Shared Services: How Digital Can Accelerate the Leap to Value-Added Differentiation

To reach new business performance vistas, shared services centers must embrace social, mobile, analytics, cloud and intelligent process automation technologies to navigate three critical shifts that can turbocharge innovation and reinforce market differentiation.
Executive Summary

Shared services centers (SSC) were introduced by corporations and global services providers during the 1990s to create economies of scale and eliminate redundancies of functions, people and IT to achieve higher service levels and quality standards. Most efforts were aimed at maximizing efficiency and standardizing processes, which resulted in business service commoditization.

Since most SSC offerings competed fundamentally on price, with little or no service differentiation, few survive today, and those that do struggle to achieve their cost containment goals. The challenge for the remaining SSCs is to deliver sufficient differentiated value in an agile and flexible way. (For more on this topic, read our white paper “The Shared Services Imperative: Evolve from Cost-Killer to Value Driver”)

Succeeding in this endeavor will require quick adoption of digital technologies, such as social, mobile, analytics and the cloud (the SMAC Stack) and/or intelligent process automation (IPA), as well as developing the ability to make meaning from the digital data surrounding people, organizations, processes and products, which we call Code Halos. The continued existence of SSCs is at risk if they do not embrace digital technologies to differentiate their services. This is supported by research and the experience of numerous industries in which “digit” players (i.e., Apple, Samsung, Netflix and Amazon) are
winning over “widget” players (i.e., Nokia, Motorola, Kodak and old-school video rental companies and traditional book retailers).

Through IPA, progressive companies have demonstrated cost savings of up to 15% and full-time equivalent (FTE) reductions of up to 25%, while analytics can deliver revenue increases of up to 10% (see the series of Quick Takes throughout this white paper for more insight). This white paper explains how adopting digital technologies can help organizations advance corporate objectives in three key areas:

- **Optimization**: The shift from simple to smart process execution (i.e., better services).
- **“Value-ization”**: The shift from “contextual” service execution to “core” service support (i.e., new services).
- **Globalization**: The shift from a local or regional service offering to a true global service offering and/or from offering single to multiple services (i.e., more services).

The introduction of digital technologies requires special attention to new talent attributes, change and management capabilities, as businesses are propelled to new levels of performance through organizational and cultural change. SMAC and other digital technologies also play a vital role in establishing a true outcome-based business partnership (e.g., with pay-per-use pricing models) and collaboration between the SSC and SSC users.
How Digital Accelerates Innovation: Three Paradigm Shifts

In the traditional “low-cost” mindset, SSCs primarily support organizations’ cost-saving initiatives. Most organizations do this, for example, by centralizing business functions, standardizing processes, implementing a single ERP system, applying Lean/Six Sigma and offshoring.

Figure 1 illustrates that by embracing these activities in the traditional way, value at first increases but then flattens. In other words, shared services developed with common methodologies will result in a commodity service. When new possibilities emerge via digital technologies, a new paradigm can arise to solve challenges and deliver value in a totally different way. Step changes in optimization, value-ization and globalization are ongoing – and in many ways accelerating – as business becomes more technology-intensive and dependent.

To navigate these shifts, technological mastery is crucial. Rather than incrementally improving their services by just looking at single-point digital solutions (“doing” digital), SSCs need to take a more holistic view of digitization (“being” digital). For starters, this could mean digitally redefining of customer-centric end-to-end processes and, within these processes, identifying the repetitive, rules-based activities and readily available datasets at customer touchpoints.

Typical SSC Maturity Stages
Paradigm Shift I
Optimization: From Simple to Smart Process Execution

Intelligence for Optimal Process Execution

The process work handled by SSCs is typically executed by knowledge workers, who follow working instructions and procedures, supported by tools, ERP systems, document management, workflow, spreadsheets and other tools. More mature organizations have automated parts of the processes through mechanisms such as invoice recognition and/or expense processing. Still, much manual work is required, which can be supported and significantly optimized by all kinds of robotic technologies based on artificial intelligence or machine learning.

For SSCs, the application of “robots” to knowledge work is referred to as intelligent process automation (IPA). With IPA, smart machines augment and extend people’s uniquely human capabilities – empathy, creativity, problem-solving and drive – to deliver superior business results built on AI and machine learning. Rather than using physical robots, IPA uses intelligent software tools to realize optimal process execution. And rather than replacing scripts, macros, workflows, etc., it operates existing ones as “virtual robots,” mimicking human actions and interacting with multiple systems, just as a human would.

Quick Take
From the Crossroads to a Value-Added Differentiation Strategy

Some years ago, a multinational with business units in 20 countries across four continents launched a captive SSC on a near-shore location in Eastern Europe, centralizing and moving its finance and accounting (F&A) work to save money and increase quality. After the first year, it decided to seek additional labor savings by moving the F&A work to India. The organization also transferred its HR and procurement functions to the existing near-shore center.

The SSCs were service level agreement (SLA)/output driven and offered only transactional, routine support processes. The company experienced numerous issues with pricing and fulfilling service levels. Moreover, users were unhappy and considered buying services externally, as that approach was less expensive and would result in better service.

We supported the organization by helping it define a sustainable SSC vision. We organized workshops in our Collaboratory, a physical and virtual space to work with business strategists, technologists, data scientists and designers to design, prototype and build new digital experiences. The goal was to determine how digital technologies could be leveraged to deliver better, new and more services.

The main activities included:

1. Conceptualize the digital design of the end-to-end processes with key stakeholders and subject matter experts.
2. Set up portfolio management of digital initiatives.
3. Rank digital initiatives based on criteria such as impact, criticality and change readiness, using our “Digital Readiness Index,” a data-driven app that helps organizations decide the next best digital action. Based on answering a number of key questions, the tool classifies the situation and delivers a recommendation and possible approach for digitization. This resulted in an SSC strategy, including a roadmap containing key initiatives.
4. Create a roadmap and benefits case.
5. Start working in an agile way with small and frequent iterations/releases in a fail-friendly environment.

To learn more, see the continuation of this Quick Take on page 7.
Many organizations have applied lean principles and labor arbitrage to remove waste and inefficiency from business processes; IPA is the next wave of efficiency that is creating new opportunities for SSC leaders. Autonomic IPA tools can work 24x7 without a break, for a fraction of the cost of human labor.

For high-volume, highly transactional, rules-based process work, such as IT support, remote infrastructure or back-office work, IPA can spur huge improvements in cycle times and productivity. Our research shows the benefits of applying automation, including the potential cost savings of reducing the number of people required to perform rote tasks. However, the real treasure is the rich process data that can be harvested and analyzed from IPA initiatives to improve key processes and drive revenue growth. (For more on this topic, see our white paper “The Robot and I: How New Digital Technologies are Making Smart People and Businesses Smarter.”)

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Intelligence for Optimal Process Design

While IPA is used during process execution, SMAC techniques can help identify improvements within an SSC’s process design. Social, mobile, analytics and cloud solutions can be used to improve user interactions during business processes, and analyze data from historical process scenarios. Doing so can help organizations gain insights into throughput times, wait times, recurring steps and scenario variations. The goal is to uncover flaws and waste to optimize processes further.

Shift Knowledge Workers’ Focus to Value-Adding Tasks

By applying various types of intelligent tools, process workers can focus more on value-adding tasks rather than low-skilled, rote, repetitive work. For more complex processes, IPA can augment the work of humans; for example, IPA can automate the steps involved with creating a management report by loading data from multiple sources, creating graphs and distinguishing trends, in preparation for interpretations and informed decision-making. Or, IPA can handle all administrative tasks in an insurance claims process, such as collecting required documents and handling claims within defined boundaries, while an employee only focuses on the complex cases involving exceptions.

Value Delivery through Better Service

Representative optimization examples of intelligent or robotic technologies include:

- **Intelligent expense management software offered as a cloud solution**: Based on pattern recognition, this software can learn to deal with certain expenses, increasing the percentage of automatic processing.

- **Intelligent travel booking software offered throughout a global organization**: This can result in the following benefits: integration with expense management to eliminate the need to sort all receipts from one trip; the ability to access and change all trip components (terminals, flight duration, meals, seats, hotels, addresses, etc.); and secure sharing of travel information, with selective views for travel agents for superior service.

- **Multi-lingual, interpretive, voice response solutions**: Virtual agents in call centers, reservation centers and sales centers can automatically respond to phone
calls, offering services in several languages on a 24x7 basis, and making employees available for non-standard or complex cases.

- **Automatic data retrieval techniques**: This is the ability for employees to speak into a microphone (using code words) to easily search files or data.

- **Smart hands and smart robots**: This is the seamless integration of automated processes, manual processes, instructions and learning materials required to execute manual processes, audit trails, checklists, etc., all combined in a single tool or view.\(^9\)

- **Business process management (BPM)**: Workflows are streamlined by finding the optimal way to perform a business function. SSCs should consider linking every process to one BPM solution and following one workflow rather than using many programs and processes running in parallel.\(^8\)

- **Data mining (analytics)**: Data mining techniques are applied to find patterns in SSC historical processes, such as long wait times, incorrect input sent by service consumers or non-logical process flows. The goal would be to decrease defects, boost process throughput times and other improvements.

- **Social platforms**: Real-time signals and feedback from platforms such as Yammer, Tibbr and Jive (accessible from any mobile device) can be used to improve the quality of the SSC’s internal processes and customer satisfaction levels. Examples include service complaint or system outage reports.

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**Creating Better Processes by Applying Robotics**

(continued from page 5)

The organization introduced IPA to optimize processes with fewer manual steps. Most processes already used multiple types of technology but still required much manual work, such as switching between multiple systems and screens, manually comparing data in systems and forms, and manually entering, searching and merging data. This “swivel-chair”\(^9\) work was eliminated by implementing IPA as a layer on top of the existing systems, automating some of the manual steps. Examples include:

- Automating data comparisons across multiple systems.
- Automating “dirty interfaces” (transferring data between applications that are not integrated).
- Adding a “scalable search” function to perform a single “free-form” search across several sources.
- Automating the sourcing (data stored in multiple systems), compiling and distributing several operational and management reports with a single click.

The IPA implementation took just a few months to achieve payback on the investment. It freed knowledge workers to tackle more complex process activities and helped smart people work smarter in tandem with intelligent automation. It resulted in faster throughput times (up to eight times shorter), fewer errors (100% accuracy), lower costs and fewer FTEs (80% reduction of humans involved in automated tasks). Higher quality processes decreased complaints regarding service levels.

To learn more, see the continuation of this Quick Take on page 9.
Paradigm Shift II
Value-ization: From ‘Contextual’ Service Execution to ‘Core’ Service Support

Evolving Shared Services as Value Drivers

SSCs typically focus on contextual business functions, such as finance and HR, which while critical do not make an organization unique. In these situations, the primary driver for SSC initiatives is lowering costs, minimizing FTEs and maximizing process standardization. More complex core functions, such as sales and R&D, are usually executed within the business units, because owners demand control.

Shared services can deliver higher value when organizations refocus their outputs on core functions, while simultaneously maintaining cost-effective execution of contextual processes. Success depends mainly on the SSC’s maturity level. Less mature SSCs generate value first by centralizing and standardizing contextual process work to save money. Once contextual work has been standardized and automated, SSC staff is free to focus on tasks that drive real value.

Harvesting Data to Create New Value-Added Services

The actual value that can be delivered to entities consuming a shared service is based on data collected within the SSC. Digital technologies offer ways to interpret this data and create insights to offer new services. Through benchmarking, SSCs can compare business units to illustrate best practices and set the bar for under-performing units. SMAC solutions can help SSCs interact smoothly with service consumers, on the channels they prefer, at the location and time they choose, and with the devices they want. Analytics tools, meanwhile, enable organizations to make meaning from data to create value, in the following types of ways.

Digital technologies offer ways to interpret this data and create insights to offer new services.

• **Benchmarking**: Using big data analysis to create benchmarks. Imagine a department that frequently sends incomplete input (which is the output of a core process), causing the SSC to return the input form. Benchmarking relative to other users can create insights to advise a department on how to improve.

• **Signaling issues and trends**: Using big data or data mining analysis to identify issues or predict trends in core processes. Imagine a business unit with a sudden increase in service requests, caused by a new employee’s misunderstanding of the working instructions of a core process, or a unit that is not delivering financial information in a timely way due to illness, which could lead to noncompliance. Another example is fraud detection in a business unit’s sales and procurement processes, by signaling suspicious transactions or significant deviations from historical figures (e.g., in purchase or stock numbers).

• **Smart knowledge management systems**: Using smart knowledge management systems with (machine) learning capabilities. One possible use can be to automatically respond to service desk tickets/incidents or prevent them from being registered by suggesting solutions based on experience.

• **Superior experience**: Using a combination of SMAC tools to create a superior experience. Consumers should be empowered to interact with the SSC at the time and location they need, and with the devices they want.
Delivering New Services for Better Insights and Collaboration

(continued from page 7)

The organization decided to implement analytics and social tools, offering new services to its users:

- An analytics solution made use of the data available within the SSC, including valuable information on the business units using the services. Fraud analytics was applied to client invoices and internal expenses to predict possible fraud at the time of submission instead of afterward, during audits. Big data analytics was used to design an interactive dashboard to visualize performance and trends and the exact use of the services consumed. The dashboard eased the shift to a pay-per-use charging mechanism (using insights into actual use), reducing discussions on pricing.

- A social platform boosted collaboration globally, connecting service consumers to each other and to the SSC workforce. Quality of service increased due to better and easier knowledge sharing on issues and improvement areas, reducing service level issues.

To learn more, see the continuation of this Quick Take on page 10.

Paradigm Shift III
Globalization: From Local to Global Shared Services

Increasing Geographical and/or Functional Scope

In the globalization paradigm shift, SSCs must expand the geographical coverage of their services (e.g., to more business units or countries) and/or increase the functional scope to more services (to support functions that are still decentralized), in order to offer a more complete and scalable service portfolio. The SSC can also be sourced to an external business process services (BPS) provider. In this way, the organization can focus on its core business, while the BPS provider leverages its experience and advanced technologies.

An important principle of this paradigm shift is that by increasing the scale of services offered (both geographically and functionally), an SSC can create fewer dependencies on external service providers and more effectively consolidate technology, processes and analytics. In addition to cost savings, doing so can deliver added value through, for example, agility (e.g., faster implementations when changing or adding services) and a more uniform way of interacting with users. Globalization boosts value-ization as well, because the more geographies and functions it covers, the more value an SSC can derive from the intelligence collected to support core services.

SMAC Technologies as a Globalization Accelerator

Global shared services need to adapt to different time zones, cultures and user group sizes. Understanding users’ behavioral attributes, needs and wants by

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Applying Code Halo™ thinking (i.e., using analytics to separate signal from noise) helps to better align shared services that are offered globally, across multiple geographies and functions.

Furthermore, increasing the geographical and/or functional scope requires global collaboration and communication. This is enabled by social and mobile solutions bridging the gap between the SSC organization and all global users by introducing new ways to run processes end-to-end and exchange information among different units spread across multiple geographies.

Cloud solutions enable:

- A scalable process architecture to help customers start small and grow.
- Customer-friendly pricing models, such as pay-per-use and pay-per-application, creating cost transparency and flexibility for users to scale up and down based on their needs.
- Best-of-breed technology architecture to support customer needs.
- Zero capital expenditure on infrastructure, making analytics and business intelligence (BI) more cost effective.
- 24x7 availability.

**Value Delivery by Offering Services to More Geographies and Functions**

Representative examples of how SMAC technologies can ease the shift to globalization include:

- **Social collaboration.** Social tools such as Yammer create one platform for an SSC, with multiple geographical locations for users to share insights, tips and best practices on one knowledge platform.

Quick Take (continued from page 9)

As part of the SSC strategy and roadmap as defined earlier, we guided the organization in its shift to additional services. The organization merged separate SSCs across locations and transferred them to one multi-service SSC. Some “leftover” business units also moved their support functions to the SSC. Furthermore, the company opted to centralize its IT function and move it to the SSC. This resulted in the SSC running true global business services (GBS), offering F&A, procurement, HR and IT.

To accelerate globalization, the organization launched a device-independent mobile platform, containing apps for all SSC services. The HR app, for example, introduced a new channel to use HR services (e.g., employee leave requests and manager approval) at any place and time. A social platform, also accessible by mobile app, made it much easier to discuss HR-related issues and questions, share information and uncover process improvement opportunities.

The HR (core) systems were offered via the cloud on a pay-per-use basis. In this way, SMAC technologies enabled a standardized set of services, which could be easily scaled when expanding in function or geography (to a new service consumer).

To learn more, see the continuation of this Quick Take on page 13.
• **Mobile apps.** Imagine mobile apps to view or update all HR information for employees, such as sending in expenses with an app, creating instant photos of original receipts or booking itineraries with a travel app. Once such apps are operational, users in new geographies can easily be added, making mobile an accelerator to globalization.

• **Analytics tools.** Advanced analytics tools offer insights into shared services, such as performance, trends and lessons learned. These insights make it easier to globalize further when, for example, expanding to another business unit or adding a new support function.

• **Cloud solutions.** Platforms offered as a cloud solution are scalable and can accommodate new users.

• **Access to a low-cost, “easy-on” set of processes.** These standardized processes can facilitate use of functions such as finance-based services, payroll, time-and-expense processing and P-cards (purchasing cards). Used in most business units, these services should be low-cost, scalable when served from the cloud, and able to drive operational consistency when expanding SSC services into new geographies.

### Building a Digital Culture Is Key for Successful SSC Transformations

To efficiently manage the technological and organizational transformation needed to create a successful SSC, it is critical to stimulate change among key individuals. Both for management and the workforce, particular skills have become exceptionally important compared with the competencies required to operate traditional SSCs.

### Elevated Attention for SMAC-Skilled Employees

Equipping the workforce with competencies in SMAC seems like a no-brainer as a prerequisite for enabling these paradigm shifts. However, technical proficiency is not a priority at many companies, which makes it a business imperative that organizations must understand and resolve (see Figure 2).

### Detailing SSC Skills Priorities

Which skill sets are you prioritizing within shared services going forward?

The most commonly highlighted skill was “service excellence.” And while “data analytics” and “subject matter expertise” are also highlighted, technical proficiency receives the lowest rating. This last finding is surprising and disconcerting in an environment where technology-enabled solutions are seen as a key driver of success. Technical adeptness as a skill would support innovation and progress in terms of how technology is applied to new opportunities. The apparent neglect of this skill may be a warning indicator.

*Source: “2015 Annual State of the Shared Services Industry Report,” SSON Figure 2*
Enhancing Change and Management Capabilities to Support Paradigm Shifts

From a change perspective, SSC leaders should develop visionary leadership in building a digital culture. When introducing new technologies, an important consideration is to involve a mix of generations. Younger employees are likely digital natives who are more accustomed to using emerging technologies (such as smartphone and tablet apps, social networks and cloud document storage) than their older colleagues. Make sure to consider this when executing a pilot in the SSC that introduces a technology or new way of working, as it will boost and/or speed adoption.14

These SSC paradigm shifts also require specific additional and/or different skills for SSC management:

- **Optimization**: Automates and optimizes more transactional work, enabling employees to focus on value-adding tasks. Additional management skills are needed to motivate and deal with a higher educated and skilled workforce to improve execution.

- **Value-ization**: Requires more communication and business-oriented skills because of the greater levels of user interaction. The new services add value to core services, causing more communication and asking for more business knowledge (e.g., performance levels or trends discovered in their core processes).

- **Globalization**: Involves more language and culturally sensitive skillsets, requiring new governance structures, and creates a higher span of control due to the SSC’s additional geographies and/or functions.

In general, the more business-oriented or consultative capabilities offered by the SSC, the more the organization will need to move away from a rules- and output-based, demand approach (i.e., supply relationships executed according to strict SLAs), to a more judgment- and outcome-based partnership focused on business value.

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Valued Business Partnership through New Pricing Models

With the use of modern digital technologies, pricing models tend to shift from headcount-based or SLA-based to pricing tied to business outcomes (consumption- or throughput-based). These pay-per-use mechanisms have more flexibility to adapt to business and technology changes, and they are more transparent, as users pay only for actual use. Analytics technologies enable these pricing models, as data is made more easily available to calculate charges. This meets the requirements of all business parties, as they need to be flexible to quickly scale the use of a service up or down depending on market fluctuations. SMAC technologies also typically use pay-per-use pricing models, creating cost transparency and flexibility.
People Making the Jump to Value-Added Differentiation (continued from page 10)

Introducing digital technologies was not easy, as not all SSC employees and employees in business units were familiar with the latest technologies, and some were reluctant to embrace the expected changes in their way of working.

The organization introduced some new technologies in its SSC that had to be managed properly. A new social platform started with a pilot, involving younger and older employees, both from the SSC and from service consumers.

Gamification elements were included at the beginning of the initiative, encouraging people to use the platform to connect with each other (e.g., showing rankings of the number of documents uploaded, connections and messages). A training program was also set up to get people acquainted with new tools and methods. The more complex tools (analytics and robotics) were only provided to a specific SSC expert team. These kinds of considerations were included in HR’s talent management plans, to make sure they were globally implemented.

Accelerating Cultural Change through Gamification

The SMAC Stack is transforming the way organizations innovate and evolve. This is as true on the customer-facing front as it is in employee engagement. Organizations that are able to engage their employees with digital technologies stand to make the most of these technologies.

 Organizations are leaning on their social and mobile initiatives to increase employee collaboration. However, just bringing SMAC technologies into an organization will not automatically result in a more collaborative, productive workforce. Changing employee behavior isn’t easy, but it can be accomplished by applying principles of gamification, such as “stimulus-action-reward.”

Gamification, the concept of applying game-design thinking to non-game processes and applications to make them more fun and engaging, can transform how employees interact with their organizations. From making repetitive tasks interesting to helping employees improve their skillsets and generating continuous feedback on their performance, gamification has wide-ranging applications. An example is multidisciplinary teams with mixed-age co-workers competing with each other to develop the best digital initiatives. Participation can be stimulated by adding game elements, such as team ranking and weekly prices, to improve SSC processes that result in a far better response and more innovative approaches than traditional idea boxes and knowledge carrousels. In this way, gamification can become an integral part of employees’ work at the SSC, enriching their experience at each stage of the employee lifecycle and facilitating the behavior necessary for a successful transformation to a more collaborative, customer-, business- and technology-oriented workforce.
Looking Forward: Digital Fuels Unprecedented Levels of Business Value

In order to move away from a heavily commoditized services market and jump to the next curve of value-added differentiation, SSCs should embrace SMAC and other digital technologies such as IPA. We believe that using the right digital technologies can result in three paradigm shifts, enabling companies to compete in the emerging Code Halo economy (see Figure 3).

To make this happen, SSC leaders need to invest in digital technologies and enhance their workforce capabilities. This will also require more and different management skills to deal with multiple languages, specialized knowledge workers, extended spans of control and, above all, partnership and collaboration with users.

As SMAC and IPA rapidly mature, we strongly believe organizations must quickly adopt and master them, if they are to make meaning from the treasure trove of digital data contained within the Code Halos of SSC users. The good news is that the same technologies can also be used to accommodate pay-per-use pricing models and the necessary organizational, cultural and behavioral changes that SSCs need to enable a digital transformation.

Note: Code Halo is a trademark of Cognizant Technology Solutions
An SSC is a service provider that offers services to internal consumers (business units/departments) and potentially also to external parties. The most popular shared services are finance and accounting, HR, IT and procurement. SSCs must be able to compete with external vendors, as service consumers usually are allowed to buy services externally, as well.

Shared services can exist in many forms and structures of governance. Both in-house (captive) and outsourced services – business process outsourcing (BPO) or global business services (GBS) – can be referred to as shared services. Also, a center of excellence (CoE) and a business intelligence competence center (BiCC) are defined as SSCs.


The SMAC Stack (social, mobile, analytics and cloud) is helping companies change their processes and business models. SMAC technologies enable the interpretation and “meaning-making” of all available digital data. Information collected from digital data can improve process performance and business strategies. In this way, SSCs have new possibilities to increase revenue, reduce cost and/or eliminate risk. Think about deeper insights that business leaders can develop into issues and customer requirements or real-time notifications when processes are not delivering their output in time. See our whitepaper “Don’t get SMACked,” 2012, http://www.cognizant.com/InsightsWhitepapers/dont-get-smacked.pdf.

In your private life, imagine your searches, clicks, “likes,” purchases, location, song choices, etc. as forming your personal Code Halo. For an SSC, a Code Halo could be created by invoices processed by an SSC employee and saved in an invoice system, the audit trail of a product stored in an ERP system, a changed employee record due to movement to another location, or a Yammer discussion about the correct way of working between an SSC client employee and service desk employee. More and more, people and things are producing Code Halos in the digital world that can be beneficial for SSCs.

Huge amounts of digital data are created daily by all kinds of devices and technologies in our private lives and enterprise environments. This is illustrated by the following numbers. In 2016, about eight billion mobile devices will be used. In 2020, 50 billion devices will be interconnected. 90% of all information worldwide was generated in the last two years, of which 80% is unstructured. Together, we create 2.5 exabytes of data daily (one exabyte is 50 years of DVD-quality video). Between 2009 and 2020, the amount of data we need to manage will increase by at least 50 times. Digital technology is more important than ever to “make meaning” of this data. (See our white paper “The Value of Signal (and the Cost of Noise),” October 2013, http://www.cognizant.com/InsightsWhitepapers/The-Value-of-Signal-and-the-Cost-of-Noise-The-New-Economics-of-Meaning-Making.pdf.)


The following research shows the importance of rapidly maturing technologies for SSCs.

- Shared Services & Outsourcing Network (SSON). “Over the next five years, practitioners will overwhelmingly be relying on technology to deliver optimization. What’s driving this is the senior executives’ need for improved agility as they expand their businesses into new as well as existing markets. The business intelligence needed to make the right decisions is still locked into systems data, but is increasingly falling within the scope of modern day shared services operations.” See “2015 Annual State of the Shared Services Industry Report,” SSON, http://www.ssonetwork.com/downloadContent.cfm?id=2568.

- Research from the Cognizant Center for the Future of Work reveals the following trends: First, the ability of intelligent automation to improve materially upon what people can do, as well as unlock meaning from data using process analytics. The results also show that through these technologies, humans are attaining new levels of process efficiency, such as improved operational cost, speed, accuracy and throughput volume. By using increasingly more astute technologies, smart businesses

6 Watch our video for more on Cognizant’s Collaboratory: https://www.youtube.com/watch?v=mJk_MulAFF4.


8 Research from the Cognizant Center for the Future of Work shows nearly one-fifth of respondents are achieving greater than 15% cost savings through automation in the past year (across their organization), while almost two-thirds expect at least 10% cost savings in the long term. At least one in five companies surveyed have already seen a 25% reduction in employees across supply chain, HR and F&A functions. In the longer term, even more decision-makers expect 25% fewer people “doing-the-process.” Last but not least, nearly half of the banks surveyed (45%) have seen at least 10% revenue growth from analytics aligned with their front-office and customer-facing functions, a number that is anticipated to rise to nearly three out of every four banks during the next three to five years. For more, see our whitepaper “The Robot and I: How New Digital Technologies Are Making Smart People and Businesses Smarter by Automating Rote Work,” Cognizant Technology Solutions, 2015, http://www.cognizant.com/InsightsWhitepapers/the-robot-and-I-how-new-digital-technologies-are-making-smart-people-and-businesses-smarter-codex1193.pdf.

9 Ibid.

10 Ibid.

11 Ibid.


13 Ibid.


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