

Advising you on shared services and outsourcing

Business services transformation

*Improving service, while
keeping down costs.
Creating value from your
support functions.*



Business services transformation

The internal support functions of an organisation – including Finance, IT, HR, Procurement and Real Estate – can represent 10–15% of an organisation’s cost base. It is possible to increase the efficiency and effectiveness of these functions by standardising, simplifying and making effective use of technology and sourcing.

Based on a PwC study, 65% of global organisations have made cost savings of up to 40% on their support functions by either creating a shared service organisation and/or outsourcing elements of them.



Shared services and outsourcing

A growing trend in structuring support functions is to centralise and move towards hybrid sourcing models with captive shared service operations supported by off-shoring and/or outsourcing.

Many companies have already established shared service centres for major business processes and/or outsourced their IT and back-office functions. Often they are now looking at various sourcing models for core activities like research, product development, tax and legal services as a mean of obtaining strategic advantages, not just as a cost-cutting measure.

Typical client challenges

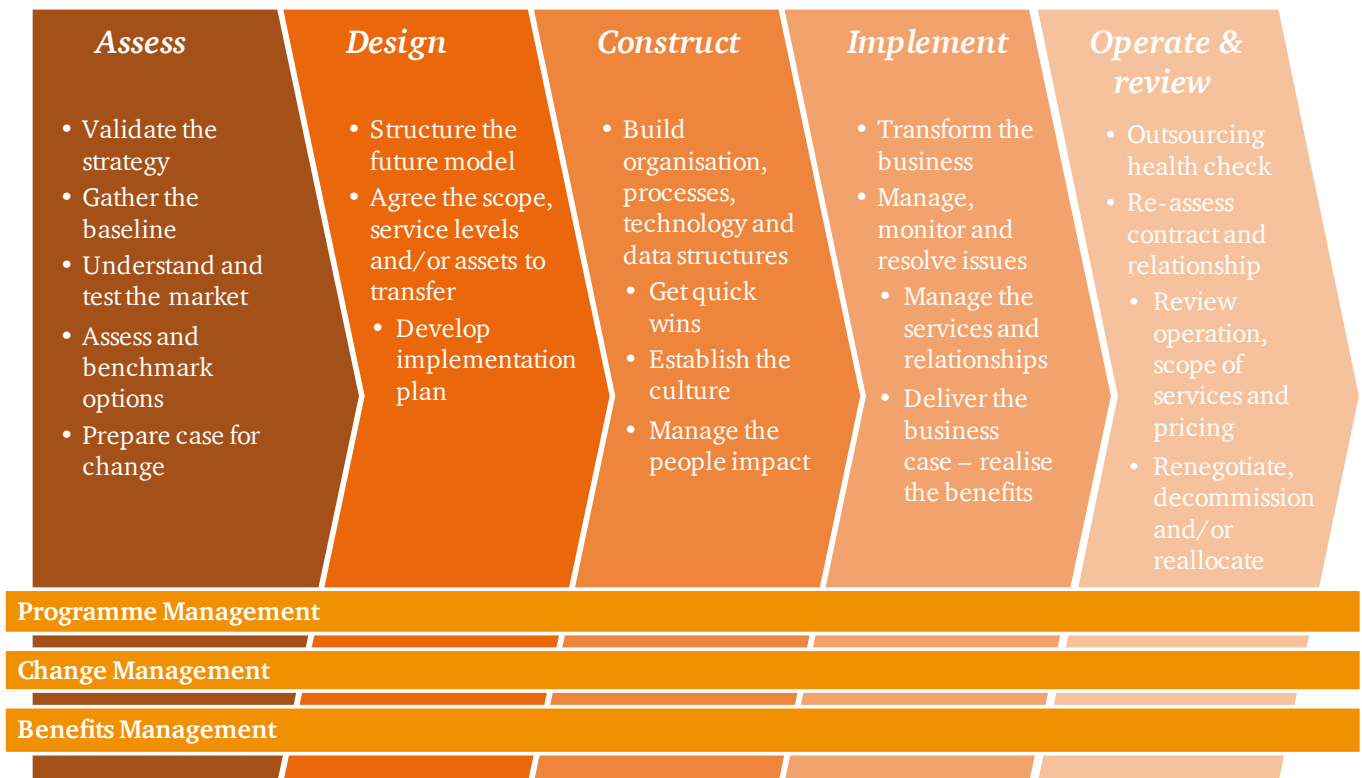
- Threats from emerging economies and competitors leading to high pressure on margin
- Performance improvement and innovation efforts have only partially delivered expected benefits
- Interdependent business units require strategic alignment and an ability to execute initiatives at a rapid pace
- Extracting more value from ERP implementations and/or upgrades
- Risks associated with inadequate controls and regulatory compliance
- Looking to 3rd party providers to take over the routine, transactional processes to allow more focus on the core business

How can we help

- Identify non-core processes and define the sourcing strategy across all functional areas - for both services and products
- Assess the quantitative and qualitative feasibility of various sourcing strategies
- Assist in selecting the appropriate business model (outsourcing, shared services, captives, hybrid models, strategic hubs)
- Design and implement an effective and scalable operating model and, where appropriate, engage 3rd party providers
- Manage the transition to the selected operating model, using subject matter and regional experts

Our approach

Organisations who get value from their support functions do so by following a clear five step Shared Services and Outsourcing lifecycle aligned to our Transform methodology.



Benefits from shared services and outsourcing



Our experience

We have a multi-disciplinary team, consisting of strategic sourcing and subject matter experts in tax, transfer pricing, customs matters, regulatory, HR, technology, financial modelling, governance, controls and risk management. We independently advise clients and tailor practical solutions to suit their strategic and operational goals. We utilise our regional and global presence to combine deep capabilities with specific local knowledge.

How we have helped

We recently supported a world leading agribusiness with over 24,000 employees in more than 90 countries, whose growth through mergers and acquisitions had resulted in a fragmented and globally distributed model for HR, Finance, Procurement and Information Services. Aggressive growth ambitions needed to be supported by a robust, scalable platform for support functions.

We helped to design a solution that delivers savings of \$100m per annum and has created a global concept for all support functions which aligns them to the company's growth strategy. PwC brought in a global team of experts, providing both a leading practice as well as valuable lessons learnt from other business service organisations.

PwC are recognised as market leaders in shared services and outsourcing

The International Association of Outsourcing Professionals (IAOP), the global standard setting organisation and advocate for the outsourcing profession, has ranked PwC first on its list of the "World's Best Outsourcing Advisors".

With over 27,000 Advisory professionals around the world, we work collaboratively with over 80% of the world's Fortune 500 companies.

We have completed over 300 shared services projects worldwide and have a team of 1200+ core experts around the world, with expertise across 17 industry sectors.

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Design: ML3-2012-02-10-1357-NB