Head of Shared Services Leadership Vision 2022

3 Strategic Actions for Success
From Chris Howard, Chief of Research, Gartner

As we head into 2022, we continue to feel the human toll of the global pandemic, but we already know it has been a watershed period in which attitudes and norms have permanently shifted — in our everyday lives and at work.

Living through COVID-19 has increased social awareness — as have growing demands for equity for those who are underrepresented.

Businesses have also changed. For many organizations, the pandemic has catalyzed digital business initiatives as we adapt to the demands of employees, customers and other stakeholders, who were forced into new digital options that they have now come to favor.

B2B purchasers are happy to buy digitally, without a sales representative; B2C consumers are buying off social media platforms; employees are physically distributed and communicating asynchronously — and IT infrastructures must secure the organization despite this “anytime, anywhere, anywhere” way in which we’re operating.

You and your team may be burning out, and it’s never been more important to prioritize your time and energy.

In your role as a leader, you’ve now spent months adapting to change and delivering new solutions at speed. You and your team may be burning out, and it’s never been more important to prioritize your time and energy. To help with that, Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research.

We’re providing detailed insights to our clients across dozens of roles, and we’re now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.

Chris Howard
Chief of Research, Gartner
Shared Services Leaders Have a Complex Role

Challenges and opportunities to get right

- **Process Execution**: How do we minimize errors, increase speed and drive down costs in transaction processing and adapt quickly to support new in-kind transactions and revenue streams?

- **Process Improvement**: How do we make wise decisions on technology to solve the most impactful process problems and support changes in working capital needs as the supply chain (vendors and customers) resets itself?

- **Business Partner Management**: How do we ensure quality in processing from our business process outsourcing partners?

- **General Management**: How do we achieve year-over-year cost reduction goals while doing more and be positioned for future growth?

- **Process Governance**: How do we mitigate risk and comply with ever-changing, country-specific regulations for workforces, data privacy, statutory reporting, tax rules, document retention policies and more?

- **Employee Engagement**: How do we keep a diverse and remote workforce located in multiple centers around the world, engaged and productive?

- **Customer Service**: How do we provide prompt customer service to customers in multiple geographies, time zones and languages?

- **Customer Relationship Management**: How do we ensure that our diverse customers are getting what they need?

Source: Gartner
Three Trends, Challenges and Actions for the Shared Services Leader

**Adding and adapting services portfolio**

54% of shared services leaders expect their role in the broader enterprise to expand in the post-COVID-19 crisis environment. Yet, many are struggling to adapt in a way that allows them to meet changing business needs.

**Challenges for the shared services leader**

- Demonstrate value to influence the business.

**Actions for the shared services leader**

- Identify common need patterns.

**Sustaining employee performance**

Shared services leaders struggle to sustain or increase employee performance and competency development during disruption and change. 76% of shared services leaders expect to offer more flexible/work-from-home options postcrisis to accommodate for overburdened staff.

**Challenges for the shared services leader**

- Accommodate overburdened employees.

**Actions for the shared services leader**

- Create visibility into team capacity.

**Automating and standardizing processes**

Although 96% or more of shared services leaders believe their robotic process automation, cloud and machine learning/artificial intelligence investments are just as, if not more, critical as they were prior to COVID-19, many struggle to balance cost and efficiency with a new need for flexibility in finance processing.

**Challenges for the shared services leader**

- Improve the end-to-end process.

**Actions for the shared services leader**

- Discover issues through process mining.

Source: Gartner
Communicate the Value of Shared Services to Stakeholders

A framework for identifying staff skill sets, complexity of processes, added value to customer and common customer needs allows shared services to do more if warranted — making the case for which processes to add to their scope of services.

Overview of a Client’s Approach to Identifying Service Integration Opportunities

Potential to Add Customer Value
- **Low**: No impact on Customer’s Productivity
- **Medium**: Existing Service Which Significantly Improves Customer’s Productivity
- **High**: Caters to Unmet Need With Transformative Impact on Customer’s Productivity

Common Customer Needs*
- Mobility
- Records Management
- Equipment Upgrade

* For the “High” Added Customer Value Potential Category

How to Identify Common Customer Needs
- Break down services into lowest-level process from the employee’s perspective.
- Identify known pain points or problems that exist but no one function owns.
- Match against problem areas surfaced through customer satisfaction and business alignment surveys.

Source: Gartner
Create Better Work Structures and Peer Support Opportunities

To help employees cope with the impact on their mental energy, develop a way to share visibility into bandwidth to see if team members are over or under capacity.

Team Capacity Transparency Boards Adapted From Scrum Boards

Day 1 Goal: Close Books — EMEA

<table>
<thead>
<tr>
<th>Team Member</th>
<th>To-Do Activities</th>
<th>In-Progress Activities</th>
<th>Completed Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne B.</td>
<td>Perform Intercompany Accounting Reconciliation</td>
<td>Lack of to-do activities provides visibility into who has capacity to support others.</td>
<td>Handle Emergency Stakeholder Request</td>
</tr>
<tr>
<td>Catharine A.</td>
<td>Perform Intercompany Accounting Reconciliation</td>
<td>Review and Approve Sales JEs, Review and Approve Service JEs</td>
<td>Review and Approve Bad Debt Reserve</td>
</tr>
</tbody>
</table>

Lack of completed activities provides visibility into who is falling behind (possibly due to small changes) and needs support.

Visibility into capacity allows team members and managers to know when they should reallocate tasks.

Source: Gartner
Analyze and Isolate Process Problems With Data

Eliminate the largest bottlenecks to prioritize technology investments and optimize scarce project resources — ultimately driving improvement.

Process Mining: Procure-to-Pay Example

Source: Gartner

Rework by Root Cause
Supplier change: 20% of total transactions
Price change: 15% of total transactions
Item change: 25% of total transactions
Invoice with no PO: 30% of total transactions
Invoice with incorrect item: 35% of total transactions

Analysis by Company Code

<table>
<thead>
<tr>
<th>Company Code</th>
<th>Number of POs</th>
<th>Rework Rate</th>
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</thead>
<tbody>
<tr>
<td>1000</td>
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<td>13%</td>
</tr>
<tr>
<td>6000</td>
<td>24,000</td>
<td>35%</td>
</tr>
</tbody>
</table>
Next Steps for Shared Services Leaders

- Identify Common Need Patterns
- Create Visibility Into Team Capacity
- Discover Issues Through Process Mining
Actionable, objective insight

Explore these additional complimentary resources and tools for shared services leaders:

- **Research**
  - Shared Services Model
  - Discover how to design, operate and evolve the shared services model to deliver greater business value.
  - [Download Guide](#)

- **Research**
  - Build a Better Strategic Plan for Your Function
  - Turn your strategy into action with our tools and templates.
  - [Download Templates](#)

- **Resource Hub**
  - Future of Work Reinvented
  - Reinvent where, when and how we work to maximize employees’ engagement and productivity.
  - [Learn More](#)

- **Journal**
  - Gartner Business Quarterly
  - Stay up to date with the most compelling research on organizational issues that cut across the C-suite.
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