What is shared services?

Shared Services is a way of organizing administrative functions to optimize the delivery of cost-effective, flexible, reliable services to all “customers”.

Decentralized
- Autonomous departments
- Focus on responsiveness
- Different systems and non-standard processes
- Separate functional staff

Standardized
- Schools run similarly
- Typically some common sub-systems
- Common processes
- Separate functional staff

Centralized
- Single department or site which performs the function
- Focus on efficiency and control
- Typically some common sub-systems
- No service level agreements nor performance targets

Shared Services Center
- Separate organization but linked to customers through oversight model
- Managed service delivery through clear service level agreements
- Customer driven transactions
- Performance driven culture through measurement and feedback
- Process ownership end-to-end
# How is shared services different from centralization?

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Traditional View of Centralization</th>
<th>Shared Services View</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers Treated as...</td>
<td>End Users</td>
<td>customers (e.g., colleges, schools, units)</td>
</tr>
<tr>
<td>Leadership</td>
<td>Central Oversight Entity/Headquarters</td>
<td>Independent Unit—Customer Board/Advisory Group (organization varies with geographic objectives)</td>
</tr>
<tr>
<td>Location</td>
<td>Capitol Area/Headquarters</td>
<td>High Skill, Low Cost Area</td>
</tr>
<tr>
<td>Primary Focus</td>
<td>Cost Control</td>
<td>Service Excellence, High Performance, Cost Control, Continuous Improvement (service and costs)</td>
</tr>
<tr>
<td>Service Responsibility</td>
<td>Central Oversight Entity/Headquarters</td>
<td>Shared between shared services center and customers as stated in Service Level Agreements</td>
</tr>
<tr>
<td>Service Management</td>
<td>Optional</td>
<td>Service Level Agreements, Key Performance Indicators, Performance Reporting</td>
</tr>
<tr>
<td>Customer Contact Management</td>
<td>Ad Hoc</td>
<td>Multiple channels (e.g., voice, email, web); Contact center staffed with customer service reps; Case Tracking software, Automated Call Distributor, Computer Telephone Integration; Client relationship managers</td>
</tr>
</tbody>
</table>
# Shared services criteria

Sample criteria used for Shared Services

<table>
<thead>
<tr>
<th>Poor Candidates for Shared Services</th>
<th>Strong Candidates for Shared Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost Benchmark</strong></td>
<td><strong>High Cost Compared to Benchmark</strong></td>
</tr>
<tr>
<td>Leading Practice Cost</td>
<td><strong>Type of Process</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Strategic\Consultative</strong></td>
</tr>
<tr>
<td><strong>Standardization</strong></td>
<td><strong>Transactional\Administrative</strong></td>
</tr>
<tr>
<td>No Potential to Standardize</td>
<td><strong>Standardization Exists or High Potential</strong></td>
</tr>
<tr>
<td><strong>Transaction Volume</strong></td>
<td><strong>High (e.g., more than 10 a day)</strong></td>
</tr>
<tr>
<td>Low</td>
<td><strong>Complexity of Task</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Highly Complex</strong></td>
</tr>
<tr>
<td><strong>Stability</strong></td>
<td><strong>Simple, Repeatable</strong></td>
</tr>
<tr>
<td>Volatile Content</td>
<td><strong>Static Content</strong></td>
</tr>
</tbody>
</table>

Page 3
What are the benefits for higher education?

**Economic**
- Higher productivity
- Lower cost location
- Reduced expenses
- Reduced systems infrastructure costs
- Leverage investments related to enterprise resource planning systems, other technology

**Strategic**
- Shift funding/focus from back office to front office
- Support meeting increased demand with fewer full time employees
- Achieve process and systems standardization
- Enable new/re-organized entities

**Quality**
- Improved information for decision making
- Better service to key stakeholders (e.g. students, parents, faculty, and staff)
- Reduced error rates - quality at source
- Develop centers of expertise and innovation

**Speed**
- Reduced cycle times (for example):
  - Close
  - Authorizations
  - Procurement
  - Payments
  - Billing
  - Sourcing