



## TAKING THE NEXT STEP

### Abstract

Shared Service Centers (SSCs) are now ready to take a big leap forward, which involves using the latest digital technologies to optimize their operations. This point-of-view explores how this next stage in the evolution of SSCs, namely Next-Gen Shared Services, can help businesses in creating even more tangible value.

## Introduction

In a highly competitive business environment, CXOs have always been looking out for ways to improve efficiencies. Over the past few years, Shared Service Centers (SSCs) have proven themselves as robust tools enabling CXOs in meeting their efficiency goals. They have helped businesses by reducing costs, improving process times, as well as with greater innovations. However, SSCs have not realized their true potential yet. In fact, the best may be yet to come – in the form of next-gen SSCs.

Next-gen SSCs are expected to focus on leveraging the power of the latest advancements in digital technology to deliver significant improvements to a business's bottom line. Thus, technologies such as blockchain, advanced analytics, digital twins, and smart BPMs are likely to make a long-lasting impression in shared services. The result is that it will be important for CXOs to understand the different aspects of these technologies and analyze how they could benefit their current SSCs.



## What really is the Next?

Before making the decision to invest in improving their SSC operations, CXOs must understand the different types of technologies that are most suited to the task. Blockchain is one such technology that has emerged as a viable method to refine the way SSCs work. It offers a range of benefits, including transparency, ease of use, as well as streamlining ledger operations. In fact, Blockchain can transform SSCs across the value chain – right from maintaining records to reducing cycle times.

Similarly, next-gen SSCs are also expected to benefit from advanced data analytics, which can help business leaders identify processes that need to be improved significantly. Once these processes have been identified, leaders within the SSCs can also make use of Robotic Process Automation (RPA) to minimize the need for human intervention, make transaction recording highly efficient, as well as re-visit key processes. All these steps could provide a major boost to the productivity levels of a business.

In addition, new technologies like digital twins can be leveraged to create virtual models of existing SSC processes to gain valuable improvement insights and thereby enable their effective reengineering. Other advancements, such as smart BPMs, can also transform SSCs by making use of process mining and modeling techniques. These techniques can deliver much more efficient processes while also reducing costs.

## Crossing the chasm

While it is increasingly evident that next-gen SSCs are just over the horizon, merely understanding the possibilities of advanced technologies is not sufficient; incorporating them within their SSCs will be a major task for CXOs. For this purpose, they must be prepared to cross the chasm in terms of making the right investments. More importantly, while next-gen technologies are likely to transform SSCs, they must be implemented in a smart manner. Top management in the business must work in tandem with SSC

leaders to figure out ways in which the existing operations can be upgraded. Both parties should define common goals and build processes in such a way that these goals can be achieved within a stipulated timeframe.

Further, CXOs must also understand that there is no “best model” that works for all companies. Next-gen SSCs must be developed in such a manner that is most suited to the specific needs of their business. For instance, they must make a choice in terms of building a

multi-functional SSC or a specialized SSC, for which they need to make informed decisions in an agile\* manner, about deploying the right mix of next-gen technologies. As an example, if a business is looking to refine processes and add automation, it could inculcate advanced data analytics coupled with machine learning models. Such an approach could not only make the SSC leaner but would also build a performance-driven mindset across the board.

## Getting the most out of the Next

Once next-gen SSCs become the norm, they will likely emerge as key components of any business. However, even after the right investments have been made and the right combination of technologies has been picked, the CXOs’ job does not end there. They must work towards three further aspects of next-gen SSCs, the first of which is a continuous improvement of processes. For this purpose, they need to

leverage data analytics to put together an execution framework which would help the business in reaching its strategic goals much more quickly.

Secondly, business leaders must work towards managing change. Getting to a next-gen SSC is not only likely to require significant amounts of investments but will also need fundamental shifts in the way it currently operates. In order to

ensure that these changes are managed smoothly, senior management must work towards building extensive training plans and mitigating risks related to readiness. Thirdly, business leaders must be wary of shifting goalposts. It is highly likely that next-gen SSCs will continue to evolve in the future, and the business must be prepared for this.



## The bottom line

Undoubtedly, the next generation of SSCs will prove to be a game-changer for businesses. Making the most of the latest

technology developments — in the fields of RPA, blockchain, digital twins, as well as smart BPMs — will deliver numerous

tangible benefits and radically transform current SSCs to become key business enablers in the long run.

\* 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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