Set-Up of a Shared Service Center – an Experience Report

B-IT Bonn, 14.07.2008
Agenda

Accenture – the Company

Shared Service Center - Motivation
Selected Topics from a sample Project
  ▪ Facing and Managing Requirements
  ▪ Developing an Architecture
  ▪ Assuring Quality

Wrap-Up
Q&A
Accenture – Company Profile

Accenture Worldwide

**Business Model:** Global Provider of Management, Technology, and Outsourcing

**Founded:** 1989 (previously Andersen Consulting)

**Clients:**
- 91 of Fortune Global 100
- > 66% of Fortune Global 500
- > 4.000 clients, about 18.000 Projekte in the last 5 years

**Employees:**
- > 170.000 employees at 150 locations in 49 countries

**Stock Exchange:** since July 2001 listed on the NYSE

**Aktienkapital:** 24 bn. US$

**Umsatz:**

<table>
<thead>
<tr>
<th>Year</th>
<th>1989</th>
<th>2001</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (bn. US$)</td>
<td>11,444</td>
<td>16,696</td>
<td>24 bn. US$</td>
</tr>
</tbody>
</table>

CAGR: 16%

**Accenture in Germany, Austria, and Switzerland**

**Employees:** 4.500 employees in Germany, Austria, and Switzerland

**Locations:** 10 offices
Global operating service-provider of management consulting, technology, and outsourcing
Integrated services throughout the whole value chain – from the analysis and consultation of an execution to operating a complete process area
The goal: Fast, concrete results with a long-term increase of value
Accenture helps its clients to become and stay innovative, competitive “high performance companies”

High Performance. Delivered.
Management Consulting

- Development of business and corporate strategies
- Solutions for optimizing business processes
- Client Support for organizational changes up to complete transformation processes
- In-Depth industry expertise, references and methods

Systems Integration & Technology

- Analysis of software, technologies and processes used by our clients
- Development of IT-Strategies to support processes
- Concept and implementation of technical architectures and overall solutions
- Design of an overall cycle for an implementation project from a functional and technical concept, to the development, to the deployment (system integration)
- Worldwide network of “Solution Centers” (‘onshore’ and ‘offshore’) and Technology Research Centers

Outsourcing

- Transformation, Industrialization and Operation of business processes e.g. finance & accounting, HR, purchasing, customer support, etc.
- Maintenance & Support of complex application portfolios (SAP, individual solutions for clients)
- Worldwide network of service centers for operating business processes
Characteristics of Accenture Employees

- Outstanding ability to integrate in different corporate cultures, structures and organizations
- Experience in working with multi-cultural and interdisciplinary teams
- Pronounced motivation to constantly learn and to continuously update their knowledge of the latest technologies, tools and markets

Invest in the Future

- Active career management by mentoring & coaching
- High amount of further education investments
- Information exchange through knowledge-based databases
- Regular performance evaluations
- Employee share program
- Specific networking between colleagues and clients
- Alumni-program to keep in touch which former employees
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- Q&A
Why Shared Services?

- Allow Operating Companies to Focus on Operations and Growth & Value Initiatives
- Leverage Expertise to Provide 1st Quartile Service Levels in the Respective Area
- Significant Savings
- Improve Information Integrity, Quality and Accessibility
- Reduce Technology Costs and Increase Flexibility
- Platform for Acquisitions and Growth Strategies
Shared Services enables high performance with a dual focus on efficiency and effectiveness.
Major Saving Areas of a Shared Service Center for Accounting

- **Processes**
  - Harmonization
  - Flexibility
  - Best Practice Attempt

- **Locations / People**
  - Optimized sourcing and team structuring

- **IT**
  - One system for all accounting staff
  - High process automation rates
  - Minimal custom developments
Sample Set-Up of a Shared Services Project

- **Data Model and Master Data Harmonization**
  - Consultancy 1
  - Consultancy 2

- **Locations Consolidation**
  - Consultancy 1

- **Service Management incl. Call Center**
  - Consultancy 1

- **IT**
  - Consultancy 1
  - Consultancy 3
  - Consultancy 4
  - Consultancy 5

- **Change Management, Training and People Matters**
  - Consultancy 6

- **Process Optimization & Harmonization**
  - Consultancy 1
  - Consultancy 7
Sample Project approach and timeline

Processes
- High-level as-is analysis
- Design of to-be processes AP, AR, AA, GL and Contact Center
- Realization of Quick-wins and roll-out of to-be processes

Locations & employees
- Analysis of as-is location
- Determination of to-be locations
- Migration of Locations
- Service Management

IT
- Analysis as-is IT Landscape
- Conception interims & long-term IT architecture
- Design long-term IT architecture
- Release of long-term IT architecture

SOX
- Ensure SOX compliance of processes and IT

Key dates:
- 2007
- 2008
- 2010
- 2012
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### Efficiency Improvement of Accounting Processes

**Example: Process „Handling manual Payment Requests“**

#### Characteristic of the Process (Actual Process)

- Process allows dedicated employees to manually request a payment of an amount to their bank *without* having a document
- Use Case: CEO wants to buy a new company

#### Problems and Limitations of the Process (Actual Process)

- Various different occurrences of the same process within the sub-companies
- High **degree of manual activities** for handling the process:
  - Validation of request from the general ledger
  - Complex Negotiations between general ledger and functional units
  - Booking of request in the clearing account
  - Submission of request in the banking software
  - Feedback to the originator of the request
- No single-point of entry, but many different input options (e.g. fax, phone)
- Long duration of the process

For the improvement of this process (and many others) general core assumptions have been developed
### Core Assumptions for setting up a Shared Service Center

<table>
<thead>
<tr>
<th>Reduction of redundant activities</th>
<th>Standardization</th>
<th>Harmonization</th>
<th>Automation</th>
</tr>
</thead>
</table>
| - Centralization of operational activities through the merging of identical processes into a single location  
- Consolidation and centralization of planning and controlling activities within the corporate group  
- Erasure of manual activities related to the manual gathering of data | - Corporate-wide and uniform processes and guidelines  
- Clear assignment of responsibilities  
- Standardized treatment of identical business transactions through focused training of employees  
- Establishing a Web-Portal as the single point of contact | - Standardization and harmonization of master data  
- Improvement of efficiency through consolidation of processes  
- Reduction of different occurrences of processes that relate to similar circumstances | - Automated activities and processes  
- Communication based on the Web-Portal  
- Reduction of negotiation processes through automation  
- Automated generation and provision of reports of key performance indicators |
Applying Core Assumptions to the Payment Process
Development of New Target Process

- Input of Payment Requests through a Web Front End enabled by a Web Portal
- Reception and handling of feedback

Handling of authorization request through a Web Front End

- Automation of complete activities such as booking and submitting a request, syntactical validation
- Central **Workflow Engine** assigns activities and responsibilities to all involved parties

**Workflow Engine and Web Portal** have been identified as core components of a target architecture
## Applying Core Assumptions
Identifying Target Processes (“Measures”)

### Task (Challenge)
- Identification of inefficient accounting processes
- Improvement of these processes through the development of new target processes addressing the core assumptions
- Description of these in terms of measures
  - Assignment to one of the pillars (Reduction, Harmonization, Standardization, Automation)
  - Functional description of the measures
  - Description of the business case
  - Implications for IT units
  - Milestone plan
- In addition: identification of measures for quick win opportunities

### Result
- In 2007 / 2008, approx. 250 measures were identified
- Continuous tracking of measures become a crucial project activity
- Refinement of measures (functional and technical specifications)

### Accenture’s Contribution
- Set-Up of requirements management process (measure process)
- Support during the identification and refinement of measures
- Prioritization of measures
### Accenture’s Task

- Development and deployment of a solid process model for managing requirements
- Short-term approach: management of new requirements (“measures”) from the idea to go-live
- Long-term approach: management of all kind of requirements (e.g. change requests, requirements of backend systems)

**Challenges**

- Many different sources for requirements often lead to an unclear picture
- Many different stakeholders:
  - Business units
  - Technical units (IT)
  - External sub companies (owner of backend systems)
  - Other units of the companies (e.g. work council, financial auditor)
  - Project lead
- Many organizational restrictions and regulations (frozen zones, SOX)
- No clear process for the acceptance and commitment to requirements and all follow-up documents (e.g. requirements specification, technical design, test cases)
Developing a Process of Requirements Management Based on Accenture Delivery Methods (ADM)

**Approach**

Usage of Accenture Delivery Methods (ADM) providing well-proven **activities, inputs, deliverables** and **roles** within each activity during the Requirements Plan and Analysis Phases

**Accenture Delivery Methods for Custom Development**

- **Primary Inputs**
  - PG239 – Project Statement of Work

- **Primary Deliverables**
  - PG081 - Stakeholder Goals and Expectations
  - PL101 - Requirements
  - PL 123 - Current Capability Assessment
  - AP 221 - Use Case
  - AP 235 - User Scenario
  - PL 201 - Requirements Traceability Matrix

**Transition Point Design**
- Transition criteria
- Quality check
Process of Managing Requirements from the Idea to Go-live Short-time Solution

Legend:
- IT
- Program management
- MK-Team

Regularly Process: Periodic Audits (weekly)

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Process of Managing Requirements from the Idea to Go-live Short-time Solution

Plan

Analyze

Design

Build, Test, Deploy

Permament Activities (Configuration Audits)
Process of managing Requirements from the Idea to Go-live
Long-term Solution

New Requirements

Change Request for a Baseline

Change Request to / from subcompanies and partner projects

All other requirements

Single point of entry (Sharepoint tool)

Central maintenance of all requirements in a shared repository

Monitoring of all requirements from the idea to Go-Live by the requirements management team

Design and implementation of requirements by expert teams
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Selected Topics from a sample Project
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Accenture’s Task

- Task: Design and set-up of an architecture as a basis for the implementation of target processes
- Approach: Usage of Accenture Delivery Methods (ADM) providing well-proven activities, inputs, deliverables and roles within each activity during analysis and design of a technical architecture

Accenture Delivery Methods for Custom Development
The Architecture – The Big Picture

(Web) Frontend

Core Layer

Portal Component

- SSO
- Personalized Activity List

Middleware Component

- Workflows
  - e.g. Payment Request

BI Component

- KPIs

Backend-Systems of Subcompanies

- SAP-System R/3
- Other internal Systems

Other internal Systems

External Services

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## Portal Component

### Goals
- Standardized front-end for stakeholders for using well-defined accounting processes
- Single-Sign-On (SSO) functionality for the integration of backend-systems
- Personalized activity list allows a structured processing of workflow activities
- User interfaces comply with corporate identity guidelines
- Definition of a substitute person for a workflow activity

### Challenges
- Problems with the integration of interfaces from the backend systems
- Dealing with unclear requirements from the client:
  - For some processes no specification of user interfaces were given
  - Imprecise specification of input fields
  - Insufficient resources

### Technical Aspects
- Portal based on SAP Netweaver Portal 6.0
- ARIS-based modeling of user interfaces (together with the accounting processes)
## Middleware Component

### Goals
- Provision of a workflow engine for the deployment of accounting workflows
- Integration of various SAP-backend systems of the sub companies
  - Accounting transactions still reside within the original backend systems (SAP / FI)
- Synchronization of master data between middleware and backend systems
- Better maintenance of workflows

### Challenges
- Problems with the integration with of backend systems
  - Exception handling
  - Unclear mapping of master data
- Remote-enabling of SAP modules
- Application management

### Technical Aspects
- Middleware based on Third-Party vendor solution
- ARIS-based modeling of workflows
## Business Intelligence (BI) Component

### Goals
- Business monitoring facilities of both middleware and backend systems based on Key Performance Indicators (KPIs)
- Provision of a dashboard within the web portal for visualizing KPIs
- Consolidation and visualization of financial operating data from the decentral backend systems

### Challenges
- Problems with the integration with of backend systems
  - Synchronization of master data

### Technical Issues
- Solution based on Third-Party vendor solution
- Flexible, multi-dimensional analysis of financial data
Target Architecture (Vision)

- Portal Component
  - SSO
  - Personalized Activity List

- Middleware Component
  - Workflows
    - e.g. Payment Request

- BI Component
  - KPIs

- Global SAP FI / CO Module

- Harmonized Master Data
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Different Ways for Assuring Quality in our Projects

QPI Certification

Internal program within Accenture for assuring the quality value of our projects

Peer Reviews

Regular Walk-through of work products within a project assuring its quality and reducing re-work

CMMI Certification

Industrial-wide appreciated certification program assuring the quality of our projects and leveraging the reputation to our customers

Goals:

• Reduce costs of poor quality
• Usage of best practices and assets
• Certification as a requirement for defined industries and regions
Quality and Process Improvement (QPI) Program Mission:

To improve delivery capability and reduce execution risk by increasing the use of delivery best practices and promoting the adoption of the Accenture Delivery Suite across our consulting and application outsourcing engagements.

The QPI Program is being rolled out globally to:

- Industrialize the use of Accenture Delivery Methods across the complete end-to-end delivery lifecycle.
- Minimize risk of schedule delay, cost overrun and quality issues through the effective use of methodology and industry best practices.
- Support the Operating Groups in achieving Capability Maturity Model Integration (CMMI) Level 3.

Benefits:

- Reduced requirement errors and re-work
- Pro-active and efficient management decisions
- Promotes continuous improvement
Necessary Actions

All projects are required to follow Accenture Delivery Methods, including:

- Develop Management Plans using predefined templates:
  - Project Plan
  - Risk Management Plan
  - Configuration Mgmt Plan
  - Quality Management Plan
  - Project Measurement Plan
- Use ADM estimating tools and document estimating assumptions
- Demonstrate use / implementation of these plans
- Review cost and schedule performance at least every two weeks. Take corrective actions when not within historical thresholds
- Incorporation of an external QPI liason:
  - Experienced and trained individual who coaches and assists project management with processes, tools, coaching, and training.
There are three types of quality reviews:

- **Peer Reviews**
  - Regular Walk-through of work products

- **Process and Product Quality Assurance (PPQA) Reviews**
  - Best Practices Reviews (Process)
  - Performed by the QPI Liason

- **Quality Assurance (QA) Reviews**
  - Performed in collaboration with client
  - Addresses the demands of client
CMMI is a framework that contains the key elements for effective processes and best practices addressing productivity, performance, costs, and stakeholder satisfaction.

CMMI:
- Serves as a guide for organizational self-improvement
- Provides an integrated view of process improvement across multiple disciplines
  - For example: Software engineering and system engineering

CMMI provides:
- The benefit of the industry’s prior experiences and best practices
- A framework for prioritizing actions and shaping effective processes
- A way to define what improvement means for your organization
- A benchmark for appraising current processes and comparison of organizations

Source: Software Engineering Institute/Carnegie Mellon University, 2001
<table>
<thead>
<tr>
<th>Level</th>
<th>Characteristics</th>
<th>Process Areas</th>
</tr>
</thead>
</table>
| 5 – Optimizing| • Improvement based on common causes of variation  
                     • Organizational innovation                                              | • Causal Analysis and Resolution  
                     • Organizational Innovation and Deployment                                 |
| 4 – Quantitatively Managed | • Quality and performance understood and managed statistically                        | • Organizational Process Performance  
                     • Quantitative Project Management                                           |
| 3 - Defined   | • Project specific process based on tailored version of organizational standards  
                     • Process improvement coordinated and managed  
                     • Consistency of performance evident across all projects                    | • Decision Analysis and Resolution  
                     • Risk Management  
                     • Integrated Project Management + IPPD  
                     • Organizational Training                                                   |
|               |                                                                                   | • Organizational Process Definition + IPPD  
                     • Organizational Process Focus  
                     • Validation  
                     • Verification  
                     • Product Integration  
                     • Technical Solution  
                     • Requirements Development                                                  |
| 2 - Managed   | • Processes planned, documented, performed, monitored, and controlled  
                     • Objectives achieved predictably  
                     • Similar result achieved between projects                                   | • Configuration Management  
                     • Process & Product Quality Assurance  
                     • Measurement and Analysis  
                     • Supplier Agreement Management                                               |
|               |                                                                                   | • Project Monitoring and Control  
                     • Project Planning  
                     • Requirements Management                                                     |
| 1 - Initial   | • Ad-hoc processes  
                     • Reliance on individual heroes  
                     • Schedule drives everything                                                   | • None                                                                         |
Overall Goal:

- Achieve CMMI Level 3 for our Systems Integration (SI) and Application Outsourcing (AO) work globally across all Accenture Operating Groups.
- For Communications and High Tech (CHT), four projects were selected from the geographical areas ASG and Nordic
- Appraisal criteria: all projects need to be successfully appraised

Appraisal Framework SCAMPI v1.2:

- CMMI – Development v1.2 as the reference model
- Consists of a defined and structured set of team activities: interviews, document reviews, presentations, validation activities
- Provide direct and indirect evidence that process areas are established
• **Direct evidence** from process areas Configuration Management and Requirements Management:
  - Configuration management tools, documentations, screenshots
  - Traceability matrix
  - Change request (CR) process, tools
  - Requirements Management process, tools
  - Audit Processes
  - Sign Off Sheets
  - Logging Documents
  - Peer Reviews
  - Knowledge transfer

• **Indirect evidence:**
  - Emails proving the communication, negotiation, usage and distribution of relevant information within the project
  - Emails providing the knowledge transfer

For CMMI Level 3 Certification, over 200 forms of evidence collected within 6 weeks!
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Q&A
• The presentation aimed at demonstrating Accenture’s strength in delivering high-quality solutions for complex application domains such as the set-up of shared service centers
  ▪ Organizational and functional support during the set-up
  ▪ Requirements management
  ▪ Design and implementation of a software architecture

• Quality assurance of our projects and solutions is guaranteed by means of our well-proven best-practices framework (Accenture Delivery Methods) and process standards (QPI, CMMI)
Thank you very much for your attention!
Do you have questions?

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