

Achieving Shared Agendas Within Shared Services Operations

Communicating a 'shared' approach

By Dominic Walters

People implications of a move to shared services

The main reasons that organisations introduce shared services are to help reduce costs through standardisation and simplification of processes. Having experts in a particular field in one area aims to spread best practice and to develop a centre of expertise, as well as ensuring consistency of approach across the business. In addition, some businesses see shared service centres as a step towards outsourcing a particular function and a way to cut costs — why have five country heads of IT, when you could run one shared service centre, and save four executive salaries?, is the reasoning.

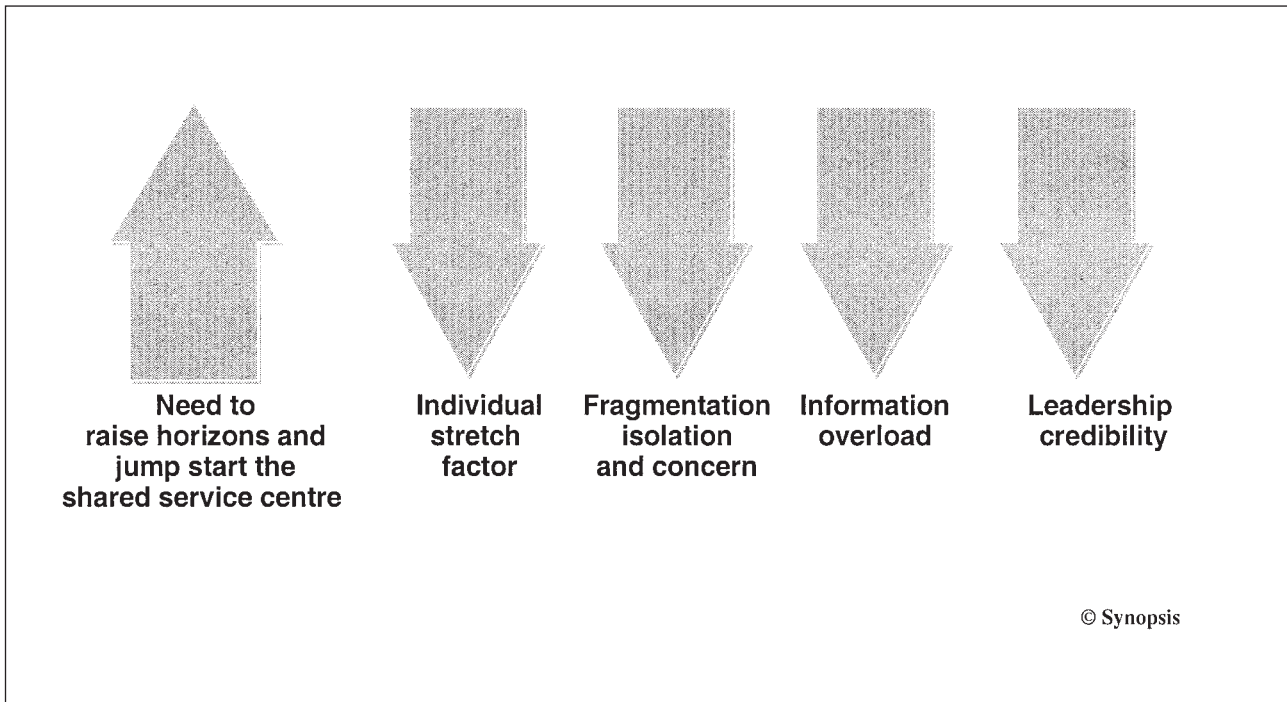
More and more businesses are ripping up the rulebook of traditional business in the quest for ever-growing shareholder value. Witness the growth in recent years of shared service operations. These often involve support functions, especially Finance, IT and HR, which are pooled together to provide their services to the whole business. Whatever the function and whatever the industry, however, all businesses experience similar problems. This article outlines the key issues and shows how good internal communication can ease the pain of change, and accelerate getting the desired business benefits.

Any move towards shared services will inevitably have major people implications. As with any organisational change, those involved will be asking how it will affect them, and will move along the change curve — feeling denial, anger, and depression, before developing a resigned acceptance.

The move to shared services brings more people issues with it than most change initiatives.

Many employees will need to make decisions about their future which may involve uprooting their family and moving to a new area or even a new country. For others, the choice is redundancy or moving to a different, and perhaps less promising role in another part of the organisation. For many, therefore, decisions are likely to have far-reaching personal consequences. They will need detailed information

Figure 1: Communicating Against the Current



and the opportunity to question and discuss their options.

Where redundancies are likely, communicators must ensure that those affected have access to relevant information and that other communications are co-ordinated with these. One company we know ignored this, and sent glossy brochures about a new car scheme to a group of managers who just days before had been told that they were to be made redundant. Maintaining a meaningful dialogue became more difficult after that!

There are also important people issues from the employer's point of view, especially as the shared services centre will not work unless essential people elect to move into it. One company I have worked with was faced with encouraging its IT staff from their existing bases in some of Europe's greatest cities to relocate to a little known part of the north of England. In situations like this, communicators are expected to

run a promotional campaign highlighting the attractions of the shared service centre and its location.

Challenge to the communicator

For the communicator it is vital to have absolute clarity regarding each of the particular audience groups as is understanding precisely their issues and carefully working through the exact messages for each group. Time spent consulting with the different groups at an early stage will pay back healthy dividends later on.

It is crucial to establish, early on, a set of clear, key messages about why the move is happening and how it will help to achieve business goals. As the project progresses, and people start to feel the personal impact, basing all communication on an agreed, consistent set of messages reduces the likelihood of communicators losing their context and

degenerating into short term fire fighting.

Once a shared service centre is in place, the major challenge facing internal communication is to begin to shift the attitudes of the people working there.

Shifting the mindset

One of those shifts, for example, might be from national perspectives to a more global outlook. This may involve breaking down tribal loyalties, and shifting people's attitudes away from those of an organisation that is regional, functional and hierarchical to those that are far more flexible and organised around process teams, not departmental fiefdoms. This means, increasingly, getting managers to shift away from making local decisions taken only for local good, to making decisions from a central perspective, for the good of the business as a whole.

Achieving this requires different attitudes and behaviours from employees. To facilitate the change, communicators and managers must reinforce the new reality, and their messages should reflect global issues, as must the branding and identity of the shared service centre.

Communicators must also be aware that organisational restructuring is never smooth or clear cut. While the revised organisation charts show the new formal structure, the old informal structure of the past can linger to haunt management. Whatever the structure outlined in charts, the real organisation is made up of a network of informal allegiances and relationships, where influence is affected by credibility. About 70 per cent of the internal communication employees receive is informal, via the grapevine.

Changing the structure does not change the informal network, and the formal and the informal run in parallel, with the informal commanding the grapevine and often enjoying higher credibility. Communicators will often need to contend with the guerrilla warfare of informal communication, by being aware of what the grapevine

is saying and ensuring that senior management’s communication acknowledges real issues rather than only telling ‘good news’.

Dealing with phantom limb syndrome

‘Phantom limb’ syndrome is when amputees continue to feel sensations from their amputated limb long after it has gone. Without a conscious effort to align the communication structure with the new organisational structure, organisations can encounter ‘communication’ phantom limb syndrome. The old structure continues to make its presence felt long after the re-organisation says it should have gone.

To minimise these effects, and to overcome them as quickly as possible, internal communicators for shared service operations should focus on four main elements:

- First, they should continue to reinforce the business purpose and direction and ensure these are understood across the centre.
- Second, it is vital to draw up and regularly review a plan outlining

who needs what information, how they can best get it, the preferred frequency, style and distribution methods.

- Third, helping people establish their identity is crucial, as internal communicators need to strike a balance between generating identification with the shared service centre and with the wider organisation. The aim is to establish a feeling of ‘dual citizenship’ among people working in the shared service centre, whereby they see themselves as part of the team, as well as being corporate members.
- Fourth, internal communicators should encourage collaboration across shared services sites, so that relationships are developed, and best practice and knowledge are shared.

Effective internal communication can enable employees to work together better, in a number of ways:

1. by providing information about key processes; and

Figure 2: Levels of Identity with the Business – Before and After

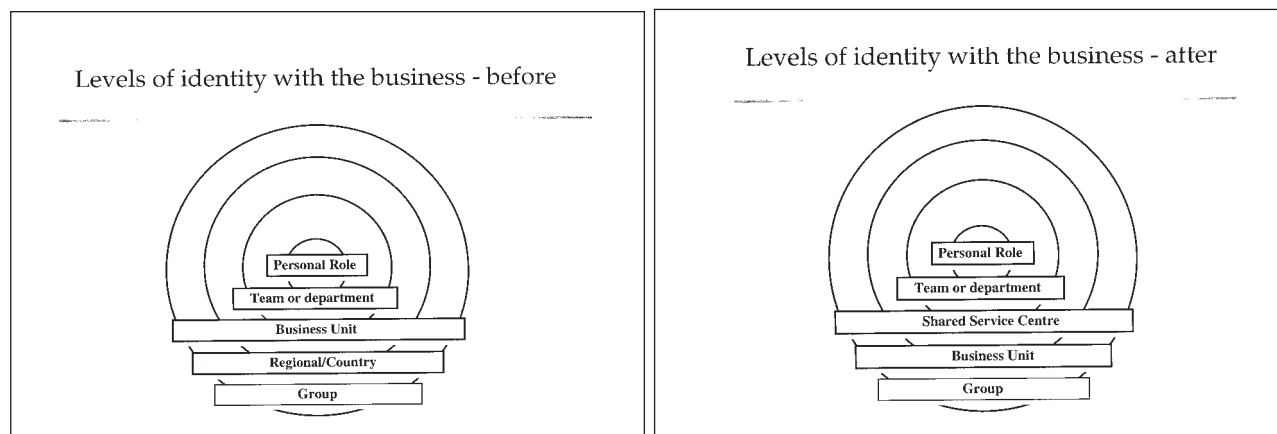


Figure 3: Drag Factors that Slow Shared Service Centre Development

- Loss of status
- Erosion of decision making authority
- Perceived change of values
- Perceived clash of priorities
- Receive exhortation, not coaching
- Physical displacement
- “Not invented here”
- Client resentment

business units. Where people are unfamiliar with other departments’ work, they may not know exactly what they do, but they think they are bad at whatever it is.

This is especially the case when one team sees mistakes or inadequate work coming from the other. In these circumstances, it is easy to develop a sensation of, ‘we

are great, but that other lot are all idiots!’. In a shared service centre, the ‘unknown plonker’ can suddenly be sitting next to you, and communicators need to focus on team building and helping people get to know each other so that ‘normal’ team dynamics can be re-established as soon as possible.

Similarly, an effective communicator must be aware that in a situation where procedures and practices are becoming standardised, some people will see their time-honoured and beloved systems discarded, often in favour of what they may consider to be ‘inferior’ ideas from other parts of the business.

This can ignite a sense of ‘not invented here’ outrage with certain individuals, and communicators will need to reiterate the original goals for setting up the shared services operation, as well as clarify, and repeat, the reasons why specific approaches have been chosen.

Changed focus from colleague to customer

A difficult transition to make for anyone coming into a shared service situation is the move from being colleague-focused to becoming customer-focused. Although the concept of the ‘internal customer’ is common currency in many organisations, people in support functions situated within business units or country locations, will often see their clients as colleagues. They are all on the same team, can share gossip and discuss office politics, and develop strong and long standing working relationships. In a shared service scenario, this is not possible, and customers are often faceless people in another department and/or other part of the world.

People can no longer rely on personal relationships and need to follow a set procedure and manage their customer relationships differently.

One of the constant cries of Chief Executives is "How do I get my people to be more customer focussed? And how do I get them to deal with customers in a way that communicates professionalism? How do we get our people to cooperate across departments to present a single consistent face to the customer, and how do we share knowledge internally to make us smarter and more responsive in the customer’s eyes?"

Internal communication can help hasten this transformation by ensuring that everyone is aware of procedures to follow and by providing information about the areas of the business covered by the shared service site, and the

2. by bringing people together in communication forums to exchange best practice and become familiar with, and create, goodwill towards colleagues in other parts of the organisation.

Using communication meetings to discuss, review and agree common ways of working also bring important benefits.

Re-establishing team dynamics

There are frequently barriers to establishing a sense of unity and belonging, especially in the early days of a new shared service centre. One issue that we have encountered on several occasions has become known as the ‘unknown plonker’ syndrome. When functions are located in business units or countries, people frequently develop a strong loyalty to their team, and this can be expressed on occasions as antipathy for colleagues in other

people who work in them. If possible, arranging visits from the main internal clients to meet the people supporting them can help break down barriers. An effective internal communicator should also use the communication channels at

Summary

In summary, our headline advice for companies moving to shared services, is to use internal communication to deliver business benefits:

- establish business reasons early and generate and reiterate key messages;
- take time to consider all the people dimensions and draw up detailed plans to meet them;
- focus on breaking down old tribal loyalties and establishing a new sense of identity;
- beware of, and plan to overcome, the ‘unknown plonker’ and ‘not invented here’ syndromes;
- focus attention on the transition from internal colleagues to internal customers;
- ensure that internal clients understand the reasons for the move and what it can offer. ■

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his or her disposal to generate a sense of belonging, to fill any sense of loss as people move out of their traditional organisational ‘homes’.

Getting to grips with the new business relationship can also be difficult for internal clients and they, too, will benefit from information about the shared service site – what it is for, and how it works. Such information will help manage their expectations, and also allow them to factor this into the way they work. For some organisations, this awareness raising is where most of their communication energies are focused, employing brochures, roadshows, exhibitions and detailed briefings. Certainly, it is crucial that everyone using the shared services centre is aware of what it does, why it has been set up, and how it will help them do their job more effectively.