Consider Your Location Strategy

2024 has seen organizations putting a larger focus on location strategy. Location strategy has changed somewhat from the inception of the shared services model. Whereas previously cost arbitrage was the top priority, as shared services become more automated, organizations are substituting bots for low-cost FTEs, which presents another dynamic to location decisions. Location can either push an SSC to success or act as a major obstacle. Organizations need to consider a range of factors to identify a strategic location, from its infrastructure to its talent pool. Candace Dingmann, Distinguished Fellow at Avasant and SSON contributor, delved into some of these elements:

1 Talent Pool

The availability of a skilled workforce is essential. Locations with strong universities, a high level of graduates, and skills aligned with your business needs are advantageous.

2 Competitive Environment

Understanding the demand for talent and regional competition helps tailor recruitment strategies and plan resources effectively. A competitive environment can foster growth opportunities and insights for workforce planning.



3 Business Climate

Consider locations offering tax incentives, a healthy economy, and a supportive regulatory environment. These factors impact the financial viability of your SSC.

4 Location Risk

Assess environmental and political risks. Evaluate climate-related threats, such as natural disasters, and consider any social or political instability that may be disruptive.

5 Accessibility

Examining the proximity to major airports, similar time zones, and ease of travel is essential for operational efficiency and ensuring leadership and partners can access the center smoothly.

6 Infrastructure

Select a location with growth potential and reliable infrastructure, including stable internet and transport links, allowing for future expansion. In addition, available office space, with reasonable real estate costs, is another key consideration.

7 Quality of Living

Choose a location with a good quality of life, where employees will want to stay long-term and feel satisfied with wages relative to the local economy.

These are just some examples of the importance of a strong SSC location. Overall, aligning your location with business objectives and assessing the local business landscape should guide your location strategy.

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