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TRANSFORMING SHARED SERVICES

Executive Summary

Shared Services is typically run passively as a cost centre, not proactively as a business. Because of this, Shared Services struggles to provide what the business needs.

To operate as a self-sufficient business unit, Shared Services must have:

- A strong understanding of the customer
- KPIs that align with customer objectives
- Good service level management (SLM)
- Capabilities beyond service silos
- A good customer-provider dialogue.

Our client, UtilityCo, was having trouble with its Shared Services division. The problem was the way the Division was run: as a cost centre.

UtilityCo is a global electricity distribution and transmission services provider with annual revenue of ~\$1bn. The Shared Services division comprises a diverse range of functions such as IT, fleet management and building services.

With growth achieved primarily by acquisition, the Shared Services division needed to support a dynamic business. Ultimately, the challenge was delivering on multiple conflicting objectives:

- Achieving cost reductions for the company as a whole.
- Providing more tailored, higher quality services to the different business units.
- Offering a one stop shop for IT and non-IT services (including property and fleet management).

- Building the agility necessary to integrate mergers and acquisitions.

Dowling was engaged by the General Manager of Shared Services to assess the Division's performance and lay the foundations for fulfilling the above objectives..

We delivered the program in two phases using our Service Excellence methodology:

1. Develop a Service Catalogue and SLM capability.
2. Implement a broad program of continuous improvement.

Results

The results of the project were:

- Sustained End User Customer satisfaction improvement from 52% to 80%.
- Increased ability to meet customer demand.
- Customer understanding of how they could influence their spend by changing consumption patterns.
- Improved productivity of employees across the organisation by bundling of IT and non-IT services.
- A vastly improved relationship between Business Services and the Business unit executives.

As a result of the project, UtilityCo won the 2007 itSMF Innovation award.

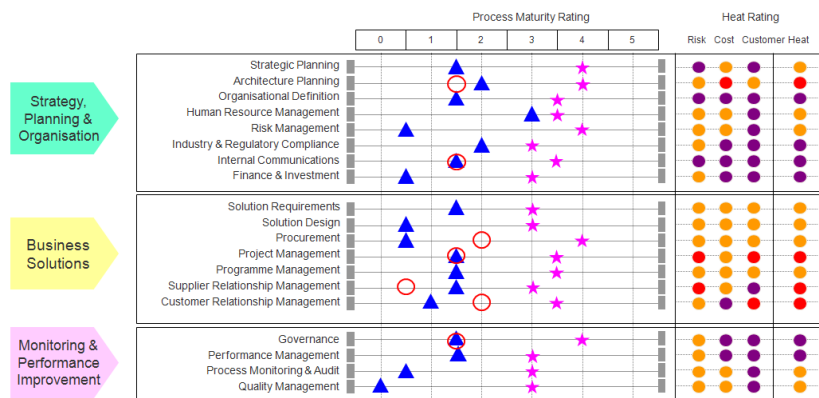


Fig 1 Maturity Assessment and Heat Map helped drive the program

Phase One

The aim: to prepare Shared Services to become a self-sufficient business unit that could pursue continuous improvement.

Understanding the customer:

Dowling worked closely with the Shared Services General Manager and the business to define, segment and profile customers. This information was then used to conduct meaningful customer satisfaction surveys.

Aligning metrics with customer objectives:

A best-practice Shared Services organization aims to maximize customer satisfaction. So insights from customer satisfaction surveys were used to re-design performance metrics. As a result, the metric portfolio was not just a directory of best-practice KPIs.

Implementing good service level management:

A comprehensive Service Catalogue was then developed using a variety of consulting techniques and validation methods. Service Level Agreements (SLAs) and a suite of SLM processes were also defined to support the Service Catalogue. This provided the foundation for a broader program of continuous improvement.

Phase Two

To run as a business, Shared Services must possess capabilities that go beyond service delivery. At UtilityCo, analysis showed the Shared Services division needed to build the following capabilities:

"New" Capability	Coverage
Planning and Organisation	<ul style="list-style-type: none"> Business Planning for the Shared Services Organisation Human Resource Management Quality Assurance Financial Management
Performance Management	<ul style="list-style-type: none"> Develop and Gain Agreement on Shared Services Organisation Charter Define and Maintain Balanced Scorecard for IT Business Unit Conduct Regular Surveys to Collect Metrics for Balanced Scorecard Define Continuous Improvement Process for the IT Business Unit
Policy and Compliance	<ul style="list-style-type: none"> Manage and Monitor Compliance to Corporate OH&S Policies Measure and Manage IT Risks for Business Assets Manage and Monitor Compliance with Regulatory Requirements

Dowling was engaged to assist UtilityCo in building these capabilities and to implement a broader program of continuous improvement. The aim of this second phase was to unlock the

benefits from phase one. The continuous improvement program included the following streams:

Implementing a single service desk:

Dowling assisted the Shared Services senior management team in creating a vision of a single service desk that covered all services – IT and non-IT. Dowling then helped define the people, organization structure, and enabling technology for the new service desk. This was done to facilitate delivery of the relevant 'promises' detailed in the service catalogue and SLAs.

Implementing a demand management function:

The service desk provided a single pane of glass to the business for standardised requests. But, there was no channel for non-standard requests such as technology evaluations and innovation initiatives. So a demand management function was defined to provide a single point of contact for all non-standard request. This involved outlining the roles, performance measures and rules of engagement.

Selecting and implementing a service desk platform tool:

The Dowling team assisted UtilityCo to define the business requirements and manage the evaluation of vendors for the service desk platform, and also to set up a configuration management database (CMDB) that included all IT assets. Subsequent to the vendor selection Dowling played the role of the functional expert in providing specialist business process and benefits tracking advice.

Implementing key business processes within Shared Services:

Dowling staff helped business process owners to define key business processes and the supporting procedures and metrics for all IT and non-IT services. Success in this step required agreement from all process participants. Following process approval, Dowling assisted in providing business support and training to facilitate the adoption of new business processes across a large and diverse workforce.

Integrating IT and non-IT services:

Dowling consultants supported UtilityCo in designing, building and implementing new services that were previously delivered and measured in silos but had a common customer. As an example, new starters usually had to fill in multiple forms sequentially to arrange building access, comply with HR/payroll requirements and get access to IT applications based on their role. Dowling designed a single "New Starter" service that was accessible and tracked through the single service desk and promised a reduced end-to-end cycle time based on the job role (e.g. field workers could have a different service level compared to administration employees).

For further information

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