



## ENSURING SUSTAINED SUCCESS IN A VIRTUAL/HYBRID SSC

### Abstract

Over the years, shared service centers (SSCs) have matured to become an integral part of the business models of many leading organizations. In the New Normal, as organizations are quick to embrace remote working models, virtual/hybrid SSCs that save on office space costs are gaining importance. This PoV explores how businesses can ensure the sustained success of SSCs from the get-go.



## A growing, critical role in business

Though shared service centers (SSCs) are not a new concept, having been in existence for over three and a half decades, their role has evolved tremendously over the years. Initially, SSCs were viewed as a minor function of a business deployed with the sole purpose of minimizing costs. But over time, they have matured to become an integral part of the business models

of several leading companies, especially in the technology space. As of 2022, the global spending on SSCs stood at \$688.4 billion, and this figure is expected to grow to over \$970 billion by the end of 2023 . Originally, SSCs were typically located within the premises of the business. But over time, this has changed - especially in the New Normal, as organizations are

increasingly moving towards remote working environments rapidly. The role of virtual/hybrid SSCs is gaining importance, saving on office space costs apart from its other proven benefits. Even so, merely establishing a virtual or a hybrid SSC may not suffice. Organizations must find ways to make sure that these setups succeed as they play a critical part in their business.

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## Creating the right vision

One of the major objectives of establishing virtual/hybrid SSCs is to achieve economies of scale via relocating certain operations. This, in turn, results in improvements in the company's bottom line. However, to realize the true potential of such SSCs, organizations must first work out the basics. First, they need to identify the strategic functions that could benefit the most from SSCs in the long run.

Figuring this out requires the leadership to intensively brainstorm on the outcomes which will also help them allocate resources better.

Secondly, they must also clearly define the shared services vision. Having such a vision enables a focus on the true objectives of the business without compromising on guiding principles. Businesses can then

aim to create a culture of performance within their SSCs, bringing it in line with their newly defined vision. This can only be achieved if they harmonize policies, align project goals, and ensure that all SSC processes are fully transparent. These steps will ensure the SSC is built on a strong foundation and is well-primed for sustainable success.

## Building the right team

As the next step, the management must work towards building the right team. Staffing is often a key challenge for a virtual/hybrid SSC. Yet, this challenge can be overcome by focusing on the common goals of the business. The core skills of any team being built in the SSC must revolve around the support needed by the business. One approach that could go a long way toward ensuring the setup of a

successful team is to delegate the hiring process to leaders within the SSC.

<https://www.statista.com/statistics/1071929/global-market-spend-outsourcing-shared-services/>

The leader of every function, such as Information Technology (IT), Human Resources (HR), and Accounting, needs to be tasked with hiring and training

competent individuals who can deliver long-term value to the SSC – thereby benefitting the business in the long run. It is also important to hire personnel with a problem-solving attitude, as this skill is crucial in the virtual/hybrid model. Once a robust team is in place, the next step would be to plan workstreams in such a manner that the new SSCs create key differentiators for the business.

## Building SSCs as a business differentiator

One of the most important aspects of ensuring long-term success in virtual/hybrid SSCs is to keep a transformational, rather than a transactional, focus. These centers should not be viewed as mere cost-saving mechanisms. Instead, they need to be incubated within the business in such a manner that they create long-term value. This requires leaders within the SSCs to

work towards standardizing processes and driving continuous improvement.

Further, the structure of SSCs should be such that they are able to respond to marketplace developments. A prime example of this has been the COVID-19 crisis. The sudden onset of such a large-scale crisis meant that companies of all

shapes and sizes had to find ways to offset the losses caused by reduced sales. Virtual/hybrid SSCs needed to be developed in a manner that enables the business to enhance its scope as and when needed. This can be achieved by shifting the focus of the SSC from redundant operations to innovative business practices.

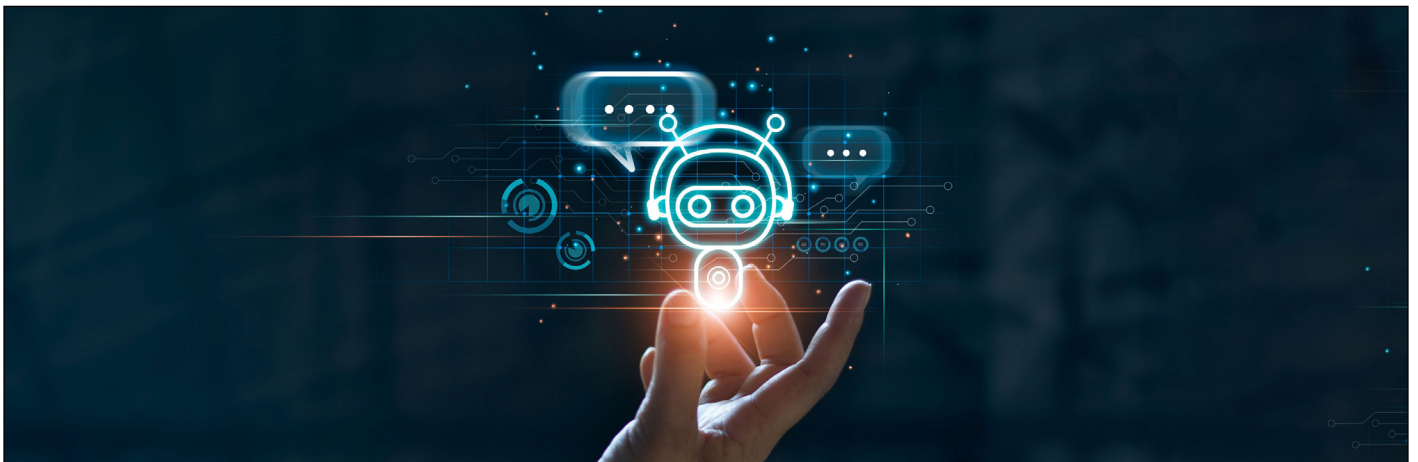
## Developing effective monitoring mechanisms

Once a robust virtual/hybrid SSC is in place, organizations have to build effective monitoring mechanisms. Such mechanisms must incorporate comprehensive reviews and holistic data analysis to assess the degree of alignment within each process.

In addition to this, the management must map the performance of the SSC against the vision and objectives that were laid out at the beginning of the process, to bring hyper-productivity\*.

Similarly, process automation has to be

implemented within the SSC; automation will improve monitoring as well as the delegating of work with the center. The automation can be implemented in several forms - through using robotics, AI, or even chatbots.



## Sustaining success is hard work

In conclusion, building virtual/hybrid SSCs that deliver sustained success over the long run is not easy. Primarily, it requires a high degree of process alignment and goal clarity. Further, key levers — such as hiring the right personnel and deploying

automation techniques — must be carried out at the right times. Additionally, process refinements and optimizations should be conducted as necessary. Finally, to follow through on the above steps, virtual/hybrid SSCs may require additional,

periodic investments to ensure sustained value delivery. Organizations, and more importantly their leadership, must not shy away from the hard work of doing all of this if they want to realize the true potential of their virtual/hybrid SSCs.

\* For organizations on the digital transformation journey, agility is key in responding to a rapidly changing technology and business landscape. Now more than ever, it is crucial to deliver and exceed on organizational expectations with a robust digital mindset backed by innovation. Enabling businesses to sense, learn, respond, and evolve like a living organism, will be imperative for business excellence going forward. A comprehensive, yet modular suite of services is doing exactly that. Equipping organizations with intuitive decision-making automatically at scale, actionable insights based on real-time solutions, anytime/anywhere experience, and in-depth data visibility across functions leading to hyper-productivity, [Live Enterprise](#) is building connected organizations that are innovating collaboratively for the future.

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