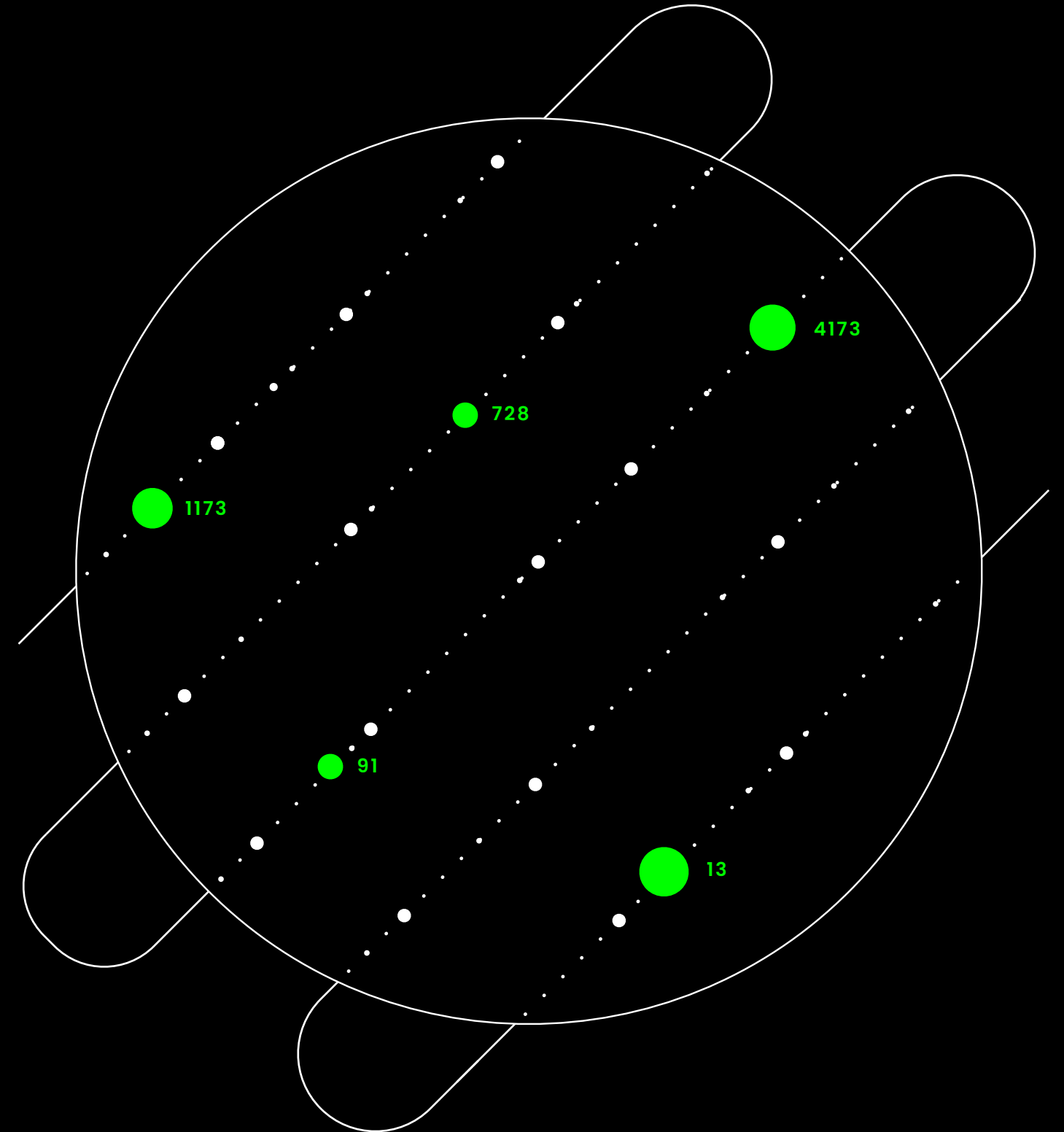




# The Ultimate Guide to Shared Services Transformation

Go from cost center to innovation center



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# An inflection point for Shared Service Centers

**Delivering on service quality and cost reduction have been core commandments of the Shared Service Center (SSC) since the model's inception.**

Those commandments are not going anywhere, but there are new ones entering the fold. The SSC remit is expanding — significantly. Maybe you've felt it through external factors. Customers demanding better experiences. Vendors expecting innovation like digital payments and electronic transactions.

Internal demands are evolving too. As organizational needs shift, pressure to develop new skillsets mounts, while a labor shortage makes securing and retaining talent tougher than ever.

Throw in a pandemic that proved more processes can be run remotely and moved into an SSC — and that adds up to a lot of competing priorities to balance.

The bottom line is that transformation is no longer optional, it's imperative. With most organizations redesigning their operating models and processes to meet new demands, SSCs are under more pressure than ever to prove value against core business outcomes.

More pressure to drive even greater efficiencies and nail cost reduction. Against bigger ambitions to achieve digitization and automation at scale.

Without any additional resources.

Between headcount reductions and tightening operating budgets, you're having to find ways to do more with less to support your expanding scope of work.

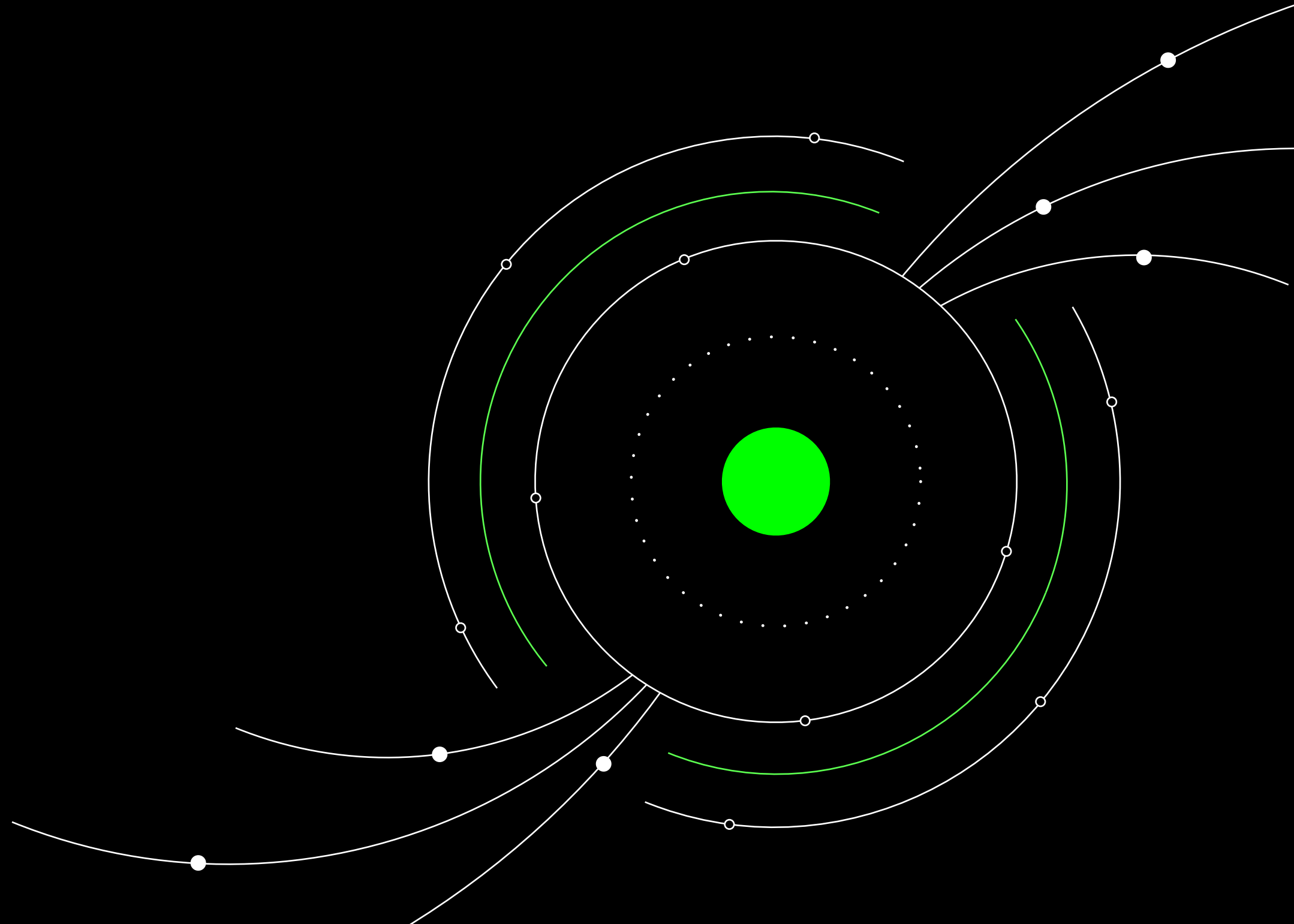
Not only have we all felt it, we have data from Hackett Group to prove it: a 9.3% efficiency gap<sup>1</sup> between budgets allocated to Shared Services and workload expectations, to be exact.

Core commandments and new demands are creating new rules for what success looks like in Shared Services. In this guide, we cover how SSCs can bridge the efficiency gap, drive exponential value across core processes, and transform from cost centers into innovation centers.

<sup>1</sup> The 2021 GBS Agenda, The Hackett Group

## Section 1

# The growth opportunity at hand



# The growth opportunity at hand

**Shared Service Centers that manage to close the gap between growing scope and limited resources face a significant opportunity.**

Achieve seamless, intelligent back-office processes and you free up resources to create value.

Not only are you operating at maximum efficiency, you're ramping up service quality and building positive relationships inside and outside the business.

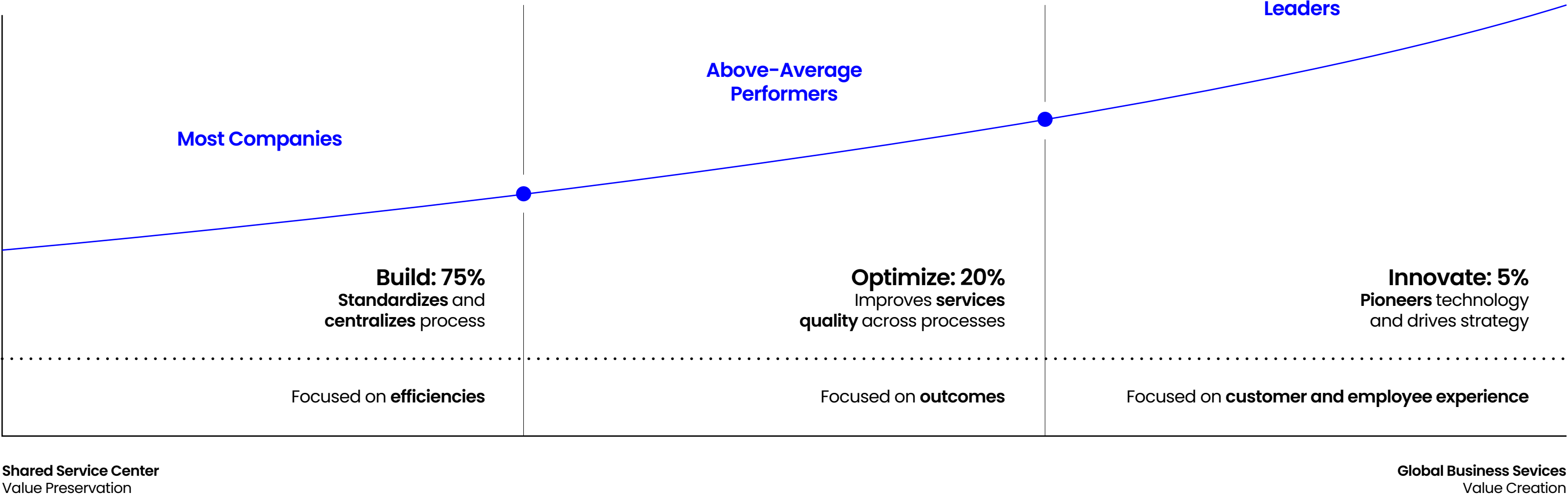
When you optimize core processes, a cumulative effect builds.

You continue to deliver world-class cost efficiencies, while taking on new roles and responsibilities — moving you up **the maturity curve toward a Global Business Services (GBS) model** ([see figure 1](#)).

There is growing traction around SSCs growing into Global Business Services, although not every organization will set out to scale this curve.

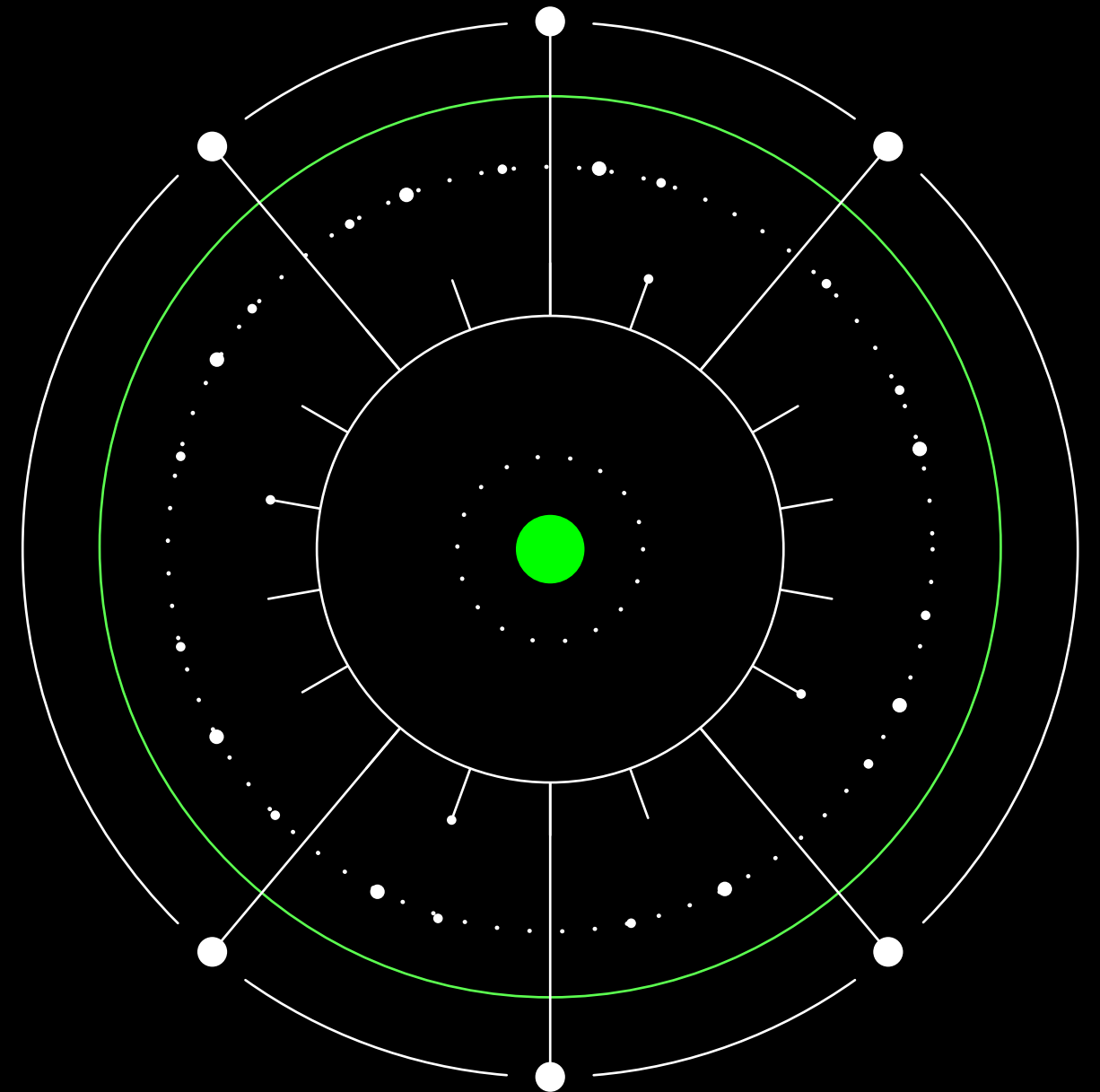
Those that do, however, will evolve from being reactive to proactive, moving from influencing operating margins alone, to becoming a more strategic partner to the business and making additional, valuable impacts on business outcomes and the customer experience.

# The path of evolution for Shared Services and Global Business Services



## Section 2

# Meet the Celonis EMS and process mining



# Meet the Celonis EMS and process mining

**To start your journey to performing at full potential, you first need to reveal and fix hidden inefficiencies.**

These inefficiencies – be they blockers, delays, or manual workarounds – are lurking in your processes, silently killing their performance. And eliminating them requires the data and intelligence to take targeted action.

We call it execution management.

And to do it you need an Execution Management System (EMS).

The Celonis EMS connects to your data and provides the intelligence to understand what to fix first, and the right actions to take to remove the inefficiencies.

By connecting data across systems, apps, and desktops, the Celonis EMS x-rays your company's entire business operation, showing you how your business really works. It reveals all the inefficiencies and breakdowns across systems, processes, and people, and then fixes them automatically, starting with the most impactful ones.

**By revealing and fixing inefficiencies, Celonis' EMS can help you nail cost reduction, standardize core processes, and move up the maturity curve by taking on new value-added tasks.**



# How the Celonis EMS works

**The Celonis EMS is a highly secure, hyperconnected, fast, and scalable cloud platform that seamlessly integrates three main components:**

## **1. Real-time data**

We integrate data across your transactional and analytical systems at scale in real time. To make this fast and easy, we have more than 100 pre-built connectors with the most frequently used systems. We offer a low-code, easy-to-use component to build your own data connectors for your home grown systems. We also ingest data from employee system interactions, from sales and finance documents, and from real-time event data streams, to render a holistic view of business processes.

## **2. Process intelligence**

We apply process mining and machine learning to visualize what's really happening in your

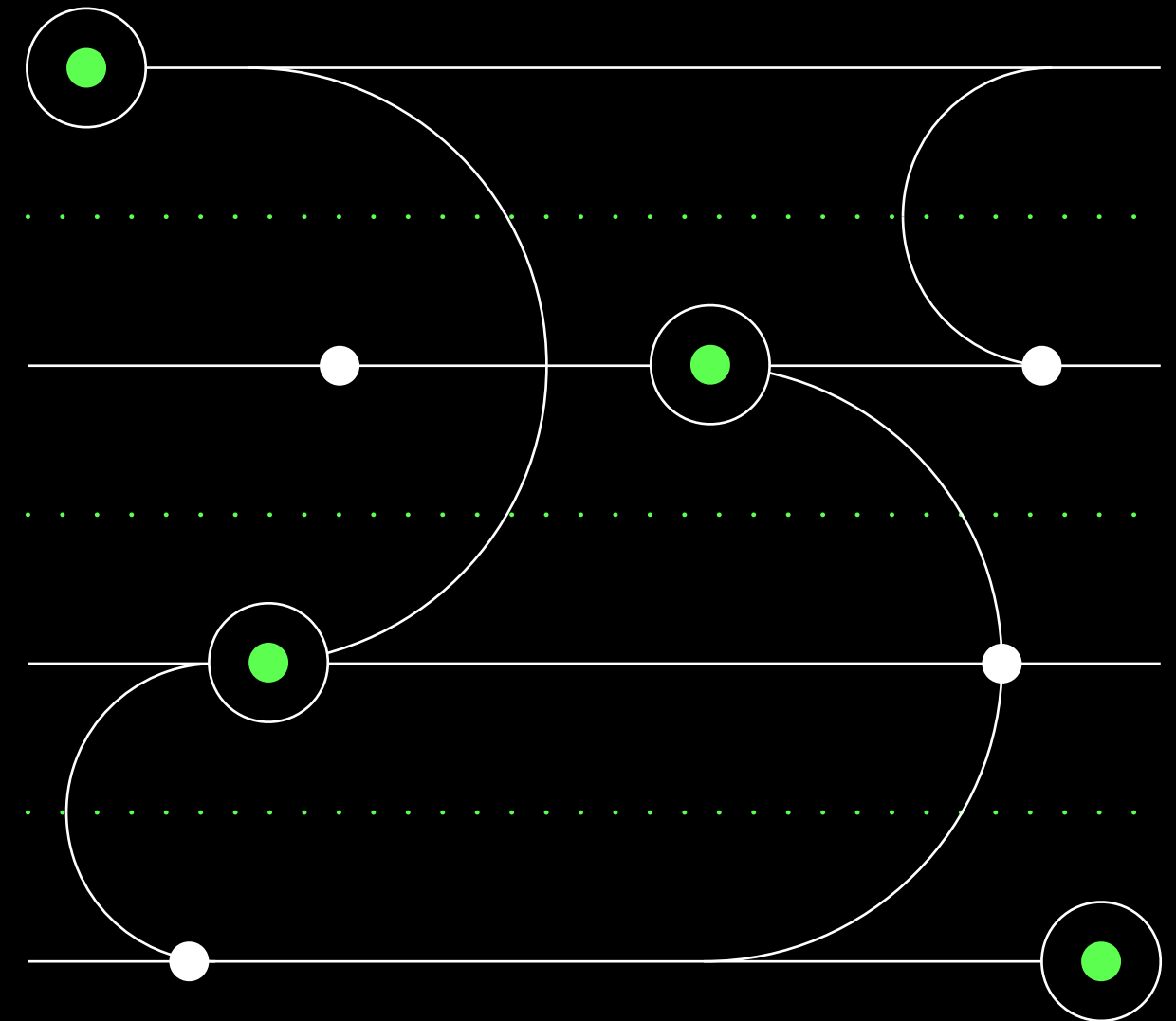
processes and surface the digital truth. It's an x-ray for your processes that reveals all the inefficiencies and their root causes. We apply advanced algorithms and machine learning, coupled with our deep industry and process domain expertise, to give you recommendations on what to fix and how.

## **3. Targeted action**

Based on prioritized recommendations, we trigger actions within the same platform to fix inefficiencies and orchestrate your systems. That may mean automating real-time actions across systems, as well as alerting and deploying the right people to remove inefficiencies.

## Section 3

# Drive exponential value across core processes



# Drive exponential value across core processes

**Improving the performance of your core processes frees up time and resources.**

Your people no longer have to bend over backwards to make broken processes work — they can focus on putting their energies towards higher value work. Ideal when SSCs are tasked with meeting a growing remit.

Once back-office functions run like a well-oiled machine, you can focus on service quality and optimizing beyond core processes to innovate and drive value.

In fact, the EMS has a great track record helping SSC leaders uplevel and become a strategic partner.

Whether you're trying to reduce maverick buying in Procurement; nail on-time payments in Accounts Payable; ensure on-time delivery in Order Management; crack down on late collections in Accounts Receivable; or likely all of the above — the EMS can help.

Let's have a look at what it can do for the following departments, including the outcomes you can drive, an illustration of how that might work, and an example of an organization that's done it with Celonis.

# Procurement

**You know that getting Procurement right means controlling margins and sourcing strategically.**

From optimizing spend and driving productivity to getting better deals and negotiating more favorable payment terms, every purchase order is an opportunity to save money.

You live for ‘perfect’ purchase orders: the elusive PO that’s right the first time. Reducing PR-GR cycle times gives you a real thrill. And you look forward to the day you’ve completely eradicated maverick buying from the business.

Because you know if you’ve got the transactional side of the house in order, you can focus on bringing strategic value and innovation to the table.

But your day-to-day reality isn’t so rosy. Inaccurate or out-of-date master data dogs your every step, resulting in price and item discrepancies that delay purchase orders and generally cause chaos and confusion.

And your purchase orders are far from touchless — let alone first-time-right, every time.

The good news is: there’s a better way. By using an EMS to eliminate rework and deploy targeted automation and machine learning, you can increase productivity and reduce costs.

# What it looks like in action

## Meet the perfect PO, and the three steps to achieving it with the Celonis EMS.

### 1. Drill down into your processes

Use process mining to understand when and where POs require manual rework and establish why — is it a price or quantity change? A delivery date shift, or an unnecessary block?

Maybe you learn 40% of price changes are taking place because the master data's out of date. Maybe sourcing's renegotiated your contracts but those prices haven't been reflected in the master data. Now what?

### 2. Identify risks and trigger actions

Once you've identified the root cause, you can address it. You can track all manual changes, predict rework, and alert your teams to update specific data fields before they start being a problem.

Or you could preempt it entirely by automatically updating the master data based on the sourcing contract. You've just eliminated price changes due to out-of-date master data forever.

### 3. Monitor and refine

Track your perfect PO rate over time and tweak your process to continually improve it as new process insights come to light. It's

what we call a virtuous cycle of continuous, automated improvement.

**By giving you complete transparency over your procurement process, process mining helps you reveal the blockers that are getting in your way. Fix them with the EMS to reduce spend and drive productivity higher than ever.**

# Vodafone increased their ‘perfect PO’ rate from 73% to 96% — in one year

**Vodafone’s Procurement department processes 800,000 purchase orders and 5 million invoices every year.**

Using Celonis, they analyzed their source-to-pay process to discover where inefficiencies and deviations were driving up costs and delivery times.

Their goal was to get their ‘perfect PO rate’ — right-first-time ordering — from 73% to 80%.

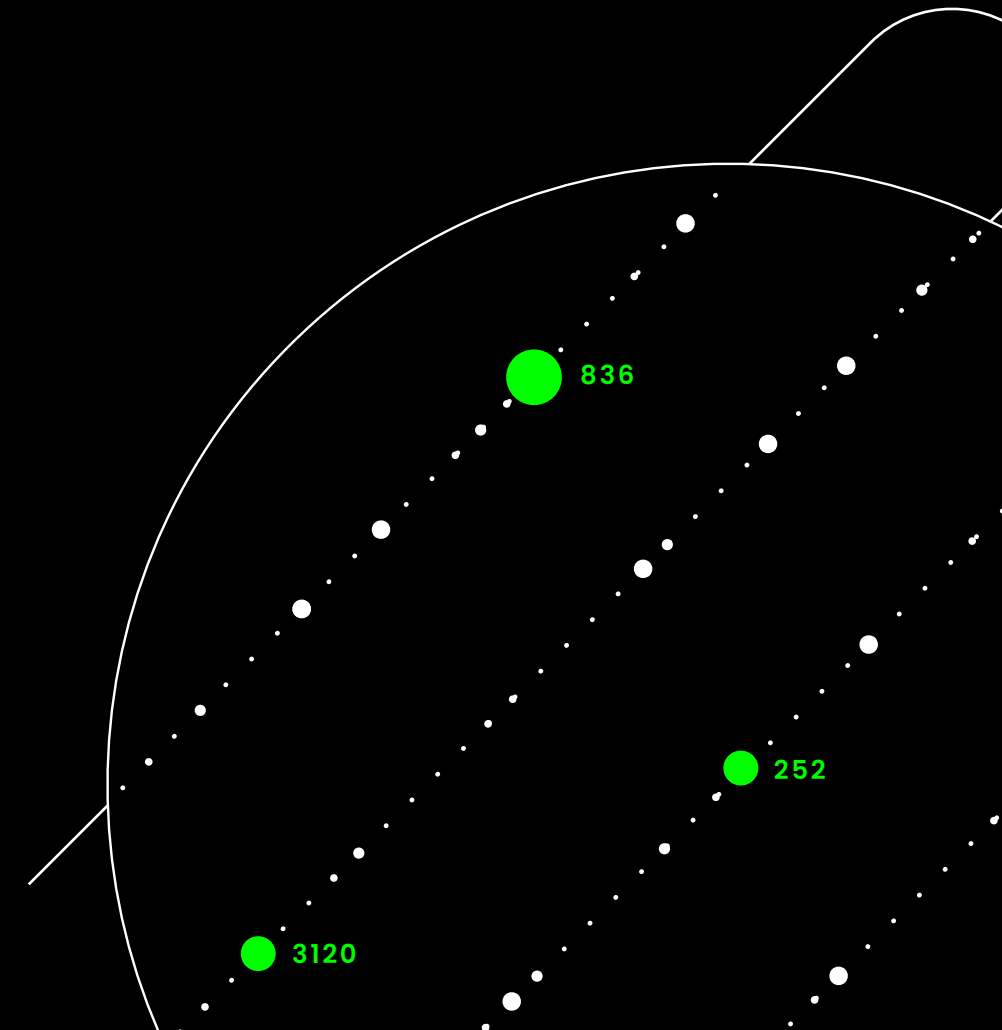
In six months, they got it to 85% — and with 85% of purchase orders produced correctly the first time around, they managed to reduce the cost of each PO by 11%.

**Within the year, their perfect PO rate had reached 96% and they’d improved their time-to-market by 20%.**

[See the full story](#)

**‘I’m convinced that the process mining approach helps us to better explain our KPIs and reports, not just showing in which direction the figures are going, but providing background information about why these figures are developing in this or that direction.’**

**Martin Stracke**  
Senior Manager Transactional Processes  
**Vodafone**



# Accounts Payable

**To achieve your vision of balancing costs and service quality, you don't just need to ensure invoices are paid.**

You need to guarantee every invoice is paid on time, every time, at minimal cost to the business.

That means eliminating time-consuming, error-prone manual work and cracking down on duplicate invoices.

It also means paying not too early; not too late; but also in a way that maximizes cash discounts (if that's what you're after) and avoids compliance-related complications.

Ultimately, the gold standard is not only delivering on cost reduction and service quality, but going the extra mile to drive working capital input by leveraging the right payment terms — so you extend payables, and impress the CFO while you're at it.



# What it looks like in action

**There are three steps to hitting optimal payment times with the EMS.**

## 1. Drill down into your processes

Use process mining to understand if and where payments are made too soon — or too late. It could be as simple as invoices sent with the wrong date on them, for example.

## 2. Identify risks and trigger actions

Next, automatically identify and prioritize ‘at risk’ invoices using machine learning, and take targeted action to drive optimal payments based on outcomes.

## 3. Monitor and refine

Finally, track and quantify the impact of your changes over time, and tweak as necessary, making sure payments go out on time, every time — ultimately helping you get closer to your dream of processing invoices touchlessly.

**The EMS not only reveals inefficiencies, but provides the means to fix them and impact the KPIs that matter — and then continuously monitor and improve process performance over time.**

# Deutsche Telekom's Shared Service Center saved over €66M

**Deutsche Telekom Services Europe (DTSE), a subsidiary of Deutsche Telekom, provides end-to-end shared services combining Finance, Reporting, Procurement, and HR — to deliver a highly digitized Accounts Payable process. It's a huge responsibility and a mammoth task, processing almost 9M invoices a year.**

They'd had success digitizing their processes, but hadn't solved pain points like:

- Duplicate payments to vendors
- Missed cash discounts due to blocked

payments Employee time wasted on low-value transactional tasks

- Decisions made based on gut instinct, not data

DTSE brought in Celonis to reveal and fix the inefficiencies lurking deep in the company's processes. "I was astonished when I saw what Celonis could do for the very first time. There is simply nothing comparable on the market," said Peter Tasev, SVP Procure-to-Pay at DTSE. "Once we had everything set up, we had this 'Wow' moment. For the first time, we saw our processes as they really are and could directly point out inefficiencies."

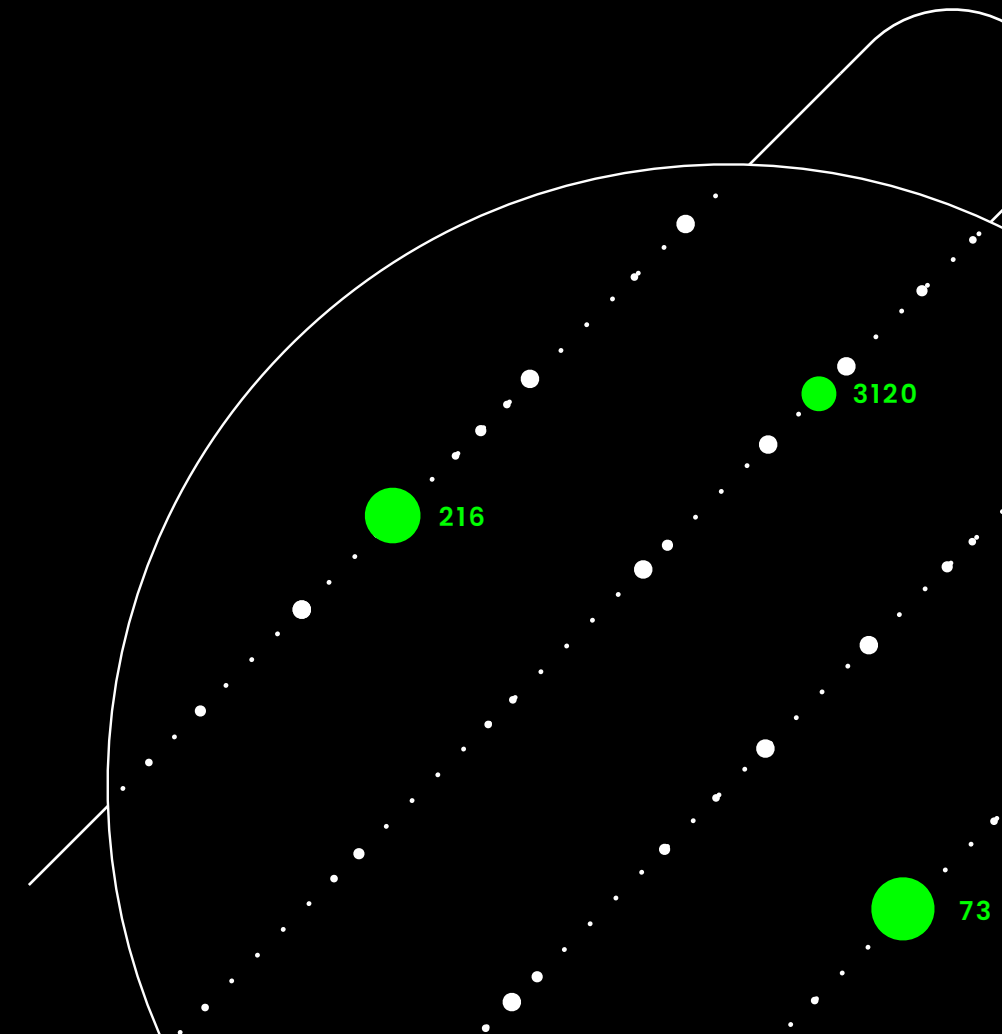
The results speak for themselves. Real-time reports helped DTSE achieve a **cash discount rate of 96%** and created **€40M in annual savings**. Using Celonis' automation capabilities, the team was able to reach a **90% paid on-time rate**. They also reduced duplicate payments, saving an additional **\$3M**.

And with an improved touchless rate, and a 90% right-first-time rate, DTSE unlocked additional **tactical savings of €12M**.

[See the full story](#)

**‘Celonis is a game changer.  
By using process mining,  
we established a fully data-  
driven organization within  
the Procure-to-Pay area.’**

**Christian Unterbusch**  
VP of Operational and Strategic Steering for Procure-to-Pay  
**Deutsche Telekom**



# Order Management

**Order Management is a more recent addition to the Shared Service Center remit, but an increasingly important one — particularly given the enduring global supply chain woes.**

Delivering on time and in full is the golden metric in Order Management, followed by touchless orders.

But there's a hitch.

While you have control over order entry, order processing, and order fulfillment — you're dependent on your supply chain to ultimately fulfill promises to customers.

Happily for SSC leaders, there's a better way to take the reins on achieving on-time delivery.

Optimization of Order Management processes can have an enormous impact on costs — and even a clear downstream impact on customer satisfaction by helping drive on-time delivery.

With an EMS powered by process mining, you can reveal the root causes behind costly bottlenecks, so you can take intelligent action to pre-empt and solve them.

Just one example of leveraging data to course correct is taking appropriate action to split or bundle orders. Hello, on-time delivery for high-value customers.

Or perhaps your Shared Service Center only handles the manual entry of Order Management. This can be a huge concern for hitting on-time rates when it's done inefficiently.

Using an EMS can help you move the needle to get orders right upfront — wherever you are on your journey — and guarantee your organization's Order Management processes are sustainable for the long haul.

# What it looks like in action

**Let's focus on your most important priority in Order Management: achieving on-time, in-full delivery. There are three steps to optimizing performance to deliver orders on time using an EMS.**

## 1. Drill down into your processes

Use process mining to reveal inefficiencies. Unnecessary credit checks are just one example of costly manual activities that can impact delivery timelines.

## 2. Identify risks and trigger actions

Harness machine learning to predict which customers are most likely to pay on time, for example. Then, proactively skip credit checks for those customers to drive on-time delivery.

## 3. Monitor and refine

Finally, track and quantify the impact of your changes over time, and tweak as necessary — helping you increase both OTIF delivery and touchless order rates.

**From greater automation and accuracy of sales orders to better on-time delivery rates, it all starts with a clear, real-time view of Order Management processes — courtesy of the EMS.**

# RATIONAL AG reduced their cycle time by 40%

**RATIONAL AG provides the best cooking equipment to the most exacting food professionals in more than 120 countries worldwide.**

The German manufacturer prides itself on being a technology-driven partner that innovates and delivers reliably for its customers.

However, in RATIONAL's world, just one missing piece of information in an order can lead to delayed shipment.

In the past, their Order Management specialists processed orders on a first-in-first-out basis, using manual workarounds.

As such, inaccuracies were often spotted too late and could not be resolved before impacting customer experience downstream.

RATIONAL used Celonis to initially examine their Order Management processes, and discovered a multitude of manual, inefficient workflows.

Armed with this unprecedented transparency, RATIONAL implemented the EMS and the **Order Management Execution app** — helping everyone touching Order Management processes to optimize their day-to-day work.

The results tell the story. By leveraging process mining technology alongside AI and automation, RATIONAL gained full control over open orders and took decisive action, leading to a **40% reduction in cycle time** for blocked orders.

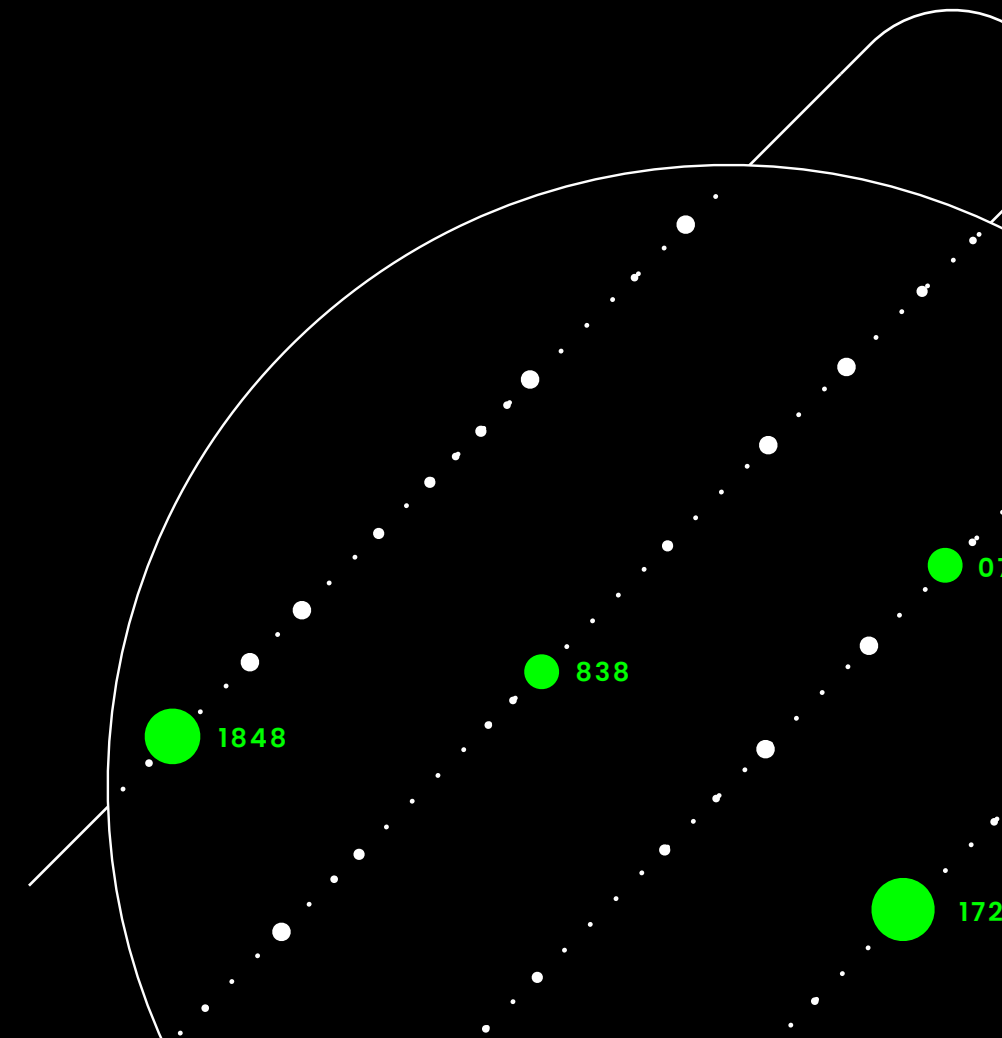
**Eliminating 120,000 inefficient manual activities** led to a **30% higher first-time-right rate**. And with two hours shorter process throughput times per day, resources were freed up to focus on delivering an exemplary customer experience.

Beyond the automation and process excellence gains in Order Management, RATIONAL has seen improved collaboration between departments, specifically with production and dispatch teams in the supply chain – a useful nugget for SSC leaders looking to add cross-department breadth to their process excellence journey.

[See the full story](#)

**‘Celonis helps us create a better customer experience. It makes us faster, more innovative, and enables us to focus on customer benefit.’**

**Martina Biegler**  
Director Global Customer Operations  
**RATIONAL AG**



# Accounts Receivable

**A/R is an essential part of the equation when it comes to freeing up working capital, but receivables can be hard to control.**

You struggle to spot patterns in late payments because you don't have the visibility you need.

You aren't able to reliably identify when a discount hasn't been earned, or whether any of your customers are causing more than their fair share of delays, without a lot of manual digging.

Meanwhile A/R inherits issues from Order Management and the supply chain, which result in late payments and SSCs are unable to do much about it.

Your people are manually reworking invoices, constantly chasing customers, and (possibly) hating their jobs.

It doesn't have to be this way. Accurate and timely invoicing can help you crack down on payment delays and ensure early collection.

Putting the EMS to work, you can pre-emptively correct invoices to ensure they're right the first time, heading disputes off at the pass.

And if that weren't enough, you can also drive quality and productivity by reducing manual rework and automating in the right places — dramatically reducing your operational costs.

Not only will an EMS help you reveal the issues causing late collections, you'll address the root causes of inefficiencies to effectively fix them.



# What it looks like in action

## Let’s take your primary concern: reducing Days Sales Outstanding.

It can be hard to control. There’s usually a number of reasons why customers pay late — sometimes they can’t, sometimes they choose not to for their own working capital gains, and sometimes invoices are disputed.

All of these can be tackled with the EMS. There are three steps to optimizing A/R and getting to cash faster with the EMS.

### 1. Drill down into your processes

Use process mining to understand where payments are being collected late — whether it’s connected to certain customers, materials, or specific countries.

Discover the root of these late payments: could it be invoice disputes, customer behavior or something else altogether?

### 2. Identify risks and trigger actions

Say the problem is incorrect payment terms. You can leverage machine learning to analyze all invoices and source master data and automatically flag and even resolve invoices with incorrect terms directly

in your source systems. No manual rework, no disputes, no delays.

### 3. Monitor and refine

Track Days Sales Outstanding over time and reveal additional inefficiencies across customers, geographies or business units, continuously improving your process to reduce late cash collections.

**The EMS can help you improve billing accuracy, send invoices on time, and identify problematic customers, regions, or other variables — ultimately helping you crack down on late receivables. Collectors spend less time chasing down customers, and more time building valuable relationships.**

# Sysmex recovered \$3.4m in overdue service contracts — in just one month

**Sysmex is a global leader in hematology diagnostics and testing with a single-minded focus on customer satisfaction.**

“We sell diagnostic solutions primarily to hospitals and labs,” said Alex Garini, Sysmex America’s CFO. “But ultimately, our customers are the patients. There is always a person, a family, behind what we sell. It could be my family, it could be your family. That’s how we look at the business.”

The business initially brought in Celonis to gain better visibility into their processes, including Accounts Receivable.

Celonis helped Sysmex identify millions in overdue payments — and start collecting them. They **recovered \$3.4M in overdue service contracts in just 30 days**. They’ve seen a **\$10M improvement in their cash flow**, and **lowered the late payments rate from 61% to 44%**.

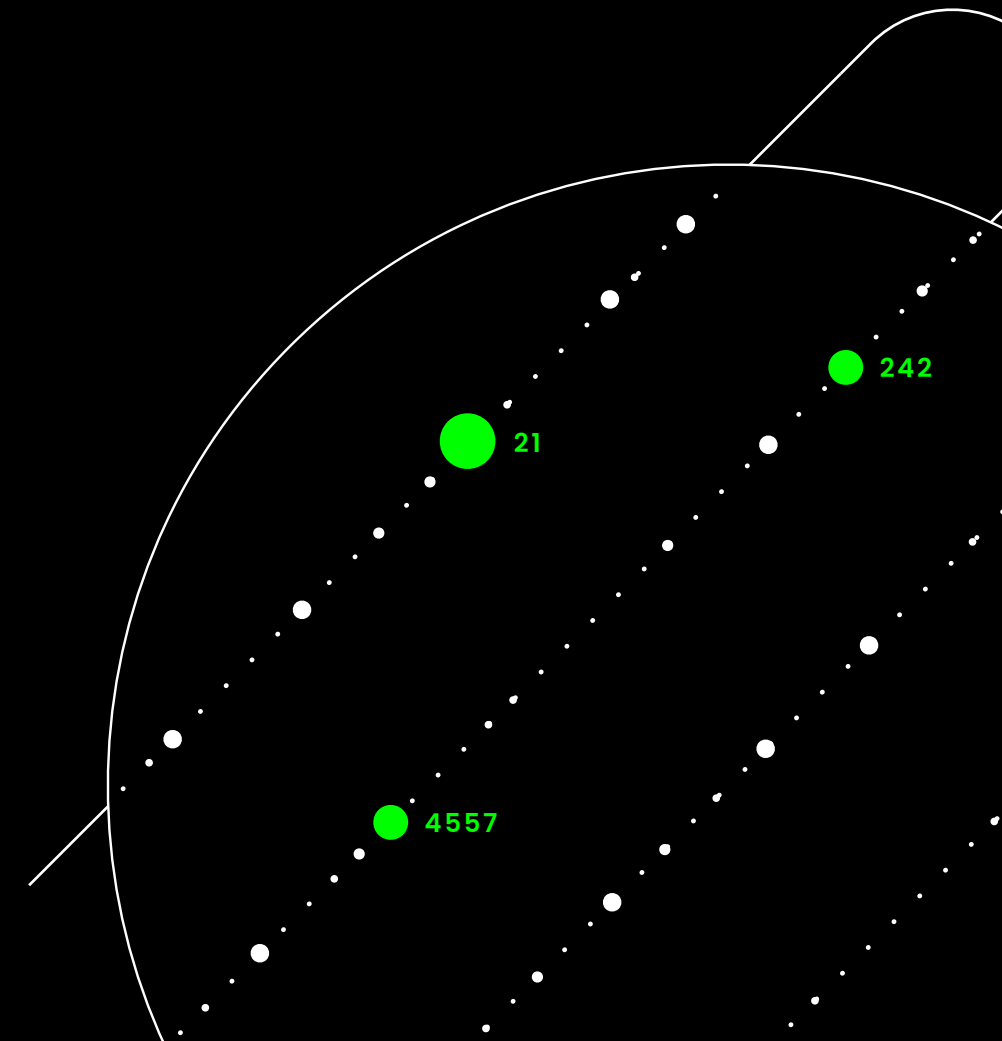
The granularity of the EMS means Sysmex are able to track the outstanding amount, with every collector in Accounts Receivable aware of the portion for which they are responsible.

They are also using the data to come up with targeted collections strategies for different types of customers.

[See the full story](#)

**‘As a CFO, cash is king — so we’re using Celonis to analyze our credit collections. The better the quality of your processes, the better your cash collection and cash management, and the more satisfied your customers are.’**

**Alex Garini**  
Chief Financial Officer  
Sysmex America



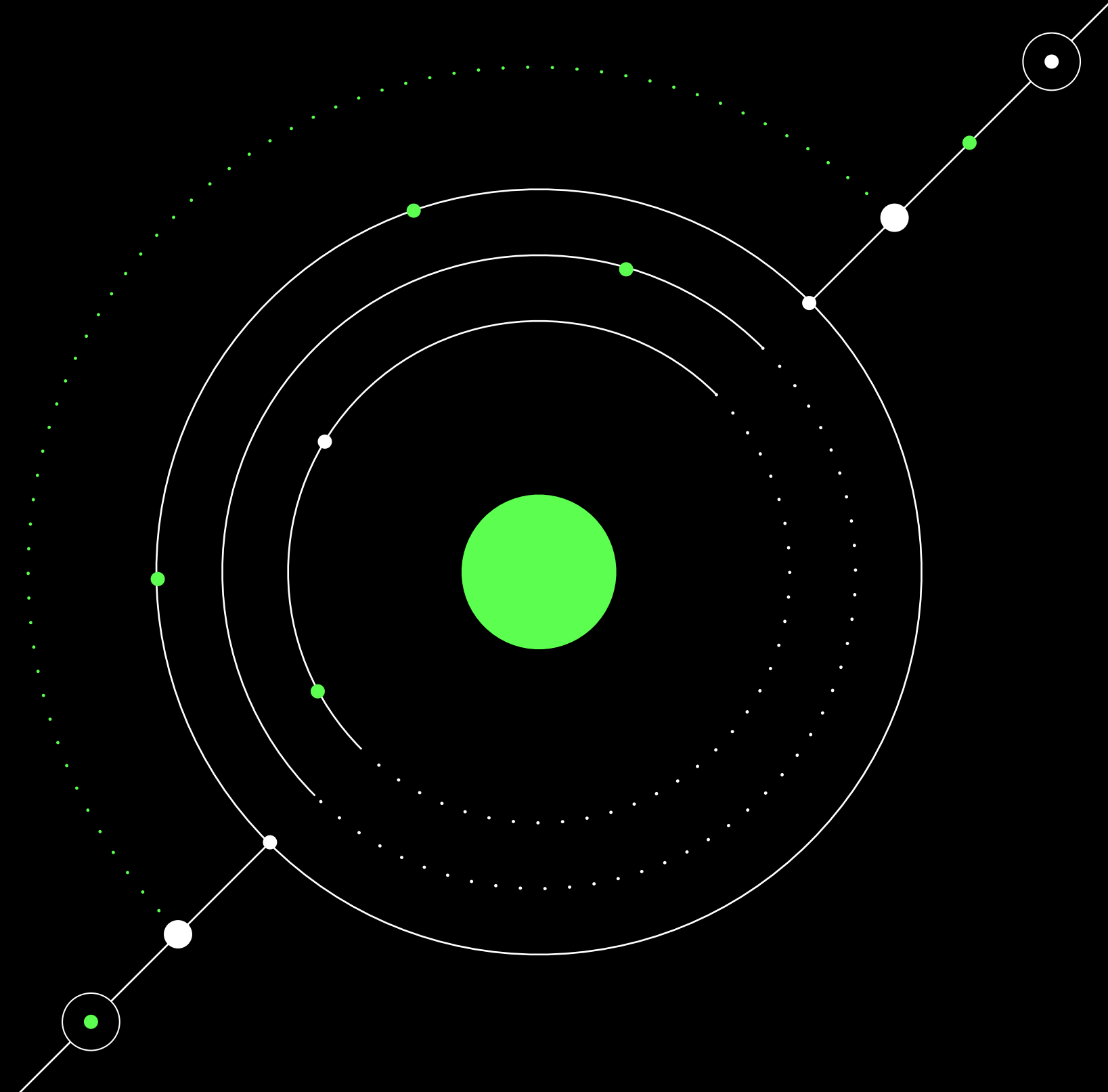
# More use cases

We've laid out how the EMS and process mining can help SSCs nail core processes across Procurement, A/P, Order Management and A/R to achieve the outcomes that matter.

But the opportunity to expand the SSC scope and scale doesn't end there.

Forward-thinking leaders can deliver high-quality services with low operating costs across a breadth of functions — driving enterprise-wide value.

Let's take a look.



# Boost Customer Service and your NPS

**Your organization is inundated with service requests every day. Sorting and prioritizing them to resolve issues, preferably first time, is no easy task.**

An EMS helps you pinpoint the business areas generating the most requests. Or identify where requests have the biggest negative impact on efficiency.

Automatically — and with precision.

Maybe slow delivery times and missing deliveries are denting your NPS, but you lack the cross-silo clarity to diagnose and fix them.

Put an EMS to work, and you'll be able to reveal and fix the process inefficiencies causing the issue.

Let's say you discover that multi-hop cases are dragging down your NPS. Tickets are assigned

to teams that aren't trained to handle them, and the multiple handovers and re-assignments are driving up costs and cycle times, while frustrating customers.

The EMS can help you identify which cases are frequently escalated to higher support tiers, so you can train your people to handle them. Or it can automatically direct tickets to the most suitable agents.

Your customers are no longer at the mercy of inefficient processes.

Resolution rates and cycle times improve.

And you get the pleasure of reporting killer NPS scores to the board.

# The expanding IT shared services remit

**There's no doubt about it. The scope of IT shared services, and their importance within organizations as digital transformation accelerates, is growing.**

Mirroring the expanding shared services remit at large, IT shared services are having to streamline processes at the same time as integrating more knowledge-based services.

Positioning IT shared services to take on more knowledge-based services brings new challenges, and big opportunities too. By using the EMS to get a clear x-ray of IT processes, you can create a target model that maps precisely onto new operational and strategic objectives.

As you start revealing and fixing IT process inefficiencies like ticketing bottlenecks, you free up IT shared services teams. They move from reactively firefighting issues to being in a position to increase service quality, and pioneer technology.

For example, your IT team might be dealing with the same issues being raised again and again — but dealing with each ticket individually.

The EMS helps to identify clusters of similar questions and answers, and automatically respond with the most helpful documentation, auto-closing the case once resolved.

It's just one way ITSM can scale effectively.

From transactional, operational centers to bleeding-edge innovators driving value for the enterprise as a whole, a new generation of IT shared services is emerging.

All they need is the right technology in place.

# Transform from cost center to innovation center

**It's no longer optional for organizations to redesign operating models and processes to thrive in a digital-first world. It's a must and most organizations are now doing it as a matter of urgency.**

For the SSC leader faced with squeezed budgets and new waves of incoming expectations, this is a pivotal moment to both nail cost reduction and mature into a hub known for driving value and innovation.

Process inefficiencies left unchecked will haunt you: they'll stop you from acting as a strategic partner to the business because you're always trying to compensate for them. Not a great place to be.

Get the right technology in place, however, and you're facing a unique opportunity to operate as a center of excellence where the business comes to you for innovation.

Master the basics of standardized, streamlined core processes, and you can start adding more processes and strategic services that demonstrate ROI. With an EMS behind you, you can move up the maturity curve from a Shared Service Center to a Global Business Services organization.

And it's easier than you might think to get started.

Kick off with one or two processes and systems, and work your way to performing at levels you never thought possible.

From there, you'll be set up to deliver demonstrable value for the new normal — and whatever comes next.



## About Celonis

Celonis helps companies reveal and fix inefficiencies they can't see, enabling them to perform at levels they never thought possible. Powered by its market-leading process mining technology, the Celonis Execution Management System (EMS) x-rays a company's entire business operation to show, in real time, how the business really works. The EMS then acts as a brain, orchestrating across systems, processes and people to fix inefficiencies and eliminate these silent killers of performance. Celonis enables customers to deliver phenomenal business performance in a very short period of time by unlocking billions in corporate inefficiencies, providing better employee & customer experiences and reducing carbon emissions. Celonis has thousands of global customers and is headquartered in Munich, Germany and New York City, USA with 20 offices worldwide.

We have a decade of experience transforming Shared Service Centers across the Fortune 500.

[Get in touch](#)

[SSC resource center](#)