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Customer Support within a Shared Services Model

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Today, Shared Service organizations are widely utilized in almost all industries and business sectors. Many large corporations utilize shared services within HR, IT, Finance, and Supply Chain. A simple definition of Shared Service is 'the provision of a service or services by an organization across multiple functional units or groups of an enterprise'. Our experience shows that typical cost savings from shared services are in the 25% to 50% range while also providing additional business value from improved operational efficiency and quality, customer service, data access and visibility, process efficiency and compliance, core business focus, utilization of resources, and customer satisfaction.

A typical Shared Service center model utilizes a self-service opportunity for customers along with assisted support through various contact channels (phone, mobile, web, email, chat, social media, etc.) as shown in Figure 1 below.
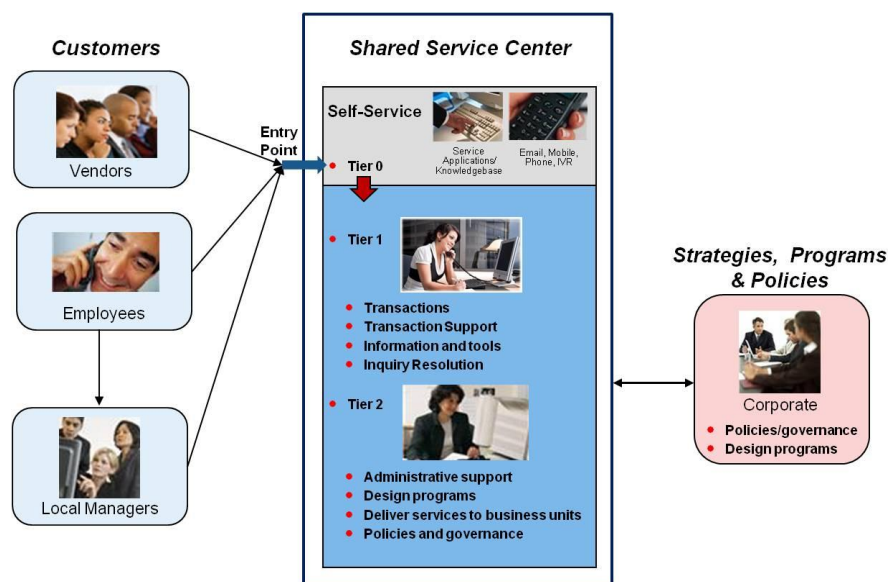

Figure 1

This model is implemented by many organizations that want to either eliminate or reduce mediated support by a "live" person as a way to reduce operating costs when implementing shared services. In addition, this model is recommended by many consulting companies that want show clients a large amount of savings for implementing shared services.

The employees that are responsible to conducting the main type of transaction for the Shared Service Center (Payroll, Benefits, Accounts Payable, Procurement, etc.) are the same employees who are expected to provide some type of mediated customer service using one or more of the available contact channels. The basic premise is that the employees who handle transactions are the experts and can answer customer questions quickly and efficiently. However, when large volumes of transactions are coupled with large volumes of customer contacts this model can reduce the effectiveness of both handling transactions and

assisting customers with their issues or questions. This situation can frustrate both Shared Service Center employees and their customers and can lead to poor or delayed service, increased costs and complaints.

Customer Support impacts Shared Service organizational effectiveness

When a Shared Service center must interact with many customers (employees and/or vendors), the organization will benefit from utilizing a front office or customer support function to segregate the customer facing tasks from the back office transactional tasks. This segregation allows for more effective and efficient use of resources by allowing specialization, reducing interruptions in back office processes, and improving the quality of all services provides.   This typically involves a contact center to address large volumes customer inquires in a cost effective manner while providing the desired level of customer satisfaction. The back office group provides support to the contact center by assisting with inquiries and investigations that required their particular expertise.

A well designed and executed customer support function or contact center significantly contributes to the Shared Service organization's success and ongoing effectiveness by allowing other areas of the organization to focus on their core competency of providing services and thus is transformed into a High Performance Center.

The contact center provides the first level of support, concentrates on one call resolution and taking ownership of all inquiries until they are resolved. The back office function continues to perform the transactional, analytical and strategic tasks while becoming the escalation point for unresolved issues and focusing on quality support and time to resolve inquires without the continuous interruptions or large inquiry backlogs.

A typical High Performance Shared Service Center model utilizes a self-service opportunity for customers along with dedicated front office area providing support through various contact channels (phone, mobile, web, email, chat, social media, etc.) and a back office area specializing in transactions, line manager support and program management as shown in Figure 2 below.
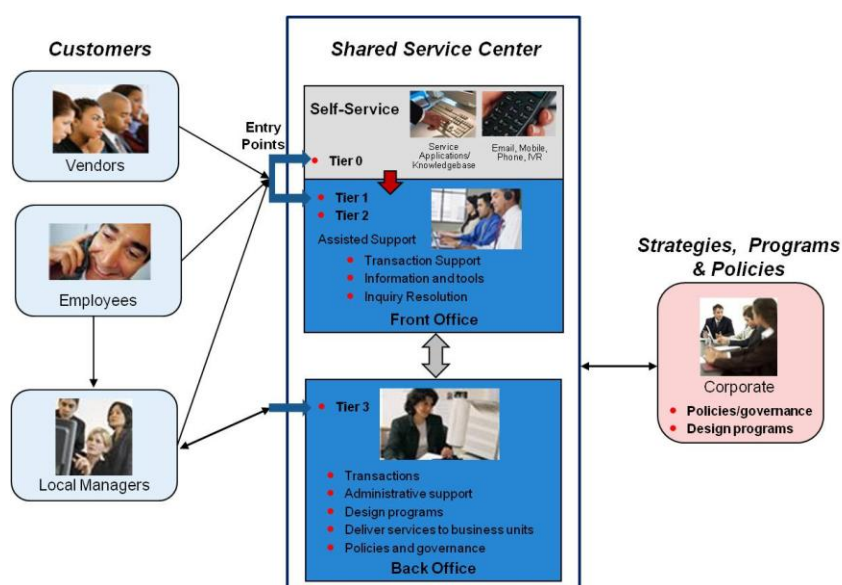

Figure 2

As an example, a large national health care provider estimated a supply chain annual savings of $2.2 million in labor and $20 million in product savings following the implementation of a shared service procurement organization that utilized a front office contact center working with a back office transaction center. In addition, creating a front office contact center for their Accounts Payable Shared Service Center resulted in the elimination of the large backlog of customer and vendor inquires, reduced employee dissatisfaction, employee turnover and significantly improved customer satisfaction based on subsequent customer survey results.

High Performance Center Solution

A shared service effort may require system application changes, new roles, new processes, and even changes in work locations. Achieving the goals of Shared Service Center can drive very significant changes for a broad group of people, both internal and external to a company.

It would be wise to elicit the assistance of consultants who have extensive experience with designing and deploying effective Shared Services customer support functions that provide superior end user support. These firms should utilize the proven principles of multiple contact channels (internet, email, IVR, live contact, social media); advanced skills-based routing, knowledge management, tier triage escalation, case/problem management, quality and accuracy management and ITIL compliance to successfully implement High Performance Shared Service Center customer support projects. Since these types of projects normally impact core services, employees, vendors and customers, they usually require from 6 months to 18 months from the initial assessment to final implementation and stabilization of the Shared Service Center.

Based on our experience working with organizations who have implemented High Performance Shared Service Centers, there are four main work streams of a shared service project: Assessment, Design, Build and Implement.

The **Assessment** work stream identifies the current capabilities, processes, systems and facilities utilized by the organization whether it is currently utilizing a shared service model or not. In-depth interviews, reviews of process and organization documentation, reviews of data and reports, side-by-side observations of customer interactions, reviews of pertinent systems and technology and hands-on workshops can be used to develop an understanding of current operations, desired future state and build a compelling business case and high level implementation plan that will align the management team on a path forward. Deliverables may consist of a Current State Review, Capability Maturity Model of Leading Practices, Future State Definition with Gap Analysis, and a Future State Roadmap with timing of all major initiatives and ROI for each.

The **Design** stream addresses the mechanics of how functional organizations, processes, systems and infrastructure will need to be changed, added or modified to operate in a shared services environment. All shared service projects require an end user support component that addresses the support needs of each constituent group and yet also leverages the economies of scale and synergies associated with a combined support function. Deliverables normally include a Business and Operational Process Guide, Shared Services Center Configuration Guide, Staffing and Hiring Plan, Change Readiness Program, Training Plan, and Project Plan for Future Phases.

The **Build** phase acquires and builds out facilities, equipment and systems, hires staff and conducts training, executes testing and system audits, and creates implementation guides

and documentation. Deliverables may include revised Business and Operational Process Guide, revised Configuration Guide, Training Program, revised Business Case, Acceptance Test Cases, System Audit Report, Change Readiness Program, updated Project Plan.

The final work stream is **Implementation** where the High Performance Shared Service Center operation is started, targets are tracked and performance is optimized, operational processes and system configurations are adjusted to better meet the needs of the customer, the continual improvement process is initiated, and a full center audit is conducted. It is strongly advised that a portion of the project team be retained to provide support and guidance for the initial "Go Live" and a subsequence stabilization period to allow the Center's staff to concentrate on achieving effectiveness and efficiency of the ongoing delivery of service. Deliverables typically include the finalized Operational Processes and Configuration Guides, a Continual Improvement Process, and Center Audit Report.

In conclusion, Shared Service organizations need to be both efficient and effective to provide the services required by their customers at an appropriate cost and complete centralization of all functions into one group of employees is not always the best solution to achieve these goals. A High Performance Shared Service Center that utilizes a separation of responsibilities and expertise to provide services can achieve high levels of service at lower costs when designed and implemented appropriately. Experienced contact center and customer service professionals and consultants can provide the necessary expertise and knowledge to assist your company with designing, building and implementing a High Performance Shared Service Center that will achieve your specific goals.

About the Authors

Ike Mitchell

Ike is a retired customer service professional and management consultant with more than 25 years of experience in the contact center industry and a retired senior consultant from CSC. He has also worked for such companies as Entergy, TCS and American Express. He has an in-depth knowledge of process re-engineering, customer service, and technology and has provided consulting services in over 100 contact centers covering multiple applications, sizes, technologies and industries. In addition, Ike has published many articles relating to contact centers and customer service since the mid 1990's.

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Mike is the owner and senior consultant for Lauro Consulting Innovations. He has also worked for CSC, Ansell Healthcare, Prodigy, Entergy, and Timex. He is a contact center, customer service and performance management specialist with more than 25 years of experience and in-depth knowledge of technology, customer service, and process improvement methods. His experience includes developing strategic direction; planning and completing contact center consolidations; selecting and implementing contact center telephony, including server based ACD's, IVR's, workforce optimization systems and CRM systems; business process redesign; and successfully directing customer service, contact center, financial, and technical functions.