind of growth? |
| Process excellence | • How matured are my processes? How do I adopt best in class processes for my function?<br>• Are my processes geared-up for scale?<br>• How can I further automate my processes? |
| Service delivery excellence through technology adoption | • Am I meeting my client expectations? Is the perception about my services right?<br>• Is my team adequately trained or processes and tools?<br>How do I track and publish performance of my function? |
| Performance culture | • How do I create a bias for performance?<br>• How can I in-grain continuous improvement as part of the culture?<br>• Am I as competitive as third party service providers? |

# How are global and Indian organisations addressing these challenges?

- Organisations are increasingly looking at their sourcing decisions from an efficiency, cost, risk and value add perspectives.
- Shared service organisations are measuring their contributions to end-to-end business cycles, thereby linking themselves to the organisation critical success factors and capturing both tangible and intangible benefits provided to the organisation.
- Organisations are undertaking independent audit of services provided by shared service organisations and outsourcing service providers to ascertain the level of control.
- Shared service organisations are benchmarking their performance against peers to uncover improvement opportunities in diverse aspects such as process re-engineering, organization structure, span of control and skill sets. They are setting-up long-term and annual performance improvement targets.
- Companies are re-thinking the definition of improvement as an investment rather than an expense. Improvement is no longer limited to doing things faster or having fewer issues, but is viewed from the standpoint of overall benefit to the parent organisation.
- Shared service and outsourcing organisations are increasing relying on an outside-in view of their organisation to gauge the mood of their customers.
- Adoption of performance cards across levels is helping them validate the customer perceptions and identify performance gaps.
- Shared service and outsourcing organisations have already adopted lean and six sigma techniques to drive out waste and improve performance. They are also adopting costing techniques for charge back mechanism, pre-empting customer requirements.

# We can help you address your key challenges

We assist clients with our tailored service offerings at every step of the SSO transformation lifecycle.
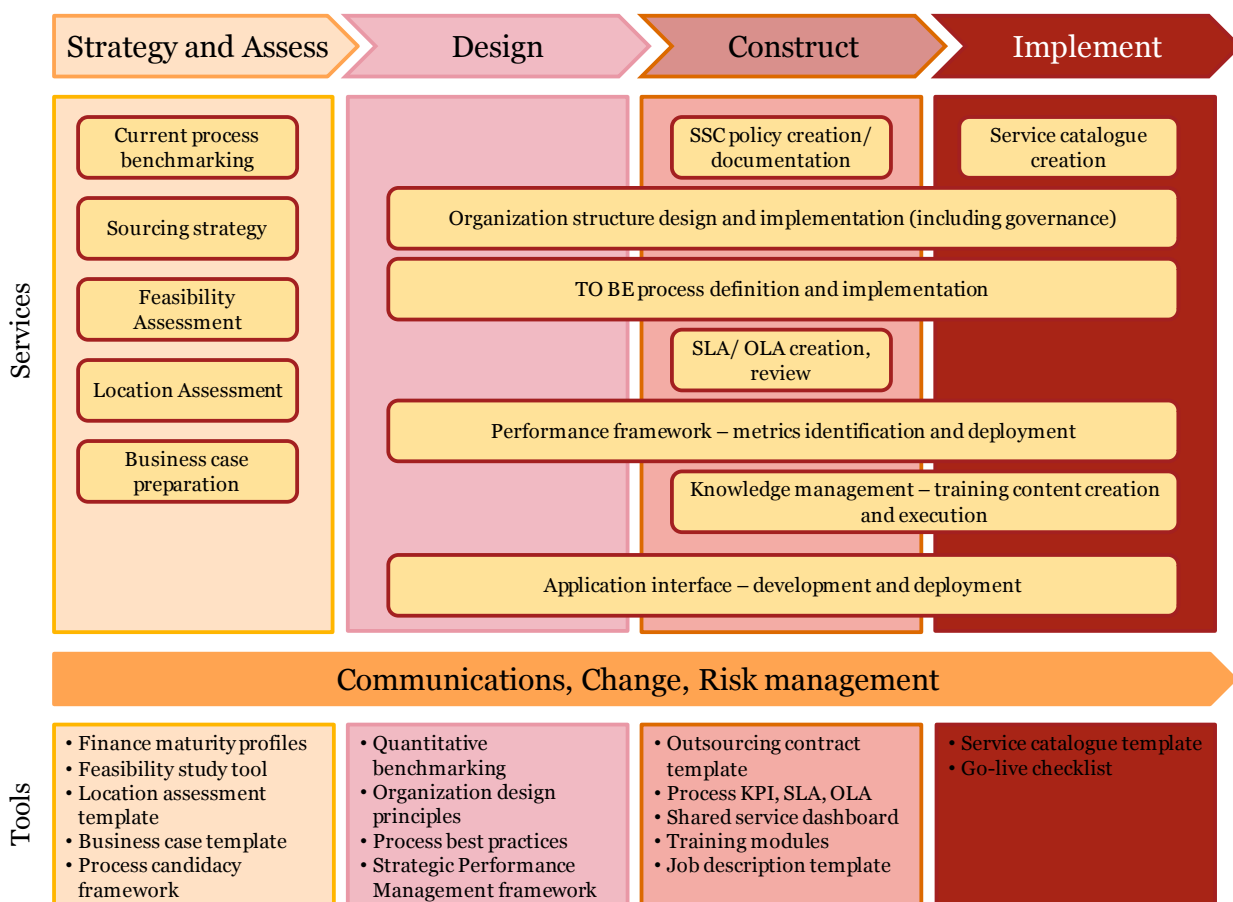
Typical processes which organizations transfer into Global Business Services, shared services or outsource are given below

| Business processes | | | | | Knowledge processes | | | Information Technology | |
|---|---|---|---|---|---|---|---|---|---|
| Finance & accounting | Human Resources | Contact Center | Marketing | Supply chain and facilities | Engineering | Legal | R&D and product development | IT Infrastructure | Application Development and Maintenance |
| • Accounts payable<br>• Accounts receivable<br>• Fixed Assets<br>• Billi`ng<br>• General Accounting<br>• Financial Close<br>• Consolidation and Financial Statements<br>• Account Reconciliations<br>• Inventory and Cost Accounting<br>• GL Maintenance<br>• Reporting<br>• Financial Planning and Analysis<br>• Transfer Pricing<br>• Collections<br>• F&A applications | • Payroll processing<br>• Deduction processing<br>• Earnings and tax processing<br>• Fulfillments and garnishments<br>• Compensation and benefits processing<br>• Voluntary pensions and third-party contributions<br>• Training – development, deliver<br>• Recruit, select and hire employees<br>• HR helpdesk<br>• HR applications | • Telesales<br>• Customer Service<br>• Technical support<br>• Order Entry | • Web site manage-ment<br>• Direct and e-mail program manage-ment<br>• Database manage-ment<br>• Campaign develop-ment and manage-ment<br>• Lead generation,<br>• Marketing data analysis | • Procurement<br>• Purchasing Support<br>• Logistics<br>• Contract manufacturing (co-packing)<br>• Fleet Management<br>• Asset management<br>• Customs management<br>• Warehouse management,<br>• Component distribution<br>• Facilities management<br>• Physical risk and security | • Drafting<br>• Stress analysis<br>• Thermal analysis<br>• Simple manufacturing systems analysis<br>• Engineering/scientific analysis for new patent applications or other intellectual property activities<br>• Project management | • Document/contract review<br>• Drafting contracts<br>• Document management<br>• Litigation support | • Integrated R&D operations and planning<br>• New product development<br>• Clinical trial vendor selection & reviews<br>• R&D Compliance | • Network operations<br>• Data center<br>• Help desk<br>• IT Security<br>• End-user support<br>• IT management | • Package-based application development<br>• Custom application development<br>• Application maintenance<br>• Application testing |

# Case study 1

## Leading renewable energy solution provider

### CFO problem statement

- How can I have a nimble finance function to navigate business cycles? How can I achieve consistency and efficiency while managing risks and cost of finance function for multiple entities?

### Our distinctive solution

- Designed a finance operating model consisting of Shared Service Centre (SSC) and Business Finance. Helped the client through the entire cycle of SSC implementation and change management.

### Impact

- The new operating structure could absorb the high growth and subsequent down cycle of the business effectively. Achieved cost savings in operations due to low cost resource requirement, improved span of control, and rationalisation of the skill base.
- Improved efficiency and management oversight through centralised, standardised and best-in-class operating processes run from a captive shared service centre – with direct P&L impact.

# Case study 2

## A sovereign fund

### CIO problem statement

- We are a growing firm and we do not want our expenses to grow in proportion to our growth. How should I structure the commercial contract?
- How do I reduce risks related to transition and change?

### Our distinctive solution

- Detailed the key commercial and operational aspects (i.e. Service definition and scope, service levels, volumes, commercial arrangements, transition, and steady state operations) of the contract.
- Created a contract negotiation framework for the client and provided SME support during actual contract negotiations with the vendor.
- Set up the Transition Management Team (TMT) and anchored the transition management along with client and vendor personnel.

### *Impact*

- Our inputs helped the client save over 40% in incremental costs.  There was also significant improvement in the service levels committed by the vendor.
- Our oversight and constant monitoring helped complete the transition within a very tight timeline of three months, thereby improving the ROI of the investment.

## Case study 3

### Leading automotive OEM in the country

#### CIO problem statement

- Am I charging my customers appropriately for the services I am providing?
- How do I create a culture of cost consciousness in my customer organisation?

### *Our distinctive solution*

- Formalised service definition for the CIO's office. This included service levels.
- Improvised on the existing operating GL accounts. Helped create discipline in the expense booking process.
- Created a services costing framework to track costs by services provided to each of the entities
- Created a cost estimation model that could be used for all service requisitions
- Created detailed process documents

### *Impact*

- The CIO's office discovered costs that need to be accounted for in their existing model
-  The CIO office had a detailed service catalogue and a price catalogue
- The revised structure helped build a culture of cost awareness as well as demand for quality service delivery from customers

# We have been a thought leader for the last two decades

# We have a strong track record of supporting client's requirements across industry verticals

| Services offered by industry | | Manufacturing | Retail and consumer products | Financial services | Telecom | Capital projects and infrastructure | Logistics and shipping | Technology | Automotive | Energy | Metals and Mining |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **New SSC implementation** | Sourcing strategy | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ | ✓ |
| | Process benchmarking | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | |
| | Location assessment | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Business case | ✓ | ✓ | ✓ | | ✓ | | | | | |
| | Processes to be moved to SSC | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| | Feasibility study | ✓ | | ✓ | | ✓ | ✓ | | ✓ | ✓ | |
| | Target operating model | ✓ | | ✓ | | ✓ | ✓ | | ✓ | ✓ | |
| | Organisation structure design, implementation | ✓ | | ✓ | | ✓ | ✓ | | ✓ | ✓ | |
| | To-be policy, process design, implementation | | ✓ | ✓ | | | ✓ | | ✓ | ✓ | ✓ |
| | Performance framework | ✓ | | ✓ | | | ✓ | | ✓ | ✓ | |
| | Training | | | ✓ | | | ✓ | | ✓ | ✓ | |
| | Transition management | | ✓ | ✓ | | | ✓ | | | ✓ | ✓ |
| **Growth for established SSC** | New locations | | ✓ | ✓ | | | ✓ | ✓ | ✓ | | |
| | New services | | | ✓ | | ✓ | ✓ | | ✓ | | |
| | Process improvements – lean | | | ✓ | | | | ✓ | | | |
| | Service definition | | | | | | | | ✓ | | |
| | Services costing | | | | | | | | ✓ | | |
| **Outsourcing** | RFP for service provider selection | | | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| | Technical contract authoring | | | ✓ | | | | | | | |
| | Transition / program management | | | ✓ | | | | | ✓ | | ✓ |
| | Service review | | ✓ | ✓ | | | | | | | |
| | Contract benchmarking | | ✓ | ✓ | | | | | | | |

# Our India practice is supported by a strong global network of over 1500 sourcing consultants
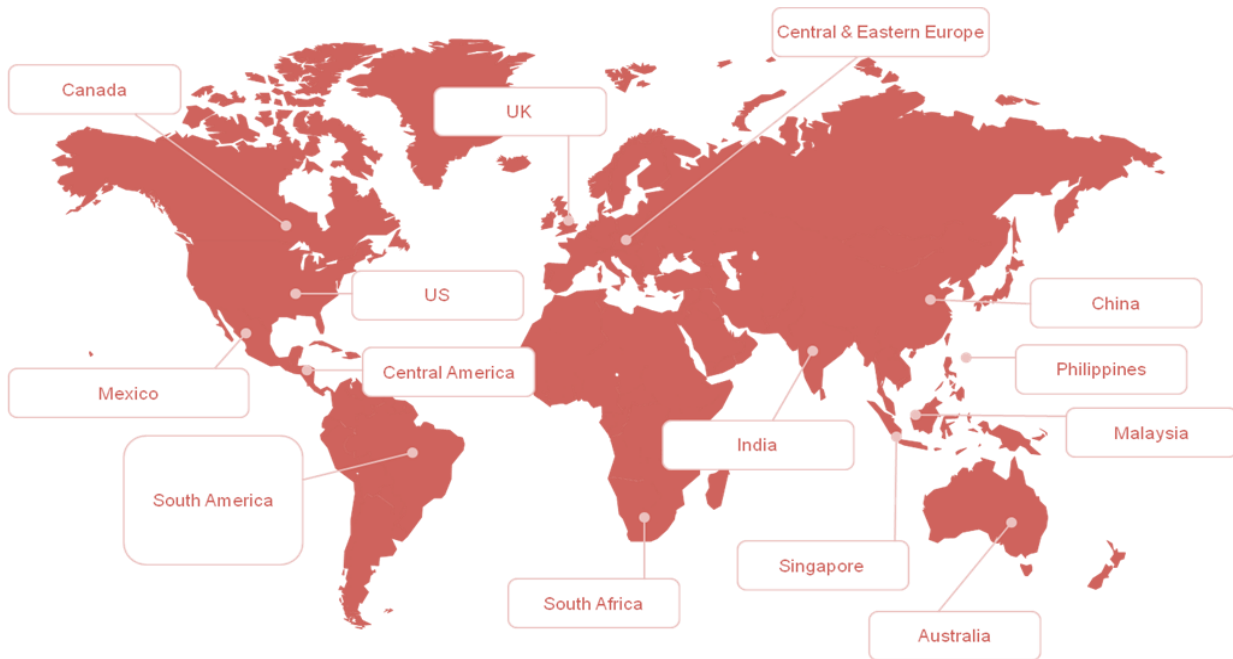


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