

Achieving a successful outcome with shared services



AMTEC Consulting, working as a client-side advisor, has identified the following critical factors that will significantly contribute to the successful implementation of shared service centres.

Defining the benefits

The business case must be rigorous in identifying clearly achievable efficiencies and/or service improvements – resulting in real benefits to the organisation.

Achieving economies of scale

For routine, high-volume transactions, the benefits lie in economies of scale and the ability to support future business requirements.

Adding value

Asset-specific services require judicious use of the partnership model (rather than the much simpler customer/supplier model). The benefit lies not in economies of scale, but added value such as:

- specialised / tailored services,
- strategic relationships,
- continuing development,
- solution evolution.

Focusing on governance

Harmonisation of services requires a clearly defined customer/supplier relationship and good family governance. Difficulties can be experienced when retrospectively adapting a core-designed service for non-core customers (i.e. family members). Care must also be taken to enable family members and other potential customers to influence the strategy and blueprint of the SSC. This requires trust and commitment on both sides:

- parent must demonstrate commitment and ability of family to negotiate and influence,
- family members must demonstrate a constructive and engaging mindset to negotiate successful accession.

Balancing services

Finding the right balance of commodity and asset-specific services is a challenging task and critical to success. The current slow uptake of SSC places departments in a position to exploit the opportunities, but leaving it too long will significantly reduce the number of options available.

Share and share alike: AMTEC adds voice to MCA report*

Selected findings:

- 59% feel the idea behind shared services is a good one,
- 45% of respondents are actively involved in shared services discussions and/or implementation,
- 53% agree that implementing a shared services strategy will be difficult,
- 77% expect shared services will cut costs,
- 65% see lack of leadership as a problem in implementing shared services,
- 48% expect shared services to present new opportunities for promotion of their staff.

* MCA Survey of 300 civil servants and 100 consultants – October 2006

Considering practical issues, risks and value for money from shared service options

Selecting appropriate services

Services appropriate for SSC delivery must be carefully selected and not just from the ‘usual suspects’, such as HR, finance, estates and IT. There is no definitive unvarying specification of what is appropriate – it depends on the circumstances. For outsourcing, the rule is always non-core versus core business activities and this can guide the selection by considering the ‘distance’ of a particular activity from the central core. Note that the answer will be different for different customers of the same SSC.

Establishing an effective project management team

A team with the required expertise is essential for effective delivery of the SSC. Constraints on scope, funding and location etc., must be determined; stakeholders properly identified and engaged; and requirements (including soft and ‘political’ imperatives) fully investigated and agreed.



Making shared services work at flagship environmental agency

During the creation of Natural England, AMTEC Consulting was asked to evaluate the options in relation to the new agency’s adoption of Defra’s Shared Services Organisation (SSO).

Shared services framework

Scope	AMTEC services
Strategy	<ul style="list-style-type: none"> • shared services strategy • strategic options appraisal • business case and feasibility studies • governance arrangements
Implementation	<ul style="list-style-type: none"> • transition management • contract negotiation and accession • service level agreements • change management • programme management
Assurance	<ul style="list-style-type: none"> • contract management • post implementation review • benefits realisation

About Natural England

Lord Haskin’s report on rural delivery heralded the formation of Natural England, a non-departmental government body bringing together English Nature, the Countryside Agency and the Rural Development Service. Natural England is here to conserve and enhance the natural environment, for its intrinsic value, the wellbeing and enjoyment of people and the economic prosperity that it brings.

The approach

During the two-year merger programme, the Executive Board considered how best to provide finance and procurement functions to support its new mission. One of the key strategic options available to Natural England was the adoption of Defra’s SSO. AMTEC Consulting’s team carried out a strategic options study to appraise the Board of the practicality, risks and value-for-money of each option.

The scope of the project covered procurement, finance, HR, payroll and pensions.

The outcome

Following the study, the organisation determined that adopting the Defra SSO was its preferred route.

AMTEC’s project management support helped Natural England to initiate the implementation phase of the project, including: setting up the project and the governance structure with the SSO; project plans, risks and issues; and contingency planning.

Implementation support helped to migrate the current finance and procurement functions to the SSO. The support covered the Chart of Accounts, management reporting requirements, infrastructure requirements and considerations, setup and configuration, data migration, testing, training and issue resolution.

Call our Shared Services Consulting Team on 01252 737866 u