

Corporate - The corporate team drives specific services that are used across the enterprise but only so far as to satisfy the corporate function. Examples of a corporate shared service include financial or compliance reporting.

Divisional - Divisions operate a common model with their subsidiaries but operate autonomously from other parts of the organisation. Collaboration with other division(s) is more ad-hoc than formalised.

Federated - Leveraging core services across multiple domains without the direct ownership of the infrastructure. Example of a federated service would be email.

Mandated - The mandated model in a multi-division organisation is fraught with risk. This is taking the drive for standardisation to the extreme. It is unlikely that two businesses operate successfully under the same business process model and driving this through will result in a broken business. It is likely that desktop standards could be mandated, but this would not be a successful approach for critical business applications.

Enterprise / Hybrid - The corporate team drives the technology roadmap and owns the contracts, in consultation with the divisions. There is a great deal of collaboration between the corporate and divisional teams, even though they may not have shared reporting lines for the teams. Adoption rate of the enterprise driven services will vary across each division, being driven by the need to adopt due to expiring services. Where required, the model allows for divisions or units to run with their own point solutions. Some functional services will be managed by corporate IT to help drive the success of the services. These corporate services could include architecture, support, information security and financial management.

So why Bother?

The motivation for shared services will vary although a common factor is to improve operational capability through more effective application of resources. In other words, as a starting point doing better with what we have. Part of this model will also include restructuring of teams to better support the future state.

- Effective use of headcount
- Moving teams from generalist to specialist roles
- Better use of budgets
- Reduced operational complexity
- Minimise technical debt
- Creating a scalable environment
- Enhancing M&A capability
- Establishment of operating standards
- Leveraging of best practice

With a clear understanding of the direction of the business and an understanding of the target model it is then possible to move forward, creating a scalable architecture that lends itself to being adaptable to the varying business demands and underpins the future success.

Shared Service Areas

Although much of this article is focused on technology and IT, shared services are a model for repeated functions across the business. In addition to IT other functions such as HR, Trade Compliance, Finance, Facilities, Legal, Supply Chain and Sourcing all offer opportunity for optimising delivery of their services through a shared service model. The key is not to treat each of these in isolation, but understand their mutual touch points and create efficiencies that benefit all.

The Future is Bright

Although there is no "one size fits all" solution, the implemented model will follow a familiar pattern. Driven by a core architecture and data model that pins together a hybrid service model. A flexible and adaptable, using data to drive decisions, enabling business to grow and flex in the manner that suits each business in the organisation.

A high level view of a hybrid service model, featuring shared as well as localised and outsourced services.

Getting there requires leadership support as well as engagement by all stakeholders. Collaboration and trust between the divisions, shared services and the corporation to devise, agree and follow the roadmap. As anyone can tell you before you start, just the thought of change will surface resistance. It will take courage and fortitude to meet the challenges, supported by an organisational change model to ensure engagement at all levels.

The result will be a technology rich environment that works alongside the business working to deliver a shared services for shared success. The benefits are a leaner, more agile business which engages with its technology partners and is better able to serve its customers.