



Robert Walters Midlands SSC Forum - Welcome



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ROBERT WALTERS

Midlands Shared Services Forum

16th October 2014

Shared Services & Performance Management

“What gets measured, gets done”

In our session this morning:-

Stephen Duffy from Act Lean, & *Ruth Jones* from Rentokil Initial

will explore with you how to make sure the right things get measured, in the right way.

We will cover (amongst others things..) the following topics:

- **The context for performance management in shared services,**
- **Rentokil Initial's experience of what works and what doesn't,**
- **A practical session to explore what works for you.**

Session Agenda

- 1 Context: - The SSC“Curve” and a performance framework
 - (i) Link to business strategy
 - (ii) An SSC performance management framework
 - (iii) The principles of good performance management
- 2 Case Study: Rentokil Initial and SSC Performance Management
- 3 Workshop session: What does good look like for you?

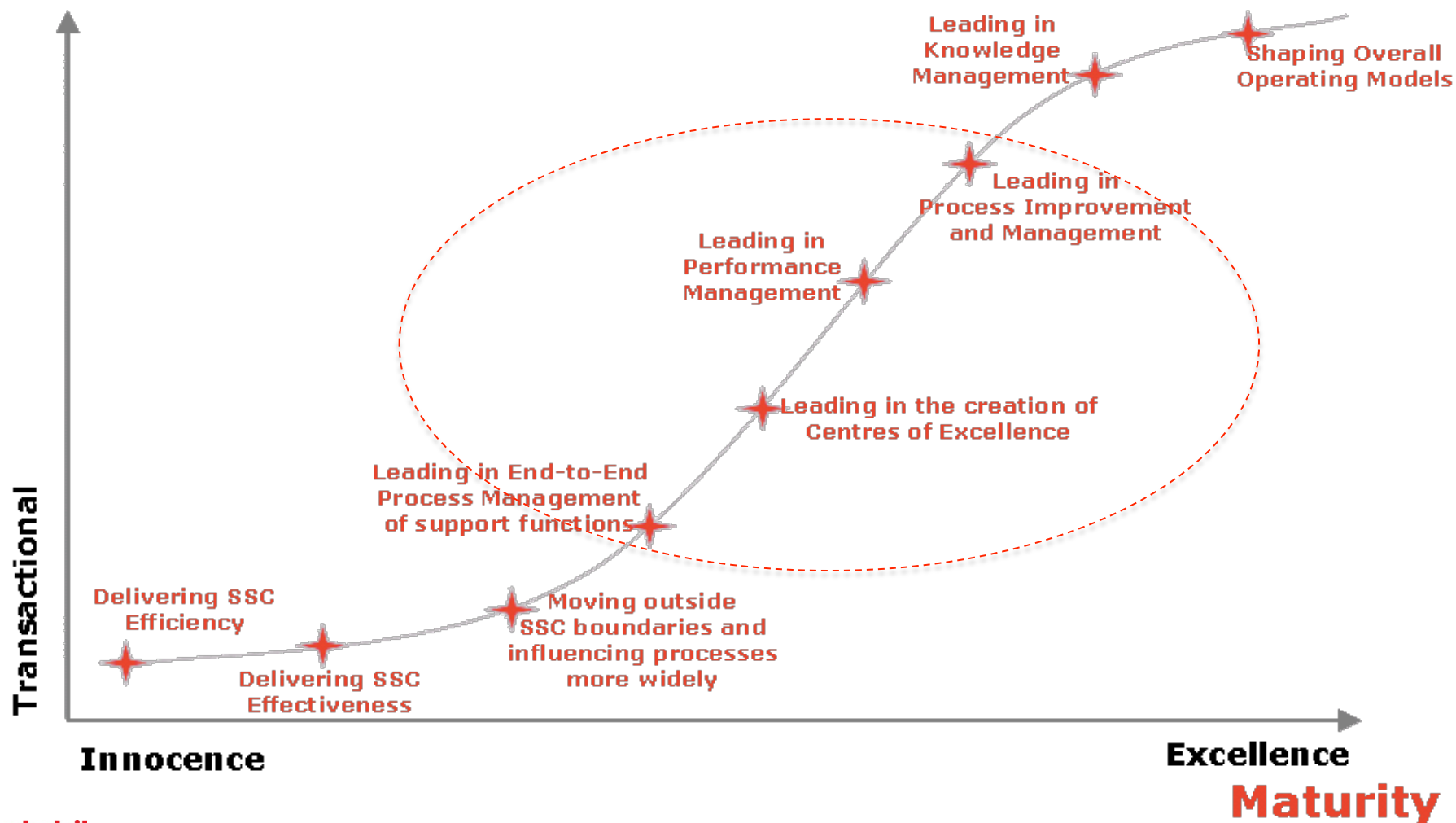
Shared Services and Performance Frameworks

Stephen Duffy. Act Lean Ltd
www.actlean.co.uk

Performance Management & the SSC value curve

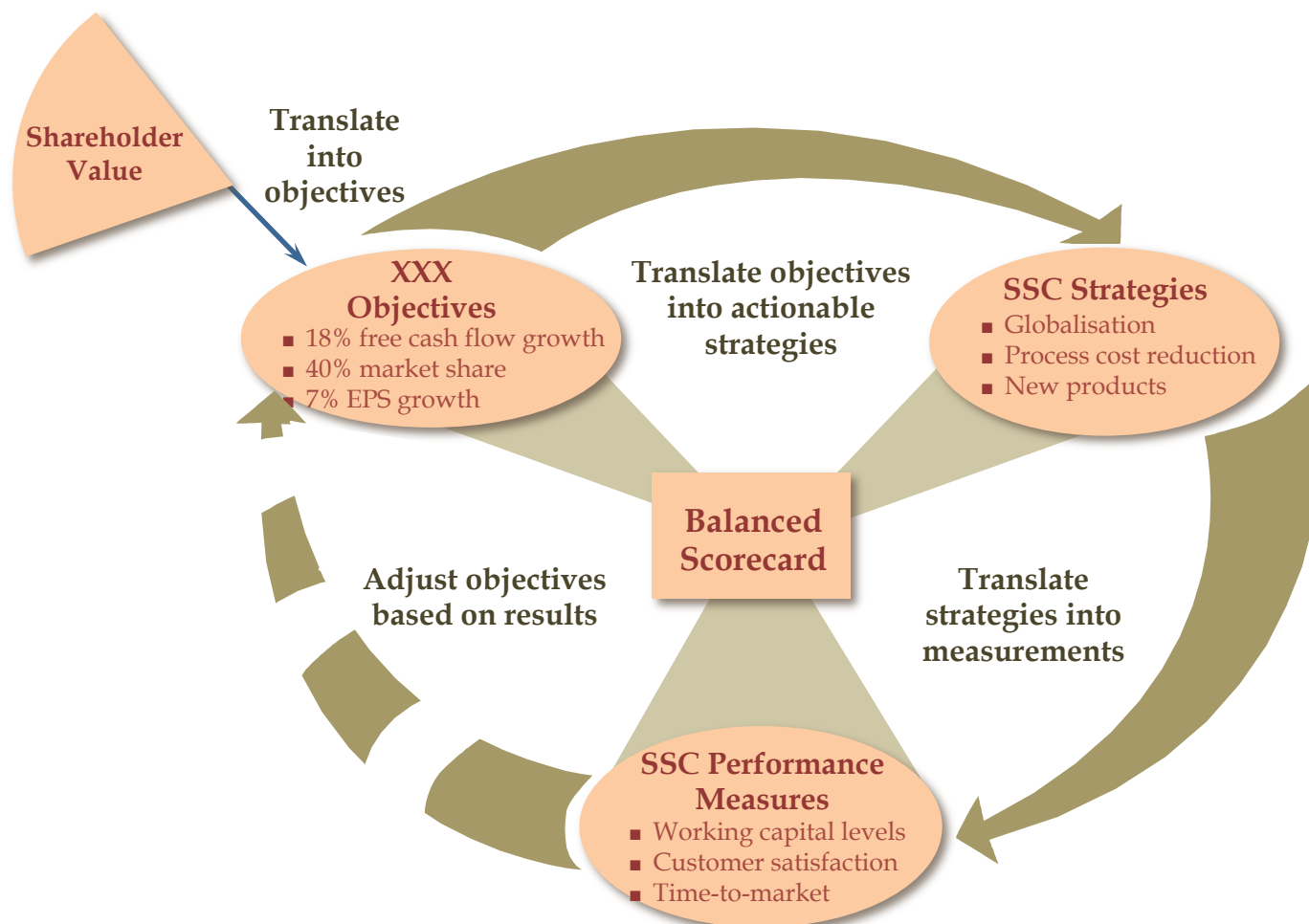
Focus

Value Add



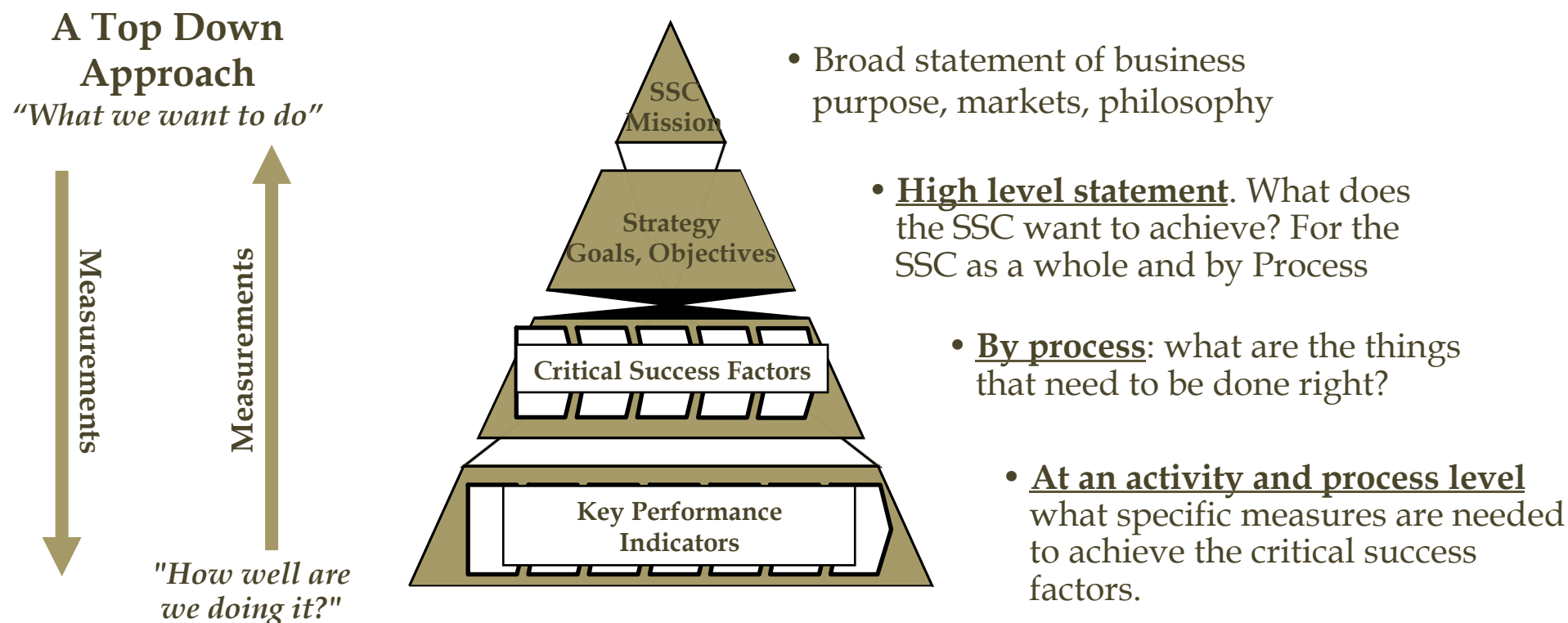
Performance Measurement: Tying this to Strategy

The objective is to ensure that performance measurement links shareholder value through business objectives to SSC metrics



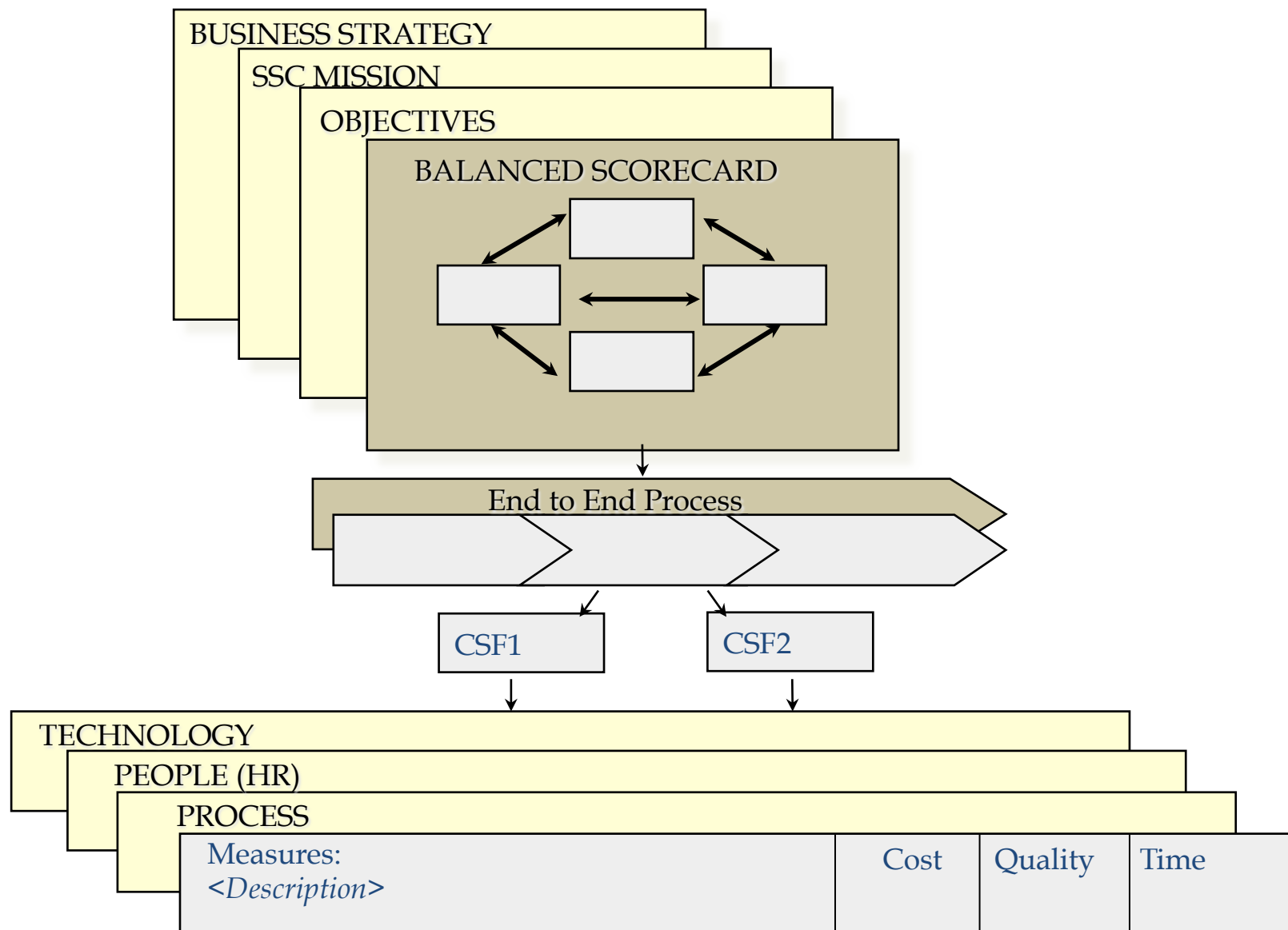
Performance Measurement: A Framework for Shared Services

Performance measurement is at the core of our approach to process improvement for Shared Services:

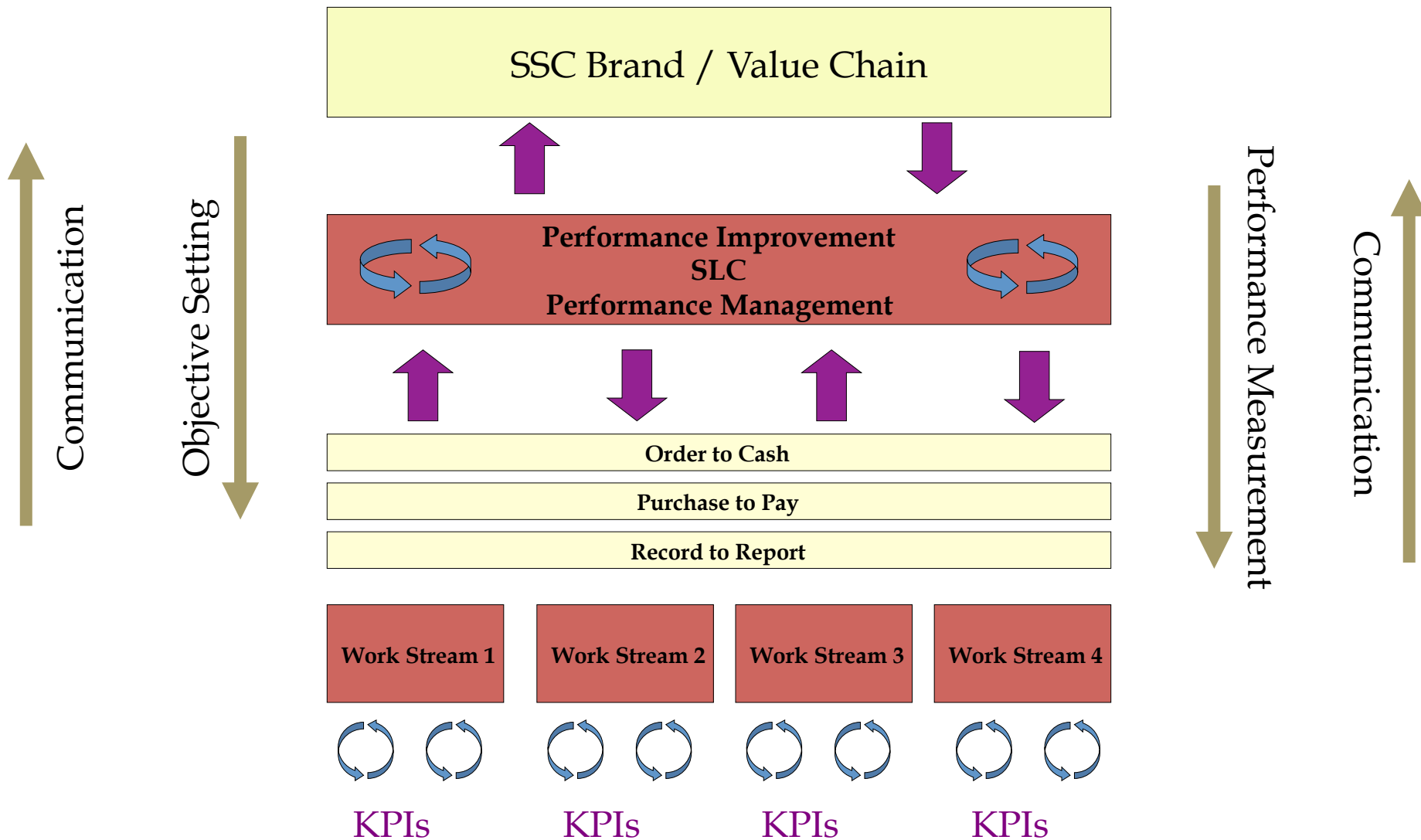


We will revisit this framework today during the breakout section of this morning's session

The Shared Services Performance Model



SSC Improvement Framework



Principles of PM & what does good look like?

Thirteen principles of SSC performance management

1. Use a balanced value scorecard to sustain value creation
2. Have one single rationale for strategic and operational management
3. Use performance measures as the primary decision-making tool
4. Establish personal ownership of the organisation's measures
5. Drive measurement into the organisation through target-setting
6. Manage results not milestones
7. Manage the development of the organisation's capability as well as its business performance
8. Empower employees to measure their own performance
9. Plan time and effort to meet goals and achieve critical success factors
10. Reward business results with cash
11. Reward capability with career development
12. Establish action-led accountability, starting at the top
13. Integrate people management into the business cycle

Performance Framework Case Study

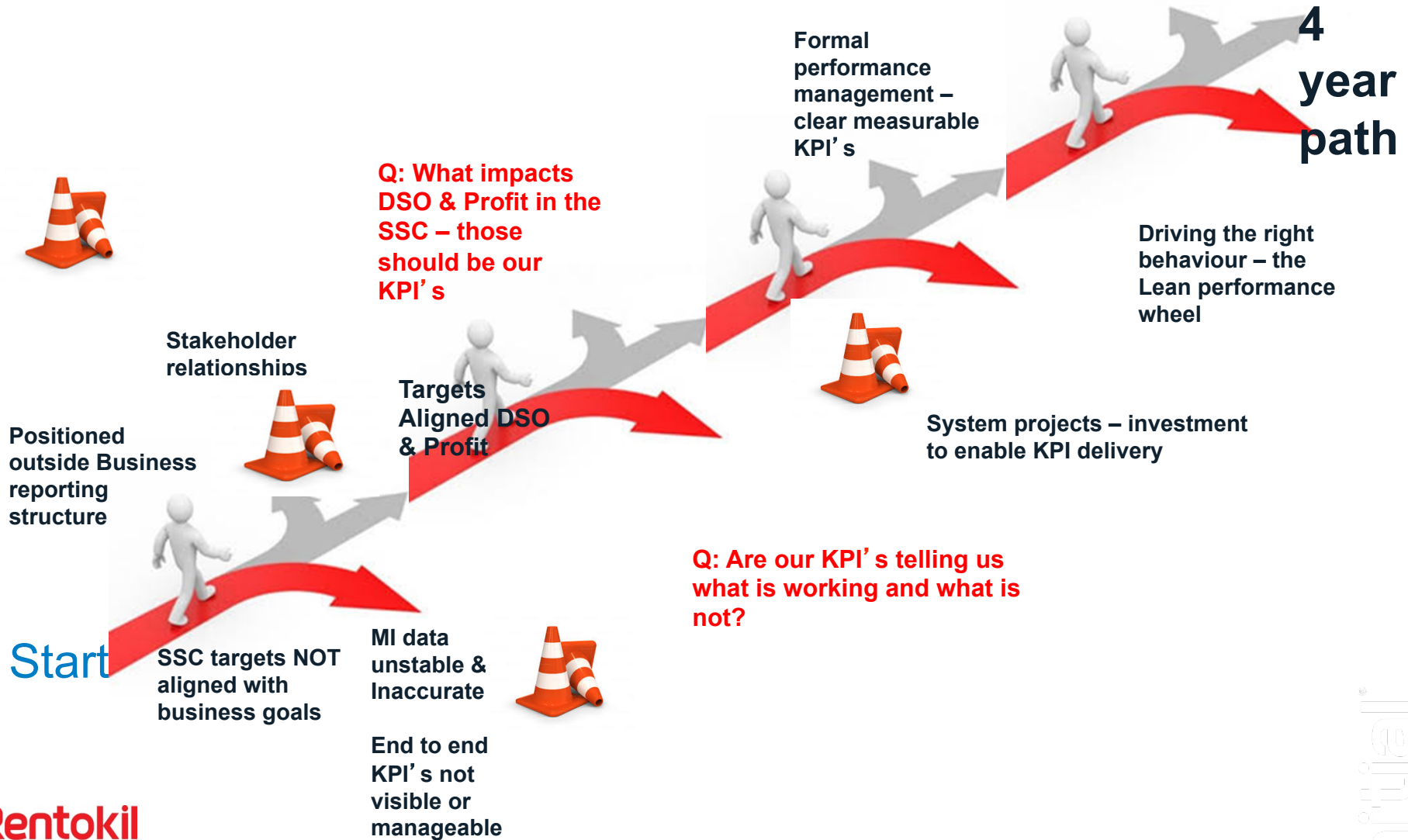
Ruth Jones, Rentokil Initial

Rentokil Initial

Shared Services Forum
KPI's & Performance Management

Ruth Jones: Head of Shared Services - Rentokil Initial
16th October 2014

The Rentokil-Initial Journey – Year 1



Which KPI's Work Well & Which Don't? - AP & AR

Element	Specific Target	Reason	Data Status	Quality of usage	Output improvement	Meets Current Targets
Cash	xx% due ledger (ind & Team)	Focus on cash flow				
Debt	Total over 60 Due % drop & 60 and 90 split (Ind & Team)	Debt Reduction/ Profit				
AR Disputes	£ reduction pm Vol reduction pm Avg resolution days	supports debt reduction/cash flow				
Unallocated Cash	Specific YE value Sliding scale pm Productivity volume	Support debt reduction/cash flow				
Billing	Days to bill Accuracy of billing	Cash flow				
AP Unprocessable items	Volume (actual)	AP workflow	Manual	Manual	Manual	
Supplier Invoices	Volume Processed within SLA	AP workflow	Manual	Manual	Manual	
Debt Recovery/ Legal	Volume/step management SLA	AR workflow				



Which KPI's Work Well & Which Don't? – MI & Projects

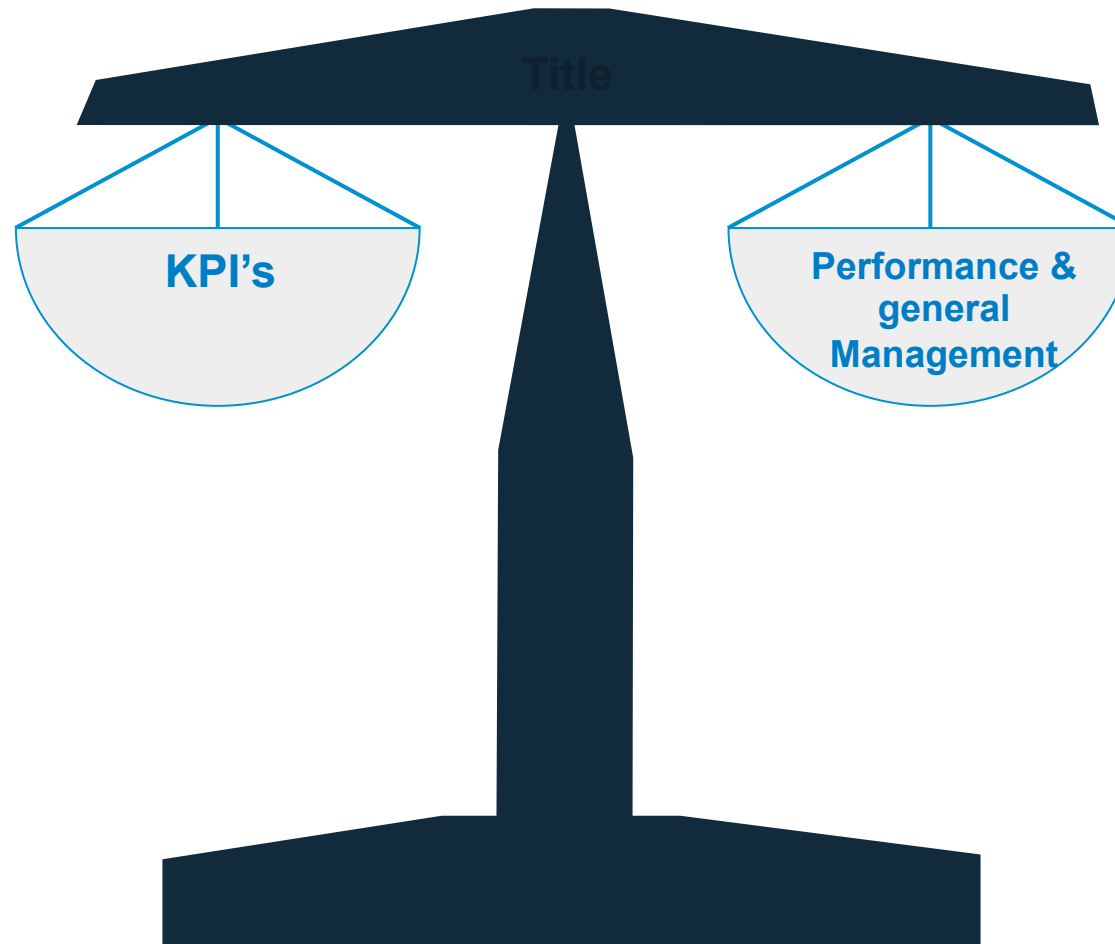
Element	Specific Target	Reason	Data Status	Quality of usage	Output improvement	Targets
Risk	New customer validations at 100%	Correct data feed/ AR workflow				
Risk	Credit checks in SLA	Sales Workflow				
MI	Report accuracy 100% Generation SLA 100%	SSC & Business Workflow				
Master Data project	All data feeding correctly by deadline	Supports AR workflow				
E-Billing	Implementation	Supports AR & Business workflows	Manual	Manual	Manual	
DDM	Implementation	Supports AR & Business				

Question: Are KPI's the Whole Answer?

Answer: Not on their own.....

....so what else is important?

Lean Performance Management Balancing KPI's, Performance & General Management



So what else is Important?.....

1. Data Production = Information = we know what the right question is
 - Why are we producing the result we have? (dispute example – down 70% in a year)
 - Empowering colleagues & problem solving (cash conundrum)
 - Incentives KPI focused to target specific behaviours/results
2. Business Performance Reviews – Debt & Disputes are everyone's problem
3. Daily visibility drives performance
4. Productivity tracking improves performance
5. Daily accountability for ALL – huddles to review performance
6. Visible problem solving motivates achievement – it's not just about the cash
7. Performance Improvement Plans – when performance dips
8. Setting “expected” targets that don't give the right results doesn't work (Outbound calls?)
9. **The Lean Performance Management System**

The Operational Excellence Wheel



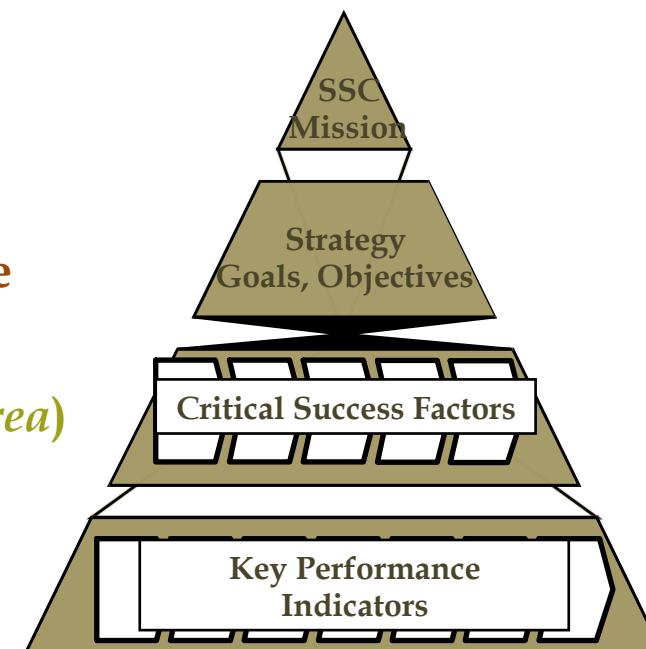
Breakout: what does good look like for you?

Breakout Session: Sharing & Comparing

Break into teams (see list) and consider/capture the following:

A - The SSC performance framework

1. What is your SSC mission defined as?
2. What are your stated goals and objectives to achieve this?
3. What are your critical success factors? (*by process area*)
4. What are your KPIs? (*by process area*)



B - Challenges and solutions

1. What have you found challenging in your SSC in this area?
2. How have you overcome these/what are you look for help and ideas on?
3. What would you have done differently?

What does good look like?

Ten key performance questions to ask yourselves:

1. Do you have a formal/informal link from strategy through to team/process measures?
2. Do your systems support the easy collection of the right measures?
3. Are your SSC teams and customers/suppliers engaged in this process?
4. Do you have a KPI review/improvement process in place?
5. Are your reward systems (contractual/team/etc) linked to your framework?
6. How do you manage SSC improvement – is this linked to it?
7. Do you consider cost, time, *and* quality in performance measures/KPI's?
8. How do you benchmark your performance?
9. Is performance measurement embedded in your processes?
10. Does your SSC influence how performance is measured in the wider business?



Midlands SSC Forum – Thank you

ROBERT WALTERS