

CASE STUDY

Shared Services Strategy?

The client, with a legacy of over 140 years is a blue-chip conglomerate operating diverse businesses such as Hotels, Travel & Tourism, Logistic Solutions and Power Generation. In addition, the Group, with an annual turnover of over USD 300 million (2008/09) runs others businesses such as Plantations, Financial Services, Insurance, IT, Printing and Garments

Their finance organisation operated in a federated manner and employed over 300 professionals across their businesses, managing the finance and accounting needs across the group. The time to review and change the group-wide Finance & Accounting operations had arrived as the group sought to create business efficiencies through smarter and streamlined operations whilst improving the overall service.

Pierian designed and implemented a finance shared services solution resulting in the setting up of the Finance Shared Services centre (FSS), achieved within three months.

Challenges

1.Over time, inefficiencies had crept in to the overall set up characterised by multiple and decentralised finance operations.

2.Decentralisation meant multiple and disconnected enterprise systems. The collation of sensible business intelligence from decentralised finance functions and fragmented enterprise systems led to further inefficiencies.

3.To develop a cost reduction strategy whilst improving the performance of the F&A operations.

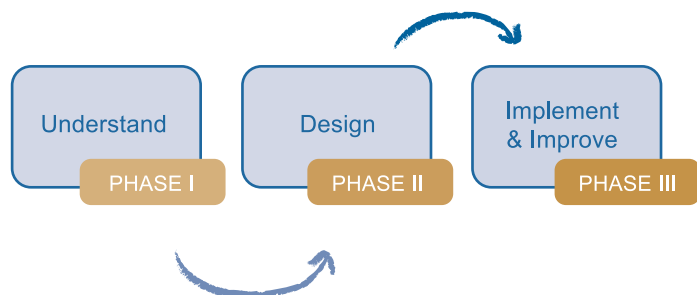
The client had committed to an investment in a group-wide ERP solution, and had decided on Shared Services model, but much of the detail had to be worked out going forward.

Transitioning from the existing setup to a Shared Services model presented a number of obstacles in the integration of

processes, systems, internal controls and organisational design. The processes and systems required a comprehensive overhaul, whilst ensuring that the organisation would be ready and equipped to provide a predictable and measurable service.

Approach

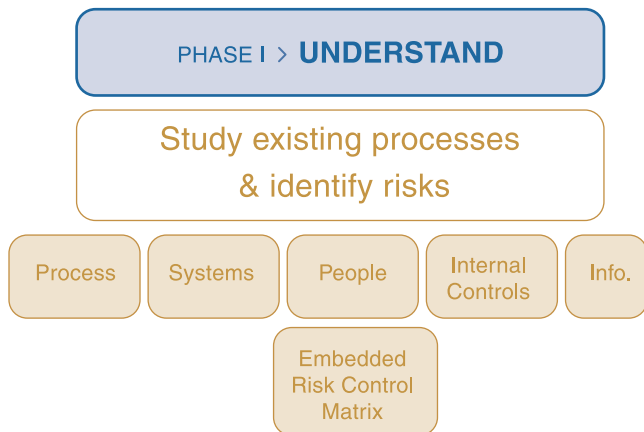
A team led by our head of Consulting managed the assignment involving the Client's organisation. Having conducted a detailed study of their existing operations, the team recommended and designed the FSS solution going forward. It was vital that their senior leadership team(s) played a significant part in this project in order to own and manage the change with our assistance.



PHASE I

This involved an in-depth study of existing finance and accounting operations, giving rise to recommendations on the feasibility of centralisation, and consideration of other key processes vital to integration. The team identified risks and inefficiencies, which cut across processes and people, and spanned systems and internal controls. A comprehensive Risk

– Control matrix of enterprise standards was an integral part of the solution. This became pivotal to measure process performance and to define transparency in reporting at all levels across the organisation.



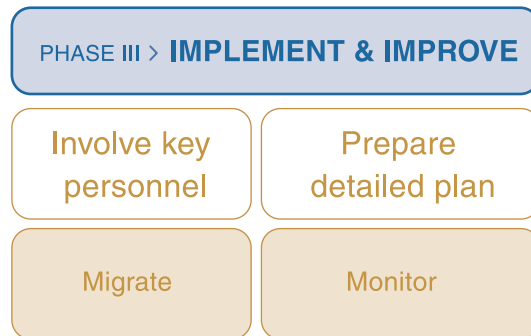
PHASE II

This phase designed a target operating model for FSS, detailing the TO BE process including effective process controls and the role of the new enterprise system. At the same time, an interim organisation structure was designed to cope with the first stage of transition to FSS. This solution accounted for the anticipated growth in the FSS centre. In order to implement an effective organisation design, resource identification and calibration was carried out to fill the various positions in the FSS centre.



PHASE III

Key personnel from multiple departments were involved in the programme to enable a smooth transition to the FSS Centre. A detailed migration plan was prepared and monitored during this phase to ensure completion of the project.



Outcomes

The Finance Shared Services became fully operational in rapid timescales and continues to deliver the benefits.

The client's process capability has enhanced significantly through an improved internal control mechanism and optimised business systems, resulting in increased visibility and better quality of financial information.

The link between FSS and the business units is strong, process-driven, and works well. This improvement in the quality of services has also resulted in a considerable reduction in processing costs: up to 25 per cent. Pierian's solution has enabled them to scale effectively and efficiently, as per their growth plans.

The client has been recognised by Forbes as one of the most successful publicly-traded companies with annual sales under US\$1 billion outside of the United States, for three consecutive years. They currently employ over 5000 employees across all business sectors.