

Corporate shared services

How to reduce your spending on back office services

As spending cuts of up to 40% are made across the public sector, central and local government bodies will have the challenge of maintaining and delivering front-line services with far less resources.

Cuts of this magnitude are almost impossible to achieve without some form of radical structural change. The impact of this will inevitably fall on the back-office and business support services.

Experience from the private sector has seen savings in the region of 25 to 40% from implementing a corporate shared services programme, proving that a robust shared services and/or outsourcing programme should be an essential component to achieving the savings required.

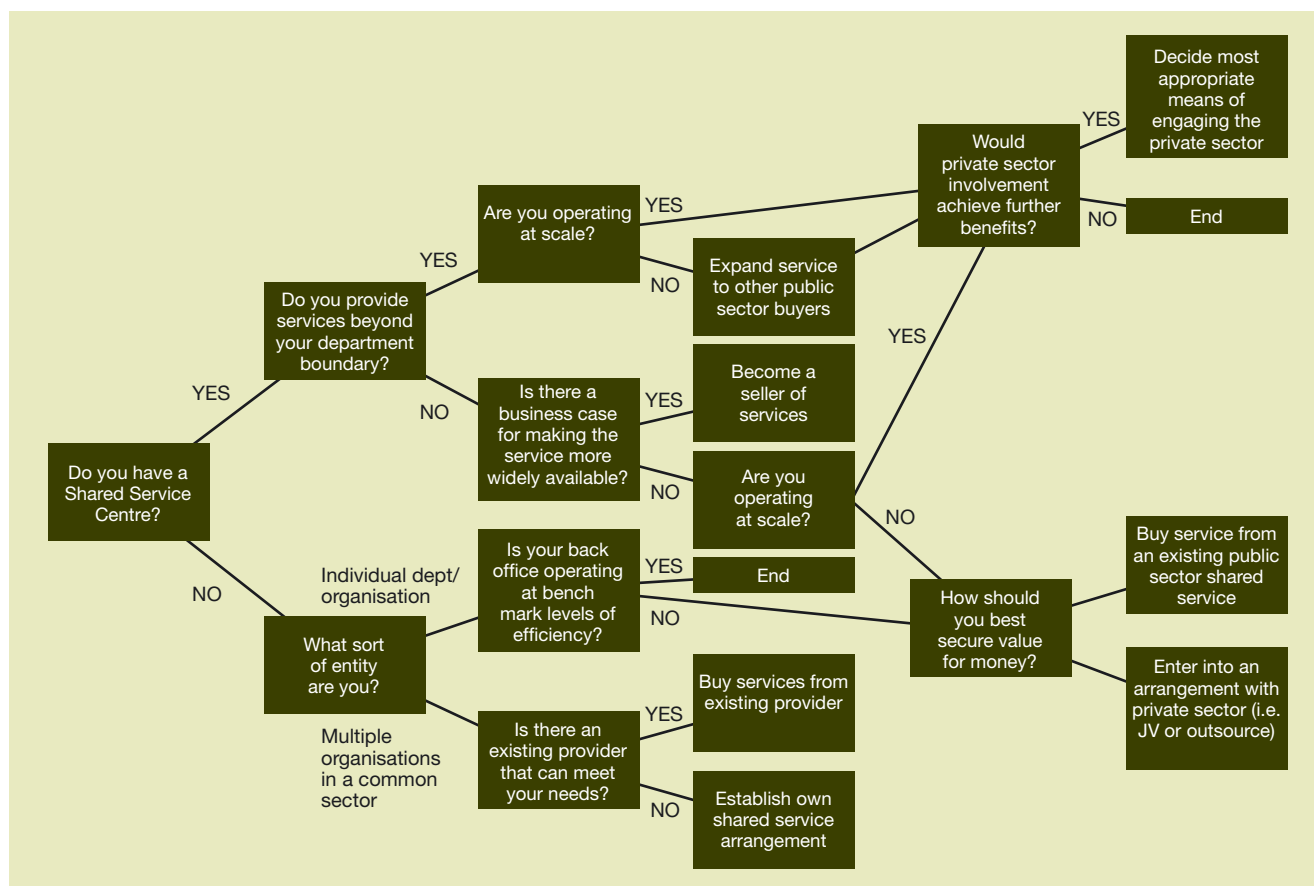
Our response

PricewaterhouseCoopers LLP (PwC) has developed a strategic framework to assess the options for a corporate shared services programme across your organisation.

The framework sets out a benchmarking parameter to assess the size of possible savings, followed by objective decision making for a shared services strategy and its implementation, including options for transition and sourcing.

The benefits

- Efficiency through standardising back-office and business support services
- Economies of scale through consolidating activity from multiple sites into a single or fewer sites
- Lower labour costs through outsourcing and off-shoring



Our approach in detail

- Benchmarking to assess the size of possible savings, using PwC's market leading Saratoga and Global Best Practices® databases.
- Deciding your shared services strategy
 - Agreeing candidate services, including back, middle and front offices, where a shared services approach may be suitable;
 - Deciding the most appropriate sourcing strategy, eg in house, GovCo, joint venture, outsource, private sector expertise and investment etc;
 - Agreeing the target operating model for the services
 - Deciding governance arrangements including how to manage any retained functions;
 - Assessing implications on the rest of the organization.
- Transition
 - Assistance with establishing the shared service, including organization, people, process and technology;
 - Establishing service and operating level arrangements
 - Managing the transition in any of the above scenarios;
 - Establishing supplier management arrangements.

- Sourcing
 - Scenario planning and options analysis
 - Procurement strategy including competitive dialogue and managing the procurement process
 - Managing the journey (GovCo, JV, Outsourcing etc)

Our experience

PwC has deep understanding and experience across the shared-services lifecycle. We have worked at the heart of government on the shared-services agenda including the Cabinet Office, HM Treasury and Shareholder Executive as well as working with many major departments to design and implement shared-services.

PwC has also worked across local government, health and the police sectors, as well as advising on numerous corporate finance transactions including the Department of Health's Shared Business Services joint venture with Xansa (now Steria).

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