The Culture of High-Performing Shared Services Organizations
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Hi. I'm Rodney Bergman, a senior executive, based out of Toronto, Canada, and I have global responsibility for our workplace effectiveness offering, with a particular focus on the shared services workforce as well as all back office workforces.

We often hear that the culture of the shared services center is unique, how so?

I think what is true to say is that the culture of high-performing shared services organizations are unique. They're unique relative to the parent organization that they're a part of, typically. They are certainly unique relative to non high-performing shared services organizations, and one is with the ability, if you like, to differentiate between those that are high-performing and those that are non. And they are very, very different and unique relative to, if you like, centralized back office type functions that we oftentimes see within shared services organizations.

Is the shared services center culture truly different from that of the organization it serves?

Shared services organizations are typically different in the nature of a culture relative to the parent that they serve. They don't have to be. A lot of it comes down to what is the strategic intent of the parent organization.

By the very nature of shared services, they are operationally excellent organizations. The parent organization may be an operational excellent organization but by definition they can also be customer intimate or product innovative in nature.

Where they are both operationally excellent, you would probably see lots of similarities in the culture. Focuses on performance. Focus on continuous improvement. Focus on abhorring waste. Etc.

However, the awesome nuances that are unique to the shared services environment and the shared services culture that I think we should probably be exploring, given that the parent organization may not have those nuances but the shared services organization will.

Is there an ideal culture for a shared services center?

I don't believe that there is anything that can be described as an ideal culture. A culture, ultimately, evolves, based on the collective experience of the leadership, to individuals that comprise the organization and the journey that they've been on, through the life cycle of that particular organization.

That said, shared services organizations typically demonstrate certain characteristics that one could characterize as being more ideal and that one would look for as rules of evidence to suggest if you truly have a shared services organization environment versus an organization that is truly a centralized model, and not necessarily exhibiting the characteristics of a shared services culture.

What are some of those characteristics?

One would definitely look for rules of evidence around certain characteristics within the culture. We would definitely like to see a bias to action amongst the folk that comprise the organization. Leadership in particular have a direct impact upon the culture of the organization, and within the leadership ranks, one would look to get a sense of entrepreneurship amongst the leaders, folks who actually have taken charge of owning the end-to-end shared services organization beyond the execution of processes which one typically associates with areas such as finance, HR, supply chain, and IT. So certainly a bias to action and entrepreneurship it would be absolutely critical at the leadership level.

In addition to that, there would be a service orientation that one would expect to see within the shared services organization. This is not necessarily a customer intimacy, per se. This is more of a service bias and the recognition that one needs to work in a partnering model with one's internal customers, sometimes known as clients of the shared services organization.

Other attributes that one would look at within the culture, would be a bias to continuous improvement, the recognition of one that abhors waste, and that one should always be continuously looking to better the service that one offers and do so at a more cost effective way for one's clients and ultimately to demonstrate the value of the organization.

So it is a culture that truly is entrepreneurial, service orientation, and value driven.

Is it possible to create, engineer a culture of high performance within a shared services center?

I believe this is the real opportunity of shared services. Shared services certainly that are created in what we call a green field environment. That is, with a new workforce and potentially a new location, can certainly be engineered. One has, if you like, a blank sheet of paper to start with, in that there is no prior biases of organization and like the bounds of the parent organization can potentially be broken down.

So, yes, one can engineer a high-performing shared services organization and the levers that one can pull relative to that include a focus on leadership, most certainly. Leadership is absolutely critical to building out the right kind of culture, the attitudes, the behaviors of leadership will permeate the organization and where they pay attention and where they put a focus in the organization, is absolutely critical as well. So, area of focus on one would be leadership.

Then it’s around the organization. We have the opportunity in a shared services organization to create something afresh, to build out a new organization structure, and that organization structure can and should be quite different from the historical functions that many people who do finance, supply chain and the
typical functions that one sees within shared services have typically worked. Structures that are more empowering. Flat organization structures. Structures with different and broader spans of control. Ones which allow job rotation and job opportunities for folks who are looking for jobs, not necessarily careers, but need to find interest in the work that they perform. And ultimately this also supports the business goals of managing peaks and valleys in different job cycles as well.

The third element would be around talent. Recognizing that the talent requirements for shared service organizations are quite unique, and if one aspires to a certain kind of culture, the talent acquisition requirements will be unique for the shared services and then certainly as one then develops talent, there's an opportunity to engineer the career experiences, the learning experiences of folks within shared services through training programs, job rotation and the like, and certainly a coaching model which would be par for the course within a shared services organization.

So truly the third element of talent is an end-to-end view of how one can develop and then ultimately deploy folk within a shared services organization model and culture is the last element of, if you like, the human capital or capabilities that we're to focus on as we engineer the shared services organization. The recognition of the types of behavior sets that one expects to see, the creation of stories and experiences within the shared services organization over time will create a self-fulfilling prophecy in terms of what kind of culture that one wants to create.

And in the end, if one pulls these levers appropriately and one can potentially orchestrate a culture of high performance, if one focuses on the kinds of goals that I mentioned previously and the uniquenesses that one expects to see within a shared services organization.

Does the culture of the shared service center impact the retained organization, and if so, how?

By definition, shared services is more than just a shared service center. Shared services is an organizational model that includes both the shared service center and what we sometimes call as the retained part of the organization so within a function such as finance, one could have a shared service center but one certainly has a retained finance organization. The model should be seen in totality rather than just the one or the other.

The center itself needs to be created as a high-performing organization and the culture would be specific to a high-performing shared services center. The nature of the work that gets performed there will be different. One would have removed, if you like, certain transactional type of processes and today a lot more of the higher order processes as well from the remit of the folks in the retained organization or the parent organization, and along with the nature of work that is going to be different, the focus and the type of value that they bring to their internal customers will be different as well.

So, yes, in the end, their culture changes. Their culture shifts from one of fulfillment of a breadth of functions to much more of a focus on being a value added business partner type of role and that may ultimately change the culture of that part of the organization as well, over time.

Note: This is not a verbatim transcript of the video.
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