Transformation on Shared Services

How do you support the business needs to be more prepared for the future?

Prepared by
Benjamin Wee

AGENDA

01   What will the future look like?

So what does this mean to Shared Services?   **02**
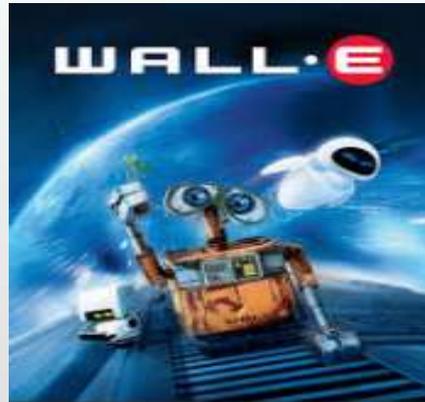
03   What can Shared Services do to stay relevant?
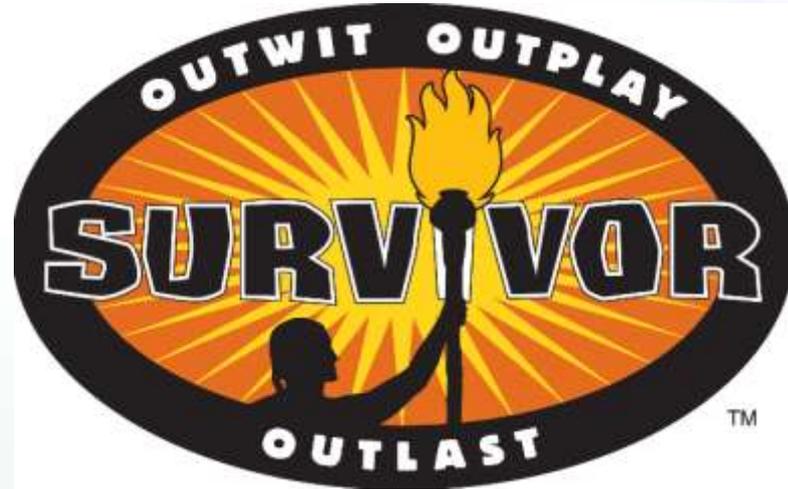
Questions & Answers   **04**

What will the future look like?

Science Fiction

What will the future look like?

Reality

What will the future look like?

Real!

What will the future look like?

VUCA Turbo⁺

+ Everything is Accelerating

7.8 billion population by 2020

80% of adults will own smartphones by 2020

Trade War vs Free Trade

Worsen Climate Change (Appendix A1)

Nationalism vs Globalization

More Conflict for resources

Populist Political Systems

Widen Wealth Disparity

More Disruptive Technology
- >1 mil Apps in the market (Appendix A2)

Changing Employment Landscape 0.5mil multipurpose robots ship annually by 2020 (Appendix A3)

Many more threats…

So what does this mean to Shared Services?

THEN
Efficiency, Cost savings, Value generation

NOW
Service Level, Technologies, Partnership
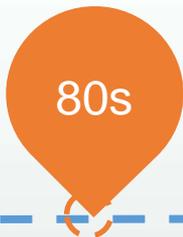
Economies of Scale	Centralize & Control	Specialization	Service Quality	Digital Collaboration	Technology Highway
80s	90s	2000	2010	2020	2030

Economies of Scale — 80s

Cost Reduction

Synergies

Centralize & Control — 90s

Policies & Control

Locate at HQ

Standardization

"One-size Fits All"

Specialization — 2000

Service based on procedures

Capability Enhancement

Service Quality — 2010

Service based on Service Level Agreement

Cost per unit of Service → Offshoring/ Outsourcing

Oriented to Business Units

Digital Collaboration — 2020

Alongside with Business Units

Operational Culture

Productivity- Automation

Data driven decision making

Technology Highway — 2030

Technological Singularity – Artificial Super- intelligence
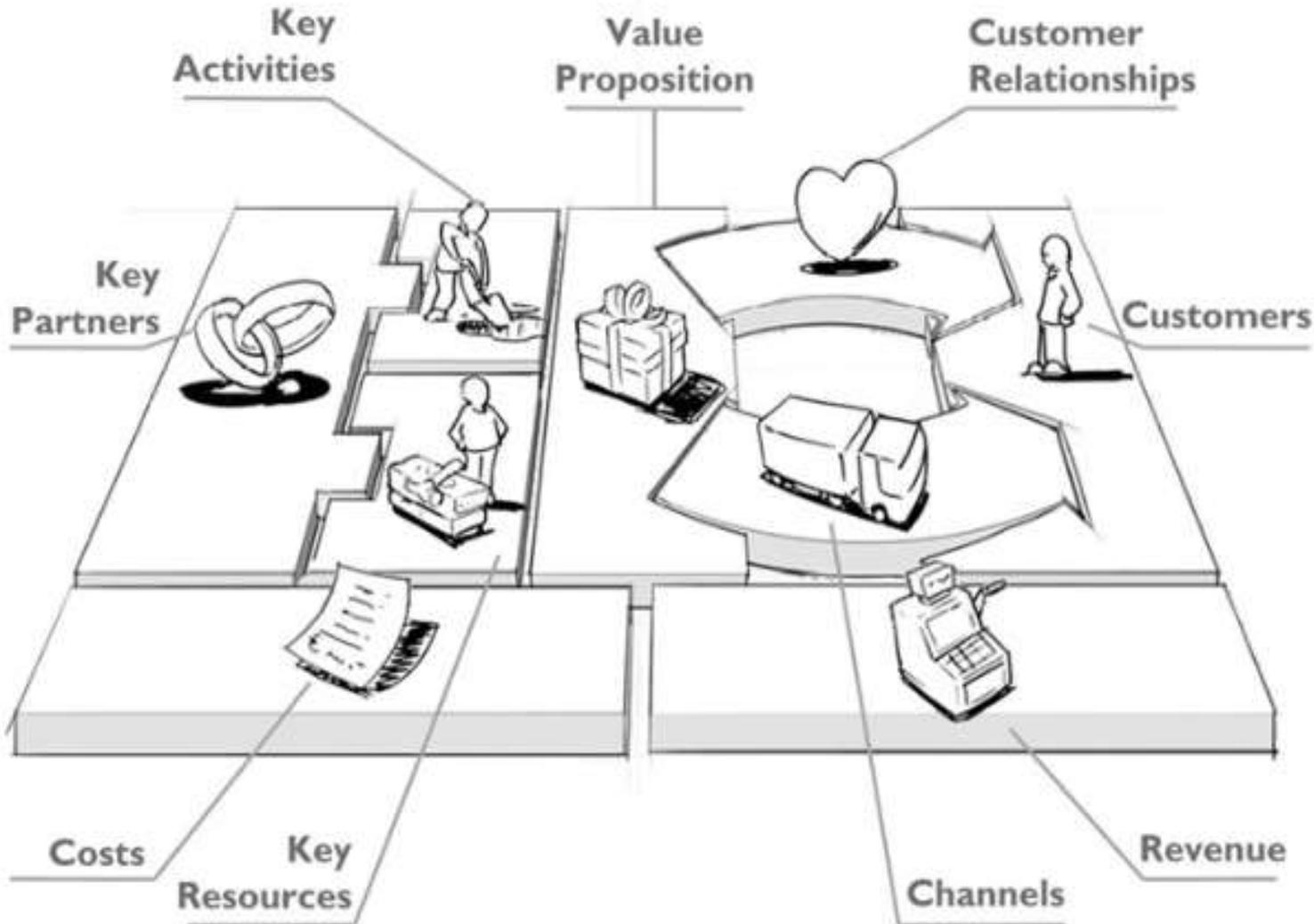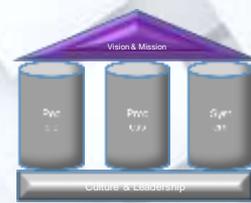
Job redesign

What can Shared Services do to stay relevant?
Framework of Shared Services
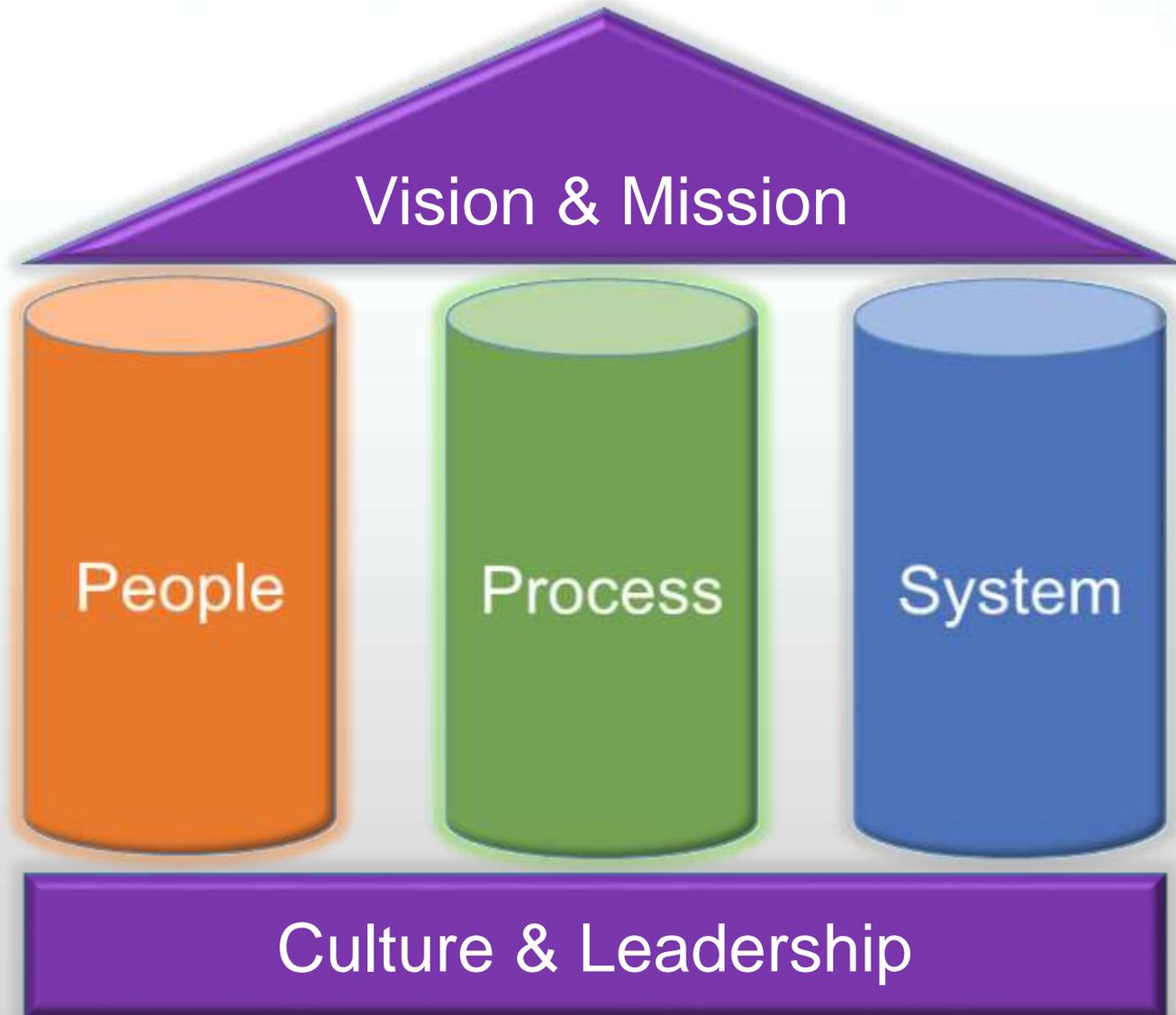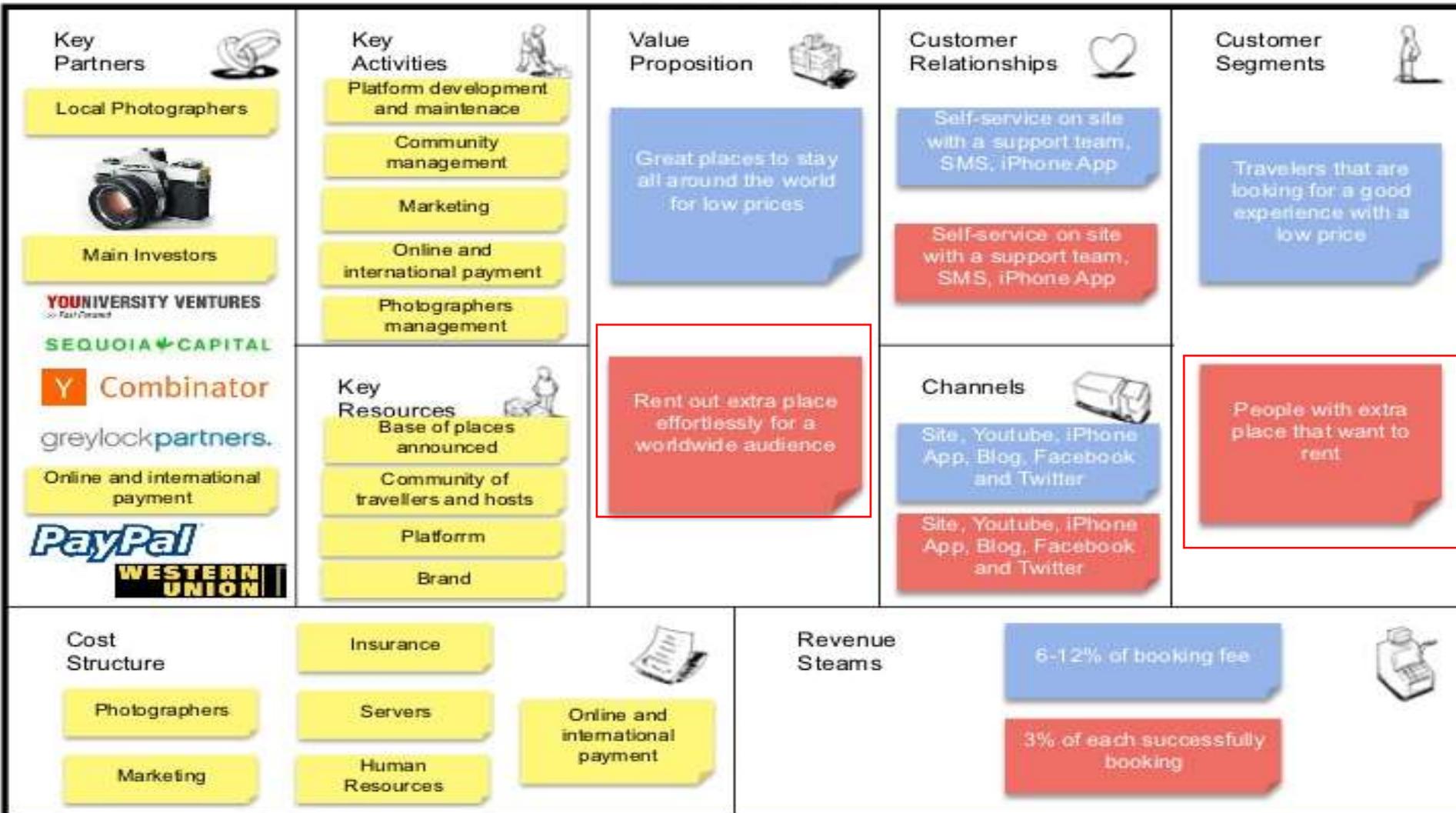
Aligning Shared Services to Business Model Canvas
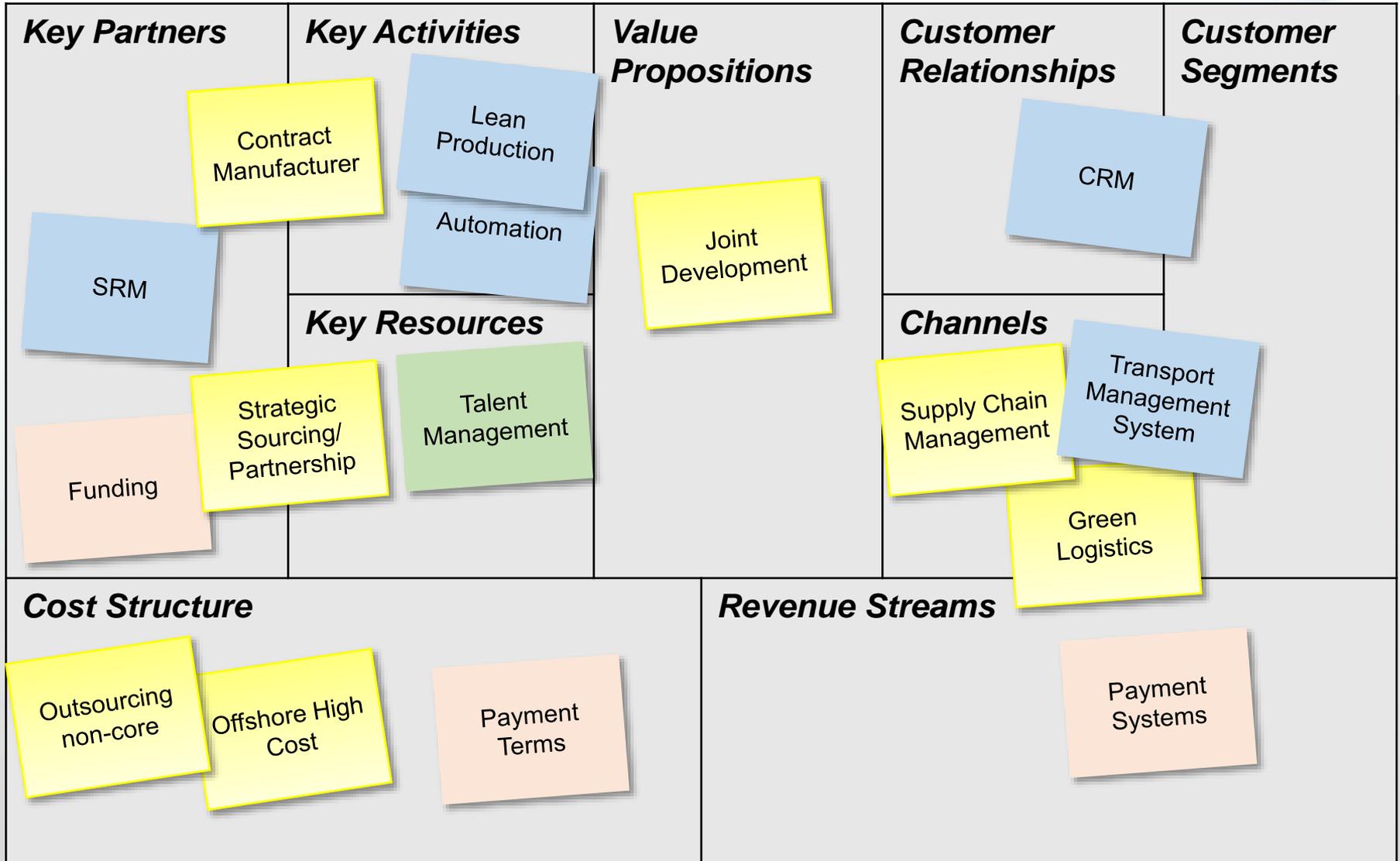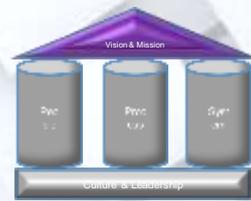
Aligning Shared Services to Business Model Canvas

Airbnb Business Model Canvas — startupbizmodel.com — 29 mar - 2012

Key Partners
- Local Photographers
- Main Investors
  - YOUNIVERSITY VENTURES
  - SEQUOIA CAPITAL
  - Y Combinator
  - greylock partners.
- Online and international payment
  - PayPal
  - WESTERN UNION

Key Activities
- Platform development and maintenace
- Community management
- Marketing
- Online and international payment
- Photographers management

Key Resources
- Base of places announced
- Community of travellers and hosts
- Platform
- Brand

Value Proposition
- Great places to stay all around the world for low prices
- Rent out extra place effortlessly for a worldwide audience

Customer Relationships
- Self-service on site with a support team, SMS, iPhone App
- Self-service on site with a support team, SMS, iPhone App

Channels
- Site, Youtube, iPhone App, Blog, Facebook and Twitter
- Site, Youtube, iPhone App, Blog, Facebook and Twitter

Customer Segments
- Travelers that are looking for a good experience with a low price
- People with extra place that want to rent

Cost Structure
- Photographers
- Marketing
- Insurance
- Servers
- Human Resources
- Online and international payment

Revenue Steams
- 6-12% of booking fee
- 3% of each successfully booking

Aligning Shared Services to Business Model Canvas

Key Partners

Contract Manufacturer

SRM

Funding

Key Activities

Lean Production

Automation

Key Resources

Strategic Sourcing/ Partnership

Talent Management

Value Propositions

Joint Development

Customer Relationships

CRM

Channels

Supply Chain Management

Transport Management System

Green Logistics

Customer Segments

Cost Structure

Outsourcing non-core

Offshore High Cost

Payment Terms

Revenue Streams

Payment Systems

People – Productivity vs Innovation

Strategy

Value-Added Services

Admin

10%

30%

60%

Transaction heavy

30%

60%

10%

Automation & Lean Process
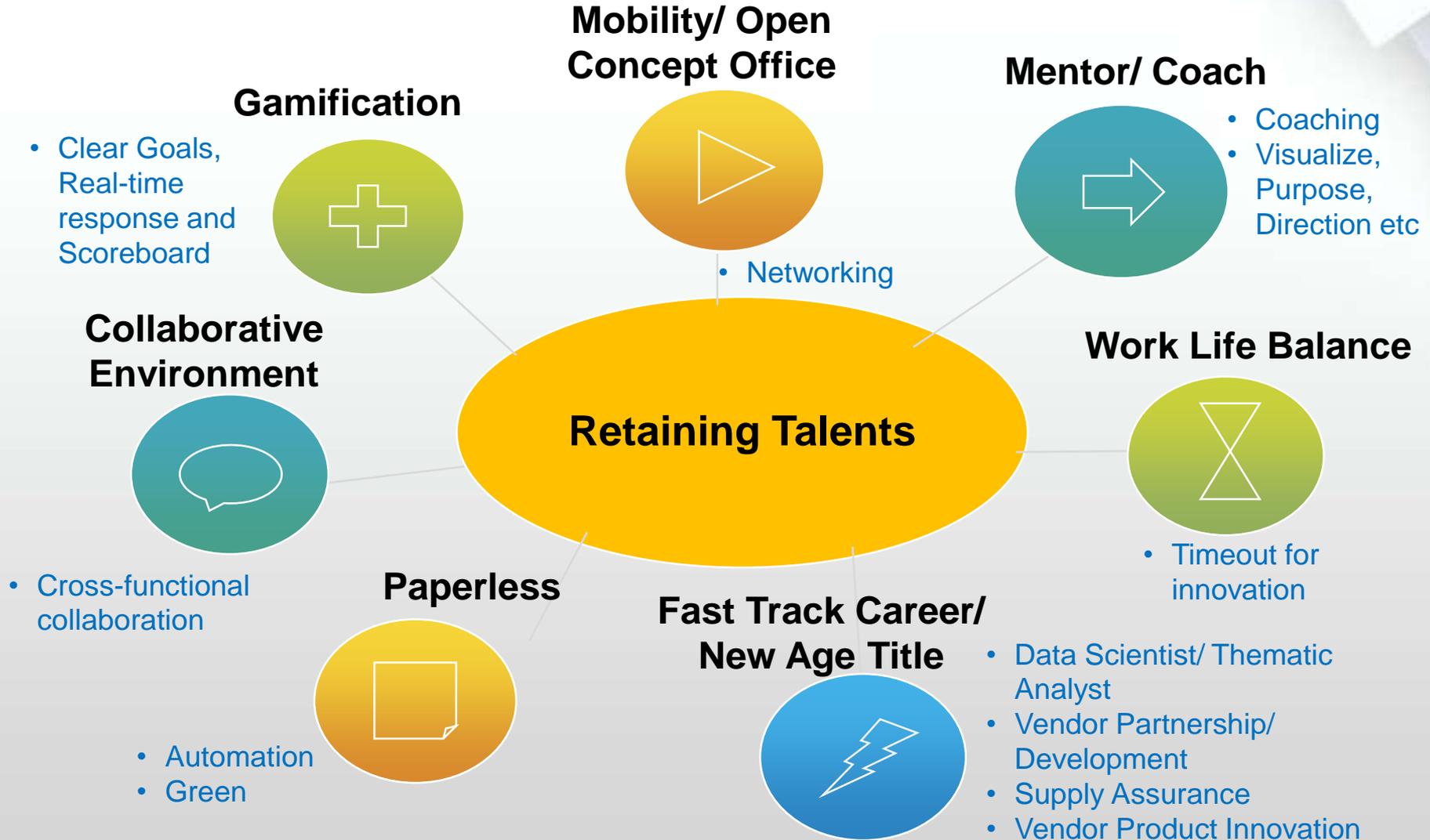
Productivity

Innovation
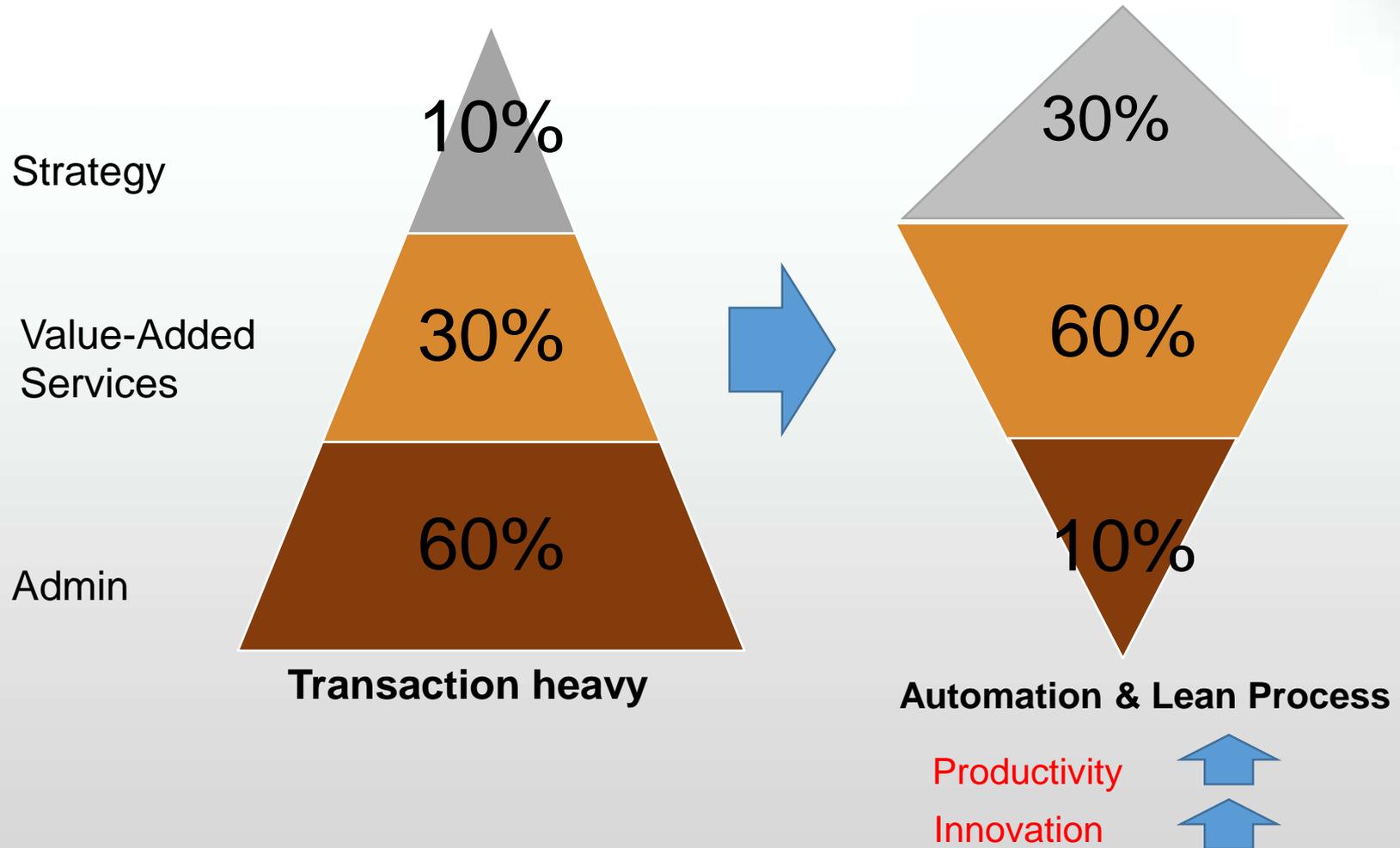
People – What do Millennial want?
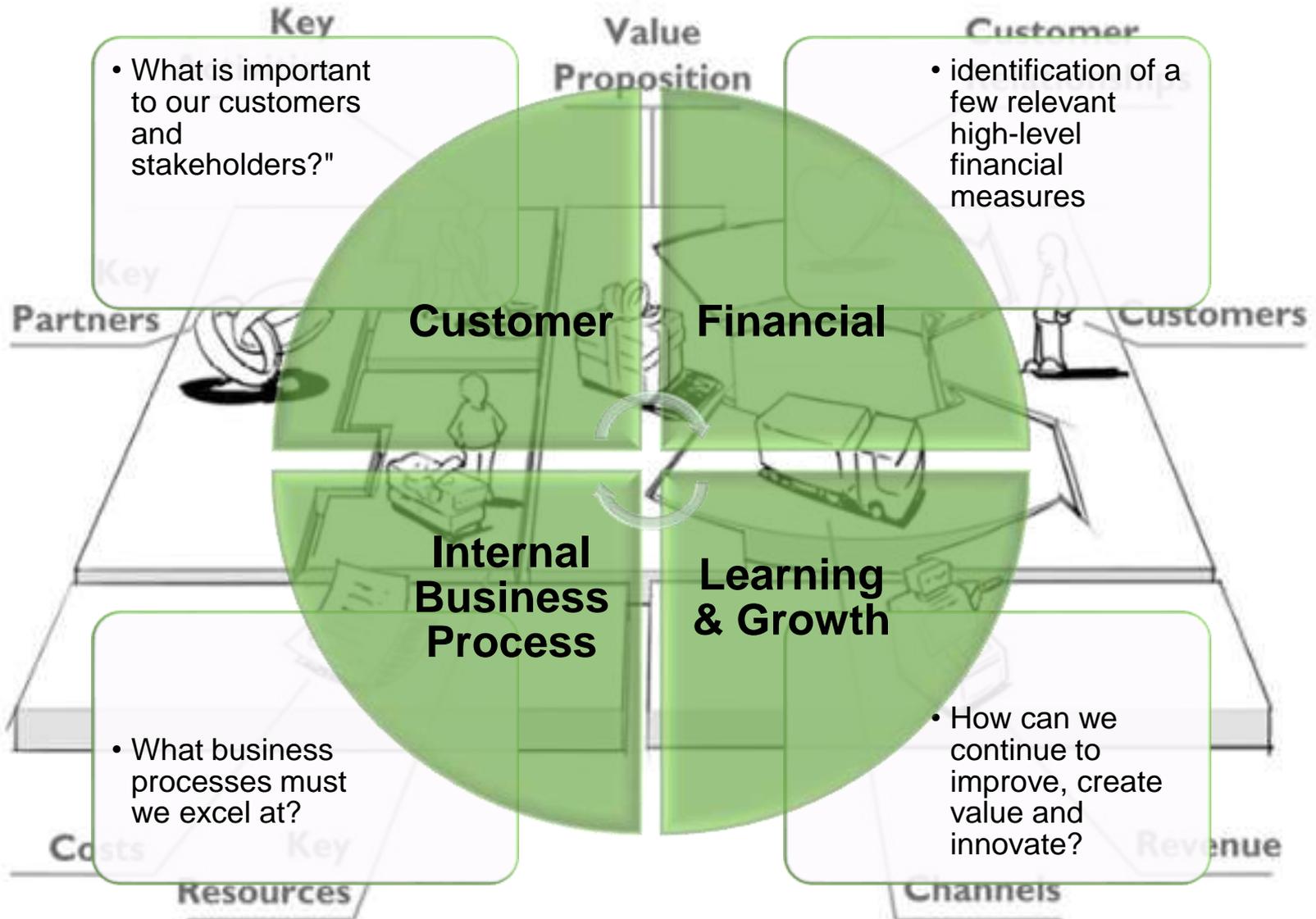
Top Most important career goals of Singapore Undergraduates (Appendix B)
1) "to have work/life balance"
2) "to be secure or stable in my job"
3) "to be dedicated to a cause or to feel that I'm serving the greater good".

Gamification

- Clear Goals, Real-time response and Scoreboard

Mobility/ Open Concept Office

- Networking

Mentor/ Coach

- Coaching
- Visualize, Purpose, Direction etc

Collaborative Environment

- Cross-functional collaboration

Retaining Talents

Work Life Balance

- Timeout for innovation

Paperless

- Automation
- Green

Fast Track Career/ New Age Title

- Data Scientist/ Thematic Analyst
- Vendor Partnership/ Development
- Supply Assurance
- Vendor Product Innovation

Process - Business Balanced Scorecard

- Set clear targets and identify projects to deliver results

- What is important to our customers and stakeholders?"

- identification of a few relevant high-level financial measures

Customer   **Financial**

Internal Business Process   **Learning & Growth**

- What business processes must we excel at?

- How can we continue to improve, create value and innovate?

Process - Problem Solving Approach

- Systematic approach to tackle complex issues
- Stakeholders alignment
- Discipline
- Risk mitigation
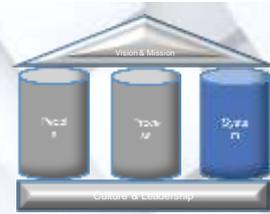- Sustainable
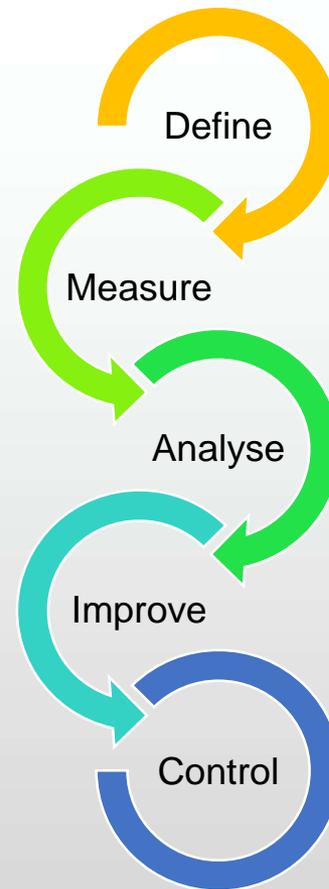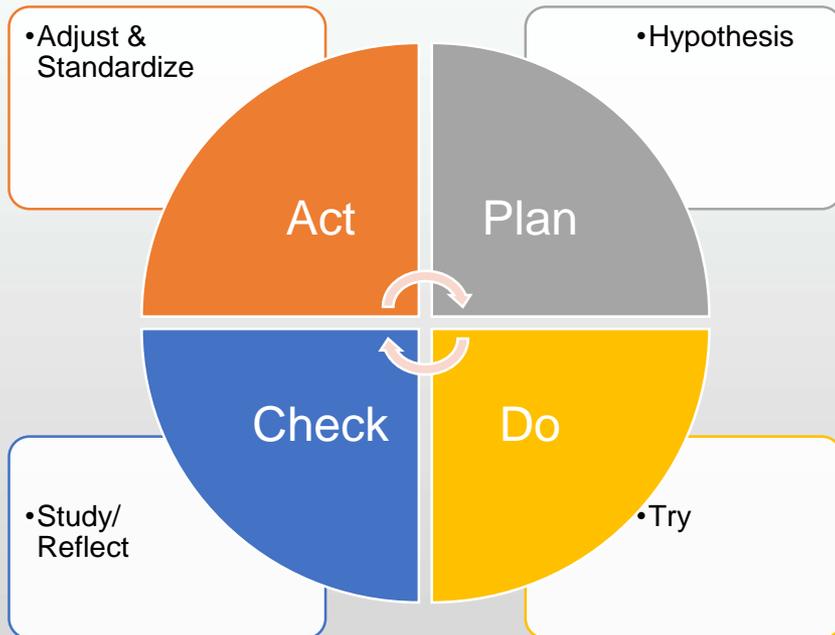
System – Data is the new raw materials

**Big Data**

IOT

Data Analytics

BI
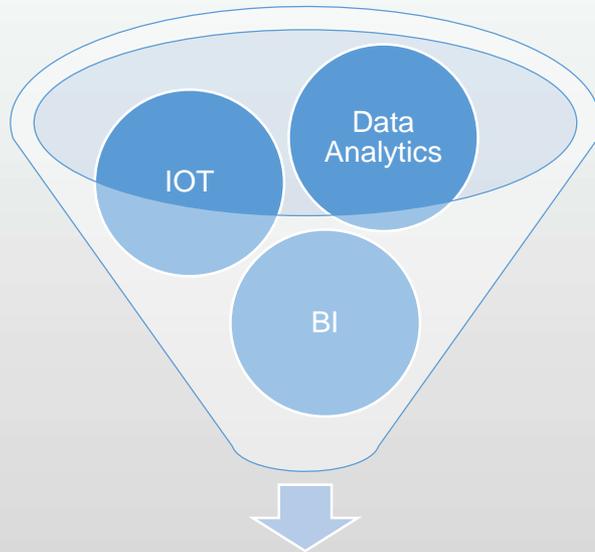
Strategic and Tactical Information

- Setup Category Management for Applications, Technology
- Update application catalog by category in quarterly basis

System - Disruptive Technology over few years

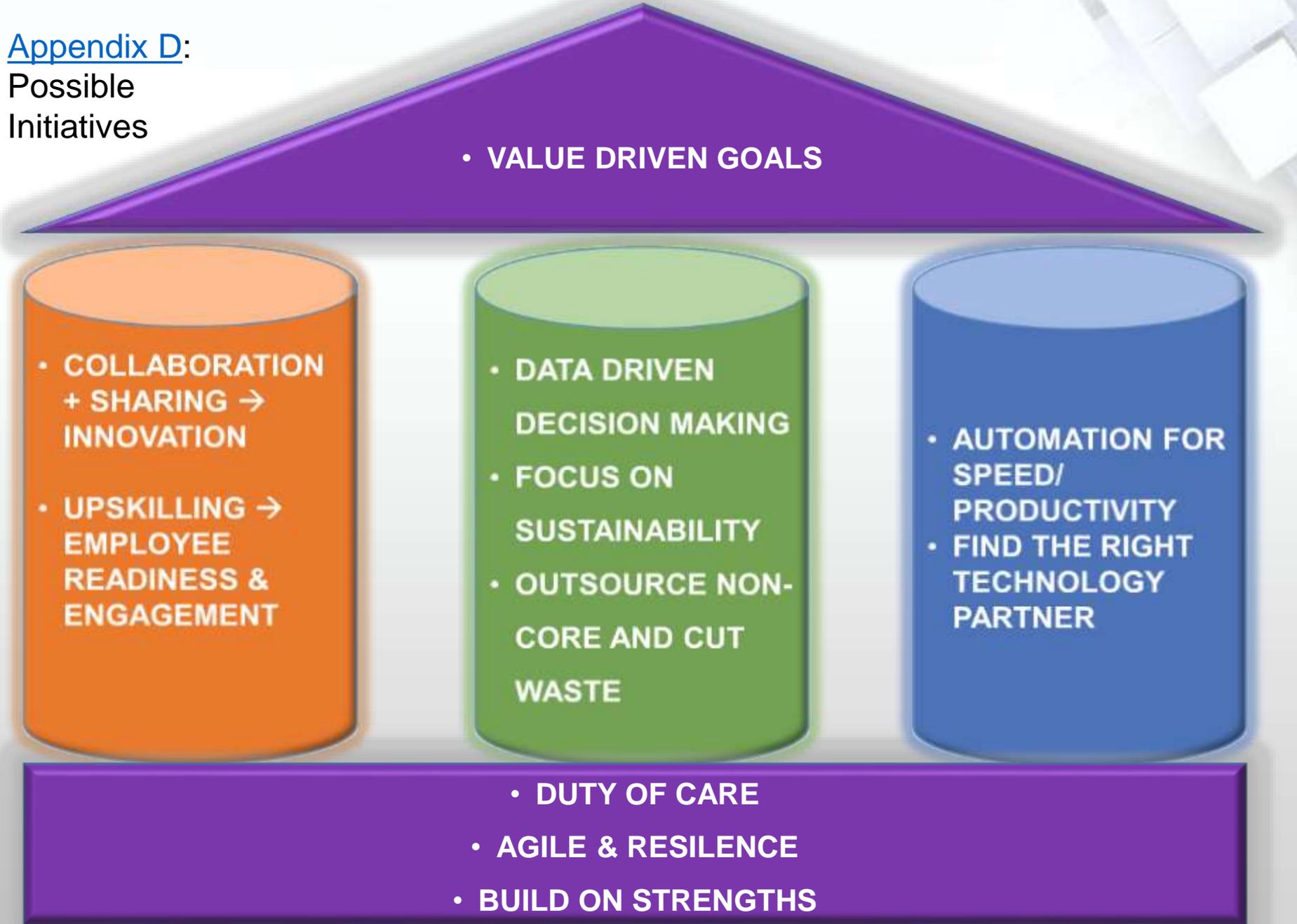| Technologies	Global	U.S.	China	Japan	ASPAC	EMEA
Cloud – SaaS/PaaS/IaaS	11%	14%	15%	13%	11%	6%
Mobile - platforms and apps	9%	9%	3%	10%	8%	11%
Internet of things/ M2M	9%	8%	9%	3%	9%	9%
Data & analytics	9%	14%	3%	10%	7%	8%
Biotech/digital health/healthcare IT	8%	15%	3%	3%	7%	7%
3D printing	7%	2%	4%	3%	6%	12%
Cyber security	6%	5%	8%	10%	7%	7%
Robotics	6%	5%	6%	3%	6%	8%
Artificial intelligence/cognitive computing	5%	4%	15%	10%	8%	2%
Digital currency platforms (e.g., Bitcoin, payment systems, etc.)	4%	2%	6%	7%	6%	5%
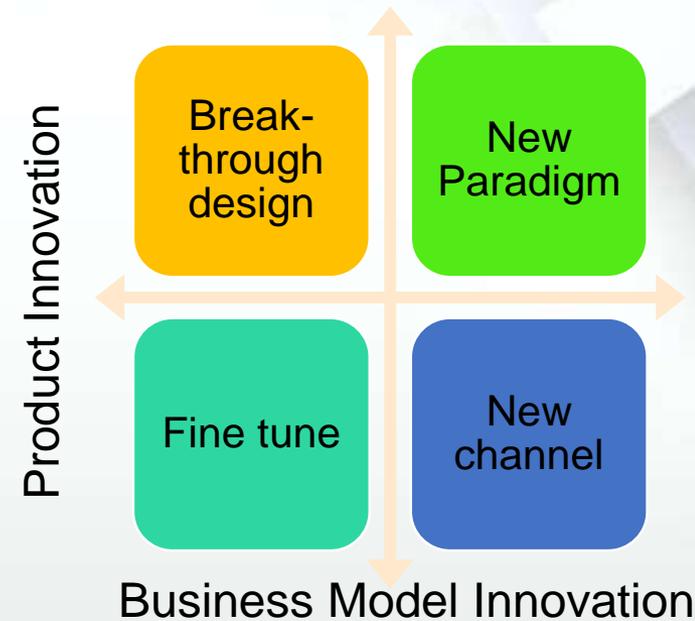
Source : KPMG

Procurement in position to
- drive and deliver business impact by harnessing innovative capabilities of its supply base and readily available technology in the market → increased sales as a result of faster speed to market and increased customer value.
- **Move from Cost only → Cost + Value**
- Appendix C – Disruptive Technologies

Product Innovation

Break-through design	New Paradigm
Fine tune	New channel

Business Model Innovation

Develop a Technology Roadmap

Key Success Factors in VUCA Turbo World

:
Possible
Initiatives

- **VALUE DRIVEN GOALS**

- COLLABORATION + SHARING → INNOVATION

- UPSKILLING → EMPLOYEE READINESS & ENGAGEMENT

- DATA DRIVEN DECISION MAKING
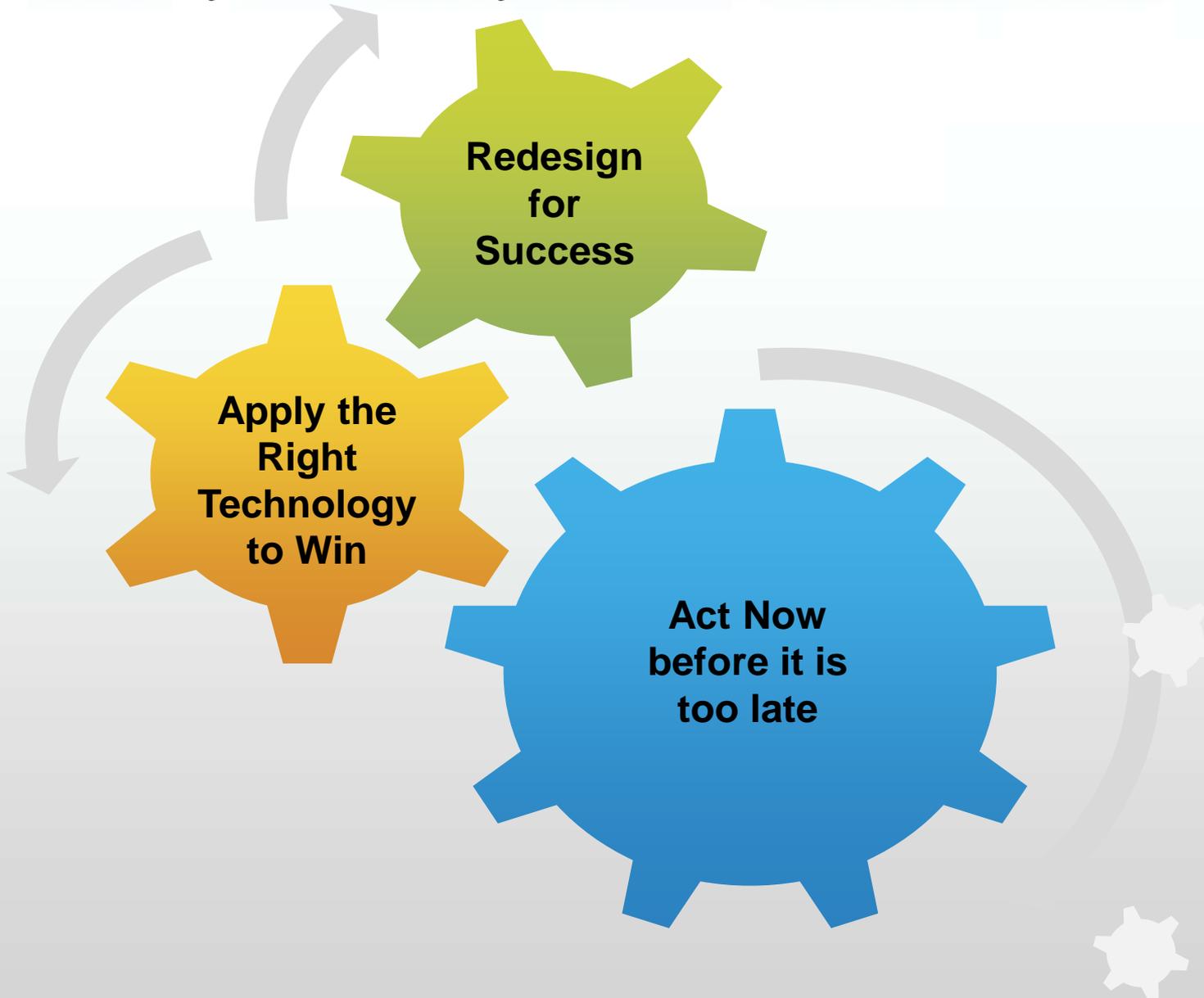
- FOCUS ON SUSTAINABILITY

- OUTSOURCE NON-CORE AND CUT WASTE

- AUTOMATION FOR SPEED/ PRODUCTIVITY

- FIND THE RIGHT TECHNOLOGY PARTNER

- **DUTY OF CARE**

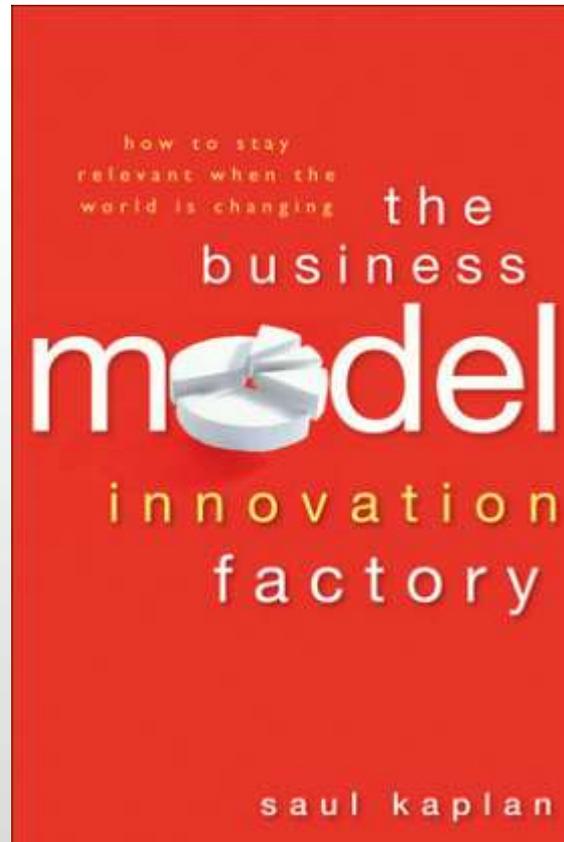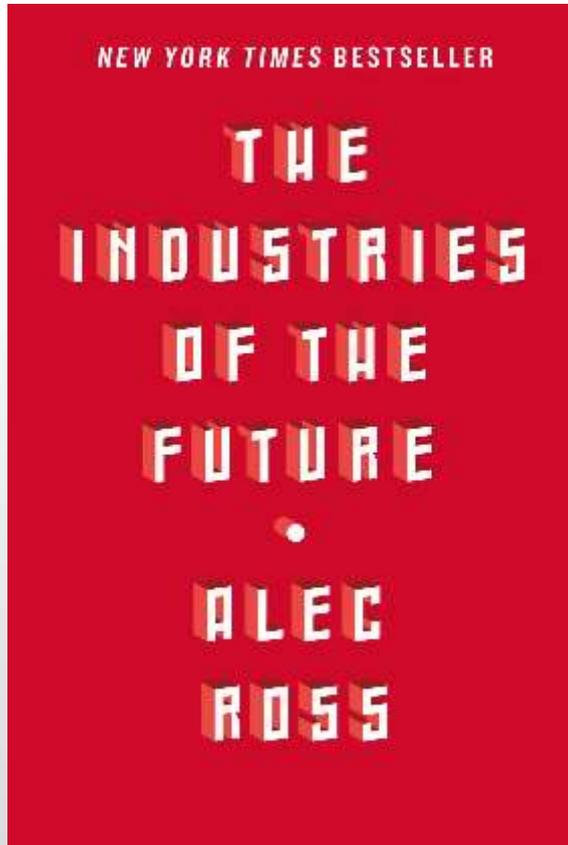- **AGILE & RESILENCE**

- **BUILD ON STRENGTHS**

3 Key Takeaways – Go Rock the Boat

Redesign for Success

Apply the Right Technology to Win

Act Now before it is too late

Further Reading

" Life is a series of natural and spontaneous changes. Don't resist them; that only create sorrow. Let reality be reality. Let things flow naturally forward in whatever way they like ~ Lao Tzu "

Q&A

" The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking ~ Albert Einstein "

THANK YOU