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Managing Shared Services Change: Beyond Communications and Training


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A thoughtful and thorough change management strategy significantly contributes to a successful Shared Services implementation.

Accenture believes that Shared Services, the model through which organizations capture economies of scale and generate greater operational efficiencies, will play an increasingly critical role in creating high-performance organizations. Successful Shared Services operations are built on a unique operating model that includes elements of both centralization and decentralization. Because this operating model is founded on the creation of a centralized, internal service delivery unit, it requires a corresponding elimination, or significant change to, similar positions within the decentralized operating units. Successfully implementing the Shared Services model requires a dual focus on building new capabilities and a service culture within the Shared Services organization while successfully transitioning the operating unit organizations to be customers and partners. The change management involved in preparing the entire organization to transition to the new Shared Services model is vital to its success.

A thoughtful and thorough change management strategy significantly contributes to a successful Shared Services implementation by developing a leadership team and organization that is focused on achieving the objectives of the Shared Services program, readying employees for the transition by building the new skills they will need to work, creating customer confidence in the new model and building buy-in among all stakeholders.

It is important to note that while a visible change strategy can comfort people who are anxious about their jobs through engagement and communication, it can also bring discomfort to those most resistant to change.

Because of its crucial role in a successful outcome, change management should begin as soon as the decision to embark on the Shared Services journey is made and not end until the governance model is in place and the transition to the Shared Services operation is complete. At this point, the role of managing change then transfers to the operational leadership team within the Shared Services organization. This team has a forward-looking responsibility to identify, plan and integrate new services and process improvements into the Shared Services solution. This end-to-end process of building buy-in, optimizing the workforce size and training employees is the result of a carefully planned and executed change management strategy.

What is change management?

Change management is broadly used to describe the work needed to prepare an organization and its people for any significant change in the way they operate. This work involves ensuring that individuals receive the support and development they need to understand and accept a large-scale change, such as establishing and operating within a Shared Services model. It involves readying the workforce to respond positively to the program of change and to fulfill their roles and responsibilities once the change is complete. In the context of a Shared Services program, the goals of change management include:

- Minimizing disruption to the organization during transition
- Guiding the people directly impacted by the movement to the Shared Services model through the change

- Establishing the right kind of leadership and structure to support the Shared Services organization's objectives
- Creating the demand for Shared Services among its internal customers

Typical Shared Services change management programs encompass many elements, including communication; sponsorship; ownership and accountability; workforce transition and training; change readiness; and implementation, rollout and stabilization. Our intention with this Point of View, however, is not to provide a "how to" for each of these

elements. Instead, our goal is to describe the principles, key events and dependencies that typically frame a Shared Services change management program, so that organizations looking to implement Shared Services have a solid understanding of the important components to consider.

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Factors that shape the change management solution

How best to apply change management in a Shared Services program will vary depending on the context of the program itself. Some differentiating aspects include:

- **The overall strategy of the Shared Services program.** The change management program will vary based on the business driver(s) for Shared Services. For example, not all Shared Services programs are driven by cost savings objectives.
- **The program's position within the overall scale of change.** Some Shared Services are implemented as standalone programs; others are coupled with larger efforts, such as organization/workforce transformation or an ERP implementation.
- **The physical location strategy for the Shared Service Center (SSC).** Considerations here include whether a greenfield or brownfield location strategy is being adopted, and whether the Shared Services organization is planned to be onshore or offshore.
- **The composition of the workforce.** Different factors come into play depending on whether the workforce will primarily consist of new hires or existing employees who transition into the Shared Services organization.
- **The scope of Shared Services.** The services provided and customers (both internal and external) served drive the governance model. Multi-function Shared Services capabilities can add complexity as well.

These elements drive the details of the change management program for Shared Services by determining what communication planning, change events, sponsorship, training and employee preparation will be needed. For example, if an ERP system is implemented in addition to Shared Services, employees will need to be trained both on the new system as well as in the new Shared Services processes. If a greenfield site is part of the overall strategy, additional work must be done to address the impact on existing jobs while building the new Shared Services organization.

Change management solution considerations

Regardless of the individualized aspects of their particular Shared Services programs, we believe that all organizations should consider a universal set of key principles, events and interfaces/dependencies when developing their overall change management solution for a Shared Services program. In the sections that follow, we touch on the important aspects in each of these three areas.

Principles

Leading practice Shared Services change management approaches will incorporate some key principles, with a heavy emphasis on communications. We describe these principles here.

Create a vision for the "global good"

The sponsorship and communication plans for Shared Services need a strong foundation, typically based on a clear definition of the purpose and benefits of Shared Services for the enterprise. Throughout the program some operating units will make a case (sometimes a strong case) to keep their functions decentralized and not move them to the Shared Services model. From the outset, messaging needs to recognize different perspectives, but at the same time emphasize that the solution needs universal involvement to benefit the organization as a whole. The program must stick to the global vision and not permit deviations from it.

Provide transparency

There is inherent sensitivity around what to communicate about Shared Services and when to communicate it. While it is important to be open and honest, organizations will want to avoid creating unnecessary anxiety about job impacts. To manage this constant communications balancing act, a plan needs to be developed to identify audiences, messages and timing throughout the project. To maintain transparency and support, there should generally be a bias towards sharing information sooner rather than later.

Expect the "valley of despair"

Employees directly impacted by or involved in the Shared Services program usually hit a "valley of despair," or low point in the change acceptance curve, at a time when the program most needs them to be engaged. A typical example occurs at the beginning of the Build phase, when employees begin to realize that the program is moving forward. Published communications about Shared Services alert employees to the fact they actually will be affected. The leaders and managers at the operating units become frustrated because they do not think their unique requirements are being met, yet they are being asked to help create the solution while simultaneously running current operations. A strong change management strategy will help the organization navigate and work through the valley of despair as expeditiously and effectively as possible.

Know what works and does not work with the organization's culture

The change management solution must take into account an organization's culture. Some cultures are more hierarchical and therefore benefit from strong leadership directives. Other cultures encourage more independence and less control. In these cases, customer teams representing the operating units can build buy-in better locally. To set the right path, the team developing the change management solution should investigate other large, scale initiatives that the organization has pursued in the past and emulate activities that have worked and avoid those that have not.

Have sponsors be very clear that there is no turning back

One of the messages that sponsors must reinforce is the organization's whole-hearted commitment to the program. This helps steer employees away from just raising issues to

realizing that they must help develop the solution. Throughout the program, challenges will arise. If sponsors deviate from their messages of commitment, the program will not be able to push the organization through these challenges.

Engage customers throughout the program

Integrating customer feedback into the Shared Services solution not only helps build buy-in but also can increase the solution's ability to meet customer expectations. Shared Services teams should integrate customer feedback in multiple aspects of the program, including process design, system design and training. Formal mechanisms for collecting and implementing customer feedback need to be part of the program.

Communicate

While change management programs can never communicate too much or too often, they certainly can communicate poorly. A thorough and flexible communications plan provides a tool to manage communications. It is important to note that "thorough" here implies that it is just as important for communication to be inbound as it is for it to be outbound for employees. The communications plan should offer multiple options for employees to communicate back to the Shared Services team.

By internalizing these fundamental principles, organizations should have an excellent starting point for developing the change management strategies that will allow them to navigate the complex terrain of the Shared Services journey.

Before beginning the Shared Services work, the team needs to understand the organization's willingness and capacity to change.

Key Events

Successful change management solutions for Shared Services programs generally are punctuated by several key events. These events are milestones for helping the team to understand the organization's ability to change, build sponsorship and buy-in, build the Shared Services organization and prepare employees both in the operating units and Shared Services organization.

Assess the organization's ability to change

The first key event is a change readiness assessment. Before beginning the Shared Services work, the team needs to understand the organization's willingness and capacity to change. Part of the assessment includes interviews and focus groups with key stakeholders. These sessions should explore past experiences with large-scale change to develop the optimal change strategy.

Conduct Customer Values and Requirements workshops

Early in the program, Customer Values and Requirements workshops should be used to engage the future customers of the Shared Services organization. These workshops have two primary intents: to involve customers in formulating a Shared Services solution that they will respect and put stock in, and to educate them on the value of the solution. A highly interactive format facilitates discussion about Shared Services, areas that may be candidates for Shared Services, the realities of the current organization, the guiding principles for Shared Services and the constructs to adopt in the operating model (for example, governance). The outcomes from the workshops feed into the design of the Shared Services organization and also embody the inclusive nature of Shared Services throughout the development effort.

Secure Shared Services leaders early

The Shared Services leaders need to participate in the Shared Service design work. Doing so, allows the organization to draw on their entrepreneurial spirit to establish a new culture of a "front-office, high-performing organization." Therefore, the organization design needs to be completed early enough to support recruiting the right talent for the leadership positions.

Leadership ownership and involvement in and of itself is critical, but in addition, their hiring also signifies to employees that the program is moving ahead and will not be postponed or tabled.

Launch a sponsorship network

To build buy-in for the program, educate the operating units about Shared Services and obtain feedback that strengthens the overall Shared Services solution, organizations should form a network of operating unit representatives to advise the program. These networks typically include a cross section of leaders within the organization who ultimately will be customers or stakeholders of the future Shared Services organization. The launch of this network is a key event in the ongoing sponsorship activities needed throughout all phases of the program.

The functional representatives can provide feedback on processes, software configuration, local legal and regulatory requirements, communications and training. They can also help transition the local operating units into the Shared Services organization during the go-live period. The network should meet monthly and have a clear set of agenda items to discuss. As there is an aspect of partnership between the Shared Services organization and the customers

it serves, it is important that the Shared Services project team demonstrates to the sponsorship network how their feedback is incorporated into the Shared Services solution.

Agree on an end-to-end training strategy

In many cases, the Shared Services employees will be new to the organization. As a result, they will need to build a variety of skills and experiences prior to go-live. A key event, therefore, is the development of a training strategy that provides a multi-faceted skill development program for all levels of employees. A good Shared Services training strategy will include orientation activities, such as visits to operating units, workshops on the unique qualities of Shared Services, process discussions to build end-to-end knowledge and systems training on any new hardware or software.

To achieve the highest possible level of readiness, participants should attend "Day-in-the-Life" training sessions. These sessions simulate a process from end-to-end using all of the relevant technology enablers. For example, a call center representative receives and logs a service request in a case management system, which is then routed to an Accounts Payable clerk. This training provides practice and reinforcement within a realistic environment. Day-in-the-Life training can greatly increase employee self-confidence, readiness and retention.

While the development of the strategy is a key event, training itself will be an ongoing need in the Shared Services organization. To meet this need, the organizational structure should include an internal capacity to train and retrain employees. Plans for building this capacity should also be captured in the strategy.

Lastly, it is important to provide training as necessary to the operating units. While Shared Services solutions generally move activities away from the operating units, there are instances where tasks are changed or even added to their scope. These employees will need to be trained on how the processes have changed as well as how to interact with the Shared Services organization. Therefore, plans for accommodating training at the operating unit level must also figure into the development of the end-to-end training strategy.

Regardless of the individualized aspects of any Shared Services program, these key events will be landmarks of all successful change management initiatives and accordingly, should be defined in advance.

Interfaces/Dependencies

Change management for a Shared Services program requires the entire implementation team to be ready and able to perform as change agents. Through requirements gathering and design and build reviews, the implementation team members are the primary interface to the future customers of the Shared Service organization. They connect with customers and then back to the change management team in four important ways.

First, they act as liaisons for user feedback.

As the team members hear about concerns or issues from users, they should play these back to the change management team. The change management team can then address these issues through the communication plan, for example.

Second, the implementation team helps provide consistent communications.

Each time operating units ask questions, the team needs to provide answers that are consistent with the communications plan and previous messaging. For those questions that have not been answered previously, the team should have a method of capturing the question, so that the program can develop a single response. The change management team should equip the Shared Services implementation team with a communication kit and feedback mechanisms to ensure consistent messaging.

Third, they educate the users.

Each point where the team members interact with potential customers is an opportunity to help build customer knowledge about the Shared Services program. The change management team can help identify opportunities such as process development sessions or user acceptance testing that can provide indirect opportunities for educating the operating units.

Lastly, they act as and support the change agents.

As the program progresses, the change management team should build additional change agents throughout the organization. For example, the sponsorship network can often help jumpstart the work needed on-site for deployment for each operating unit. The change management effort takes this a step further by identifying deployment coordinators at each unit or location to help with the transition and to support go-live. The implementation team members will interface with the change agents to communicate information related to the program and in doing so must display the new culture of service which the Shared Services organization is striving to be.

While establishing these team members as effective change agents is a key dependency for the program's success, their ability to represent the program should not be considered a given. The change management effort must provide these local change agents with tools and techniques for supporting a successful transition.

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Change management beyond the Shared Services go-live

Shared Services change management teams typically disband once the operation goes live and the Shared Services operating model is functioning. However, the very nature of Shared Services dictates that change - in the form of continuous improvement and/or the adoption of new customers or services - will be constant. Therefore, change management activities should continue under the stewardship of the leadership team within the Shared Services organization to ensure that the Shared Services organization lives up to its objectives. A number of follow-on change management activities will support the continued integration of new customers, functions, processes and technologies.

Customer visits to Shared Services Center (SSC)

An effective method for building buy-in is to bring the organizations' leaders and Shared Services customers to the SSC to see the operation in action. In doing so, the leaders get a concrete picture of how the SSC operates and build relationships with the managers at the center.

Continuous improvement activities within the Shared Services program

Thriving Shared Services operations depend on constant evolution built on new ideas that will increase efficiencies and improve customer service. To manage this ongoing change, a continuous improvement team should be embedded within the Shared Services organization. Likewise, each person in the Shared Services

organization is expected to contribute to continuous improvement activities by submitting improvement ideas and opportunities and working on teams to implement approved improvements.

Training after the go-live date

Training needs to be ongoing in the Shared Services organization. As part of the continuous improvement efforts, the staff needs continuing education. Also, new employees will need to be able to go through the same robust training program as the initial staff did during the implementation. The SSC must have a repeatable training program that can continue to develop skilled employees as the organization grows.

Ongoing change management activities

Continuous improvement within Shared Services implies continuous change. Many of the change management practices, principles, events and dependencies will need to be used again to support the integration of new processes into the Shared Services model, to support process improvement and to introduce new technologies.

Conclusion

A thorough and thoughtfully executed change management effort that incorporates the practices, key events and interfaces discussed in this document will support the adoption of Shared Services by all its stakeholders. Leaders will be better equipped to assume their day-to-day responsibilities in the Shared Services organization, their team members will be willing and able to rise to the challenges set for them and customers will be ready to partner to achieve overall success of the program. Without a doubt, change management is the key facilitator in ensuring this success.

Experience helping our clients successfully implement Shared Services programs has shown Accenture that without a thorough change management effort, the transition takes longer, adoption of Shared Services by the operating units becomes exponentially more challenging and overall, organizations experience significant difficulty in achieving the benefits of the program as quickly as planned. The end result directly impacts the organization's ability to achieve high performance. The change management work done throughout the project, then, is an investment that shows dividends when the program is implemented. When it comes to successful Shared Services programs, the journey is as important as the destination. The journey will only be successful through a well-planned and executed change management strategy.

This Point of View highlights the key considerations, principles, events, and interfaces to be aware of when designing and executing a Shared Services Change Management strategy. Accenture Shared Services professionals offer a comprehensive suite of scalable solutions for planning, building, and operating a Shared Service Center. For more information about F&PM solutions, contact:

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