IBM **Services**

Shared Services as a Business Partner in ASEAN

Intelligent Workflows for Captive Shared Services

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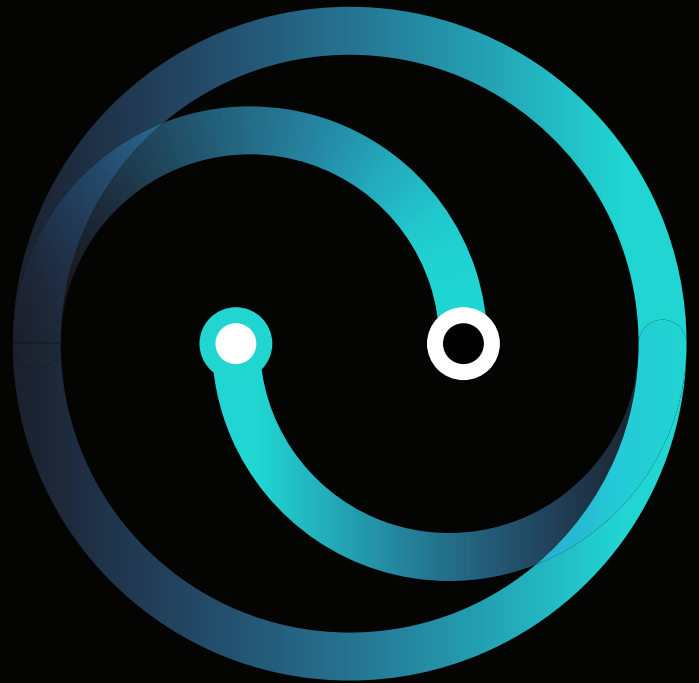
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Introduction

The infusion of cognitive technologies such as artificial intelligence, machine learning, analytics, blockchain and robotic process automation, combined with advanced workflow, greater collaboration and next-generation ERPs present disruptive opportunities for shared services in any organisation's target operating model.

The disruptions in 2020 due to the pandemic have given rise to **three key themes** in enterprise operations, which shared services leaders have broad expertise in managing. First, the **agility to shift work** and support the business, which has been foundational. Second, **digitisation**, which has been a critical enabler to physically keep operations running safely during government, regulatory and societal changes that required physical distancing. Finally, **relevant business insights derived from data processed in shared services centres** that pose an opportunity for shared services leaders to step into a business partnering role. The business domains experiencing disruption such as vendor invoices, customer receipts, working capital, financial reporting, human capital allocation, skills and learning, and recruitment are data-rich and require faster analytics to inform business leaders on the next steps.

The new normal presents an opportunity for leaders in shared services in the ASEAN region to emerge as true business partners. Shared services in Singapore, Malaysia, Philippines and emerging delivery centers in Vietnam, Indonesia and Thailand can accomplish this through intelligent workflows.

Intelligent workflows are an important foundation to the emerging transformation. Shared services leaders achieving breakthroughs in agility, digitisation and data analysis can become ideal business partners.

The New Normal
for Shared Services

Organisations need shared services to be more of a business partner. Leaders have broken through traditional shared services norms such as centralisation, standardisation, singular focus on transactional work and deliberately limiting complexity to safeguard service levels. The same mindset change has produced breakthroughs in recent years to enable historical back-office organisations to keep pace with the disruption that is taking place across the front lines of each business unit and brand.

New Shared Services Ways of Working

Fundamental to a "future of work" transformation is the right design of digital processes, end-to-end business processes, and agile ways of working for employees. Digitising as-is processes into digital systems has not proven to be a sustainable approach. The result is often an analogue process, only digitalised. A cognitive mindset in process design for shared services enables **process innovation, improved user experience, employee satisfaction and future proofing** through selective technology adoption. The technology capabilities, in particular those functions providing visibility, control, interaction and analysis, should inform the process design, creating a smarter process. **These processes are more end to end, cut across multiple organisations, and are powered by stacking of exponential technologies** like AI, machine learning, blockchain and robotic process automation. Examples include end-to-end processes for Lead to Cash and Talent Acquisition. The benefits of end-to-end processes are typically greater efficiency and relevance of mission-critical data. Technology-enabled process transformation leads to an intelligent workflow. Intelligent workflows enable **IBM Dynamic Delivery**[1], which incorporates principles of agile, focus on shared service employee experience, data science and talent upskilling.

Shared services can virtualise and digitise to provide business agility.

In February 2020, in response to the global pandemic, IBM virtualised global delivery centers and moved service delivery employees to work from home with zero disruption to over 300 clients...in 10 days.

IBM proactively enabled over 90% of transitioned clients and employees to work from home, and secure digitisation of work and extension of agile intelligent workflows, with no SLA failures.

[1] https://www.ibm.com/services/dynamic-delivery

Towards Intelligent Workflows

To fully realise the benefits of innovation, the complete end-to-end process from business to shared services must be considered. To achieve a fully end-to-end view, the entire stack of technology from networks to infrastructure and cloud to enterprise applications and cognitive technologies must also be addressed. Organisations have been experimenting with next-generation technologies: AI, automation, data lakes, advanced analytics and predictive machine learning. Historically, 50% - 70% of core systems (ERP, transactional systems) users reside in a shared service. In the traditional model, the shared services employee meets the purpose of data entry to feed information requirements for transactional and administrative work.

Shared services are well placed to provide an integrated view of operational technology given their current scope and are thus logical users of exponential technologies. For example, if high-level historical data sets are rendered unreliable as a result of the pandemic, shared services have detailed transaction data which can be mined for insights on areas such as working capital, using cognitive and machine learning techniques. This can evolve into a sophisticated intelligent workflow, where technology, data and governance work together to drive value for the business.

Shared services create frontline employee experiences through better data and end-to-end process reimagination.

A leading mining organisation addresses complexity by using AI to augment human expertise in people management.

IBM Watson enables an HR shared service to identify, within 3 steps, highly complex job codes and accounts from over 8,400 possible codes. This creates a fusion of human and machine collaboration to create a better employee experience.

Shared Services as a Business Partner

With the embedded data and intelligent workflows, **the job of a shared services employee is potentially transformed from transaction processing to enterprise orchestration.**

This mindset is particularly important for regions like ASEAN. The shared service need not be the dumping ground for administrative, manual scope. IBM calls the new model for fused technology and process jobs, "New Collar" workforces. An organisation can use shared services to develop local talent who have sufficient technological and subject expertise to perform valuable insight-heavy actions. Additionally, the organisational design of the shared service itself and where the shared service sits in the broader enterprise structure must be strategically assessed. Organisations can best make use of new talent by infusing agile, design thinking, squads and progressive KPIs into roles and job descriptions. The implications for leaders of shared services organisations can be profound. The old transformation model places the retained finance or HR organisation as the focus for business partnering. The emergence of "working capital control towers" and "workforce allocation tiger teams" during the first half of 2020, at the height of the pandemic, could provide inspiration for the business partnering roles heads of shared services could take on.
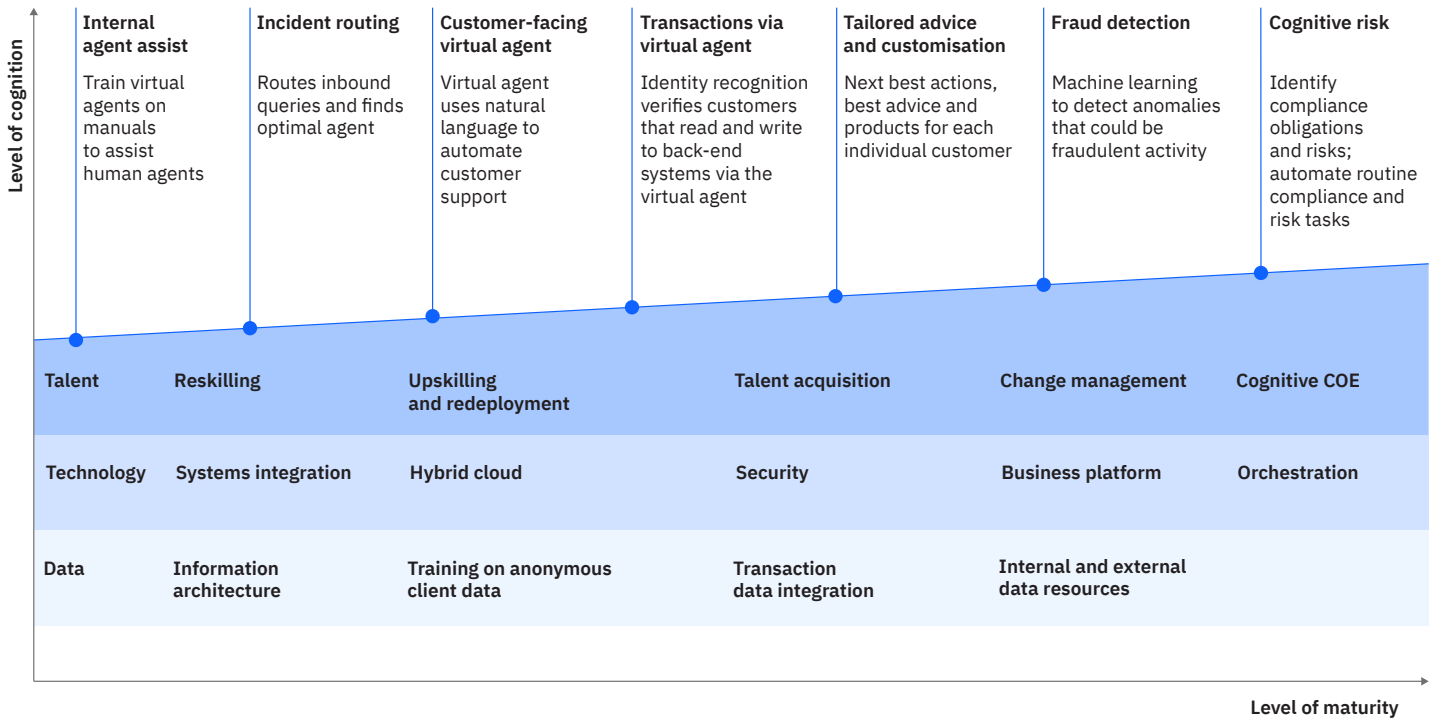
The chart shows a diagram titled with axes "Level of cognition" (vertical) and "Level of maturity" (horizontal), with progression points labeled:

Internal agent assist	Incident routing	Customer-facing virtual agent	Transactions via virtual agent	Tailored advice and customisation	Fraud detection	Cognitive risk
Train virtual agents on manuals to assist human agents	Routes inbound queries and finds optimal agent	Virtual agent uses natural language to automate customer support	Identity recognition verifies customers that read and write to back-end systems via the virtual agent	Next best actions, best advice and products for each individual customer	Machine learning to detect anomalies that could be fraudulent activity	Identify compliance obligations and risks; automate routine compliance and risk tasks

Talent	Reskilling	Upskilling and redeployment		Talent acquisition	Change management	Cognitive COE
Technology	Systems integration	Hybrid cloud		Security	Business platform	Orchestration
Data	Information architecture	Training on anonymous client data		Transaction data integration	Internal and external data resources	

Figure 1: How intelligent do you want your shared service to be?

The Art of the Possible

A focus on talent and upskilling is only possible if an organisation can master the data and technologies required to deliver a truly intelligent process. **IBM calls this fusion of technology and process an intelligent workflow.** Workflows are how work gets done. An intelligent workflow is the orchestration of automation, AI, analytics and skills to fundamentally change how work gets done. It minimises friction through automation. It drives insights for immediate action, not for action in the future. It's transparent. And it's agile and flexible. At the heart of it, implementing intelligent workflows is about unlocking value that hasn't been unlocked before.

Intelligent workflows have a high degree of integration and visibility that, historically, most business processes have lacked. Traditionally, enterprise applications deploy standardised processes that stay siloed in their individual areas. Integration was costly and transparency was limited. Today, with principles such as cloud architecture, open APIs and microservices, it's viable to add a thin layer of technology over enterprise applications to infuse AI, machine learning and orchestration software to connect those processes and data and create an integrated end-to-end workflow that gives you great visibility.

If a business is not running on digitised intelligent workflows, the ability to be flexible is hugely limited, as is the ability to generate tangible benefits and "close the loop" moves at the pace of non-real time data. The biggest change in the new normal is the urgency to digitise and modernise. Organisations have been focused on digital reinvention and intelligent workflows for quite some time, but in the past six months, organisations who have embarked on the journey have reaped benefits and accelerated. Shared services leaders need a plan to implement intelligent workflows.

"The Cognitive Enterprise is an idea… brought to life by intelligent workflows, uniting people, data and technology, to deliver differentiated experience for customers, employees, suppliers and partners.

Shared services organisations can now accelerate the end-to-end transformation of business functions from siloed and static processes into integrated agile workflows."

Neeraj Manik, Head of IBM Cognitive Process Services, Asia Pacific

Finance Intelligent Workflows

Finance leaders are experimenting with multiple emerging technology proofs of concept to evaluate impact. In the current environment, it has become more critical to respond quickly to opportunity and market changes. This requires a degree of agility and flexibility in operations that many enterprises do not have today. To tackle these imperatives, CFOs and CPOs are experimenting with multiple emerging technology proofs of concept to evaluate impact.

However, their ability to reinvent at scale and accelerate speed to value has lagged. Intelligent workflows in finance and procurement enterprise functions can significantly accelerate organisations in their race to attain greater competitiveness.

In the example below, IBM delivers Source to Pay to our clients as advisory services and managed services, leveraging pre-built business process platforms. This intelligent workflow maximises touchless processing and provides a unified interface across buyers, suppliers, and procurement and finance back-office practitioners.
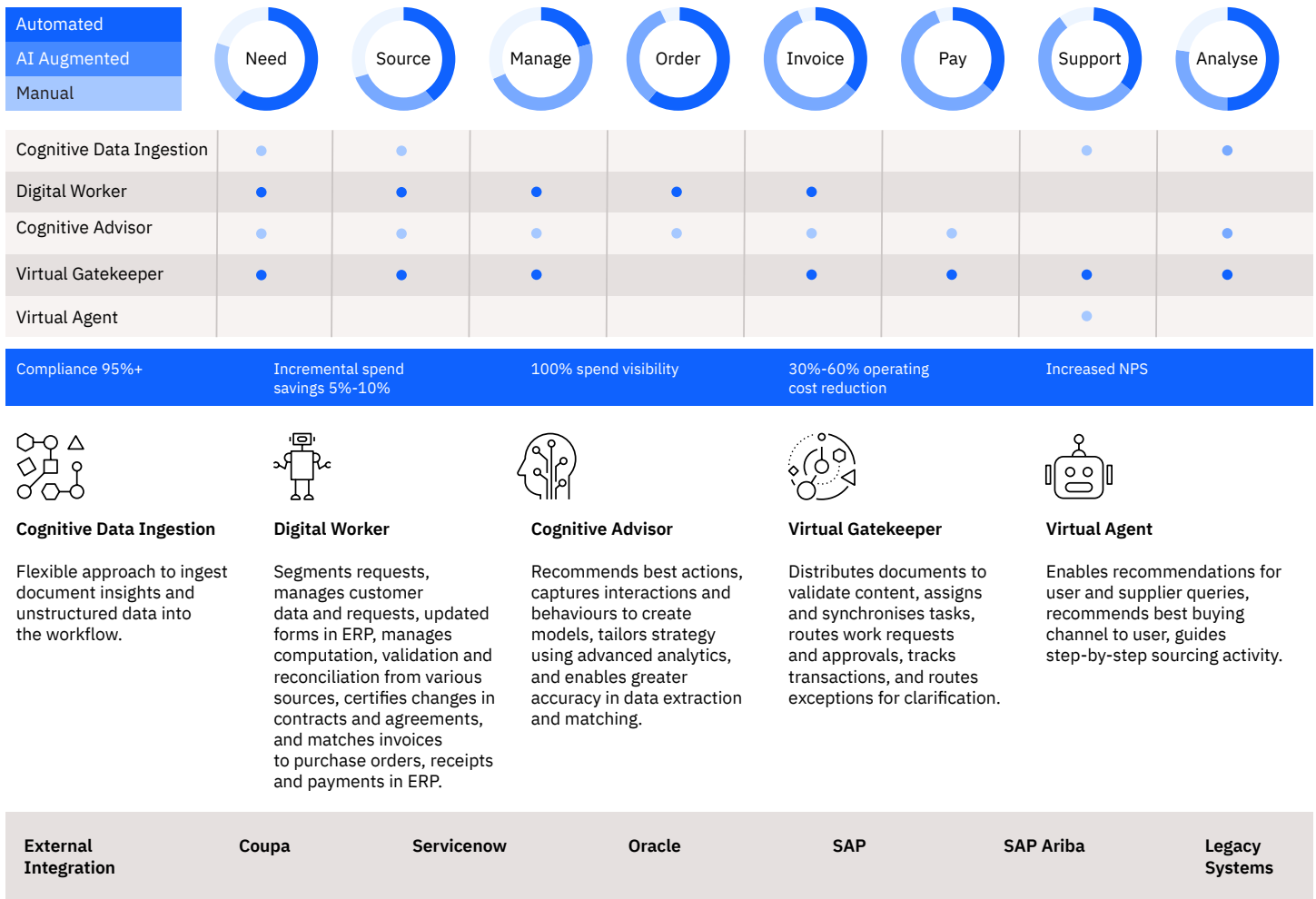
	Need	Source	Manage	Order	Invoice	Pay	Support	Analyse
Automated / AI Augmented / Manual								
Cognitive Data Ingestion	●	●					●	●
Digital Worker	●	●	●	●	●			
Cognitive Advisor	●	●	●	●	●	●		●
Virtual Gatekeeper	●	●	●		●	●	●	●
Virtual Agent							●	

Compliance 95%+	Incremental spend savings 5%-10%	100% spend visibility	30%-60% operating cost reduction	Increased NPS

Cognitive Data Ingestion

Flexible approach to ingest document insights and unstructured data into the workflow.

Digital Worker

Segments requests, manages customer data and requests, updated forms in ERP, manages computation, validation and reconciliation from various sources, certifies changes in contracts and agreements, and matches invoices to purchase orders, receipts and payments in ERP.

Cognitive Advisor

Recommends best actions, captures interactions and behaviours to create models, tailors strategy using advanced analytics, and enables greater accuracy in data extraction and matching.

Virtual Gatekeeper

Distributes documents to validate content, assigns and synchronises tasks, routes work requests and approvals, tracks transactions, and routes exceptions for clarification.

Virtual Agent

Enables recommendations for user and supplier queries, recommends best buying channel to user, guides step-by-step sourcing activity.

External Integration	Coupa	Servicenow	Oracle	SAP	SAP Ariba	Legacy Systems

Figure 2: Example Finance Intelligent Workflow - Source to Pay

HR Intelligent Workflows

Throughout the lifecycle of an employee, there are many workflows that are operationalised to acquire and develop new skills as a candidate and as an employee along with engaging and serving employees through personalised services. In a shared service, these workflows are not only integrated across the employee lifecycle through the HR function, but also integrated across lines of business such as procurement, finance, IT and marketing to drive team agility and rapid skills growth across the organisation.

A shared service providing talent acquisition services needs to identify the best-fit candidate for the job and reduce hiring costs, while providing exceptional experiences for candidates, recruiters and hiring managers. Achieving these objectives takes much more than process optimisation or adding ad-hoc technology at various points in the workflow. You have to fundamentally change how work gets done.
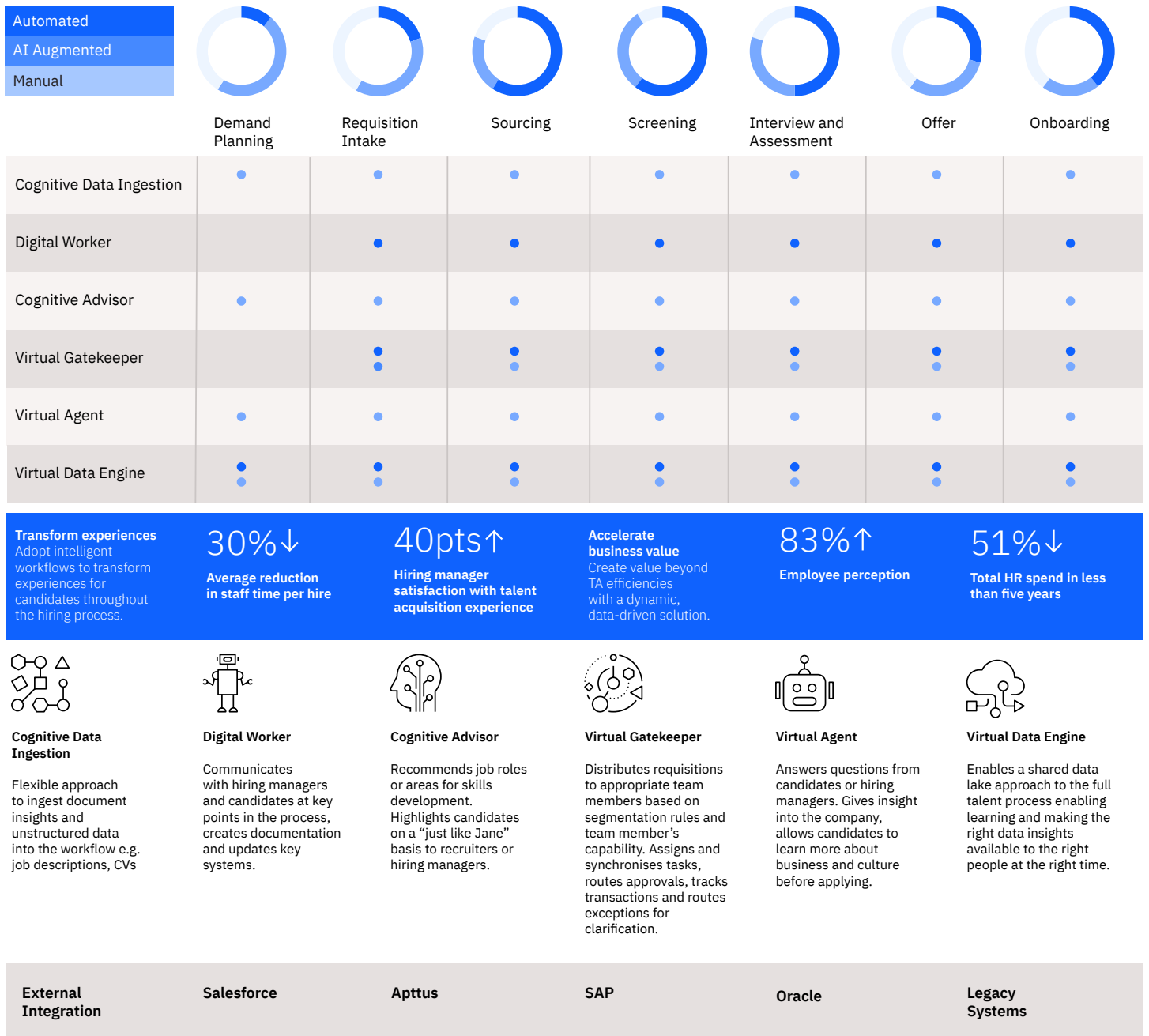
	Demand Planning	Requisition Intake	Sourcing	Screening	Interview and Assessment	Offer	Onboarding
Automated / AI Augmented / Manual							
Cognitive Data Ingestion	•	•	•	•	•	•	•
Digital Worker		•	•	•	•	•	•
Cognitive Advisor	•	•	•	•	•	•	•
Virtual Gatekeeper		••	••	••	••	••	••
Virtual Agent	•	•	•	•	•	•	•
Virtual Data Engine	••	••	••	••	••	••	••

Transform experiences
Adopt intelligent workflows to transform experiences for candidates throughout the hiring process.

30%↓
Average reduction in staff time per hire

40pts↑
Hiring manager satisfaction with talent acquisition experience

Accelerate business value
Create value beyond TA efficiencies with a dynamic, data-driven solution.

83%↑
Employee perception

51%↓
Total HR spend in less than five years

Cognitive Data Ingestion

Flexible approach to ingest document insights and unstructured data into the workflow e.g. job descriptions, CVs

Digital Worker

Communicates with hiring managers and candidates at key points in the process, creates documentation and updates key systems.

Cognitive Advisor

Recommends job roles or areas for skills development. Highlights candidates on a "just like Jane" basis to recruiters or hiring managers.

Virtual Gatekeeper

Distributes requisitions to appropriate team members based on segmentation rules and team member's capability. Assigns and synchronises tasks, routes approvals, tracks transactions and routes exceptions for clarification.

Virtual Agent

Answers questions from candidates or hiring managers. Gives insight into the company, allows candidates to learn more about business and culture before applying.

Virtual Data Engine

Enables a shared data lake approach to the full talent process enabling learning and making the right data insights available to the right people at the right time.

External Integration	Salesforce	Apttus	SAP	Oracle	Legacy Systems

Figure 3: Example HR Intelligent Workflow - Talent Acquisition

Early lessons learned from Intelligent Workflows

The benefits and ROI can be significant, even exponential. Shared services leaders should be bold and target at least 40% - 50% reduction in the effort to perform end-to-end processes. The implementation timelines should be measured in months, not years. The benefits should include improvement in velocity from days to minutes. Customer satisfaction should also be measured and NPS scores are a key measure in the next generation of shared services[2].

Using agile concepts such as a minimum viable product approach, organisations in this region are adopting a test-learn-scale approach. What is important is to not start from scratch. Each of the intelligent workflows reimagined involves elements of common technologies that currently reside in shared services environments. These include ERP, scanning, OCR, automation and operating data sets.

Next Steps

A shared service operating model in ASEAN should aim higher than just low cost efficiency. It should elevate and dignify the nature of work beyond transaction processing. It should selectively adopt the best technologies and integrate those to the foundations of an organisation's enterprise applications. It should reimagine end-to-end processes for business agility in uncertain times.

The foundations of any intelligent workflow transformation typically start with a tangible reimagination of a specific part of an end-to-end process. IBM has worked with organisations in key mission-critical intelligent workflows:

-   Lead to Cash

-   Source to Pay

-   Record to Analyse

-   Talent Acquisition

-   Employee Services

-   Customer Lifecycle

-   Supply Chain

These processes should be familiar to many shared services organisations. In the new normal, they are foundational to the business drivers that can create a path to emerge stronger.

The journey to intelligent workflows for captive shared services starts with a bold vision for the purpose of shared services. Shared services leaders who adopt intelligent workflows can truly become business partners to the larger organisation.

[2] https://www.ibm.com/blogs/services/2020/09/16/intelligent-workflows-empower-people-to-work-at-the-intersection-of-skills-data-and-insights/?social_post=3978287224&linkId=102732093

Getting Started

1. Refresh the Vision

- Purpose in the Organisation

- Customer Experience

- Business Partnering

2. Identify SSC Value Pools

- High-effort Activities

- Multiple Systems

- Processes with Low Customer Satisfaction

3. Explore Multiple Technologies

- Core Systems

- Digitisation

- Workflow

- Robotic Process Automation

- Machine Learning

- Cognitive Assistants

4. Create Intelligent Workflows

- Design Thinking

- Minimum Viable Products

- Cross-functional Teams

- Benefits Case

Why IBM?

IBM transforms businesses by integrating business platforms and intelligent workflows in hybrid multicloud environments with a major focus on delivering superior customer experiences. The unique IBM Intelligent Workflow methodology is based on our keen understanding of exponential technologies and our deep process and industry expertise. We help enable your business innovation at scale.

We're committed to helping you achieve business value. Learn more about the IBM solution and speak to our expert about reinvention of your business with IBM.

Authors:

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Tony has over 15 years of experience in shared services advisory and finance transformation and is focused on driving CFO agendas through cognitive infusion and intelligent workflows.