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## Creating a best-in-class and scalable Shared Services organization for managing payments processing, accounting and reporting functions through process re-engineering

Outsourcing is today a widely accepted model and many organizations are centralizing financial processing, accounting and reporting processes spread across disparate regions in a single location. However, most organizations do not have a holistic plan or a long term strategy and the approach evolves over time. There is piecemeal migration of different activities over a period of time and the mindset is of moving people rather than moving work. This results in moving jobs to a remote location and the organization does not get the full benefits that could accrue from such an initiative.



The processes become people dependent and several inefficiencies creep in over a period of time, limiting the ability of the internal Shared Services centre to migrate additional processes and manage them efficiently.

### This leads to a number of challenges:

- Lack of process orientation
- Absence of process control and metrics
- Absence of clearly defined SLA's
- Low emphasis on performance management
- Lack of scalability

The Shared Services Center of a leading multinational company was having problems in justifying their existence to the parent organization and were not being able to take on additional work domestically. They were also keen on making a case for migrating work from overseas locations. They hired ECS to assess the capability of the center, to benchmark their services with other captive as well as third party service providers and to make recommendations to build a best in class scalable model that can be positioned across the organization.

As a first step ECS did a detailed process mapping of all processes handled and identified the value added and non-value added activities. Data on processing efficiency, service levels and accuracy was also collected.

Simultaneously, we spoke to some of the key customers to capture the Voice of the Customer and to understand their perception of the services provided. We contacted internal as well as external customers to obtain feedback on deficiencies and areas for improvement as well as things that were working well.

We also collected benchmark data for similar captive centers and outsourced third party service providers delivering these services.

This led to the identification of a number of gaps. These gaps were related to work flow, document flow and tracking, organizational structure, productivity, efficiency and meeting service levels.

We found that work was being done in small groups and there was an absence of standardization. This led to loss of efficiency, unequal distribution of work and delays in meeting customer expectations. There was a high level of people orientation rather than a process orientation. This also created high dependence on specific individuals and created a top heavy organization.

### Our recommendations involved:

- Re-organizing the different processing teams into a single group handling all the different types of transactions
- Eliminating the sorting and stacking of documents by streamlining the process flow so documents get processed as they come in
- Establishing clearly defined SLA's with all customer groups
- Implementing a scanning solution for better document management
- Having an end-to-end process tracking mechanism and a dedicated team of people to answer customer queries

The recommendations were simple and could be implemented with very little effort. This restructuring lays out a structured career path for the agents and is therefore likely to help reduce attrition.

Moving forward ECS has created a detailed implementation plan and has identified the change management issues that may arise in the implementation of these recommendations. ECS with its ability to manage and implement change is in the process of ensuring that the full benefits of the initiative accrue to the organization and that they are able to scale up to new heights and create a center of excellence. As part of this process we will also implement a continuous improvement culture within the organization.

### Benefits to the organization

- Higher customer satisfaction through increased adherence to timelines
- Reduced turn-around time
- Clearly defined SLA's leading to better management of client expectations
- Well defined process for handling customer queries and resolution of the same
- Establishing standard processes that are not individual dependant
- Clearly defined Standard Operating Procedures
- Higher productivity and lower cost per transaction
- Creating a scalable model and building the capability to add on more work
- Generating confidence of the stake holders in the model leading to increasing use of the shared services model

### Contact for details

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**ECS** is a premier management-consulting firm in India. Its consulting practice covers Strategy, Services, Operations and Human Resources.

### IT & BPO services

IT and IT Enabled Services (BPO) are one of the fastest growing segments of the Indian Industry and they bring with them a new set of challenges. ECS leverages its strength in the services industry coupled with its strengths in Process Management, HR and Change Management and Quality Deployment to help this emerging sector.

ECS's pioneering work in the IT and ITES space has helped its customers maximize their savings by streamlining processes across business. It has also enabled its clients to establish a process framework, mature their use of defect-focussed metrics, improve their overall performance and culturally align their personnel towards operational excellence.

We partner all our clients from concept to implementation. Value proposition from ECS includes, streamlining processes through use of best in class practices of Six Sigma, business process reengineering and TQM. Our team has people with hands on experience of setting up and managing processes in similar organizations.

Some of our leading partners include Ramco Systems, ICICI Infotech, Genpact, WNS Global, Flxtronics BPO, Msource and Prudential BPO.

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