CASE STUDY

intellilink

Client: Global Marketing & Communications Firm

Function: Finance Department

Project: Implement Global Finance Shared Service Centers

Project Objective

A global marketing & communications organization wanted to consolidate the decentralized finance functions of its separate operating units into finance shared service centers. The aim of this large global initiative was not only to reduce cost but also to improve compliance & control across a broad spectrum of operating businesses.

Challenges

The primary challenge faced by the project team was the geographic spread and number of business units involved. Shared service centers were to be set up in North America, Europe, South East Asia, India & Australia. The business units involved varied significantly in not only their lines of business (creative agencies, event management, consumer research, media buying, digital, etc.) but also in their scale of finance operations. Some units had large global finance functions in place while others had only a few finance personnel in one country.

In addition to scale, another challenge faced by the team was the decentralized management style of the parent holding company. Limited direct control over the operating units meant that a significant amount of time & effort would need to be spent obtaining buy in from the operating units rather than just mandating the change. A final challenge involved the lack of a single finance system across the operating units. This meant the project team would need to introduce the centers into an environment of multiple finance systems with non-standard business processes.

Solution

The first step in setting up the centers involved determining the scope of work that would transition into the shared service centers and the work that would remain in the operating units. This standard scope had to be granular enough to be able to categorize work but also broad enough to accommodate all the different lines of business under the holding company. This step had an important strategic component because it determined the type & depth of work that should be done in the shared service centers.

The agreed scope was then put into a standard template for easy data gathering from the operating units. A simple analysis could then determine the headcount to transition into the centers. Assistance was also provided to the operating units to help design the retained organization that would remain after the transition of work into the centers. This helped facilitate the transition and ensure that day-to-day operations were not impacted.

Change management formed an integral part of the project. Stakeholders across the operating units were mapped and categorized. Communications plans were developed and included standard communications templates, presentations, speaking points, etc. These were used by the operating unit managers at predefined stages in the transitions. Where possible, existing personnel would relocate into the centers but when this was not possible new employees were hired and training plans developed to transfer knowledge from the operating units to the centers. Change impact assessments were also undertaken within the operating units to design specific change initiatives to facilitate the transitions.

The lack of a single financial system and the limited direct control that the parent company had over the operating units minimized the ability to effectively undertake any major process or organization transformation pre-transition. It was agreed to undertake a lift & shift approach as much as possible with any major transformation to be undertaken after the operations were stabilized within the centers. Where changes were possible, initiatives such as job role redesign or expense policy standardization were introduced to improve operating performance.

Liaising with the various HR departments was a significant part of the project. Much of this work revolved around aligning recruitment / redundancy plans with the transition schedule for each operating unit. This involved coordination between the existing operating unit HR department and the new HR function that was being setup within each of the centers. In addition, a constant stream of HR related issues needed to be resolved in areas such as; resignations, redundancies, job descriptions, compensation, job title standardization, benefits equalization, pensions, etc.

Information technology was critical to the success of the shared service centers and the activities typically involved either finance system connectivity or workflow system rollout. The centers were being designed to initially operate with multiple finance systems since no standard finance system was being used across the operating units. Connections needed to be built between the centers and each of these systems. IT projects were commenced prior to any transition to connect the centers to the operating units' finance system. In order to enable the shared service centers to operate in a different locations (often a foreign country) to the current operating units, workflow software solutions needed to be implemented. These solutions automated processes and used digital images for approval & signoff removing the need for paper.

Coordinating all of these efforts required the creation of a Program Management Office (PMO) to plan and provide regular status updates. The PMO tracked performance against the custom designed transition methodology that had been developed for the project. The PMO function operated at multiple levels and provided status updates to senior leadership as well as daily logistical support to agree & lock-in transition schedules for the transport of office equipment, files, etc. with the operating unit managers.

