

Case study – Global defence company

Designing a shared services organisation



The challenge

The client had a number of back-office functions each operating as silo organisations, reporting to country organisations, across the globe. As a result, many of these functions, such as procurement, IS, Finance, HR (payroll), training, and engineering, had duplicate back-office systems.

There had recently been much attention on the opportunities that could be derived from implementing shared service organisations. GE, for example, had recently successfully consolidated many of its global back office operations and the client's leadership development team were committed to generating the efficiencies and savings seen by others.

Corven was engaged to help the leadership team consider the options of setting up a shared service organisation within its own business, and based on comprehensive research, take a decision to implement the new structure, if the business case was sensible.

Approach

The work took place over two phases, lasting for three months.

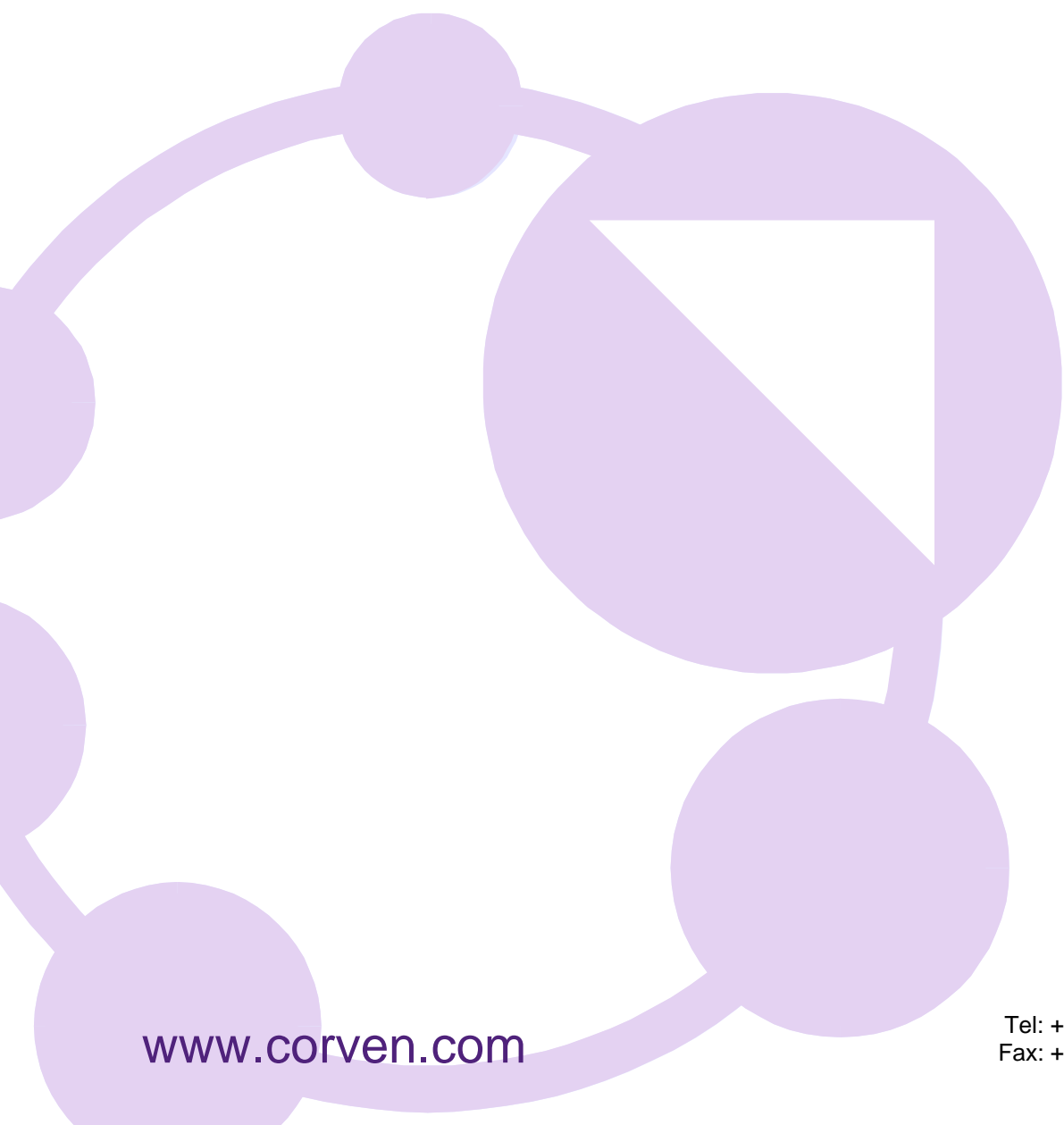
Phase one, collating business intelligence on shared service organisations: Working as a team of two consultants, Corven researched, benchmarked, and collected business intelligence on players who had implemented shared service organisations. The work provided a comprehensive understanding of shared service organisations, best practice on set up and management, operating models, typical risks and pitfalls, case examples, key challenges and so on.

Based on the report, the CEO of the North American business, who was sponsoring the project, decided it was sensible for the organisation to implement a global shared service organisation.

Phase two, designing the shared service organisation: The Corven team ran a number of workshops with the Board to think through, design and develop a shared service solution for the client. A detailed route-map was completed to build the new organisation, and a comprehensive review was undertaken to select which organisational units would form part of the shared service organisation, be outsourced to a third party supplier; or remain as an individual business unit. The route-map also laid out the benefits case for each decision, to enable effective tracking once implementation began.

Results

The route-maps established in the workshops enabled the organisation to immediately set up the organisation structure for the shared service entity. This was put in place in the month following the final workshop and the governance structure was agreed with specific names put in place.



www.corven.com

Corven
32 Duke Street
St James's
London
SW1Y 6DF

Tel: +44 (0) 20 7747 7800
Fax: +44 (0) 20 7747 7801