

Business Transformation 101: Tips from organisations at three different phases of the Shared Services journey

In the lead up to [Business Transformation New Zealand 2016](#), we recently caught up with 3 diverse organisations at different stages of the shared services journey to find out how their organisations are approaching business transformation to drive operational efficiency and the lessons learned from their journeys so far.

Early phase: The University of Melbourne

Paul Duldig, Head of University Services, The University of Melbourne

Can you give a brief overview of the University of Melbourne's shared services journey to date?

Paul Duldig: The University of Melbourne is in the very early stages Shared Services transformation. We've adopted what we called a 'move and improve strategy', which involves moving people into new roles and shedding a number of existing roles. We're now moving into the 'improve' phase, but we have been through the business continuity phase which involved ensuring we were maintaining business continuity during the transition and not falling over at the first hurdle. But it is still very early days.

What steps did you take to decide on shared services as your appropriate model for business transformation?

Paul Duldig: Over the course of 18 months, the University underwent a review and analysis, as well as partnering with PwC to help us think through what was the best way for the University to meet the challenges that it's facing at the moment.

Our aim was to find a model that helped us address increased competition and would make the organisation more agile, so it can respond to international pressure and reduced funding.

Shared Services was part of this strategy. There are other elements of the strategy, particularly the creation of a core group focusing on strategy and policy, and leaving operations to get on with the service delivery.

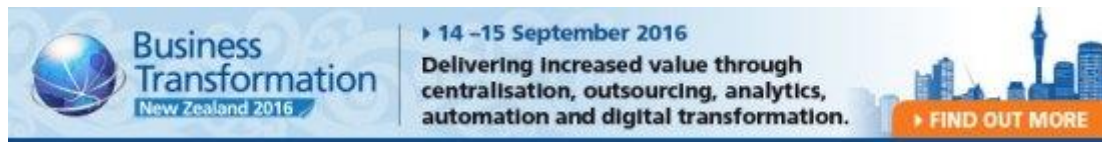
There was also University-wide program for consultation, analysis and benchmarking to arrive at the structure, resource levels and ultimately the new operating model.

What are some of the biggest challenges you've faced on your journey so far? How have you addressed these challenges?

Paul Duldig: University Services (which is the Shared Services group) has only been operating since February 2nd 2015 - so it hasn't even been 90 days of actual operation. During the transition we lost a lot of corporate memory from the organisation. We had an approach to fill the roles in a way that allowed staff to apply for new roles, rather than management enforcing new roles upon them. But

[Download Agenda](#)

www.businesstransformation.co.nz



from the early stages of transformation, we knew the risk was we might lose some key people and as a result we've lost some corporate memory.

We've also lost some understanding about core systems which we need to make sure we get back.

Interestingly, we implemented transformation during the peak of the University's calendar. The first three months of the year is really the busiest time for any university, because they're enrolling students.

What we perhaps hadn't taken into account was the University was growing as well. We designed a level of resourcing for 204, but this year some of our business lines have grown dramatically. As a result we've been scrambling to fill roles to meet our business needs.

One of the interesting things about rolling-out a 'move and improve strategy' is that it can be very stressful during the move phase. This is due to the fact that people have left and the remaining employees are doing multiple roles and are not quite ready for the new businesses processes.

Mid Phase: New Zealand Post

Theresa Kim, Group Manager, Shared Services, New Zealand Post

Can you give a brief overview of New Zealand Post's business transformation journey to date?

Theresa Kim: Technology is really changing the way we do business and the reduction of letters is an example of how the world is changing every day. As a result, we've had to innovate and transform the business to keep up with how the environment is changing. Going digital, going online and doing e-commerce is going to be the way of the future and how we will deliver value to our customers.

What steps are you taking to build and maintain a culture to support business transformation?

Theresa Kim: It's a culture around improvement and just working smarter. We're a 170 year old organisation, so we're really challenging the typical way of doing things. We're finding leaders who are going to be match-fit to really manage and lead through change in the future. The culture that we really want moving forward, is one around being change agile and really focused on delivering real value to our customers.

What are some of the major lessons learned on your business transformation journey so far?

Theresa Kim: I'll focus on the one that I've been working on, which is around offshoring processes. Looking at our processes, documenting their current state and really understanding how we can work smarter and improve them is a key thing. Secondly, I think it's around engagement and communication with people; which has been a key learning for us as an organisation. We have a mix of people - some have gone through some major changes in their experience but some haven't, so it's about providing the real support to our people, because really our people will make the changes moving forward.

[Download Agenda](#)

www.businesstransformation.co.nz

Advanced Phase: Incitec Pivot

Rhonys McDowall, Manager, Finance Shared Services Australia, Incitec Pivot

How are you using data effectively in your SSC to support strategic decision making across the business?

Rhonys McDowall: We're pulling data out of our SAP system, expense management system and payroll system, and pushing that into a data warehouse. From there we are using a tool called QlikView to analyse and provide the data to the users in the business, so they can analyse what we're doing in real-time.

It also allows users with visibility to see where their roadblocks are, for example, in terms of invoices not being paid on time and the issues that are being generated by the transactions they process out in the business."

What steps are you taking to improve the visualisation of data coming into your shared service?

Rhonys McDowall: It is a QlikView data analytics model which involves dashboards to provide high level customers information about where they're operating at. We're also using QlikView data to look at our risk and our transactional efficiencies.

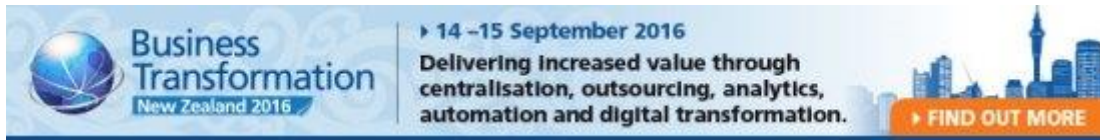
How is better data visualisation helping drive competitive advantage for your business?

Rhonys McDowall: We've been able to manage our digressionary spend a lot more effectively and we've been able to highlight areas of leakage, highlight areas of inefficiency and we've also been able to highlight to the business where people are going outside the procurement policies and procuring outside our preferred supplier list. All of those kinds of things that the business can then use to address spend.

What are some of the biggest hurdles you've faced so far on your shared services journey? How have you addressed these challenges?

Rhonys McDowall: One of the challenges we've had is communication. Analytics have been built around policy, and it's been a challenge to establish what does policy actually involve? And what does that transactionally look like?

We've also measured people against policy for the first time effectively and in real-time there has been some push back. We've really had to justify the case for change which is around the communication and getting people on board.



Want to hear more?

[Business Transformation New Zealand](#), to be held in Auckland on September 13-15, will explore 30+ other case studies from key New Zealand organisations, outlining the successes and pitfalls of similar transformations and what they have done to manage change effectively.

For more information visit www.businesstransformation.co.nz or call +61 2 9229 1000 or email enquire@iqpc.com.au

[DOWNLOAD AGENDA](#)

[Download Agenda](#)

www.businesstransformation.co.nz