



Enterprise Content Management (ECM) for Efficiency, Compliance and Cost Management in the Shared Service Centre

Pressures on businesses and public sector organisations continue to manifest themselves in a variety of ways. Cost reduction initiatives, budget reductions, efficiency drives, headcount rationalisation to name just a few. Finding new and innovative ways of facing these challenges is a constant consideration for managers, the board, trustees and others.

Scales of economy have long been a key mechanism to address such challenges, but often an organisation cannot achieve this alone. The concept of taking a service currently delivered within an organisation, or a single location or entity and working with other departments, locations or similar organisations to provide the service in a shared way, has for some time been seen as the answer to the problem.

Business processes delivered through Shared Services, regardless of their complexity or value, all have one thing in common, information. Information drives a business, aids decisions and enables transactions. Some of that key information is contained in content such as emails, letters, voice recordings, images, fax etc. In order to complete the picture for any business process, including Shared Services, access to that content, in context, is key to success. Whether that's in HR, in the finance department, in fact in any business function that could be a candidate for shared service implementation.

In this paper we look at types of shared service provision, how information and content supports the business processes and how using Enterprise Content Management (ECM) to consistently, reliably and securely manage all types of content, will aid in delivering success.



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"Users have responded well, finding the solution intuitive; they're able to respond to queries faster than before the solution went live. They now feel they can trust the information presented, and the reporting capabilities have significantly speeded up their work."

Adam Jezsowiczky, Business Systems Solutions Manager, AB InBev.

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Introduction To Shared Services

Defining Shared Services first requires an understanding of the context in which the term is being used. Many definitions of Shared Services have been put forward, but the context is a defining factor.

For some, a Shared Service is some form of internal service provision, perhaps in a large domestic organisation, or possibly an international one. For example, a global organisation may process payroll for many divisions of the business, spread across geographic territories, all with their own legal and regulatory environment, from one single centralised Shared Service Centre (SSC). Whereas in the past, this would have been undertaken region by region, division by division or possibly in the most complex of scenarios, both.

To others, Shared Services are delivered via a co-operative type arrangement, where organisations work together. For example, neighbouring local public sector bodies may bring their HR or IT functions into a single, shared organisation to drive economies, improve efficiency or benefit from improved purchasing power. This could be policing, child and adult services, healthcare and so on.

A third model, possibly not always viewed as Shared Services, is the outsourcing of a business process to a third party provider. Typically a commercial organisation, they also provide the same service to other organisations. By scaling their operation, they are able to provide the service for a lower cost than the outsourcing organisation could deliver internally, with increasingly multiple services being offered by the same SSC.

Some functions have become so widely outsourced that we no longer think of them as being a Shared Service,

for example catering, cleaning, security – these are in reality examples of Shared Services and clearly demonstrate that Shared Services work. By sharing the capital investment, by achieving scales of economy and by dealing with seasonal peaks and troughs in workload, Shared Services can deliver real, tangible benefits.

But one thing is common to all of these approaches – there has to be a driver, an imperative. Why embark on what is often a difficult, time consuming and potentially, initially at least, a disruptive initiative? Well this is where most definitions agree. Shared Services provide a return, in efficiency, in cost reduction, in providing access to a service level that could not be achieved otherwise.

Shared Services are often associated with information technology (IT), but IT is not the primary service in question, in other words IT is an enabler, not the service in its own right. But central to IT and to many, if not to some extent all business processes, is information, in many forms. From documents to databases, emails to fax, spreadsheets to Business Intelligence data, financial systems to client relationship histories, information lies at the very heart of any Shared Service operation.

In this paper, we take a look at a number of information rich business processes that have been successfully implemented through one form or another of Shared Service. Managing business content across the enterprise using Enterprise Content Management (ECM), we look at the benefits, the current trends and what the future may bring, with real world examples throughout.

Why Adopt A Shared Services Strategy?

Any organisation considering or undertaking a Shared Service project will have a driver - a compelling reason why Shared Services is an option for their specific set of circumstances. Perhaps they lack in-house expertise, are seeking to reduce costs or improve efficiency. Maybe centralisation is a key driver to share knowledge better or achieve a higher level of specialisation.



There will likely also be external factors that influence the decision.

For a given sector, there may be legislative or regulatory reasons why Shared Services are appropriate. Many industries, such as the utilities sector, in Europe, North America and elsewhere, have strict service levels set down by their regulatory bodies for handling customer enquiries and complaints. Such drivers will almost always require some form of record keeping, in order to satisfy the governing body that the organisation is meeting its obligations. For example under Freedom of Information or Data Protection legislation for personal data, having a complete audit log of access and changes further drives the need for effective ECM within a Shared Service environment.

Many organisations across the globe have seen budgets under threat, or in many cases actually cut. They've effectively been forced to find ways to deliver the same service with a lower budget. Cost efficiencies are often best delivered by scales of economy and by combining with others and delivering a Shared Service model, costs can be reduced.

Growth through acquisition and merger can lead to repetition with the same function being provided in multiple locations. This can lead to inefficiencies and difficulties in obtaining the true overall picture of where the company is at any given time.

There are however areas for caution when implementing Shared Services, but if these are handled from the outset, the outcomes will match the objectives set, whether that's a reduction in personnel, a hard cash saving, an improvement in processing time, a reduction in IT systems support and maintenance renewals due to rationalisation or any one of a number of other measures. Perceptions should not be underestimated. If customers or users of the service, internal or external, perceive an improvement in service level, then this will have a positive effect.

ECM-Enabled Shared Services – Content In Context

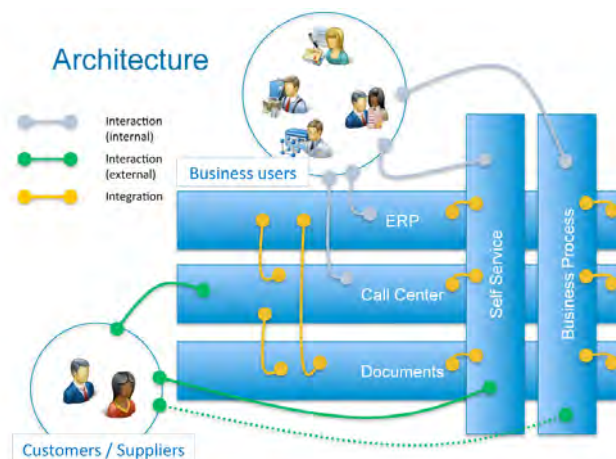
Taking a truly enterprise wide view of all business processes, information and other content, will be a core factor in the implementation of Shared Services. ECM technologies have long been able to address the needs around unstructured information (documents, images, voice, video, email, fax etc.), but capabilities are now extending to cover structured data (databases, CRM, ERP etc.), in other words a truly holistic information view.

By bringing together some, if not all, similar systems and processes under a SSC, underpinned by a single ECM strategy, then consistency can be achieved, efficiencies gained and the true position of the business at any time be accessible to management.

Once integrated, Shared Service centres need to continuously balance standardisation and automation to leverage scale effects, with the recognition of individual client requirements, maintaining a

high level of customer satisfaction. Communication is key to success: customer communication and process communication based on documents represents the “face” of a Shared Service Centre - and an opportunity to provide better operational efficiencies while improving customer service and overall flexibility.

Taking ERP as an example, as demonstrated in the following diagram, ECM can enable the SSC providing all the relevant documents and other content, in context, of the business process being undertaken.



ECM-enabled Shared Services – Content in Context

Whilst ERP may be the lead system, documents that reside outside of ERP play a central role. They are related to structured information, such as an invoice and need to be accessible based on the permissions within the ERP system. For example, a sales rep of a supplier may see the orders and invoices for goods and services that he sold in the customer's self service portal - but nothing more. In order to achieve this, the individual components must be appropriately integrated covering Document and Records Management, Business Process Management and Self Service, among other capabilities.

An enterprise vision, with a single central strategy utilising a solid ECM foundation, will pay dividends.

ECM For Compliance In Shared Services

Taking the legal landscape into consideration when adopting a Shared Service program is a must. All organisations have some level of regulation to consider, with some highly regulated industries having specific, tight controls around how they manage their information. Such obligations cannot be delegated, even in an outsource scenario. So when processing takes place in another legal jurisdiction, care must be taken to fully understand the implications.

The relevant retention and disposition needs must be considered too. Solid document and records management practices, as part of an overall ECM strategy, must be applied



in a Shared Service scenario, just as if the information in question were being held and managed internally. So as a part of the Shared Services journey, mapping out and documenting your processes, the information used within them and the details around retention and disposal is undoubtedly a good discipline that will pay dividends.

Having a firm grip on your information will, for many regulated industries that are subject to external audits, ease the pain when such audits occur. Requests made for information during an audit or even investigation may have very strict and tight time periods. Failure to fulfil can result in a fine, or worse. But it's not just about being prepared for a visit from the regulator. Information can be presented in the form of dashboards or business intelligence reporting, aiding management in capacity planning, strategy and operational effectiveness.

Managing All Channels

External users, for example customers or suppliers, who interact with a shared service may make contact via mail, fax, e-mail, or telephone. Responses may be provided by any of these channels too. They may use some form of self-service via the web; to submit a query, to check the status of an existing enquiry, to provide updates or even engage using live chat online. However, they never actually access the back end systems, such as ERP, directly. The view of their specific case will be built dynamically and delivered via a browser, or other application.

For internal users though, it's very different; they are very much a part of the business process and so will also need to access ERP, CRM and other systems in many situations.

When moving to a Shared Service environment, the changes that an organisation undergoes are numerous. Many business processes are heavily centred around documents – physical and electronic. Documents that originate into the business as paper should be scanned and made available electronically. But in some countries, for example Brazil, the physical paper cannot be shipped overseas, so must remain in the country. In order to undertake processing elsewhere, having a digital copy of the document is the only way. Fax and email too can arrive at various locations and by a variety of transport mechanisms, and too will need to be re-routed to the SSC. The key though is to ensure that all documents are consistently captured and metadata, or information about the information, is captured consistently into an ECM solution that

is capable of handling all information types, and at any volume.

Staff at the SSC will be potentially working on thousands or even tens of thousands of cases and cannot possibly know the nuances and details of every single case. So consistency is vital if the economies and efficiencies sought are to be achieved.

With proper rule and role based business processes, automation becomes possible, as well as efficient query handling and case processing. A typical scenario may require that an agent has available to them, not only information from the CRM or ERP system, but also copies of all and any related correspondence; invoices, contracts, application forms and so on. With this information available to them, first time call clear rates can be improved, reducing the need for time consuming, and therefore costly call backs. By having the complete picture of information available on a client by client, supplier by supplier, contract by contract basis, self service also becomes feasible, whether over an intranet, an extranet or via the web.

The OpenText View

ECM for Collaboration in Shared Services

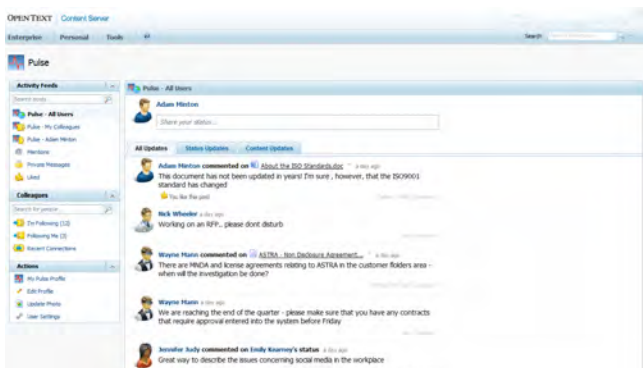
Using collaborative tools with rich social features, specialists in the SSC can share and expose knowledge instantly; for example seeking advice from a colleague, locating a knowledge expert or sharing an urgent update.



OpenText Social Media - Collaboration in action



Community spaces, wikis and blogs, can provide immediate and interactive channels which allow faster problem resolution and can help improve the documentation creation process, i.e. capturing and disseminating knowledge in a timely fashion. But this isn't limited to internal interactions. Customers, suppliers and partners increasingly want to use these tools to help better understand the information flow to help increase response times and to build a more collaborative communication channel that is available in real time.



OpenText Pulse – Knowledge Management

ECM For Managing Documents In Shared Services

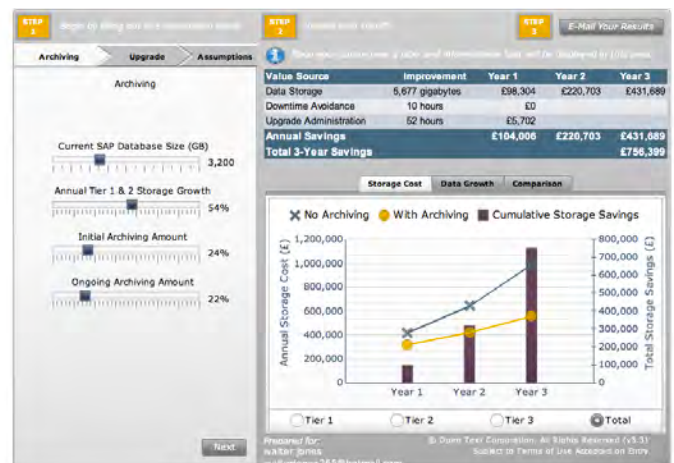
Many business areas have traditionally been targets for Shared Services. These have typically been the common business functions that all organisations undertake, for example HR, Finance and IT. Developments in the scalability of systems, better remote access, mobile devices and increasing bandwidth capacities, open up endless possibilities. Information can be accessed from virtually anywhere, on a variety of devices. The OpenText ECM Suite makes this possible with one source or store of the information that can be delivered regardless of location, front end application or device being used.

A shared service may have taken the form of a centralised scanning centre where all paper was shipped - costly and not environmentally friendly. With bandwidth improvements, distributed, local or regional scanning centres can now be used and the digital image transmitted to a single, centralised centre for classification and processing. Once captured, the electronic images and the associated data can be used to feed finance, procurement, CRM, ERP and other systems.

Mail handling centres that handle redirected inbound mail provide a centralised function can drive economies as well as efficiencies. For example, with credit card, loan and other financial product application forms and supporting information, the faster the paper is scanned and delivered via workflow, for a decision on the account opening to be

made, the faster the organisation is able to make money from the business being transacted – the customer ultimately receives a faster more efficient service. Improved standards of service and quicker turnarounds, can lead to repeat business and possibly less tangible referral business. With overnight post being delivered and scanned on arrival, in many cases it's possible to deliver the images and extracted data, with technologies such as Optical Character Recognition (OCR), to the work queues of staff at the beginning of a working day – vastly improving on service times.

Leveraging OpenText to establish a "single point of control" for all document communication for all applications, documents and distribution channels provides the flexibility to add new clients, processes and communications quickly, automate all business processes that rely on documents, and dynamically brand all documents according to client or business unit served. This can be applied equally to all types of Shared Service Centres e.g. Customer Service (automating customer notices, correspondence etc.), Procurement (supplier communications such as POs or contracts), Human Resources (employee communications such as checks and letters), or Finance (financial documents e.g. invoices and dunning notices).



The OpenText Document Archiving Value Calculator is an interactive tool that clearly demonstrates cost savings available through applying archiving to SAP related content. www.ECMforSAP.com

ECM For Accounts Receivable In Shared Services

For many, if not most companies, cash flow is the lifeblood of their business. When delays occur between the order or transacting of business to the cash coming in, this can hurt. So anything that can speed up the process will be attractive. Shared Services in invoice creation, accounts receivable and collections, helps reduce not only the cost of processing these invoices themselves, but also speeds the time to bring the cash into the business.



"Because the OpenText solution is completely operated from the SAP interface in the correct business context, we never once needed comprehensive employee training. In fact, the system is self-explanatory; the advantages of time-saving, the possibility of searching in a targeted way for information and finding it without delay are obvious. Purely quantitatively, the success of the project is evidenced as follows: before the restructuring and the introduction of the OpenText solution connected with this, an HR employee could handle payroll for around 250 colleagues. In our new service centre, this number is now 350-400. Then there are the costs saved by abolishing the paper archive. However, the qualitative benefits for the company are even more decisive than this. This is because the HR support can now fully concentrate on value-adding HR work, focussed consultation and support of the workforce."

Wolfgang Kneidinger, Leiter Personal Dienstleistungszentrum, BayWa AG

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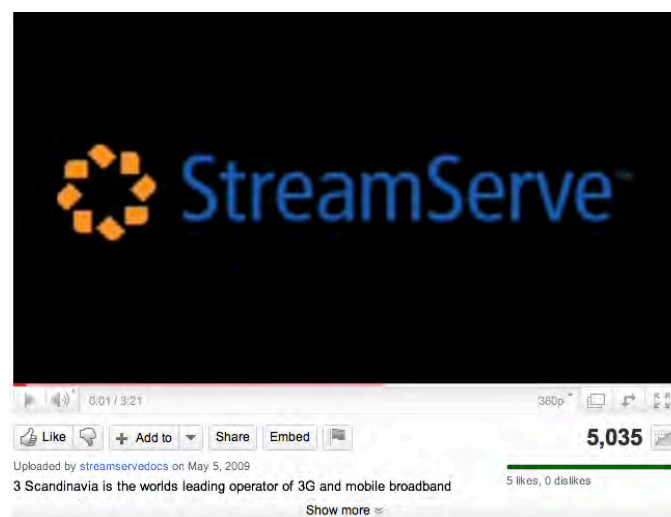
Technologies such as those from OpenText, allow flexible creation and layout of invoices (including dynamic features such as multi-language and other localization features, or dynamic branding according to business unit), multichannel distribution and routing, and automation of the bill-to-cash process. While providing clear and accurate presentation of traditional billing information will eliminate a lot of confusion that triggers customer service calls and delayed payments, tangible benefits can also be derived from leveraging the documents for segmented and dynamic messaging to proactively notify customers about payment and collection related issues, or promote additional products and services and drive customer loyalty.

By personalising documents, such as invoices to clients, with cross and up sell campaigns, such as those used by 3 in Scandinavia, the mobile and broadband operator, the revenue generation possibilities of print fulfilment from an SSC are almost boundless. 3 use this method, built on StreamServe technology from OpenText to offer customers specific loyalty rewards based on their usage and spending history, or additional services relevant to them. Each invoice produced can in effect contain unique marketing messages and offers, specific to the individual customer. In anything but the smallest of shared service operations, without automation such as this, personalisation would be close to impossible.

ECM For Accounts Payable In Shared Services

Accounts Payable is probably the most frequently shared process. Processing incoming invoices was (and frequently still is) a very manual and error-prone process. Data is keyed in into the ERP system and needs to be matched with long lists of items ordered. Labour arbitrage was a first driver

in moving the manual processes to shared services. This approach works to a certain extent. It reduces labour cost but does not increase the productivity significantly nor does it reduce the invoice cycle times.



OpenText Social Media - Collaboration in action

Efficient invoice management requires an optimization and automation of the process. An additional challenge is that most organizations are not yet running their business on a single instance ERP. The specialists in a SSC need to login to several ERP systems, for example several versions from one vendor or even worse of different vendors (SAP, Oracle, and Microsoft to name a few). This not only requires familiarity with the differences between these systems but may also result in



"So far OpenText Vendor Invoice Management for SAP Solutions has provided our organization with a seamless, automated system that has allowed us to plan the redeployment of three FTE [Full-time Equivalent] positions, improve our invoice processing time by an average of one to two weeks, and eliminate duplicate payments. We've gained important visibility into our invoice-handling process and can now generate reports to continually improve and fine-tune our operations."

Ravi Mallady, ECM Team Lead at Smurfit-Stone

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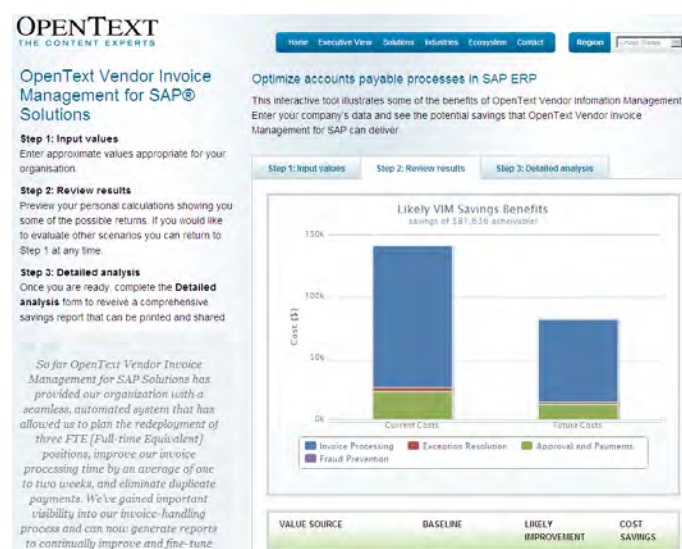
errors caused by taking wrong actions. Retrieving invoices is also more complex if managed in heterogeneous backend systems.

An optimized invoice management solution such as OpenText Vendor Invoice Management for SAP Solutions, manages invoices from all sources centrally; uses business rules to check invoice data against corporate and legal requirements and uses roles and workflows to route problem invoices to the correct specialists inside, or outside, of the SSC at the right time. Reporting capabilities allow monitoring of service level agreements, identification of process bottlenecks and inefficiencies. The complete invoice lifecycle starting with scanning (centrally or locally), intelligent document recognition, validation, problem solving and approvals is incorporated the audit trail for compliance reasons.

ECM For Human Resources In Shared Services

Across the globe, organisations of all sizes face challenges in managing their HR records. How best to record histories, to schedule follow up actions, to enable employee and manager self service, thereby reducing the workload burden on the HR department? For many, the processes are, if not the same, then certainly share a high proportion of commonality. Organisations with multiple sites, multiple group companies, and geographically distributed workforces and so on, will often also have distributed HR functions. But they often need access to information, when employees transfer, permanently or temporarily. There is scope for standardisation – this further aids the HR professional when working on an activity for another region or division of the business. By adopting a Shared Service model to HR, not only can cost savings be made in terms of efficiencies, standardised practices and automation, but also through employee and manager self service. Responses are improved as simpler tasks, such as a change of personal details, completion of self assessment

feedbacks, reviews and so on, do not require the involvement of a HR professional. Implementing a Shared Service HR program where all records and documentation are stored in the same way, centrally, accessible from anywhere by anyone with the correct credentials, improves processing times, reduces loss of documents, improves management reporting and frees up the HR department to focus on more demanding cases.



OpenText Vendor Invoice Management ROI Calculator

The OpenText Employee File Management Value Calculator available on www.digital-HR.com is a free tool which enables you to calculate the savings achievable by applying ECM to HR.

TOGETHER, WE ARE THE CONTENT EXPERTS



"By leveraging Wikis, chat tools, blogs and collaboration rooms, and using ECM to manage these newer content types, we are achieving a high quality of service, full transparency and compliance, yet with a low cost base in a Shared Services environment."

Marcell Vollmer, Chief Procurement Officer and Senior Vice President, SAP

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Throughout these examples, it's clearly apparent that a complete, accessible and accurate set of supporting documentation is vital for the smooth and efficient operation of any business process; ECM provides this and can scale to meet the needs of even the largest operations. Within a Shared Service Centre environment, which will often be at a discrete location from the core business, or at least distant from any number of satellite or regional locations, having the necessary information available in an electronic form, instantly and in context enables the efficiencies, cost reductions and service level improvements sought, to be achieved.

ECM And The Future Of Shared Services

How will ECM feature in the future of Shared Services? As Social Media, instant messaging, blogs and wikis, all make their way into the corporate world, these too will need to be dealt with. The way in which we communicate and transact with each other is changing as are the devices we use. Smartphones, tablet computers, PDAs etc, are becoming commonplace business tools, but the information and content they generate is just as relevant as a physical letter sent to a client or supplier. Workers want to be able to exchange knowledge, share ideas, look for guidance etc. Using chat tools, blogs, Wikis etc, are an ideal, and instant way to do this. Increasingly complex regulation and legislation will also impact how organisations must manage their content. Every transaction, every piece of information supporting and about that transaction must be captured and managed, regardless of where the SSC is located.

The emergence recently and acceleration in the adoption of cloud computing technologies is also likely to have a profound effect on the adoption of Shared Services.

The ability to provide a service, that is always on, is accessible from anywhere, scales up and down on demand, is ready for use almost immediately and helps reduce costs, potentially almost eliminating capital outlay and converting costs into operational expenditure, has to be an attractive proposition.

Drivers will continue to emerge that aid the adoption and relevance of Shared Services. As those who have already embarked on their journey reach maturity and are able to clearly demonstrate the business benefits and returns, others will have a greater confidence in taking the plunge.

For more information on how to apply ECM to Shared Services, visit <http://www.ECMforSAP.com> or contact us for a no-obligation consultation with one of OpenText's content experts.

OpenText And SAP: A Strategic Alliance

OpenText and SAP share close to two decades of partnership and co-development. OpenText Solutions for SAP is a complementary portfolio that extends the value of the SAP® Business Suite from an end-to-end solution standpoint, addressing strategy to execution and enabling business transformation.

OpenText is the market leader in ECM solutions for use with SAP applications, deploying solutions to more than 3,000 SAP customer sites around the world.

About OpenText

OpenText is the world's largest independent provider of Enterprise Content Management (ECM) software. The Company's solutions manage information for all types of business, compliance and industry requirements in the world's largest companies, government agencies and professional service firms. OpenText supports approximately 46,000 customers and millions of users in 114 countries and 12 languages. For more information about OpenText, visit <http://www.opentext.com>.

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