

SSON's State of the Shared Services & Outsourcing Industry Global Market Report 2022

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Introduction

Have we had *another* unanticipated year behind us?
Sure.

Is there more to come?
Probably.

That's why staying on top of shifts in the shared services market is key. As we do every year, SSON has again surveyed global SSO and GBS practitioners (there are more than 10,000 SSO/GBS/service delivery centers around the world according to **SSON Analytics data**) to find out how shared services organizations (SSOs) are transforming to meet the challenges of the moment.

To make these insights easy to review, this report is split into five sections:

- Operating model
- Workforce strategy
- Process performance
- Automation
- Data digitization

The report provides real time insights into where you and your peers find yourself in 2022. Insights that will influence how your operation and your team will evolve in the near future.

If we were to coin a *word of the year* for 2022, it would be *Ambitious*. Because today, there is no real limit to what shared services can do and how far its influence can extend across an organization. What's key is leadership: A vision, and the influence to put that vision into practice. That's the real limitation.

SSON is here to help, support – and cheer you on. A like-minded forum of peers will offer encouragement where internally you may face resistance. So, I want to remind you that our global SSON team is here for you. The **SSON website** offers plenty of resources ranging from specialized reports and white papers to case studies and webinars; **SSON Analytics** tracks and shares all the data you need to benchmark and measure you own operations; and in response to market demand for skills training we are offering access to an industry-leading **GBS certification program**. This year, we will also be adding data-based **problem-solving reports** and **peer-to-peer networking** opportunities. Please watch this space!

I wish you continued success.

Barbara Hodge

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Shared Services Ambitions Continue

As shared services executives face up to a new year, there is a lot to reconsider. Given the pandemic has been a fact of life for nearly 24 months, business-as-usual now incorporates many of the *automated*, *future of work* and *remote work* elements that were considered downright futuristic not so long ago. But shared services' ambitions are stretching a lot further than that.

What is clear is that the shared services model has not only proven itself but has ratcheted up in terms of its *recognized* value-add for global enterprises. The standardized approach to global service delivery, emphasis on transparency and like-for-like comparison, and continuous drive towards efficiency turned out to be just what organizations needed to stabilize themselves during the pandemic. As a result, our data confirms that shared services didn't just *retain* its scope of work but *expanded* it¹ as a result of COVID19; that shared services' productivity actually *increased*²; and that SSO executives were quick to grasp the imperative of digitization and automation.

“

Business-as-usual now incorporates many of the automated, future of work and remote work elements that were considered downright futuristic not so long ago.”

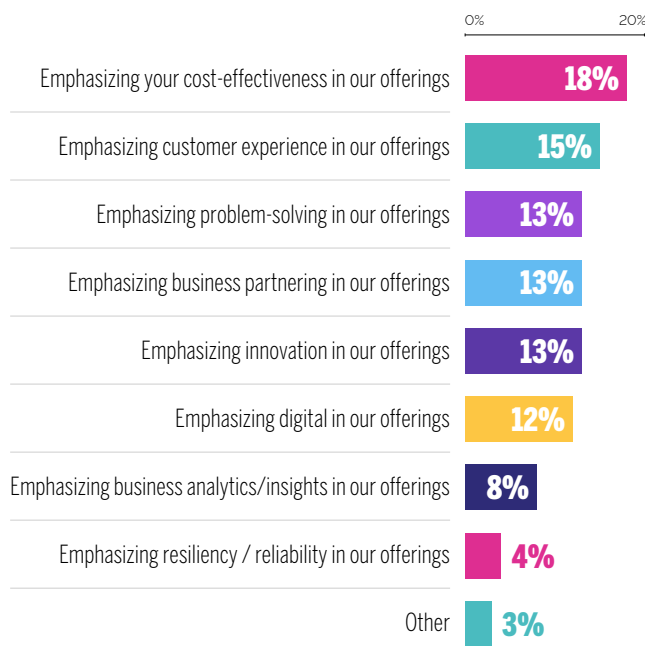
As we look ahead, we see shared services more strongly embedded in the corporate infrastructure than ever; a continuation of process efficiency mandates; customer-centric service delivery extending from the back- to the front office; and efforts to integrate the “long tail” or last mile of process activity to take advantage of additional gains.

We also clearly see the priorities for shared services executives, namely, to get the most out of new **automation platforms**; to ensure **data digitization** underpins seamless operating models; and to rethink these models for the **digital age**. One in four SSOs are today more aware of **culture** and **branding** as a means of presenting shared services not just as a valued partner in the enterprise but also as a solid career option. To ensure this is communicated, executives are emphasizing the cost effectiveness of their operations, as well as their capabilities around customer experience, innovation, and problem-solving. **New naming strategies** are reaching beyond “shared services” as more and more organizations are incorporating the words *intelligent business services and/or solutions*, *integrated business services and/or solutions*, and using the word *global* for its full effect – all to drive home the point that shared services is a critical and smart business enabler.

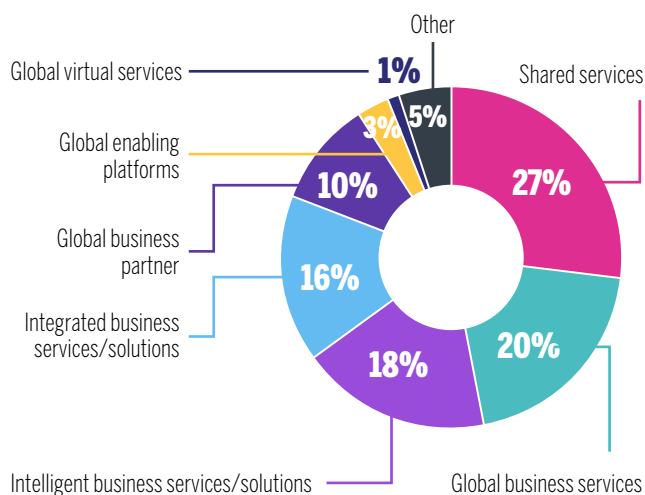
Footnote: 1. [COVID-19 Impact on Global Service Delivery Models – “Reality Bites”](#). 2. [One Year In: Did COVID19 Stop SSO/GBS Evolution?](#)

Shared services' ambitions are stretching a lot further."

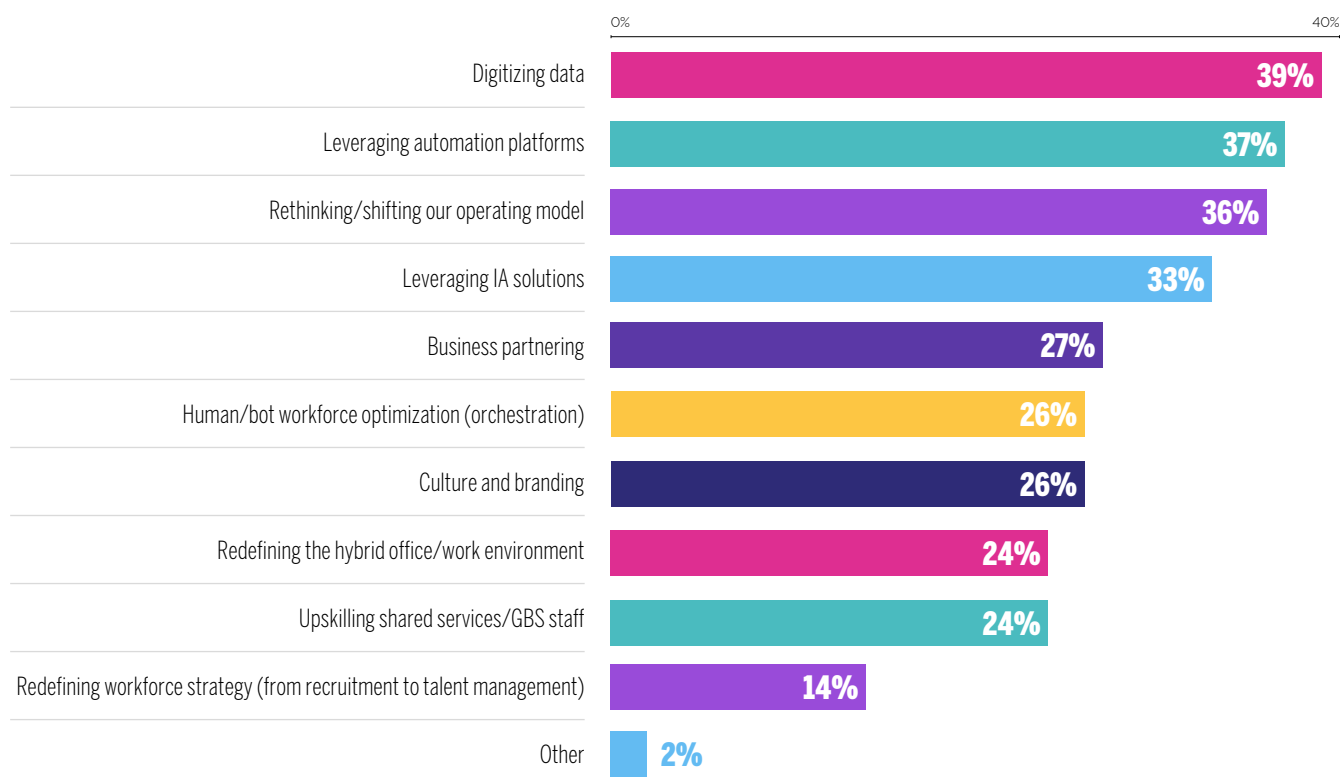
How are you branding your shared services/
GBS operation internally today?



What statement most closely reflects
your naming strategy?



What are your top 3 objectives this year?



#1

Service Delivery & Operating Model Transformation





in

How to Get to Integrated Business Services

Krishna Nacha *Head of Global Business Services & Enterprise Transformation, Wipro*

The shared services model has been consistently moving towards global business services. SSON Analytics' data shows an increased momentum with more than three-quarters of respondents to the 2022 survey reiterating this commitment and focus to the model.

Over the last year, we have seen businesses take a leap into digital transformation and embracing opportunities to deliver more value. We also saw the pandemic redefine the GBS organization into an enterprise backbone that not only delivers a range of support functions but also helps them achieve higher levels of visibility, agility, productivity, and end-customer connectivity.

There's no looking back. Organizations are taking the lessons learned from the pandemic to reimagine business operations and performance. This has put technology and digitization at the center stage of GBS operations in terms of supporting a digital-first model and integrating a globally distributed workforce.

Digitization moves fast – this has both *complicated* existing ways of working and presented *opportunities* to deliver more value. In addition, the pandemic tested GBS organizations' ability to pivot to a remote operating environment. Expectations continue to rise – stakeholders expect greater efficiency and continuously improving service effectiveness. To that end, GBS organizations are relying on technology to streamline processes, and automation to accelerate manual work, while introducing self-serve to enhance users' experience.

This process digitalization is flooding business functions with data.

As the engine room of service delivery, shared services have access to data that can unlock insights and drive business transformations. However, leaders need to take both an incremental as well as long-term approach for lasting benefits.

This is only the beginning of the larger leap that GBS organizations can make to take the game to the next level. A stable GBS has the ability to harmonize processes cross-functionally, create standard cross-unit business level agreements, and design golden process benchmarks – while leveraging AI and RPA to deliver true business value. For example, a global manufacturing company's EU unit may drive its order management and record-to-report differently compared to its US operations. However, both regions report to the same CXO function. Using a GBS framework, the manufacturing firm can ensure cost and process predictability for this function by leveraging economies of scale AND skill through a multi-functional, multi-locational delivery. The delivery structure morphs into a cluster

of networked centers of expertise, like a honeycombed system that drives global process harmonization.

From here, the leap to the Integrated Business Services (IBS) model becomes compelling. This next-generation model builds on the GBS framework through a range of modernized, harmonized, integrated operations as pay-per-use services to CXOs across functions, the afore mentioned distributed yet networked shared services architecture.

The IBS model delivers cross-functional services through a cluster of networked Centers of Excellence (CoE), Centers of Performance (CoP), and Centers of Scale (CoS) – incorporating best-of-breed technology, gold standard processes, operations standardization, and mechanisms for enhancing stakeholder and customer experience across the organizational value streams.

Central to this is Intelligent Automation which has the potential to become a strategic differentiator for the IBS model. Faster and cost-effective process discovery using process mining tools has accelerated the pace of Intelligent Automation. But, first, organizations need to adopt a harmonized process management approach. The development of global operating models in parallel with evolving process models has resulted in smart harmonization of business functions, advanced gap analysis, and automated process — which translate into better decision-making.

The key is to lead with process level knowledge, project and transition management, and identification of automation opportunities.



Service Delivery & Operating Model Transformation

Expanding scope of work – growth priorities – moving into the front office – outsourcing – COEs – GBS model – operational footprint

The concept of centralized business support services as a delivery model has matured significantly since the late eighties. This is confirmed not just by the 10K+ centers today operating around the world, but also because SSON's latest market data indicates roughly 30% of shared services are *at least in their seventh year of operation*, although roughly half are under three years old – one in five at the planning stage. In other words plenty of growth coming down the pipeline.

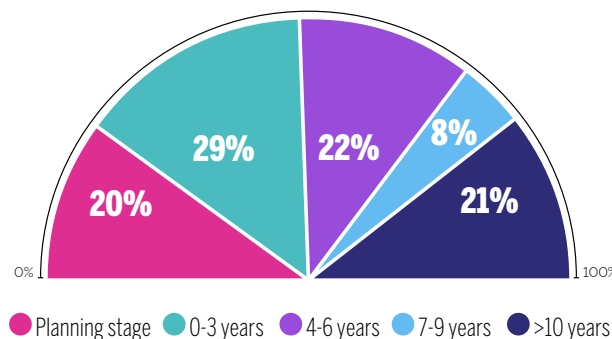
SSO leaders' reporting lines also serve as an indicator of shared services' increased maturity and value within organizations: Roughly 30% of respondents report directly into the organization's CEO, with another 30% reporting straight to the CFO. This high-level access to enterprise management is a significant indicator not just of shared services' relevance but also its potential for more strategic value-add.

Maturity tends to correlate with greater scope in terms of functions supported. The vast majority of organizations (nearly three-quarters) are committed to a multi-functional model with just 15% still exclusively operating within finance and accounting (double the 7% focused just on human resources).

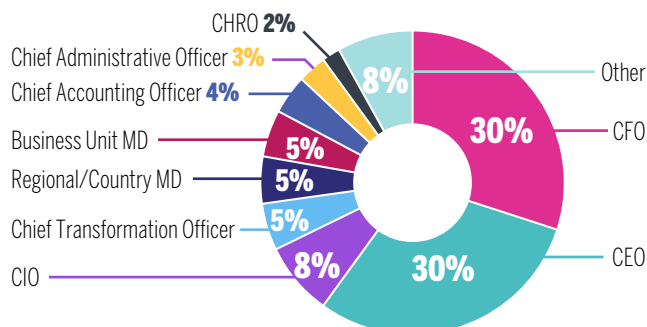
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Roughly 30% of [SSOs] report directly into the organization's CEO, with another 30% reporting straight to the CFO.”

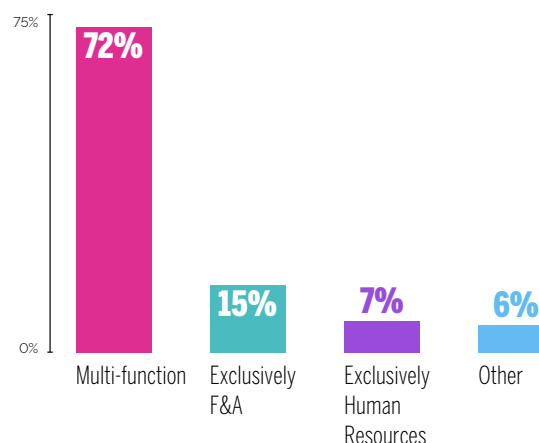
How established/mature is your SSO/GBS?



To whom does your shared services/ GBS operation report?



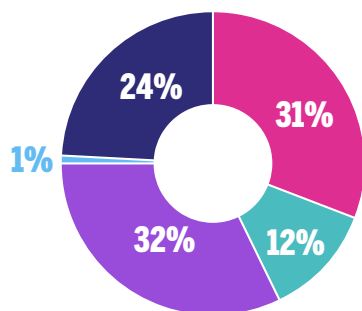
What is the scope of your SSO/GBS?



Finance processes still rank among those areas most commonly supported. Nearly half the SSOs, for example, provide procure-to-pay services; 40% offer order-to-cash; and 36% record-to-report. Payroll is offered by nearly half the SSOs surveyed. At the same time, workforce management, learning and development, onboarding, and hire-to-retire are all falling into shared services' scope of work, expanding SSO's human resource or talent management remit.

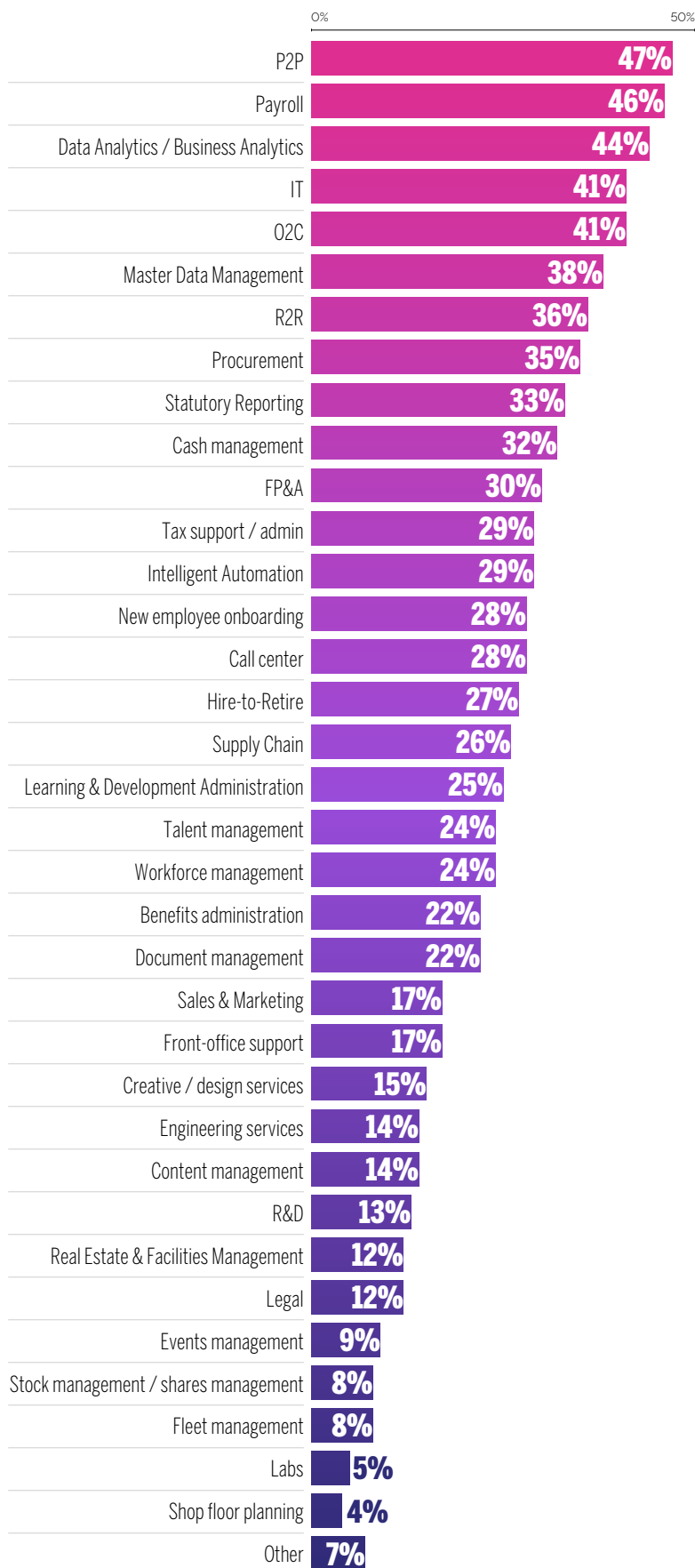
Where we are seeing a definite *new push* is in the field of 'data.' Nearly 45% of SSO's are offering data or business analytics in support of operations, and 40% are offering master data management. This underpins the significance of data in a more digitized environment, and stands in contrast to just a few years ago, when data was still relatively undervalued as an enabler.

Are you planning to expand your scope of work next year?



- Yes in terms of services
- Yes in terms of geographic reach
- Yes in terms of both services AND geographic reach
- No we are reducing services and/or geographic reach
- No, no change planned

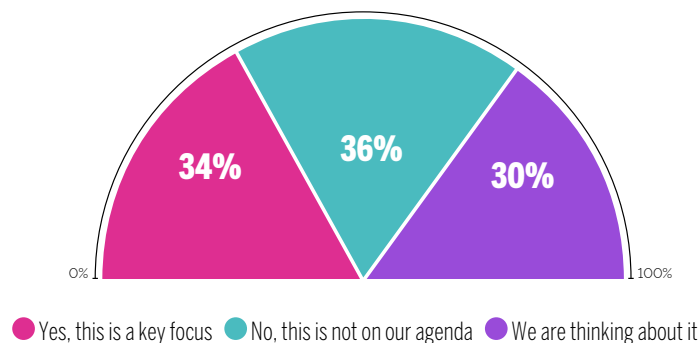
Which services does your SSC provide?



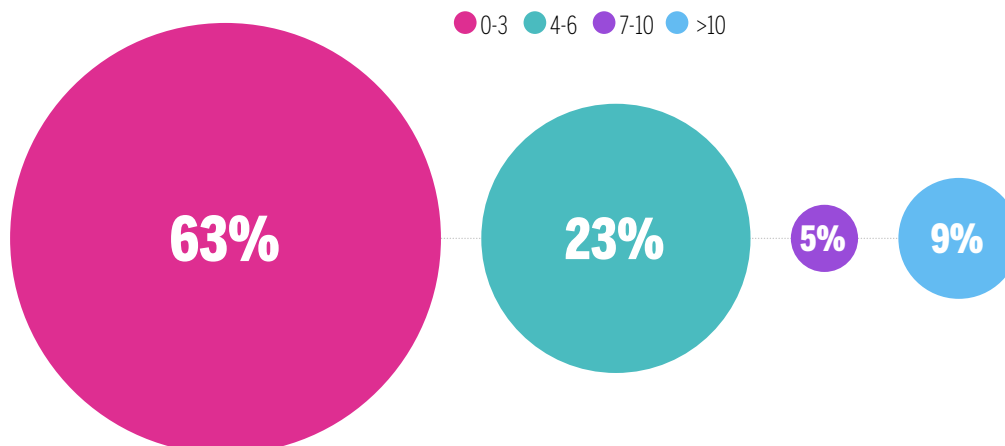
The trend towards increasing the scope of work continues. Three-quarters of shared services questioned plan to expand in terms of scope of services offered as well as geographic reach, over the course of this year, whereby extending scope of work leads. Perhaps this statement is more impressive when looked at from the other end: only one in four shared services is *not* planning to increase the scope of its operations. In addition, there is increased interest in incorporating (or integrating) not just big-ticket items like payroll (roughly half of SSOs already include payroll services) but also the long tail of process activity, be this statutory reporting (33%), which has been slowly but surely creeping up the list over the years, or tax and benefits administration. In addition, the continued push from the back office towards the front office is real. Two-thirds of respondents list this as a key focus for the year ahead and are either already implementing relevant strategies or planning for it.



To what extent is your shared services integrating / expanding its scope into the front office?



How many shared services / GBS centers does your organization run globally?



The value proposition of shared services, at its most basic, hinges on the ability to leverage capabilities and support far-flung operations from few (increasingly virtual) locations. Shared services delivery was always predicated on the opposite of co-location, so the new "remote office" *modus operandi* is simply an extension of shared services' foundation. The majority (nearly two-thirds) of SSOs are, in fact, operating with less than three global centers (see right for the most popular countries) and nearly 40% operate with a total staff – including outsourced resources – of less than 250.

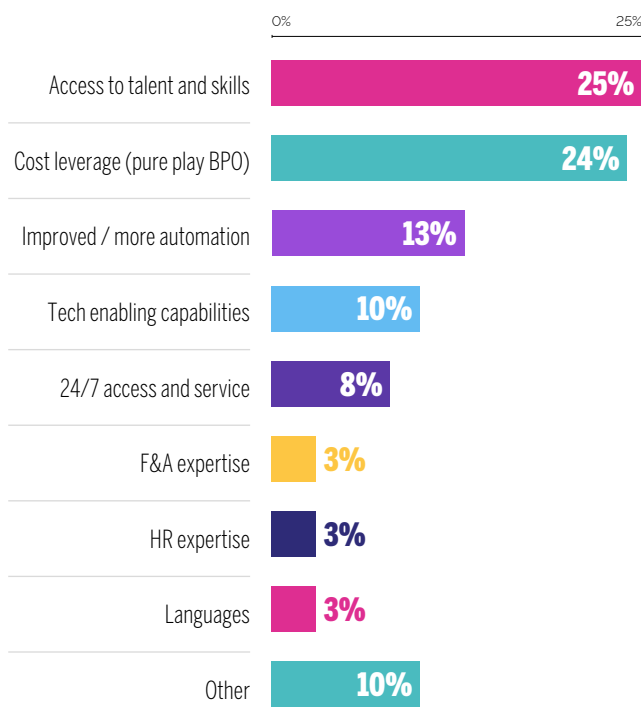
Outsourcing – driven by cost and skills considerations – remains a key plank for shared services models despite hyped-up headlines predicting the death of BPO as work is brought back inhouse through process automation. Six out of 10 shared services still rely on outsourcing as part of their service delivery model. Those that don't outsource believe they can gain better cost advantages in-house, or they are determined to build up in-house capabilities as an enterprise value driver. Many also list a concern about operational knowledge considered too sensitive to pass to third parties.

Most Popular Countries for Shared Services

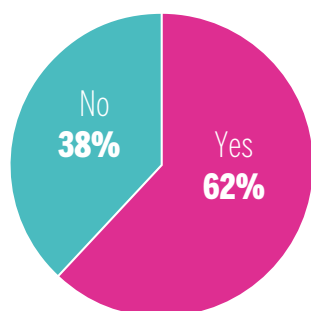
Argentina U.A.E. Canada Egypt UK
Thailand Mexico business Malaysia
United States USA UAE Poland
Hungary India Australia China
Brazil Philippines South Africa US
Singapore group Costa Rica
Manila Ireland Germany Portugal



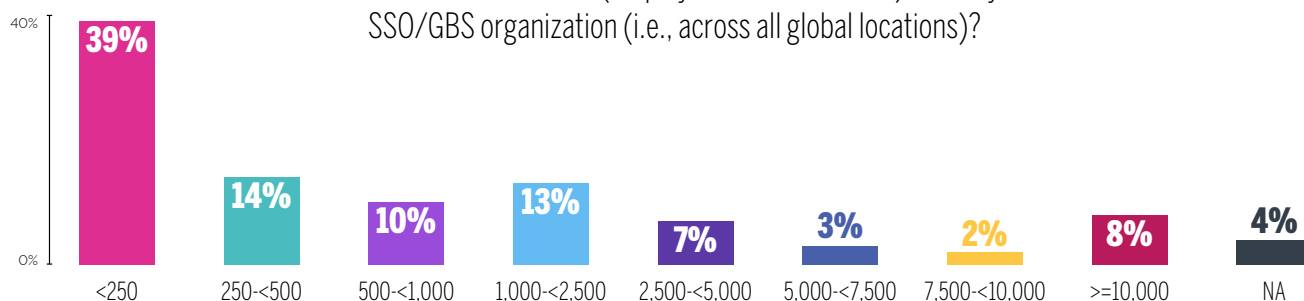
If you outsource, what is the primary benefit?



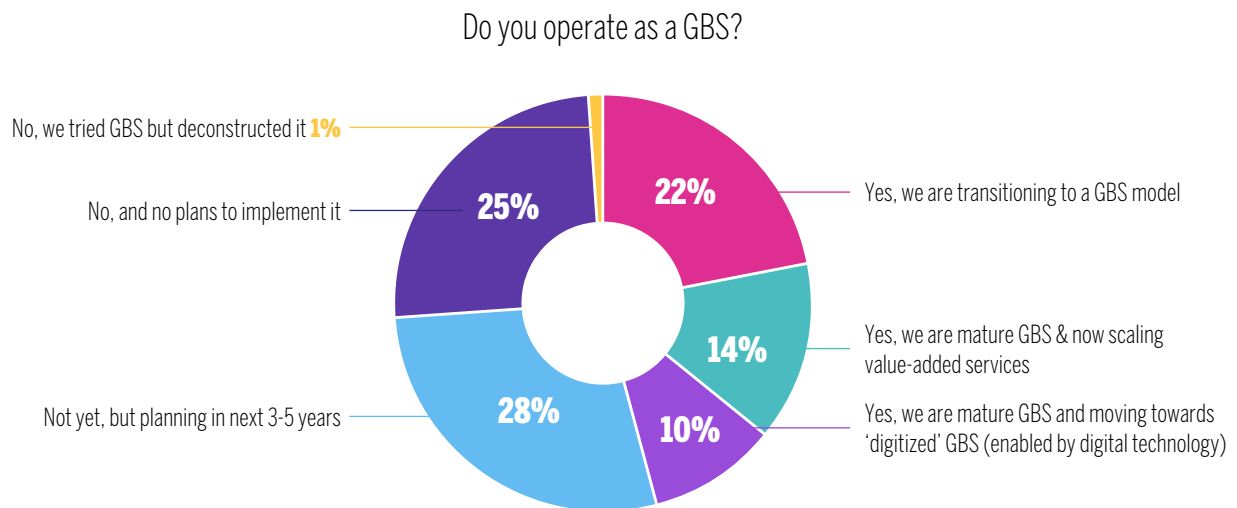
Do you outsource work?



What is the total number of staff (employed and outsourced) across your entire SSO/GBS organization (i.e., across all global locations)?



The shared services model has consistently been moving towards a more holistic version of itself. At its fruition, this takes the shape global business services (GBS) – a model generally rolling up into a single GBS leader, with standardized rules and regulations across the various centers of operation around the world. Over the past 10 years, we have seen an increased shift towards GBS and, indeed, this year's survey shows just how much progress has been made. Three-quarters of respondents are today committed to GBS, whether in transition or already there. *Of these*, a third are mature GBS – scaling or digitizing; about 30% are in the process of transitioning; and 28% are planning to transition within the next five years. However, you slice and dice it, the faith in GBS as the Holy Grail of shared services is clearly reflected in this data.



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Three-quarters of respondents are today committed to GBS, whether in transition or already there.



PROFESSIONAL GBS™ CERTIFICATION

The global shared services market is estimated to be worth USD 111.3 bn by 2025. It needs an increasing number of skilled workers to move up the ladder, which is why so many SSO professionals are becoming P-GBS Certified.

"I truly feel I have access to the most creative and advanced thinking in the world of GBS."
Ilana Vorster, Global Director, Strategy and Operations, The Estée Lauder Companies Inc.

What is a **PROFESSIONAL GBS™** Certification?

A training module that teaches critical GBS skills. With the term 'GBS' often misappropriated and the implementation thus flawed, it has led to too many sub-par executions. But, there is a right way to execute GBS as witnessed by the incredible success of many Fortune 20 companies including Procter & Gamble, where the term "GBS" was first invented 20 years ago. That best-practice GBS model has now been encapsulated into five core areas and is taught via the GBS Certification Program.

1

Foundational

GBS Overview,
Initial
Implementation
and Processes

2

Service Management

GBS Service
Fundamentals,
Design and
Strategy

3

Operations Management

Operations
Planning, Control
and Continuous
Improvement

4

Transformation & Change Management

Automation /
Digital, Opportunity
Assessment /
Future State
Definitions and
Execution

5

Leadership

GBS Operational
Leadership
and Strategy,
Continuous
Improvement and
Future Strategy

Each of the five modules comes with its own professional certification.
Completing all earns you a **Professional GBS Master Certification**.

2022 VIRTUAL COHORTS:

April 5 – May 24

APAC Cohort

GBS Expert Certification

May 12 – June 30

LATAM Cohort

GBS Master Certification

June 2 – July 26

Global Cohort

GBS Master Certification

Sept. 8 – Nov. 10

Global Cohort

GBS Master Certification



For more information or to sign up,
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sson | GLOBAL BUSINESS SERVICES TRAINING & CERTIFICATION

This program is delivered by SSON's Training Partner, Inixia, a unique advisory services firm with years of practical operational excellence in leading & developing best-in-class GBS. Founded by Filippo Passerini, P&G's Former Enterprise CIO & President of GBS, and Tony Saldanha, P&G's Former VP, Next Generation Business Services.

#2

Future of Work / Workforce





Reimagining the Employee Experience

Ben Kang *Director, Product Marketing, Employee Workflows, ServiceNow*

How are you re-imagining experiences that unite people and places?

Many employees agree the greatest benefit of hybrid work is the ability to work *when, where, and however* they want. Changing expectations around workplace flexibility means shared services organizations must provide consistent and equitable employee experiences *from anywhere*. Enabling the workforce to succeed no matter where they choose to work is crucial in today's economy where up to 40% of workers are thinking about switching jobs. These changing needs place greater reliance on your shared services team's ability to efficiently manage requests and collaborate across the entire enterprise. The ability to seamlessly connect end-to-end processes with automated workflows to boost employee engagement and productivity at scale is, therefore, fast becoming a critical differentiator.

Great employee experiences start with your shared services teams

In today's changing world of work, employees are navigating day-to-day experiences and complex journeys from anywhere. To support a modern, remote workforce, employees require consistent and standardized service experiences to maintain productivity from the office, at home, or on the go. Global shared services can be enabled with the technology and digital foundation needed to connect existing systems and processes into friction-free workflows. Shared services teams can leverage state-of-the-art technology to consolidate tools, gain end-to-end visibility, collaborate with others, and resolve requests in a unified flow with efficiency driving greater employee experiences.

Enabling global shared services or GBS with a digital foundation

Modern technology platforms can operate as the "front door" to the enterprise – a single destination that connects employees to the help, information, and tools they need to get work done. This can include streamlined access to IT, Workplace, Legal, HR, and any other departmental services. Whether employees are supporting the front line, working from home, or both – seamless self-service experiences across portal, desktop, mobile, kiosk and chat can boost employee productivity and minimize case volumes on common requests.

For example, businesses re-imagining their office space can easily support employees across the entire return to workplace journey. From verifying health status and reserving workspaces to modifying workspaces – employees can enjoy a simple, mobile-first experience across the entire journey. Employees can also search your knowledge base or chat with live agents through their preferred collaboration tool whenever high-touch assistance is needed. In addition, a single request experience on a unified portal minimizes the confusion of where and how to find help. Your shared service teams can automatically route requests to the right experts in a timely manner, and always have visibility into resolution and fulfillment activities to manage performance.

Delivering great employee experiences with operating excellence

Modern solutions like ServiceNow's Now Platform provide global shared services with a digital platform to better align business processes, consolidate systems, and connect end-to-end process flows that ultimately drive unified and modern service experiences.

With dispersed people and changing workplaces, shared visibility into cases is crucial to aligning key organizational outcomes and delivering consistent employee experiences. Provide your teams with real-time insights to measure end-to-end service performance and gain actionable improvements. Improved visibility, control, and risk management drives the operational agility needed to empower a successful workforce and letting your shared services team come out on top as heroes to your organization.



Future of Work / Workforce

Hybrid efficiencies – office space optimization – recruiting strategy – skills – workforce collaboration tools – health and wellness – diversity and inclusion

The workforce has undergone a tremendous reboot over the past two years. Not just was it forcibly relocated more or less overnight, but virtual & remote have proven themselves as effective strategies, talent is now accessible beyond the limitations of a commute, and *hybrid* is defining the new normal.

At the same time, other concerns have emerged that shared services leaders need to consider. These extend from workplace health and safety considerations to the challenges of promoting a team culture, and remote onboarding of new employees.

Anecdotally, many of SSON's global advisory board confirm their recruiting practices have loosened as a result of the remote work environment. While the survey does reflect this trend (more than a third of respondents are recruiting more regionally or globally than before), nevertheless, a larger segment indicates *no change* – and a continuation of traditional near-office recruiting strategies.

Has your recruiting strategy changed as a result of COVID-19?



We see a similar two-pronged message when it comes to office space: While more than a third of respondents indicate no change in their traditional office strategy, there is still a definite shift towards reducing shared services' real estate footprint (i.e., shrinking existing centers) as well as moving to a hub-and-spoke type of model to accommodate remote workers' need for localized office space.

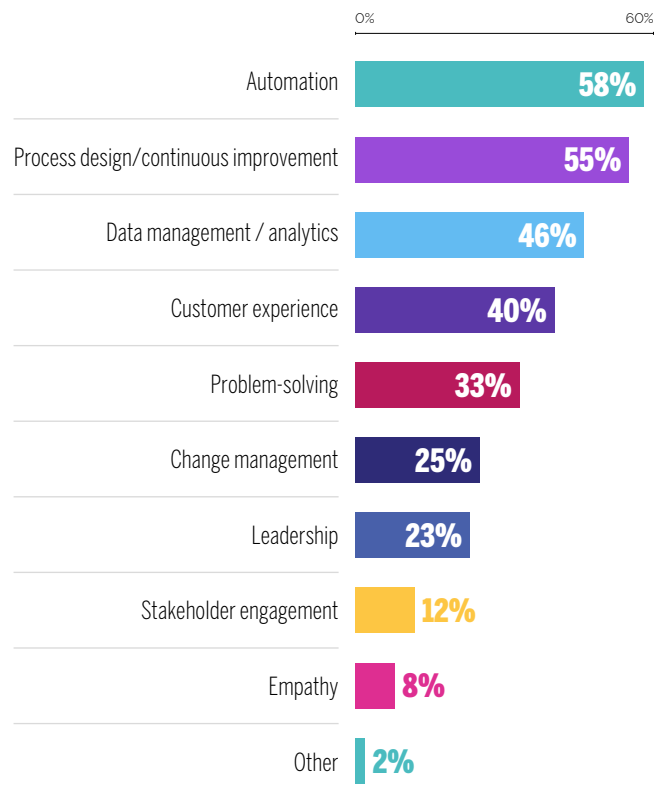
One individual, who requested anonymity, expressed it thus:

"We have reduced more than half of our physical office space while implementing work from home as a new workforce strategy."

What is consistent from last year's survey is the fact that the skill sets required by modern shared services are tending heavily towards automation, process design & improvement, and data analytics. At least half the respondents indicate that these three skills top their shopping list right now. Six in ten shared services executives cite automation as a continuing priority.

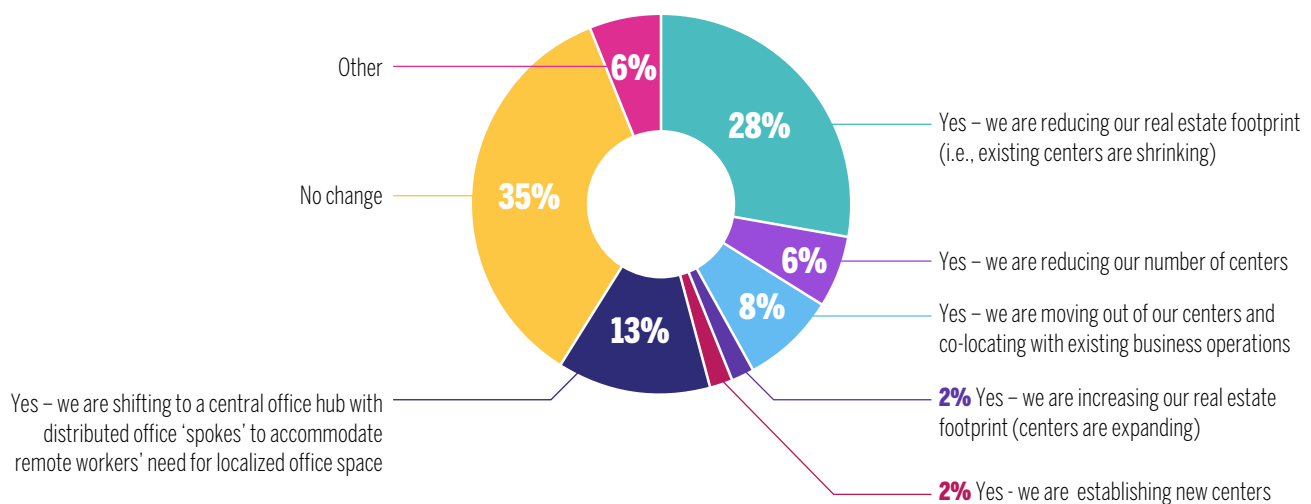
Also ranking among the top skills prioritized is the ability to offer problem-solving to business customers under pressure. This connects closely with the spotlight on data analytics, which serves to highlight trends, bottlenecks, or other factors impacting – or limiting – business operations.

What 3 skills are you prioritizing right now?



“Six in ten shared services executives cite automation as a continuing priority.”

Has the pandemic affected your office space strategy?



One of the main concerns employees are bringing to the table this year is the requirement for adequate health and wellness precautions at work, to ensure their safety. The pandemic has, at various times, instigated fear and hysteria even while governments have been at pains to initiate safe practices and force businesses into line. Reflecting ongoing concerns around health and safety (and the fact that productivity has not suffered), more than half the shared services surveyed are giving employees significant control over their own work schedules and hours – something that may soon be taken for granted. A large segment is also offering mental health and wellness support to provide much-needed reassurance in these difficult times.

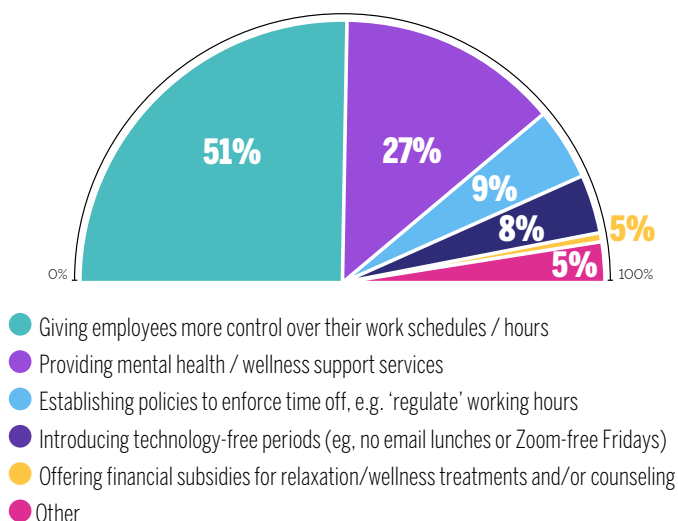
Companies have stopped short, however, of institutionalizing such policies (although French companies famously introduced “**right to disconnect**” legislation five years ago). Despite flags being raised on overtime and burnout (a Robert Half survey found 70% of employees were regularly **working on weekends**), few shared services are “enforcing” time off or insisting on technology-free periods (Zoom-free Fridays appear to have been short-lived!). Just 7% of respondents have actually implemented such changes, and, despite the intriguing headlines, financial subsidies for wellness treatments appear to offer a little more than lip service within the shared services world.



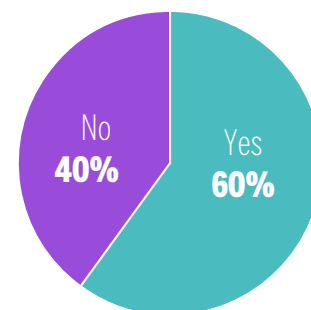
Given the importance of diversity and inclusion in global shared services, SSON has added a D&I category to the SSON Impact Awards.

**Find out more
and apply here.**

How are you tackling health and wellness concerns that have emerged over the past year?

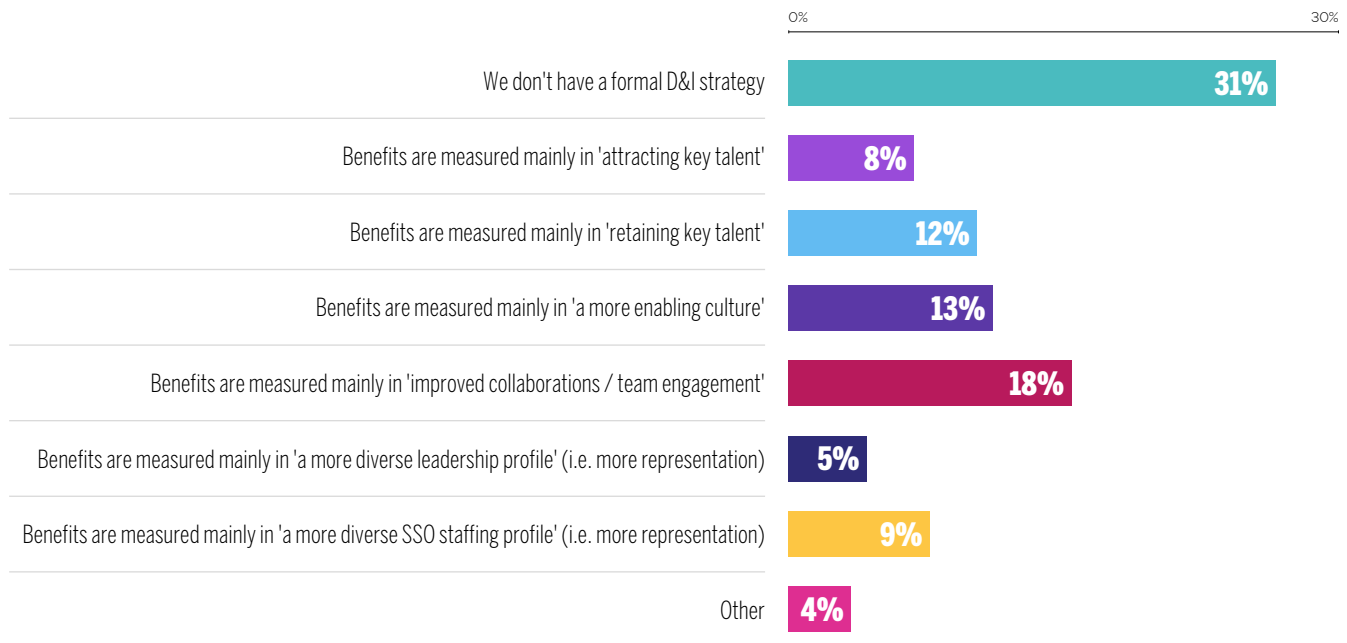


Do you have a formal Diversity and Inclusion (D&I) strategy specifically for your SSO/GBS operations?



What is picking up, though not necessarily because of the pandemic, is a commitment to diversity and inclusion (D&I) within shared services. Six of ten SSOs currently have a formal D&I strategy to guide their operations. While this reflects some of the larger shifts in society over the past years, from a business perspective the benefits of such D&I initiatives are measured predominantly in improved team engagement & collaboration, and a more supportive and enabling culture. Both translate to improved retention of key talent, which is a top priority.

How are you quantifying the impact / success of your D&I strategy?



“

Six of ten SSOs currently have a formal D&I strategy to guide their operations.

#3

Optimizing Process Performance



How Process Centers of Excellence Drive the Optimization of Process Performance

By **Eric Johnson**, CEO, Nintex

Although the push to digitally transform is nothing new for organizations, the last two years prompted a renewed focus on digital business solutions as employees adapted to working remotely while still meeting the demands of customers.

The fact that 67% of companies reported their processes either *could not support a remote work environment* or *could only partly do so*, according to the 2020 Forrester Digital Process Automation Survey – highlighted the challenge faced by many organizations as they pivoted to readjust to the new world of work.

The good news is that the absence of processes that support remote working has not necessarily been the end of the road, provided organizations make quick and decisive action to address the challenge.

On closer inspection—and with the advantage of hindsight—it has become apparent that with the creation of a *process center of excellence*, organizations have managed to successfully achieve a level of digital transformation that has corrected the declining trajectory of their business success.

Why are process centers of excellence so impactful?

Process centers of excellence are inclusive. They allow stakeholders—ranging from IT and operations to finance and change management—to join forces and focus on shared goals and objectives that extend beyond the silos of individual departments.

By driving end-to-end transformation within a collaborative environment, teams can transcend isolated processes that—at best—meet some of the department's needs, but neglect to satisfy the entire organization's requirements.

With the creation of a process center of excellence, there can be alignment between the organization's high-level, primary goals and the priorities of the whole team. This, in turn, allows teams to collaborate in new ways that reflect the more customer-centric nature of business in the emerging digital economy.

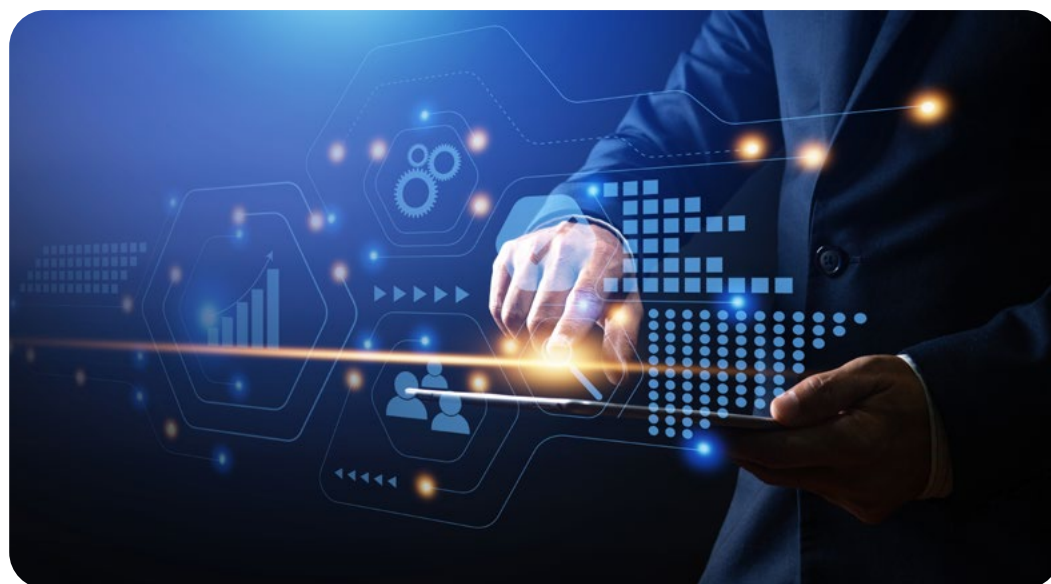
5 benefits for organizations that prioritize a process center of excellence

By working together to achieve a set of shared objectives, approaches, and processes, organizations can create an operational excellence culture that will establish the following long-lasting benefits for your business:

- Creating a widespread awareness and understanding of what can be achieved with the implementation of a process center of excellence
- Accelerating the speed with which new projects can be evaluated, mapped out, and executed
- Reducing the amount of rework and expense that inevitably arises when broken processes are cobbled together
- Optimizing change management opportunities, because common frameworks are already in place and are understood across the organization.
- Orchestrating and accelerating the digital maturity of your business to fast-track long-term innovation and change, thereby empowering your teams to keep up with constantly-evolving customer demands.

The strategic value of process centers of excellence has skyrocketed over the past year as organizations have evolved more rapidly than ever before.

With the availability of high-value capabilities, businesses can create new products and services faster, generate better customer experiences, eradicate redundant costs, and keep pace with the markets they serve.



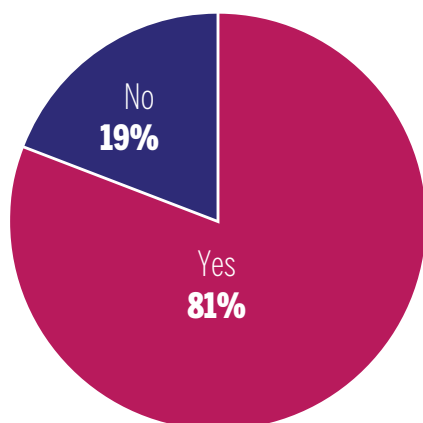
Optimizing Process Performance

Addressing E2E once and for all – pushing for GPOs – solutions we trust – process mining vs. process discovery

Process optimization remains a top priority for shared services. As a high-level strategy, this is often rolled into end-to-end (E2E) process integration objectives. As has been the case for the past few years, E2E remains a top priority for 80% of shared services. As such, E2E serves not just to *optimize* a process – i.e., by improving the various parts of the process – but at its best reflects the recognition that a process *stretches* beyond the confines of an enterprise. For example, on the one hand it depends on data that enters the organization from a customer or supplier, both of which are external; and on the other, its success is measured by the delivery of a given product or service. In other words, *process optimization* is only really effective if it positively impacts the entire process output. In some cases, this may require completely *rethinking* the process or even cutting parts of it out. This is where the improved transparency – or process *intelligence* – of process mining or process discovery has offered valuable visual insights over otherwise unrecognized blockages or hurdles (see below).

The processes in which most shared services are pushing for end-to-end improvements, unsurprisingly, reflect leading finance functions: procure-to-pay, record-to-report, and order-to-cash. Human resources processes like hire-to-retain still demonstrate more limited E2E initiatives, with just a quarter of SSOs actively pushing forward in this area.

Is end-to-end process integration a top priority for shared services this year?



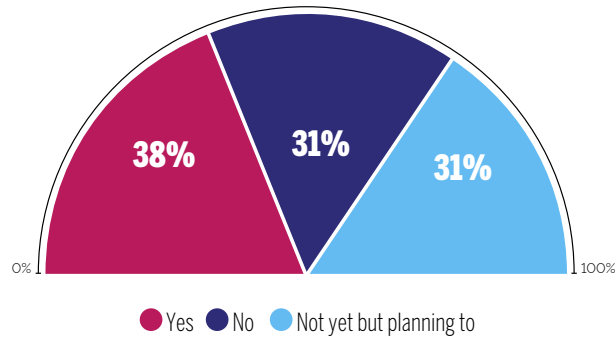
“

We are ... seeing end-to-end automation as a general “capability” recognized as a critical objective by half the organizations surveyed”.

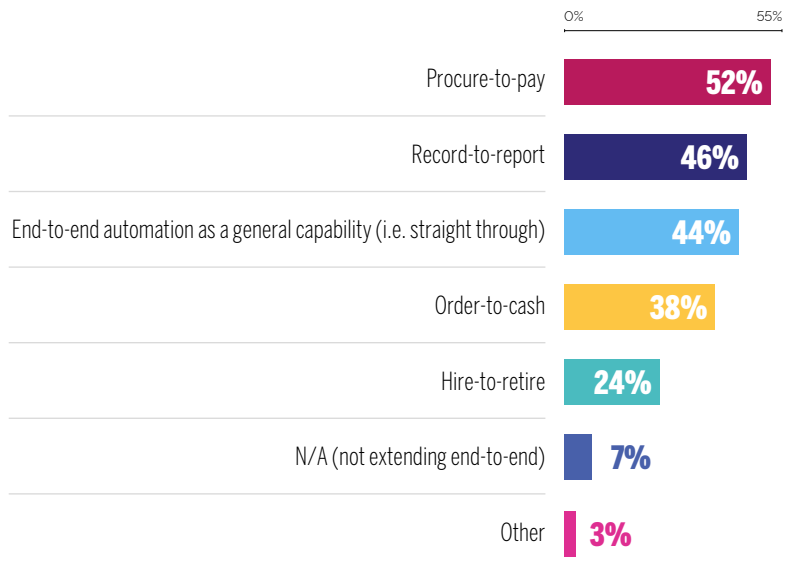
At the same time, we are also seeing end-to-end automation as a general “capability” recognized as a critical objective by half the organizations surveyed. This ties in with the continued popularity of centers of excellence, many of which are focusing on how to improve process performance: Nearly 70% of SSOs are either already operating a center of excellence or planning to do so, and most of these are focused on automation and data capabilities.

Process excellence is largely a function of robust and accountable process ownership. This message is clearly understood by shared services. Nearly half of them are already operating through global process owners (another 25% are planning to introduce GPOs soon), which implies both responsibility as well as the influence to drive change across the entire process. Shared services’ global mindset means this drive – for example towards standardization or adoption of enabling technology – is pushed out globally, overcoming local resistance.

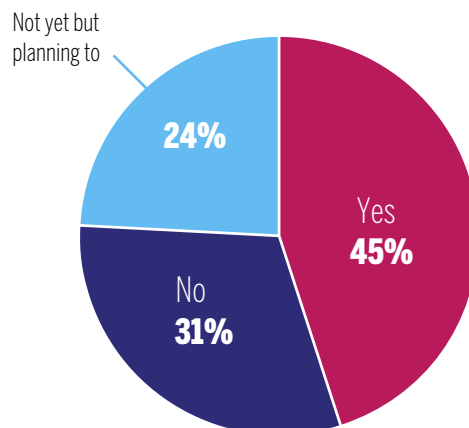
Does your shared services operate Centers of Excellence (COE)?



If you answered ‘yes’: Which processes are you focusing on?



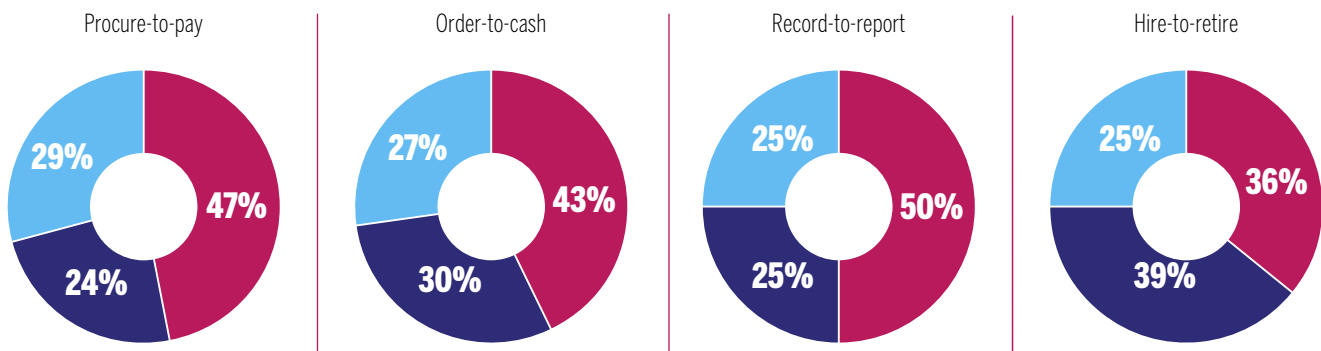
Do you operate through Global Process Owners (GPOs)?



Across the board, roughly half the SSOs surveyed leverage GPOs for core finance processes: P2P, O2C and R2R. The most common objectives for doing so, according to the survey, are cost and efficiency, of course, but also more specifically to improve cash flow/ collections and reduce fraud.

To what extent do you operate GPOs in the processes indicated below?

Yes No Not yet but planning to



GPOs are well-established as a best practice and critical enabler to shared services success. Below, some of the shared services executives surveyed share their thoughts on where they currently stand:

“We are reviewing our GBS GPO structure to improve the way GPOs work with the business and increase engagement and ownership of the transformation.”

“The GPOs for each of our Towers are positioned in the GBS Hub itself and they design and drive the global policy, process, compliance and end user training.”

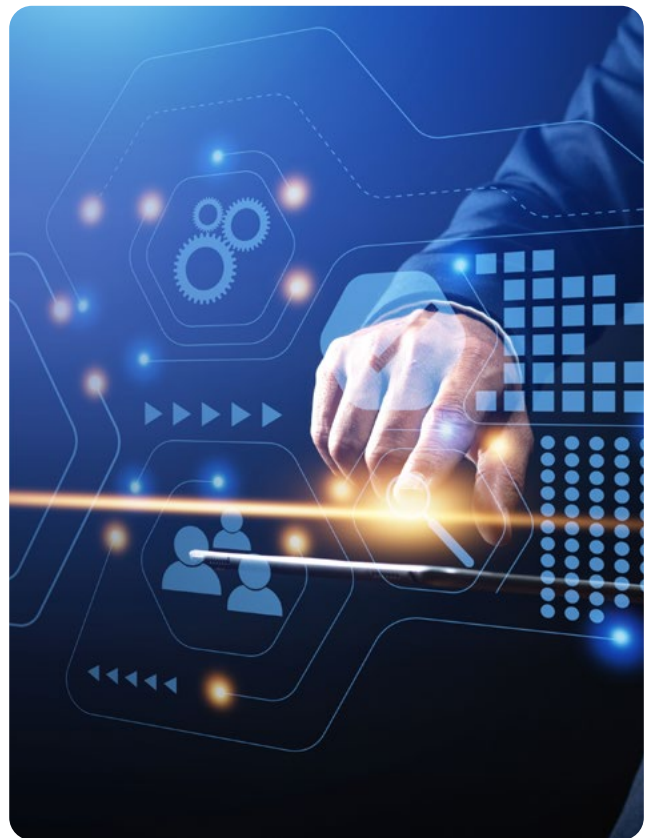
“We are currently on the path to designate global end-to-end process owners; it is difficult because those processes affect several organizational areas.”

“The GPO role is balanced with the voice of the operations team and key stakeholders. GPOs drive global standardization and key global projects.”

“Our GPOs are not truly global at the moment, but are a GPO as a small part of their actual role working in the process.”

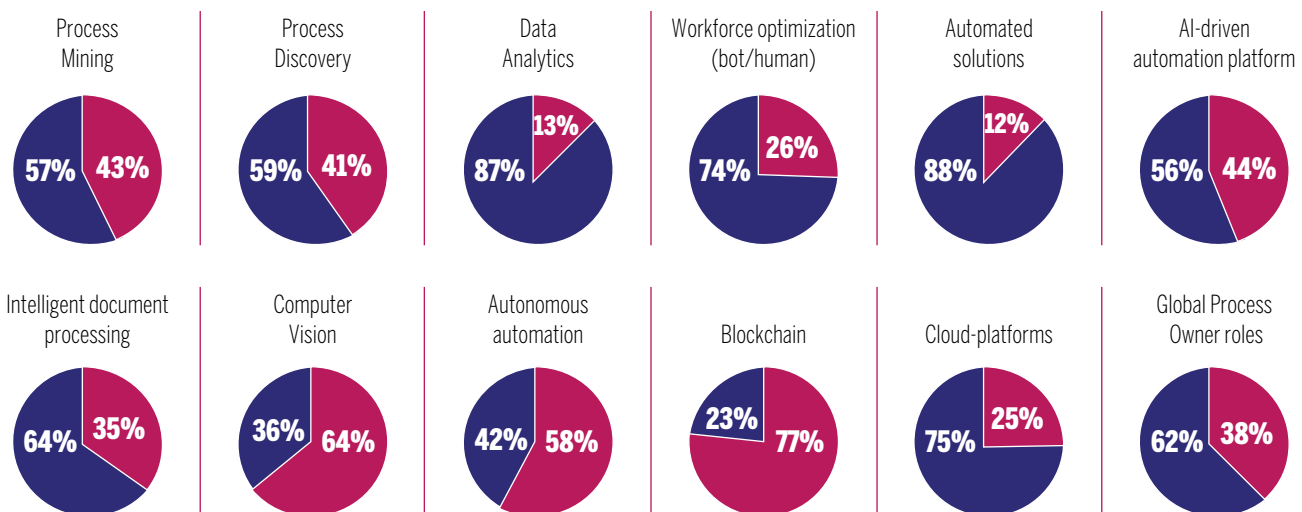
The ongoing quest for process optimization incorporates not just technology and automation but also a "new and improved" approach to the workforce itself. According to the survey, the most cited tactic in support of process optimization right now is *data analytics*. Again, this reinforces the significance of data not just in driving workflow but also in providing critical insights on process efficiency. Nearly nine out of 10 respondents indicated that **data analytics was a high priority** in their process optimization journey. The importance of this cannot be overstated. Other approaches that are key include automation solutions and the cloud, as would be expected, as well as workforce optimization initiatives that ensure the best use of the combined machine/human workforce of today.

Also in the top five list of success drivers is intelligent document processing, an approach that has garnered speed over the past 18 months with its prioritization of digitized data from the point of ingestion a key determinant of a smooth workflow.



What are some of the tools/approaches that support your process optimization efforts?

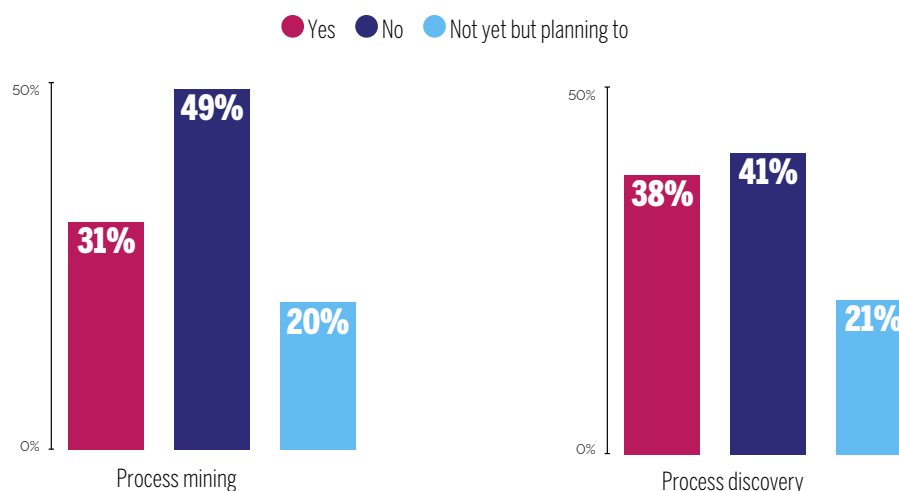
● high priority ● low priority



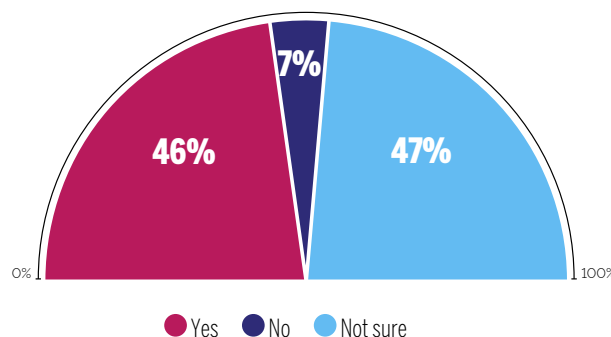
Process mining and process discovery, although growing in importance – roughly 30% of those questioned are already using process mining and 38% are using process discovery – rank behind the above listed solutions. While these percentages are still low, half of those surveyed indicate they plan to adopt process mining in the near future, and roughly 40% plan to adopt process discovery.

Both process discovery and process mining are similar in that they leverage automation technology to identify and map *as is* processes, but while process mining reflects the actual process steps based on event logs, process discovery takes a more holistic view of how work is done – including by humans, thus effectively mapping out the white space between a system and human interaction. This white space is generally not reflected in the *as is* approach of process mining. Process discovery, therefore, highlights both visible as well as “invisible” parts of a process. As a result, it implicitly holds additional promise for shared services process optimization. The data shows this message has been understood by shared services: 46% of respondents believe process discovery is a better approach to creating an automation blueprint than process mining.

To what extent are you currently using process mining or process discovery solutions to optimize automation?



Do you believe process discovery is a better approach to create an automation blueprint than process mining?



#4

Automation & Digitization





in

Core AI trends to watch out for in 2022

By **Brad Cordova**, *Founder and CEO, super.AI*



Trend 1: Commoditization of AI models and the proliferation of AI applications

The market is moving past the hype and wants business results. Today, practitioners want to know: *How is this going to affect my business?* What differentiates a model and an application? An application is ROI driven—it's about fostering collaboration between the business and the data science teams and ensuring that AI projects also have C-suite buy-in *and* are tied to concrete business outcomes. Ultimately, it's about upskilling existing data science teams so that they're really focused on business applications.



Trend 2: The Rise of AI marketplaces

GitHub has been the primary modality for launching machine learning models even though it was designed for software and not AI. Everything in GitHub was designed around code. People use GitHub to host their machine learning models because their models are built in code, so it makes sense.

But today, machine learning AI is not just coded anymore, it includes two things GitHub wasn't designed for:

- First, data. An ML model will change based on the data you provide it. So, having some kind of history of the data is essential to machine learning. Whereas code is developed from the software engineer's head, machine learning algorithms are created through data. GitHub wasn't designed with data as a core component, so it isn't accounted for in the way machine learning models need it to be.
- Second, parameters. If code is the design of how to build a human brain, the parameters and models determine how to build your exact brain. This is important because you could have the same code base which trains the model, but it can generate thousands of different parameters. A different dataset generates different parameters. That is why GitHub is not suitable for machine learning. We need a specially designed GitHub for AI, and I see that happening in 2022.



Trend 3: **AI Safety**

One of the biggest problems facing AI is safety. Can you build AI with guarantees? Can you know when it's going to work, and when it's not? Can you add AI monitoring, governance, explainability, and uncertainty estimation?

This is still a major research challenge, but our technology has over 150 quality control mechanisms to enhance AI safety and guarantee output. When you're trying to apply AI to real-world scenarios, this is one of the biggest hurdles. Fortunately, there are many ways to overcome it.



Trend 4: **Unstructured data processing**

A broad transition from structured to unstructured data processing will be a defining AI trend in 2022. Structured data processing has dominated automation, RPA, etc. However, the market is running out of room with structured data, and most data in the world is unstructured anyway. So, we'll see a rise in demand for unstructured data processing as the benefits of existing automations plateau, and organizations recognize 80-90% of their data is unstructured.



Trend 5: **Hyperautomation**

We're going to see the merging of AI with humans and RPA. For the non-coders or non-data scientists, this will result in more advanced RPA so people can further automate their own work without knowing how to code. Think about the types of tasks we can automate now and what we could do with hyperautomation. In 2019 we could automate tasks that take humans around 10 seconds to solve. Now, we will begin automating complex tasks that take humans around five minutes to solve.



Trend 6: Rise of low-code /no-code AI and AutoML

AI adoption and innovation is happening so quickly that it's creating a very big talent gap. Low-code, no code, and AutoML solve this talent gap. There's an adage that getting things done is better than getting things perfect. Low-code, no-code, and AutoML don't get to perfect, but get things done fast. It's about not letting perfection be the enemy of progress.



Trend 7: Larger and smaller models

An inevitable trend this year is the release of bigger models. I predict a 100 trillion parameter. GPT3 has already generated a massive amount of hype, and I think the next iteration will show people who aren't in the field the potential of AI and drive another massive wave of adoption. We will also see a rise in tiny AI – micro models that are running on super small IoT devices.



Trend 8: Creative AI

We're already seeing creative AI where Hollywood is using it to generate worlds and create faces with generative adversarial networks. In the recent Matrix game, the creators merged ultra-realistic 3D modeling, ultra-realistic lighting, real-time physics, and AI to demonstrate where the future of video games and film products is headed. I also think we'll see AI used to design art and food, and a lot of other creative applications that will surprise us.



What does success look like for AI projects?

Success is really about business ROI—is it making you more money or is it saving you money? It ultimately boils down to reducing expenditures or generating revenue. Or both.

Failure to gain buy-in at the executive level and a tendency to overcomplicate things by using massive, cutting-edge models when simpler (yet effective) machine learning techniques could produce similar results are the biggest stumbling blocks.

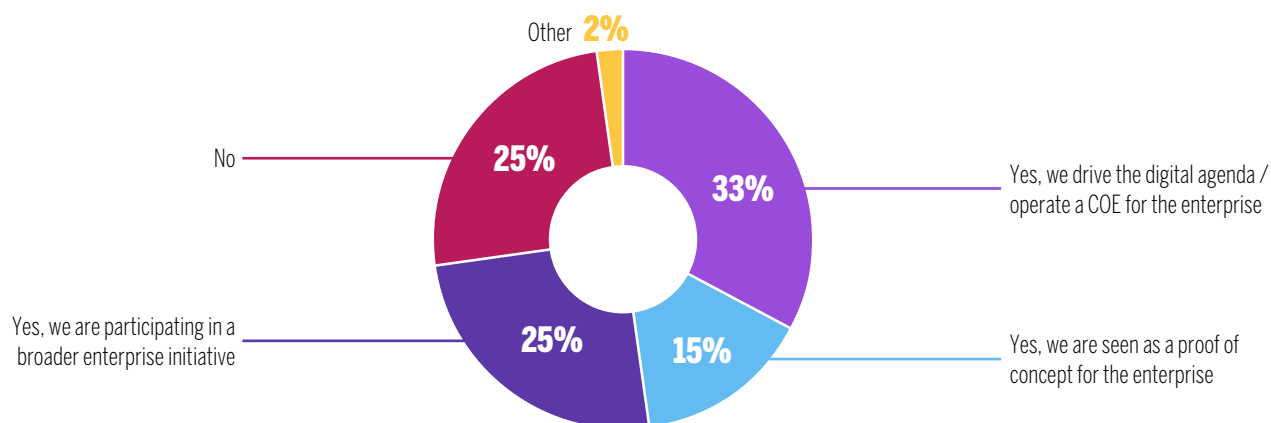
There is another class of problems around lack of resources or skills to implement AI at scale. This is why we built an entire company around solving this problem.

Automation & Digitization

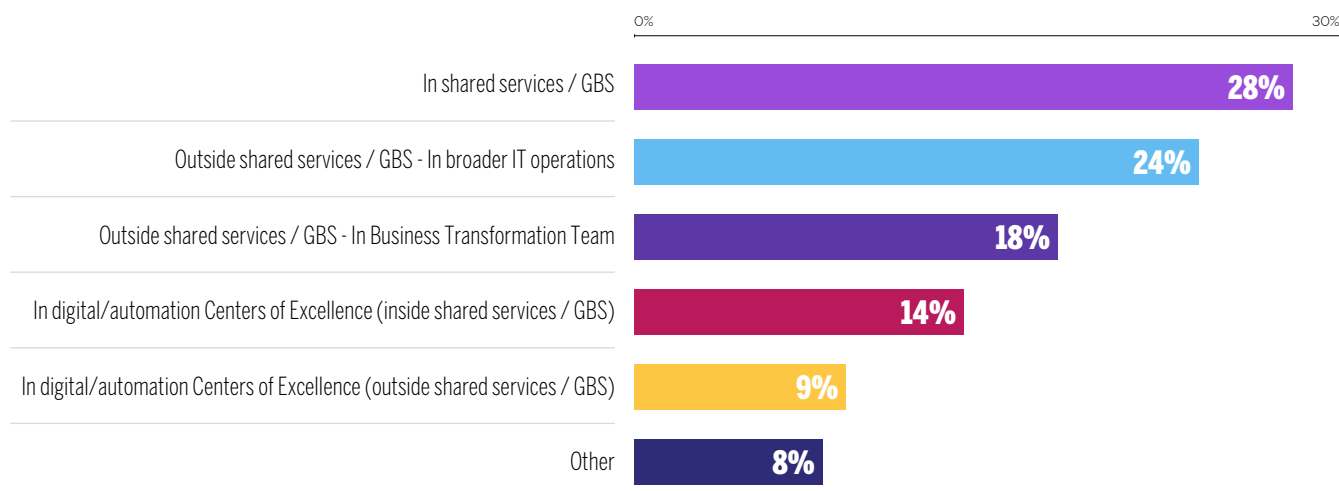
Technology landscape – enterprise digitization – IA strategy – budget and ownership – investment priority – bots & processes – adding value

Today's enterprise *modus operandi* is increasingly characterized by "digital". At its most basic, this implies digitized *data*, *processes*, and *workflows* with the objective being to remove human interruption where possible, and to ensure seamless handovers and transparency. It's a big job, and it's one that shared services seem made for. The market agrees: three-quarters of the SSOs surveyed confirm that they are actively supporting the enterprise's digitization agenda. The majority of these, in fact, are even *driving* the agenda and/or operating as a digital COE running the project. Indeed, where digital or automation-based COEs exist, these are twice as likely to be sitting inside shared services / GBS than outside. In just over a third of cases the digitization team is housed within broader IT operations or within a business transformation team.

Is shared services/GBS playing a role in supporting the enterprise's digital agenda?



Where do enterprise digitization projects reside?



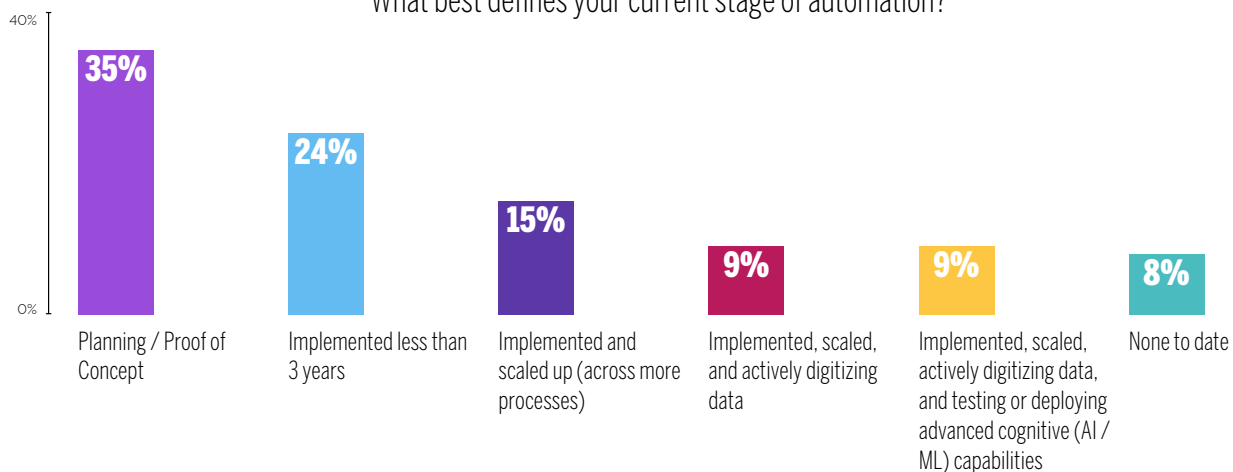
"Digital" is often used as a moniker for "process automation" and although that is only a small part of the story, process automation – for example, RPA – has been a lot easier to get our heads around than whole-scale enterprise digitization. In truth, RPA has been a favorite topic for shared services executives for nearly a decade. And certainly, the impact automation is having on typical shared services processes is significant, if not game-changing.

Each year, we ask SSOs to what extent automation has penetrated their services, and have seen year-on-year growth, often in leaps and bounds. Last year and this year seem to mark something of a high point as far as penetration is concerned: 91-95% of our survey respondents confirm their adoption of automation. And

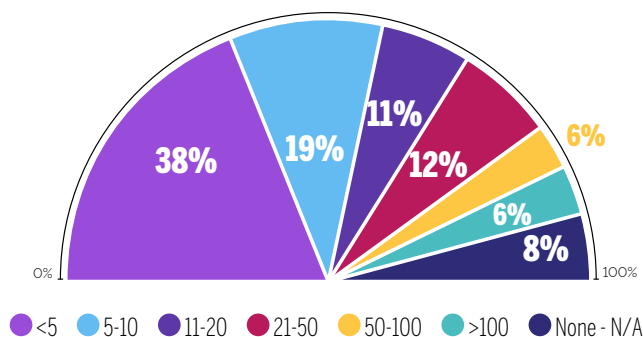
while roughly a third of SSOs are still at the planning / proof of concept stage, we see a significant segment (nearly 60%) not just having implemented automation, but also scaling across multiple processes, actively digitizing data, and deploying advanced cognitive (e.g., AI or ML) capabilities.

Drilling into the data, it's noteworthy that the *actual number of bots* deployed is still low: 57% of SSOs have five or less bots in progress, and roughly three-quarters of respondents have less than 10 bots in action. The same holds true when we look at the number of processes automated: roughly 40% of respondents have automated less than five processes to date, and 60% less than 10.

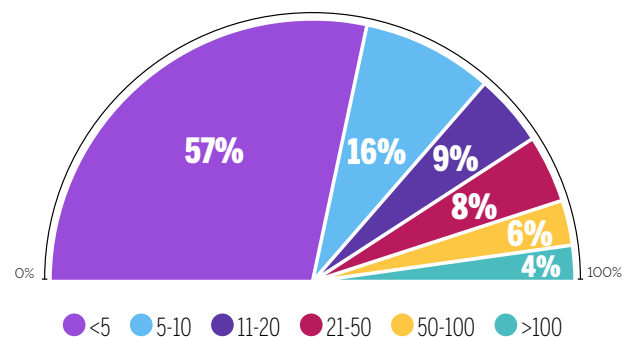
What best defines your current stage of automation?



How many processes have you automated to date?



How many bots have you implemented to date?



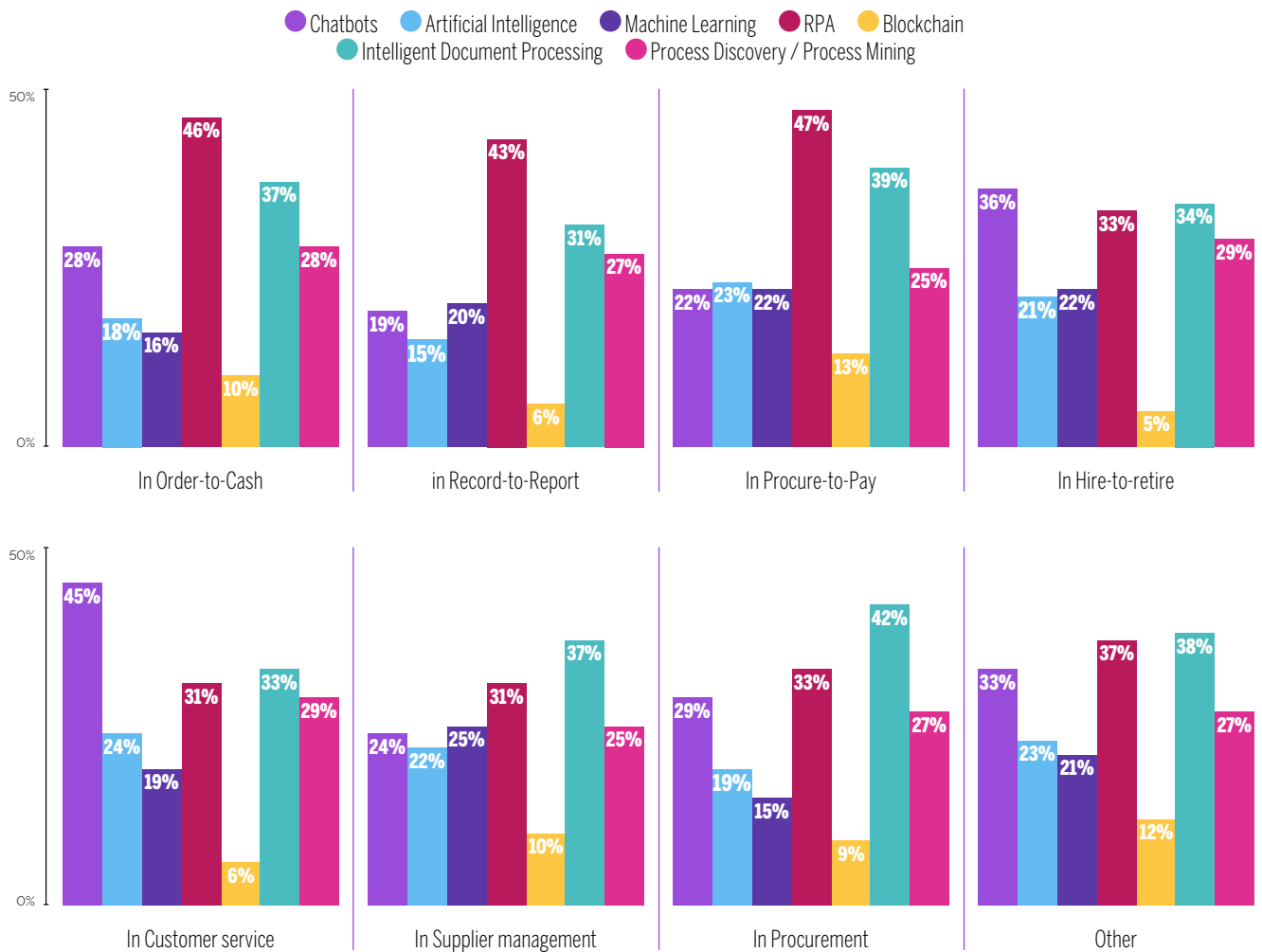
It's also interesting to note the diverging trends in terms of which solutions are being applied to specific processes. In customer service, for example, we see a much higher penetration of chatbots than across other processes (only hire-to-retire comes close, given that employee engagement to some extent mirrors customer engagement); robotic process automation leads the charge in most transactional activities (namely core finance processes); and process discovery is used more in customer service, where inefficiencies would have a detrimental impact on growth.

Intelligent document processing (IDP), founded on the principle of digitizing data at the point of entry, is significant in procurement and supplier management, where its underlying premise of maintaining continuous document flow through digitized, structured data is key.

Artificial intelligence has led most of the forum gossip over the past year and, indeed, the survey shows significant adoption of AI across processes where *knowing your counterpart* (e.g., the customer or supplier) drives significantly improved results. Thus: customer service and supply chain management.

The real question, of course, is to what extent this "digitized" approach is paying off? In terms of returns, practitioners point to procure-to-pay and customer service as having clocked the greatest gains. This is likely the result of automation's impact on transactions processing, where RPA connects multiple systems and improves straight through processing, as well as the improved transparency and responsiveness resulting from automated activity.

To what extent are you using the following solutions to some degree?



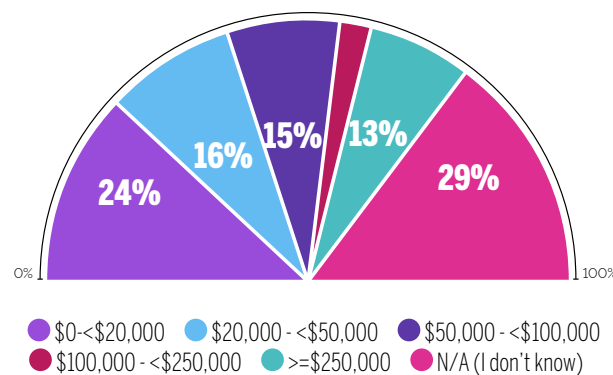
The average cost saving for the highest performing automated process, according to survey respondents, varies. At the top of the list, 13% say they have achieved more than \$250,000 in cost savings, and for just a quarter of respondents the wins are less than \$20,000. Roughly 30% of SSOs achieve cost savings of somewhere between \$20-\$100,000 for their most successful automated processes.

When we pivot the question to FTE hours saved per month, again for the highest performing automated process, while roughly a quarter of SSOs indicate savings of less than 30 hours, 40% indicate anywhere between 30 to 120 hours saved per month. Again, a small but significant percentage – 13% – has realized savings of more than 120 hours per month.

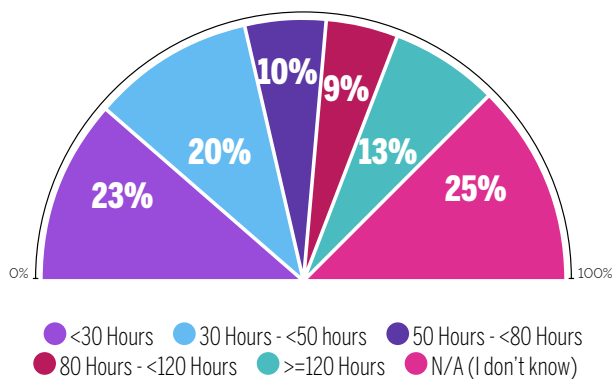
For more benchmark data on automation, like cost savings per year and improvement in error rate, SSON Analytics' Metric Benchmarker has you covered.



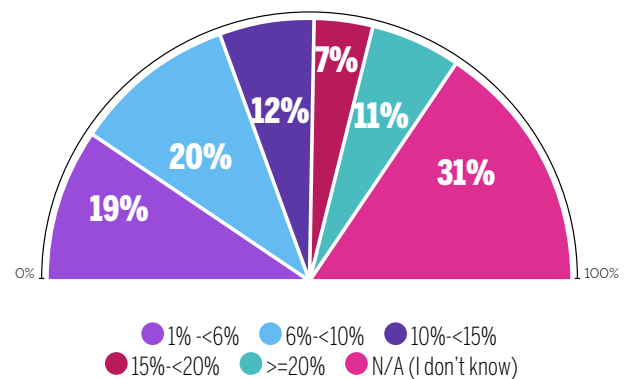
What is your average cost savings for the highest performing automated process?



What is the average savings in FTE hours per month for the highest performing automated process?



What is your average improvement in error rate for the highest performing automated process?



“

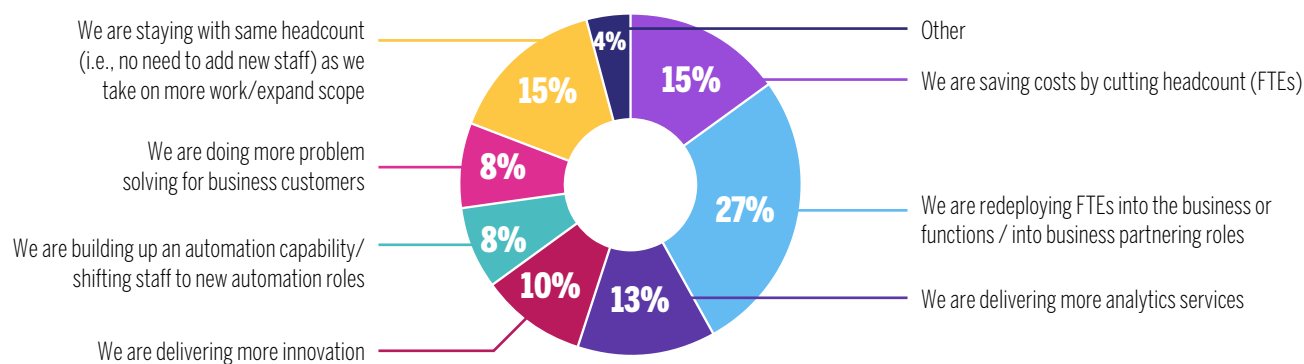
Only 15% actually confirm that they translate headcount reductions into plain cost-cutting.”

Certainly, the impact on headcount is significant. And while most shared services confirm they are not necessarily cutting staff but rather using the current headcount to absorb more work, more than a quarter are re-deploying no longer needed staff into the business or functions because of a lesser need for human resources. Alternatively, they are expanding into analytics, problem solving and innovation services with these newly released resources. Nearly forty percent of respondents, in fact, are redeploying freed-up FTEs to drive these kinds of value-added services, including automation capability itself. Only 15% actually confirm that they translate headcount reductions into plain cost-cutting.

For more data-based analysis of SSO trends, please refer to SSON Analytics' Workbooks



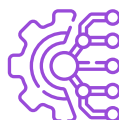
As you adopt more automation, how are you using employees' freed up time?



Top three shared services objectives for 2022



**Digitizing
data**



**Leveraging
automation platforms**

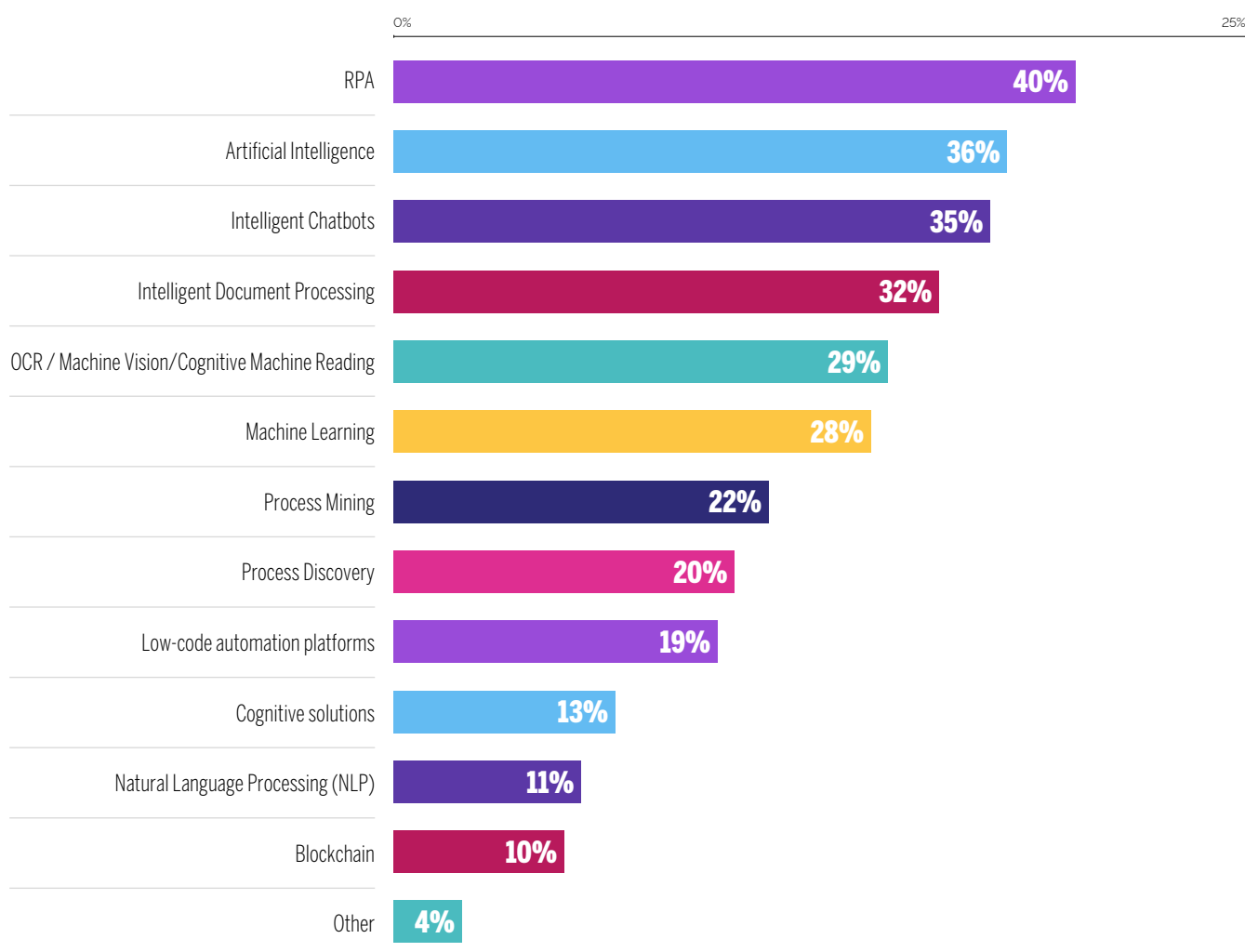


**Rethinking/shifting
our operating model**

So, what role will automation play in shared services this year? The two lead contenders for investment dollars are still IA and AI, given that there is plenty of growth for both across the scope of SSO operations. However, the data also shows lots of opportunity for intelligent chatbots and IDP (a third of SSOs intend to invest in these). Low code (or even no code) solutions made the headlines last year as providers attempted to offer a user-friendly solution to fill the in-house gap in automation skills. To date, that message – and the opportunity – has not yet taken hold. Less than one in five respondents indicate low code as an investment priority for the year ahead.

Indeed, as far as priorities are concerned, data digitization continues to top the list of shared services objectives.

What is your IA investment priority in the next year?



#5

Data Readiness

Data Readiness

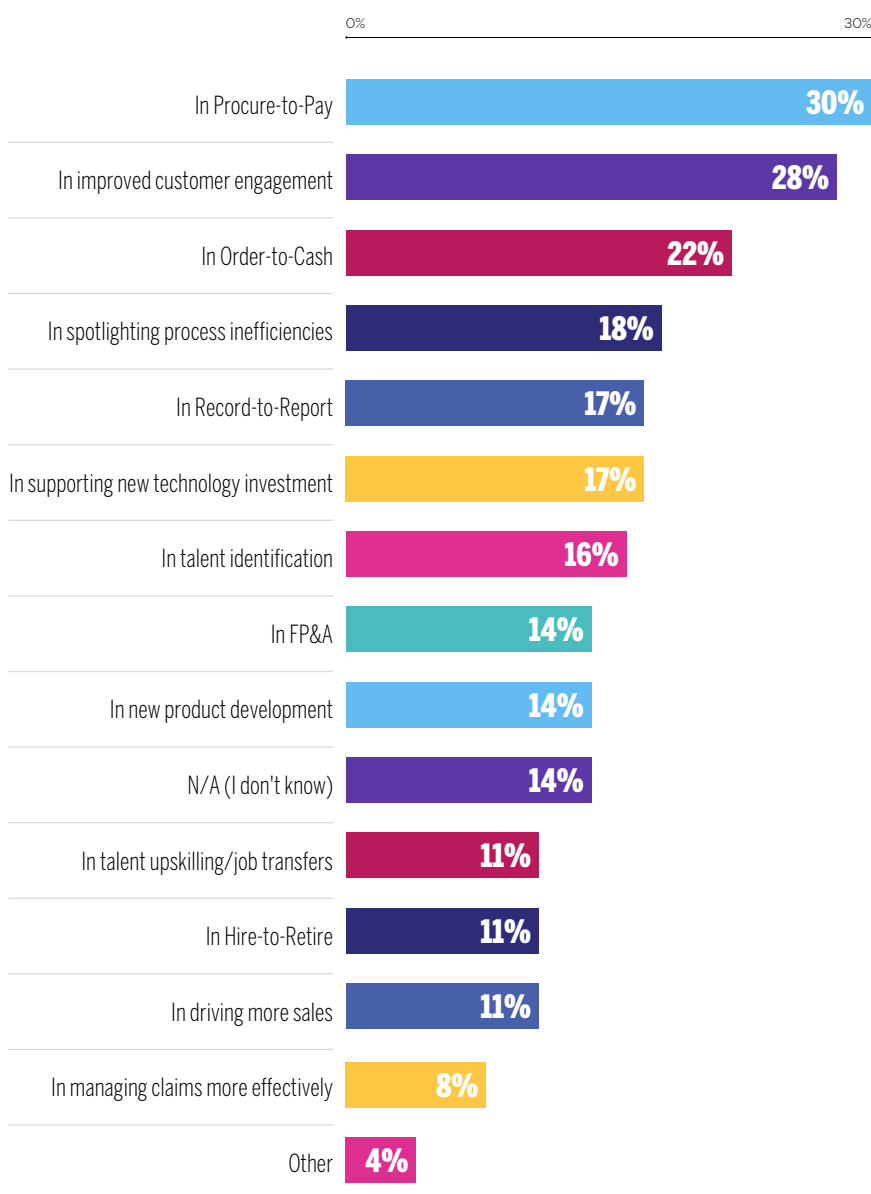
Data analytics – digitizing from the start

Data is a vast topic and opportunity for shared services. The reason the global shared services community has been so focused on it over the past half dozen years is that it delivers a critical, two-pronged advantage: first, through *analytics*, the ability to understand the efficiency of a given process and its impact on outputs; and second, as a *driver or input* to process automation, digitized data enables workflow.

Survey respondents confirm they have gained critical wins as a result of analytics insights, specifically in procure-to-pay (30%) and customer engagement (28%), and to a slightly lesser extent across other finance processes.

Where the feedback is somewhat disappointing is in the lack of correlation between data and talent identification and management (less than one in five recognize the value of data in managing a talent pool, and only 1 in 10 see its clear potential to identify, build up and optimize the critical skill sets SSO leaders complain are in short supply!). While this may simply reflect the general prioritization of F&A (finance and accounting) over human resources, it certainly provides an opening for HR executives to grasp.

Regarding data analytics, where have your biggest wins been to date?



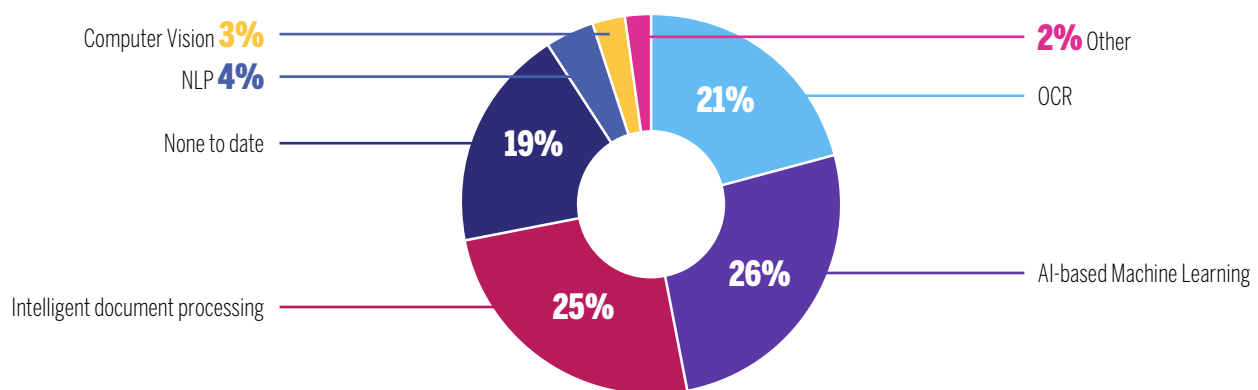
In truth, despite analytics having been touted for years, perhaps not enough has yet been done across shared services' broader scope of work.

On the other hand, data digitization clearly emerged as a strategic priority in last year's SSON survey, as a result of which more than a quarter of SSOs have invested in AI-based machine learning, and the same percentage has prioritized intelligent document processing.

Alongside OCR, which is a fairly straightforward, simple means of "digitizing" unstructured data, the possibility of leveraging data digitization *at the point of entry* into the organization (e.g., from a supplier or customer) promises much greater efficiencies across the end-to-end process. Modern thinking increasingly recognizes that a process is only as efficient as the data that drives it. And although a lot of progress has been made – chief data officers are now appearing in boardrooms – the survey indicates we are still in the early stages of standing up a true data strategy as part of what shared services can deliver.

Nevertheless, as automation continues to release FTE hours, one in five shared services is redeploying staff to analytics and problem-solving, so we can expect to see a continued buildup of in-house analytics capabilities.

Data digitization emerged as a strategic priority for shared services in last year's survey.
What initiatives are you undertaking?



What is SSON Analytics?

SSON Analytics is SSON's global data center, now in its 7th year of operation. Thousands of practitioners and consultants recognize SSON-A as their premier resource for shared services related metrics, benchmarks, trends and market analytics. With a user-friendly interface, and easily downloadable, comparative benchmarks as well as theme-based charts, SSON-A adds valuable ammunition to your inhouse or client presentations, strengthening your business case and your credibility.

Get digestible data insights with our visual analytics reports and gain a better understanding of the global shared services market using our tools.



"The C-suite expects to see market metrics to evaluate shared services' performance. I have explored various opportunities available in the market. SSON Analytics offers reliable benchmark data, at a highly competitive cost. Given access to this data, by region or industry, I can draw my own conclusions. I don't need to source expensive third-party analysts, as we can interpret the data ourselves." **Edoardo Peniche** - Vice President, Global Business Services - **Aptiv**

What Tools Are On Offer?

SSON Analytics offers a number of easy to use tools to support you:

City Cube

Compare 3800+ shared services locations around the world, across 17 variables such as: cost of labor, talent availability, number of shared services centers, average salaries, and much more.

Metric Benchmarker

Benchmark your SSO across 125 different metrics, choosing either a conglomerate of industry/country benchmarks; or the Top 20 Most Admired SSOs' benchmarks in the Metrics Intelligence Hub.

Shared Services Atlas

Locate and evaluate shared services hotspots at country, state, or city level from our global database of 10,000+ global delivery centers. Filter by industry, function, and organization size.

Visual Analytic Workbooks

Curated charts under core topic headings that summarize the biggest trends and shifts across SSO/GBS.

Start Your 5-Day Trial

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Summary

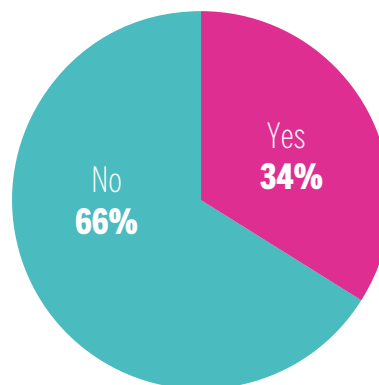
Shared services are continuing their decades-long evolution of developing expertise in functional process support to the extent that digital and/or remote service delivery models are today far more real than ever before. Success depends on strong leadership and perhaps even stronger board-level support for an intelligent, automation-driven business services infrastructure.

Talented resources that understand the problems businesses are facing and how to rethink current processes to better solve for these problems will continue to be much in demand and perhaps also increasingly scarce. At the same time, there has been a boom in innovative technologies that combined the best of self-service, crowdsourcing and AI-driven recommendations to “facilitate” critical business services. Many such solutions are coming from smaller start-ups, which are often overlooked in favor of well known, trusted brand names. However, the agility inherent to start-ups is perhaps precisely what will make the difference. Already, a third of shared services have a budget specifically earmarked for startup technologies. That is an excellent sign.

What’s required is experienced and strong leadership that understands just what can be done. Too often, political considerations and turf wars limit what is otherwise a clear business case from being implemented or expanded.

Part of SSON’s remit is to provide you with the validation to fight your corner. In this respect, we will continue to partner with you in navigating the ever-changing ecosystem that defines today’s shared services landscape.

Does your budget include dedicated investment in start-up technologies?



ABOUT NINTEX



Nintex is the global standard for process intelligence and automation. Today more than 10,000 public and private sector organizations across 90 countries turn to the Nintex Platform to accelerate progress on their digital transformation journeys by quickly and easily managing, automating and optimizing business processes. Learn more by visiting www.nintex.com and experience how Nintex and its global partner network are shaping the future of Intelligent Process Automation (IPA).

ABOUT SERVICENOW



ServiceNow makes the world work better for everyone. Our cloud-based platform and solutions help digitize and unify organizations so that they can find smarter, faster, better ways to make work flow. So employees and customers can be more connected, more innovative, and more agile. And we can all create the future we imagine. The world works with ServiceNow™. For more information, visit: www.servicenow.com.

ABOUT SUPER.AI

Super.AI automates the processing of images, audio, video, and text using AI so people can be more human. Our Unstructured Data Processing (UDP) platform has been adopted by leading global Insurance, Financial Services, Retail, Hitech, Agriculture, and Testing, Inspection, and Certification (TIC) Services enterprises. Our mission is to make AI accessible to all and use AI to enrich the human experience.



ABOUT WIPRO LIMITED

Wipro is a leading global information technology, consulting and business process services company. We harness the power of cognitive computing, hyper-automation, robotics, cloud, analytics and emerging technologies to help our clients adapt to the digital world and make them successful. A company recognized globally for its comprehensive portfolio of services, strong commitment to sustainability and good corporate citizenship, we have over 220,000 dedicated employees serving clients across six continents. Together, we discover ideas and connect the dots to build a better and a bold new future.



ABOUT THE SHARED SERVICES & OUTSOURCING NETWORK (SSON)



The **Shared Services and Outsourcing Network (SSON)** is the largest and most established community of shared services, global business services and outsourcing professionals in the world, with over 180,000 members.

Established in 1999, SSON recognized the revolution in business support services as it was happening, and realized that a forum was needed through which practitioners could connect with each other on a regional and global basis.

SSON operates under five distinct brands - SSON Digital, SSON Research & Analytics, SSON Events, Global Business Services Training & Certification and SSON Connect.