

# Customer Experience and Outsourcing: Why does it matter?

Jerry Rosenthal

May 20, 2019

# Shared Services For Life Sciences Summit

In the life science world, large biotech and pharmaceutical companies are trying to cut down their business costs by shared services. Being a large-scale organization running multiple clinical trials and research programs, cost and communication are important. Sharing internal or external resources and cost through the company can assist in minimizing expenses and watching the bottom line.

# Shared Services For Life Sciences Summit

When combining functions required by several responsibilities of the same organization, the large company can standardize processes, generate opportunities for cooperation, and gain efficiencies to ensure activities comply with business model regulations. Shared services leverage the delivery of services across all business units, but also represent shared accountability and reasonability between the organization and customers.

*Shared Services, which can be both commodity and specialized, are oftentimes an opportunity to be outsourced due to capabilities and cost requirements.*

# Shared Services For Life Sciences Summit

As Shared Service Centers become primarily focused on data and analytics compared to transactions, there will be a need to train employees to handle more value-added jobs through digital labor. Digital labor includes digitalization, Robotic Process Automation (RPA), and cognitive automation. The use of robots will change the way businesses handle their front-, middle-, and back-office services. This event will dive into:

- Improving Customer Experience Through Outsourcing and Lean Six Sigma
- Integrated Views of Change Management for Life Science Organizations
- Operational Excellence in the Pharmaceutical Industry

# Shared services deliver for government and taxpayers

Federal News Network – April 26, 2019

In 2016, the federal government made **400 duplicative investments** in administrative functions. These investments were made across government for similar, back-office systems that are complicated, redundant and costly.

Today, the government has more than **40 versions of the same travel software package**, none of which can integrate or connect with each other. Another example of the widespread redundancy are the **multiple payroll systems** which exist across the government.

The result of this siloed approach is that American citizens are paying several times over for services that are outdated, which has led to antiquated systems plagued with duplication and fragmentation. This redundant, agency-specific approach has led to increased costs, reduced efficiencies and systems that don't have modern capabilities. For example, the government operates more than **100 workforce systems, 40 financial management systems**, and more than **1,900 contracts to support financial management**.

# Shared Services

## Legal Operations @ GlaxoSmithKline

- 400+ Attorneys
- 6+ Separate Legal Functions
  - Patents & Trademarks
  - Dispute Resolution
  - Promotional Activities
  - Contracting / Procurement
  - Employment
  - R&D

# Shared Services

## Legal Operations @ GlaxoSmithKline

- What should be done in-house?
- What should be outsourced?
- What is the strategy?
- What are the measures of success?
- What is the risk?
- What is a Legal decision vs. a Business decision?

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you a story.....

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# Customer Experience & Outsourcing: Why Does It Matter?

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*What do customer experience and quality have in common?*

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*Pick Two Menu: Quality, Speed & Cost*

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*Vision to Nowhere: traveling without a destination and asking the wrong questions*

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*Keys to Success: Leveraging Lean & Six Sigma in A Meaningful way*

What do  
customer  
experience  
and quality  
have in  
common?

## Who is the customer?

- Internal and external
  - Details: sweating the small stuff

## What is the customer experience and why is it important?

- Disconnect between customer journey and customer experience
  - What we think or hypothesize they will experience vs. what is actually experienced
    - VoP vs. VoC


What do  
customer  
experience  
and quality  
have in  
common?

- Quality: What does that even mean?
  - The subjective nature of quality
    - Deciding on a few key critical attributes ahead of time
      - CTQ
    - Measuring success and making it visible
      - Supplier Scorecard



# Pick Two Menu: Quality, Speed & Cost

- Is this model still relevant today?
  - We have already discussed quality
    - Importance of precisely specifying the level of quality
      - Don't pay for six sigma when five sigma will do just fine
        - Examples: M&Ms, etc.
  - Speed
    - Speed for the sake of speed vs. speed to meet some “real” specification
  - Cost
    - Dollars, reputation, investment into the future
      - You get what you pay for: no more, no less (value)



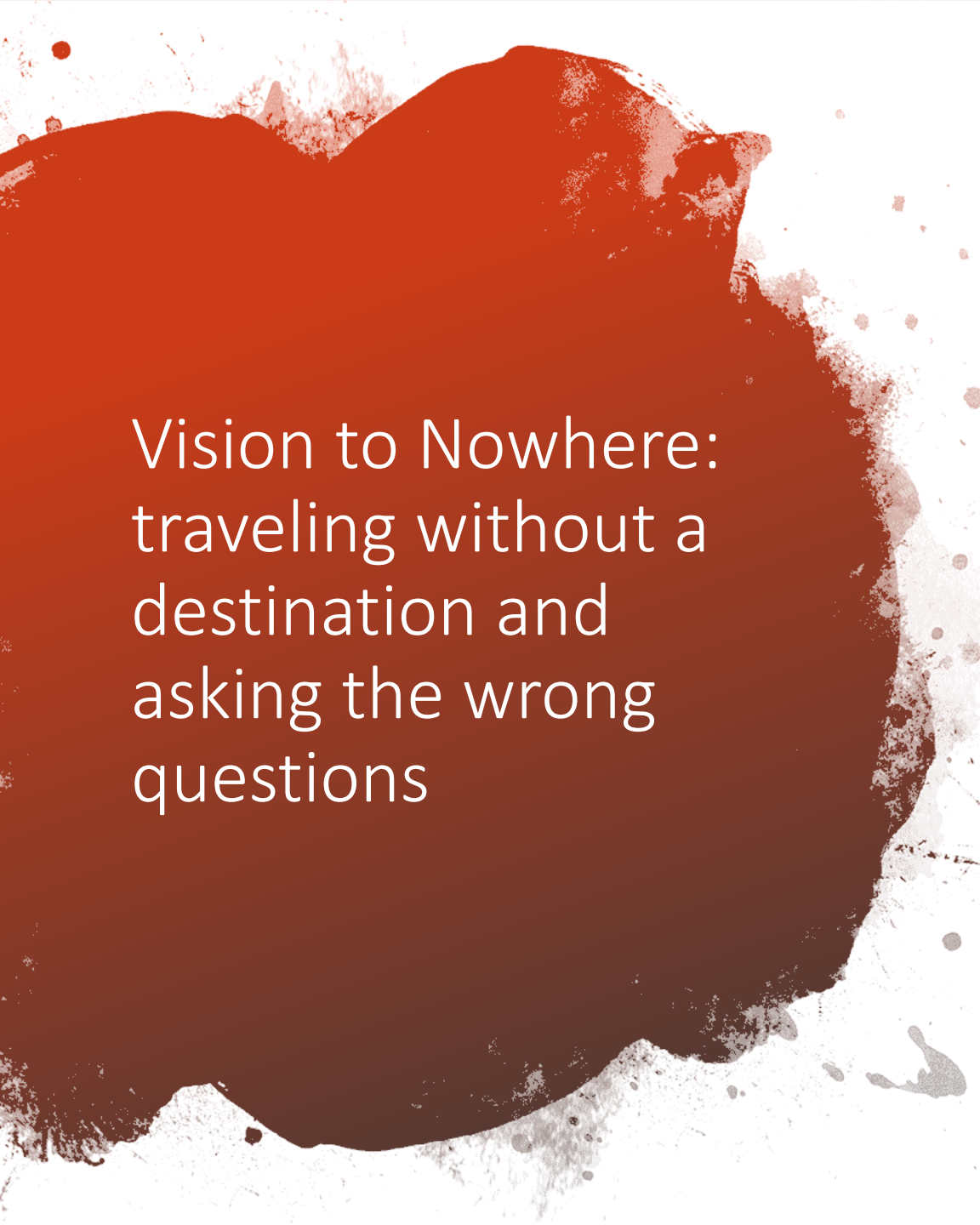
But wait,  
there's  
more.....

*Virtue Signaling*









Vision to Nowhere:  
traveling without a  
destination and  
asking the wrong  
questions

- Where do you want to go?
- What do you want to achieve?
- What is the value of outsourcing?
  - Commodity work vs. Specialized work.
- What should be outsourced and why?

# Vision to Nowhere: traveling without a destination and asking the wrong questions

## Are you clear on the “why”?

- Why outsource?
  - Not a core competency
  - Commodity product or service
  - Can't derive enough internal value

## What are the right questions?

- What problems are we addressing?
- What does a successful outcome look like?

## What are the wrong questions?

- If your questions are focused on cost and speed vs. what are we trying to achieve, you will simply get to the wrong destination; just more quickly.

# Keys to Success: Leveraging Lean & Six Sigma in A Meaningful way

- Lean Six Sigma: a compilation of tools and methodologies used to improve the customer experience (primary)
  - Minimize waste and variation for the purpose of what?
  - Kano Model
    - Satisfiers
    - Delighters
  - Risk / Risk Profile
  - Not about improving quality (secondary)
  - Not about improving speed (secondary)
  - Not about reducing cost (secondary)



## Shared Services Model

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The German military has a subcontractor that does its IT work.

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The IT firm has a subcontractor that does its logistics.

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The logistics firm has a subcontractor that does its personnel management.

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Kurt works for that company.

## Shared Services Model

“Let’s say a soldier moves to an office two rooms down the hall. Instead of carrying his computer over, he fills out a form. The IT subcontractor reads and approves it and forwards it to the logistics firm. The logistics firm approves the move and requests personnel from us. I get an email to travel to the barracks. The barracks are up to three hundred miles away from my home, so I rent a car. I drive to the barracks, fill out a form, unhook the computer, load it into a box, and seal the box. A guy from the logistics firm carries the box to the new office. There, I unseal the box, fill out another form, hook up the computer, get a few signatures, drive back home, send a letter with the paperwork, and then I get paid.”



*Turning intention  
into action.....*

But wait,  
there's even  
more.....

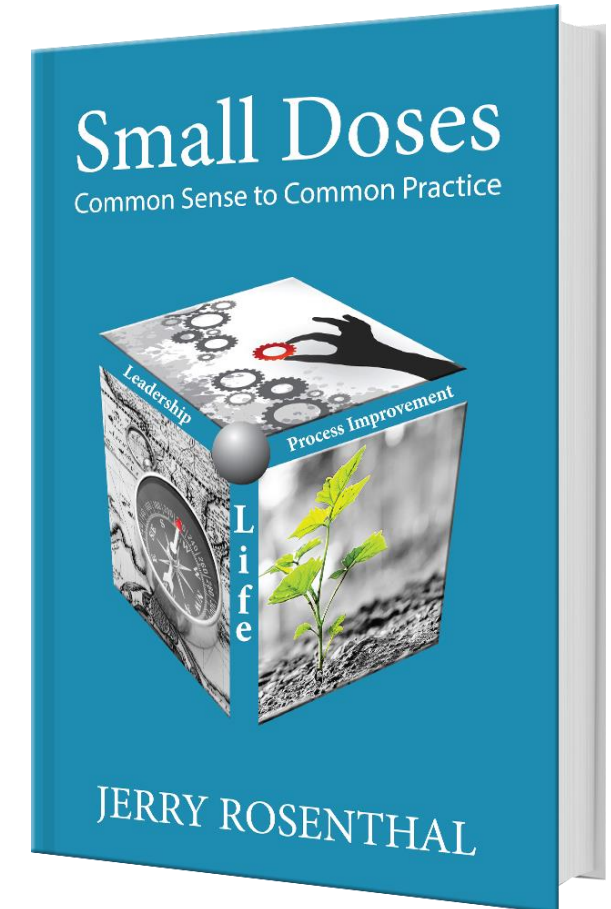


# *Small Doses*

## *Common Sense to Common Practice*

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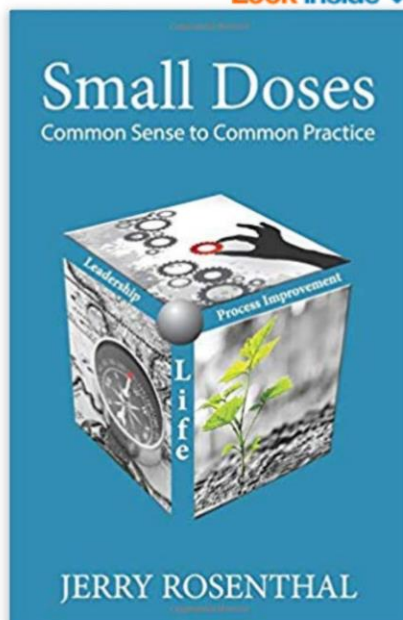


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## Small Doses: Common Sense to Common Practice Paperback –

April 23, 2019

by Jerry Rosenthal (Author)

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# Bibliography

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