



Business Consulting

Win with the best
"People Performance"

[SSC Opportunity Assessment

Business is becoming more and more complex: through globalisation, demographics evolution, Market demands, strong Competition, short Market Life Cycle, Speed of ... everything. On this ever-changing world, there is nevertheless a constant: Companies that will win tomorrow are those with the best "People Performance".

As HR roles evolve within companies and business constraints become more and more demanding, HR leaders and managers must improve efficiency and costs while increasing quality of services and increasing value. HR will have to strike a balance between a long term vision which demonstrates value and meeting the short term constraints that are more resources oriented.

HR leaders will have to think about how they can increase the efficiency of their organisations and enhance the quality of services delivered, while reducing costs.

The two main options, in addition to retaining local control, are to create an Internal Shared Services Centre, and/or to outsource some activities.

Our business consultants help our customers to take the right decision concerning such processes.

Such critical decisions are not easy to make, and generally have long term effects. We help our clients to answer questions such as:

- Is a Shared Services Centre a good way to improve HR performance for this business to achieve its objectives?
- How should its role be defined?
- What would be the best way to source it: Internally? Externally? A mixed solution?
- Is it a practical solution, and what level of effort would be required to reach this target?

We help our customers develop a complete business case that addresses all these questions, covering:

- Complete current costs and targets
- Expected return on investment (ROI) both quantitative and qualitative
- Key performance indicators (KPIs) aligned with the targets and allowing us to measure progress and confirm we are on the right track
- Company context and culture sensitivity to assess feasibility

If outsourcing has been chosen a due diligence phase might then be required to confirm initial assumptions and to reinforce our partnership with our customers.

How are our business consultants different?

Apart from their in-depth experience and expertise on shared services, they also aim to help our customers identify the best solution, taking advantage of HR Access's unique position in offering both in-house and outsourcing solutions. This represents the best of both worlds.

When contemplating a Shared Services Solution, we suggest customers take a **three-step approach**:

1. Goal identification

It is critical to clearly identify the real business opportunities before determining what the new organisation should bring. Once they have been determined, we can help our clients to decide if the best solution for them is an internal Shared Services Centre (SSC) or an outsourced one. For instance:

- When looking to improve quality of services, outsourcing is generally the best route, thanks to the shared experiences of multiple customers
- When looking for maximum cost reduction, an efficient internal Shared Services Centre should prove the best solution in the short term. After a few years there is a risk that the cost of an internal SSC will increase while costs of an external SSC would stabilise or even decrease thanks to continuous improvement and alignment with market needs, evolution and experience. A further alternative for large companies is to run the internal SSC like an external operation.

The main opportunities would concern:

- Quality of service and professionalism
- Ability to be proactive
- Transformation
- Core business focus
- Risk management
- Productivity, efficiency and economy of scale
- Speed of implementation
- Transition costs

2. Feasibility assumption

Whatever the goals and the decisions required to exploit those business opportunities, the best choice is the one that will best adapt to the customer's context, taking into account:

- Geographical dimension
- Social factors
- External image
- Cultural factors.

This may sound obvious, but history tells us that practicality and feasibility are not always considered, leading to a wrong decision that does not deliver the expected value. Our approach is to integrate this feasibility dimension, with a strong 'change management orientation' to guarantee to our clients that the solution recommended is the right solution for them.

3. Axes analysis

Once the business opportunities have been identified and the overall feasibility assessed, the next step is to decide what is the best source for the HR services required to run HR activities.

Our business consultants help our clients to ascertain the best sources depending on individual situations and needs identified across three key areas:

● **HR Tools**

The tools required to run HR activities from software and IT infrastructure to competency evaluation tools or even logistics facilities such as training centres

How will our clients get maximum value? Perhaps by outsourcing the operation of HR applications, but owning their own training centres, shared across all the companies of their group? We will help to find out the answers to these key questions.

● **HR Activities/Processes**

This covers all the activities currently under HR responsibilities (roughly all processes related to data

collection, production of HR services, controls and monitoring)

The key questions for our customers include: "How can you make these activities most efficient? By handling them locally? Centrally? In an internal SSC? By outsourcing these activities entirely? What risks are you taking by making this decision? Is it a flexible solution? Can you change it easily?"

We will bring insights on this wide range of questions for our customers so that they are better equipped to objectively weigh advantages, constraints and risks.

● **HR Competencies**

Finally, various competencies are required to run an HR organisation - HR administration, legal and social, HR business, business, coaching and management, and more. It is extremely difficult, if not impossible, for any one HR organisation to have all these required skills, especially within mid-size companies. Even in large companies it can be a challenge, particularly in countries where there is a great deal of legal change (such as in France, for example, for payroll or training).

HR Management teams often decide to source at least some of these competencies externally in order to have the right blend of skills and even to anticipate changes and needs.

Our business consultants can help our customers to assess their existing knowledge and competency requirements in order to establish whether they are running unnecessary risks by retaining them internally. It is important to consider what would happen should a key individual leave suddenly, taking with them core competencies not replicated elsewhere in the company. What are the related costs, including replacement, of keeping such competencies locally in a shared internal resource? It is vital to take a risk analysis approach to such decision making.

- *According to our client's goals, we may advise against an internal approach for the following areas:*

- Training and learning management
- Competencies management
- Performance management
- Professional development
- Recruitment and staffing
- Compensation management and benefits administration
- Personal administration
- Payroll
- Time and activities management
- Workforce relationship

This three-step approach generally results in a recommendation to adopt a mixed solution such as:

- Full outsourcing of the payroll (tools, activities and competencies), while keeping contact with employees internal
- Outsourcing training (LMS), with a Shared Services Centre to manage all the administrative tasks, and outsourcing educational activities where competencies need to be brought in from outside.
- No further change

Because HR Access is in the unique position of being able to propose both insourced tools and outsourced activities, our business consultants can objectively determine the best solution to suit our clients' needs.