Today's shared-services organizations (SSOs) often struggle to achieve standardization without sacrificing business agility. Although companies are turning to third-party workflow applications for help, many of them are unable to offer both a way to standardize and a way to stay agile. This paper discusses the current obstacles that multi-functional companies face when standardizing processes, and then explains how companies can achieve both standardization and agility with K2.

“K2 allows you to bring a new process into production [within three months] — even with integration with backend systems. Other systems cannot meet the same expectations and timelines.”

WOUTER FABER
Operations Lead, Workflow Center of Excellence at Shell, Accenture.

www.k2.com/customers/shell
WHY THE TUG-OF-WAR BETWEEN STANDARDIZATION AND AGILITY?

Shared services refers to the consolidation and outsourcing of certain business functions, historically in areas such as human resources (HR) and finance. For instance, a company that opts for shared services in HR will often outsource HR administrative tasks, such as the data entry required for case management, but keep a small corporate HR team to focus on high-level strategy. Another company may have recently acquired several international companies and want to standardize some of its back-office accounting functions like procurement. In either case, the aim of shared services is to improve efficiency and cut costs.

Every year, more businesses look to the SSO model, or a similar methodology called Global Business Services (GBS). To realize some of the cost reduction, SSOs work toward standardizing business processes. For example, many businesses attempt to standardize multiple processes and systems onto enterprise-resource-planning (ERP) platforms such as SAP or Oracle. 67 percent of SSOs have already upgraded their information systems in the hopes of gaining efficiencies. However, six out of 10 CFOs say that they can’t afford such large investments even though they definitely want to standardize. And many organizations’ IT systems have been built piecemeal over the years, which makes it difficult for non-IT business analysts to access useful data. One CEO of a construction company in Asia, for instance, said that payments with insufficient data often do not get approved, bottlenecking the entire operation. Business can stagnate under this kind of complexity and thus nullify the savings that standardization was supposed to bring.

Some companies opt instead for more agile, less standardized business processes. For example, the HR department at a global company might avoid overly standardizing the process of employee onboarding because they must quickly adapt to a wide range of constantly changing regulations and requirements across borders. So they choose to remain agile in order to create one-off, manual processes for each new employee. However, their manual processes fall short when the company must suddenly onboard 150 new contractors. The isolated processes they created for each employee can result in black holes of information that inhibit insight into processes and are difficult to change.

Standardization can put operations in a box with no room to grow, but ignoring standardization in favor of agility can result in process inefficiency. Fortunately, creative technology solutions exist that can meet businesses’ needs for both agility and standardization.

K2 STREAMLINES SHARED-SERVICES FUNCTIONS ACROSS DEPARTMENTS

<table>
<thead>
<tr>
<th>Finance and accounting:</th>
<th>Human resources:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per invoice</td>
<td>Employee onboarding</td>
</tr>
<tr>
<td>Procure-to-pay</td>
<td>Case management</td>
</tr>
<tr>
<td>Days payable or sales outstanding (DPO/DSO)</td>
<td>Customer service:</td>
</tr>
<tr>
<td>Procurement</td>
<td>Complaint resolution</td>
</tr>
<tr>
<td>Quote to cash</td>
<td>Customer onboarding</td>
</tr>
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RECOGNIZING THE OBSTACLES TO PROCESSES STANDARDIZATION

Standardized processes can help each department within a business use consistent workflows and forms for completing tasks – saving employees time and employers money. Despite these benefits, only 31 percent of multi-functional businesses surveyed by K2 adhere to consistent processes or workflows.\(^3\) If standardization holds the keys to shared-services profitability, it’s surprising that more businesses are not standardizing their processes.

One obstacle to standardization might be related to visibility into the process itself. Lack of insight can congest day-to-day operations and keep companies from pinpointing process breakdown. For example, how often has your approval process stalled and no one is sure why or where it is stuck or even how to get it moving again?

Another obstacle is complex access to data. Use of big data is a burgeoning trend in the shared-services arena, but few companies are equipped for it. In fact, 90 percent of the companies surveyed by SSON are actively pursuing a data and business-intelligence (BI) strategy.\(^4\)

Businesses want insight, but 54 percent of multi-functional and GBS companies possess little to no visibility across entire processes.\(^3\) You can’t fix what you can’t see.

RECOGNIZING THE OBSTACLES TO AGILITY

SSOs can’t grow without the ability to flex and retract to meet immediate business needs. Several shared-services functions often stunt business agility because they require:

- Human intervention to move processes forward
- Overly complicated access to data and BI
- Technical or coding knowledge
- Support for mobile devices and a mobile workforce

Lack of automation: the human factor
Processes requiring a human touch for approval can only move so quickly. When a key person is unreachable, the process sits unapproved. To address this limitation, many companies are considering automation. 63 percent of businesses surveyed want process-automation to shave time off processes, but many businesses are unclear how to start.\(^3\)

For any automation, businesses need self-service solutions, where both technical and non-technical employees can create and use automatic processes and business apps that can be changed on the fly.
Lack of access to data
As multi-functional businesses expand globally, access to data becomes complex. Systems don’t interoperate or integrate. For instance, 80 percent of finance executives report that finance operations rely on many different information systems. Maintaining multiple siloed ERP systems leads to increasing frustration. As a solution, almost half of businesses surveyed are working to consolidate into a single platform, perhaps without realizing that consolidation brings its own challenges, including a lack of agility. You need the ability to organize business data into a single interface and provide reusable and standard views on information that can be used in all of your business forms and processes.

Lack of mobility
Many companies strive to implement mobility into shared-services functions, but even so, nearly one-third have no current plans to deploy a mobile solution. Historically, mobile access and optimization have been reserved for front-of-the-house functions like sales. Shared services supports many internal processes, so out-of-office employees need a way to work off site without compromising the process.

K2: THE BEST OF BOTH STANDARDIZATION AND AGILITY
K2 blackpearl® helps you balance standardization with agility, so that you can respond quickly to changing business needs. You can use K2 to create any business application you can imagine, with workflows and forms that span people, departments and data systems.

Easily and efficiently standardize processes without sacrificing agility
- Build and run business applications that streamline SSO processes like complaint resolution or employee onboarding.
- Gain full insight into processes and shared-services workflows, such as quality assurance or IT functions, through customizable reports.

Gain agility to grow business while maintaining standardization
Embrace automation
- Eliminate repeated and manual work by enabling business users to create automatic workflows.
- With K2, even non-technical employees can build no-code or low-code business apps, so any user can create automatic, consistent processes for shared-services functions like quote-to-cash or complaints-management needs.

Simplify data access
- Easily connect K2 apps to your current systems, such as SAP, Oracle, Salesforce, Dynamics CRM, or solutions such as Box, Drop Box, or Microsoft SharePoint, to securely pull cross-departmental data into shared-services tasks like invoicing or procurement.
- Build standardized, global processes for customer onboarding and retain an agile business model.

Empower your mobile workforce
- Create mobile-ready, responsive forms for necessary approvals like Days Payable Outstanding (DPO).
- Use the same form across all devices and form factors, including mobile phones and tablets.
K2: STANDARDIZE AND STAY FLEXIBLE

The shared-services industry is ripe for an efficient solution that standardizes practices with flexibility to allow for business growth. K2 helps optimize the cost savings of shared-services initiatives by providing the agility necessary to grow business. With K2, standardize and automate manual processes, gain insight into processes break down, simplify access to shared data, and enable back-office functions to be completed on any device. To learn more, visit www.k2.com.

“Our new mortgage-origination solution, based on K2 and SharePoint, streamlines every aspect of the process and prevents errors or missing information. Now it takes us 45 minutes to complete something that used to take three days”

DARRELL JAGGERS
Vice President of Information Systems, Island Savings
www.k2.com/customers/island-savings

3 K2, in conjunction with sharedserviceslink, surveyed over 60 delegates at the Shared Services Leaders’ Summit. For more information on the event, visit http://www.sharedserviceslink.com/event/the-shared-services-leaders-summit.