

# THE ECONOMICS OF SHARING.

Examining the efficiencies  
of shared services  
to manage spending.





## Get there faster.

If you have operations across the globe, you likely have multiple regions, countries, business units and teams each managing multiple aspects of their finance functions. You've also likely considered or have already moved to a shared services model to centralize those efforts, eliminate the costs of redundant functions, and put resources to better use. You know what shared services can do, in other words, but do you know where they can take you?

In this paper, we'll:

- Review the shared services philosophy and why T&E fits.
- Highlight how a shared services model for T&E can mature over time to deliver more value to the business.
- Detail four tips from top performing shared services organizations you can put into action today.





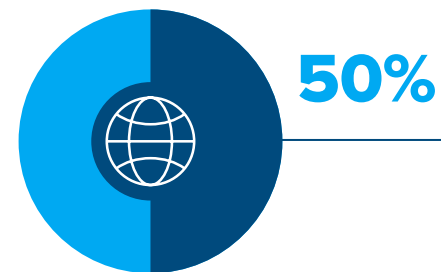
# Automating T&E in the cloud changed everything. This changes it again.

Travel and expense spending processes are a natural fit for shared services.

AUTOMATING THE EXPENSE REPORTING  
PROCESS IS ALL ABOUT  
REPEATABILITY AND CONSISTENCY.

Expenses, receipts, approvals and invoices need to be captured, checked, approved and paid—it's a process that happens over and over again, which makes it ripe for automation. Tracking global T&E and invoice spending can be a challenging, error-ridden manual process—automation provides consistency, simplicity and quality in the numbers.

According to a McKinsey study on shared services “By incorporating automation, virtualization, advanced analytics, and other digital technologies into their operations, shared-services organizations may be able to streamline processes,” and achieve up to **“50 percent increases in efficiency in some back-office functions.”**<sup>1</sup>



<sup>1</sup>Footnote from article: Findings are based on McKinsey research conducted between January 2015 and October 2015, in which they performed operations diagnostic on 120 shared-services organization in different industries around the globe, interviewed more than 40 operations and technology executives, and conducted on-site visits.

## Here's where disconnected T&E processes stop short:



Employees don't want to fill out expense reports, so they're often late and far-too-frequently filled with costly mistakes—think of an airline ticket entered twice or a decimal in the wrong place. Multiply that by thousands of employees and reports.



Finance and accounting teams end up being “enforcers,” chasing down receipts, invoices and employees who book travel or make purchases outside of policy, when they could be looking for ways to make your money work harder.



Department and budget managers would rather focus on what the budget can deliver. Instead, they end up deliberating over where the budget is actually going.

## Shared services streamline and simplify the process:

All the data spending generates compounds the issue by requiring more management, more aggregation, more time and more people to ensure the data is accurate. But when you can bring all these services together and simplify the process, you can use this wealth of information to learn more about your business.

**Shifting spend management to a shared services model automates and streamlines the paper-based processes that bog companies down. And not only does it give you visibility into every bit of budget your people spend, it frees you up to look at where your business is headed.**

## Quick Case: Mitsui & Co.

Through the development of shared services and a cloud-based platform to innovate, this global trading, investment and services corporation cut spending approval cycles, lowered the cost of transactions and integrates their ERP system to stay on track.

[Read the Case Study](#)





# You notice the efficiency immediately. Then you can start focusing on strategy.

Shared services organizations lend a level of precision and efficiency to any process and, ultimately, offer the organization a standard of quality control you might not otherwise be able to easily match. But as this business model evolves, global companies are finding benefits beyond the time and money saved by consolidating and automating processes. They're rechanneling resources to better focus on improving customer service, and they're capturing data and delivering insights that drive strategic planning.

AS A RESULT, SHARED SERVICES  
ARE BRINGING RICH FINANCIAL DATA  
TO THE TABLE, GIVING SENIOR LEADERSHIP  
A SHARPER LENS WITH WHICH TO  
VIEW THE BUSINESS.

75% OF THE  
SHARED SERVICES  
& OUTSOURCING  
NETWORK'S (SSON) 2017  
TOP 20 MOST ADMIRED  
SHARED SERVICES  
ORGANIZATIONS  
RUN CONCUR.

75%





The value grows as the model evolves.

CEB, a Gartner company, proves this point with a hierarchy of benefits it developed to show how a corporate process can deliver revenue from shared services.

## Level 1: A Foundation of Reliability

Reliability is about effectiveness, cost reduction and quality through compliance. T&E is often a top budget line item for global organizations, so whenever you can drive down processing costs, you're making a valuable difference.

## Level 2: Simplification

This second-level benefit is about reducing effort and making it easier for your people to do what you ask of them.

Managing expense reports, invoices and budgets is time-consuming across all levels of your organization. Removing this burden allows finance teams, budget managers and employees to focus on what's best for the company, instead of the day-to-day operations of T&E policy.

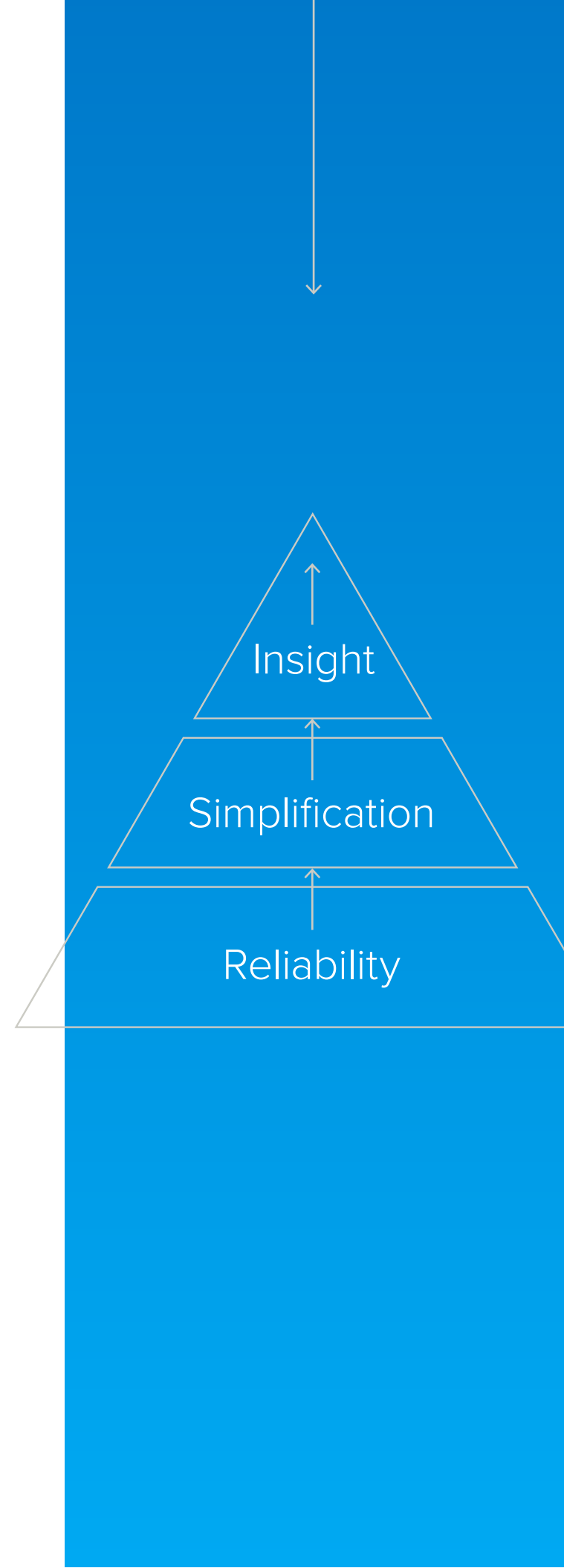
## Level 3: Insight Leads the Way

At the very top of the benefits hierarchy is insight. **With shared services, you have the ability to capture, analyze and literally turn spending data into savings, revenue growth and other opportunities.**

Given the size of global T&E budgets—plus the diversity of how that money is spent and the need to negotiate with vendors—it's easy to see the value of a single, simple, centralized look at spending information.

*"The advantages of global consolidation for T&E are quite clear. On the one hand, you have cost savings. And on another, you get more efficiency from harmonized, standard processes. Bu you also get better visibility through uniform reporting."*

—Global process owner, Bayer



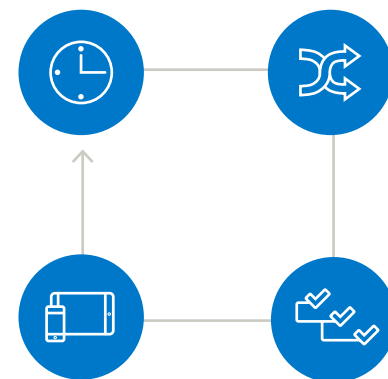




## Four keys to shared services success.

If you aren't already managing spending in a shared services model, how do you make it work for your organization, so you can see the benefits for yourself? And if you already have spend management in that shared space, how do you take your program to the next level?

WE GATHERED INSIGHTS FROM EXPERIENCED SHARED SERVICES LEADERS AND IDENTIFIED FOUR KEY POINTS WHEN MOVING TO OR EVOLVING YOUR EXISTING SHARED SERVICES MODEL.







# 1 Centralize your processes.

- It's nice to have common policies and all your systems in place when you start centralizing spending processes, but it's not necessary. Don't hold up the centralization while you get these established. Start now.
- A "lift-and-shift" strategy is a great way to get momentum. If different divisions and business units have different T&E and other spending policies and practices, get the process centralized first, then focus on shifting to a more unified program.
- Once in the shared services model, it will be easier to harmonize, revise and unify each policy.

## The power of simplicity:

One global Concur client has reduced the amount of expense types in their system to 50—whereas some organizations have more than 200—simplifying the process for everyone without sacrificing clarity and control.



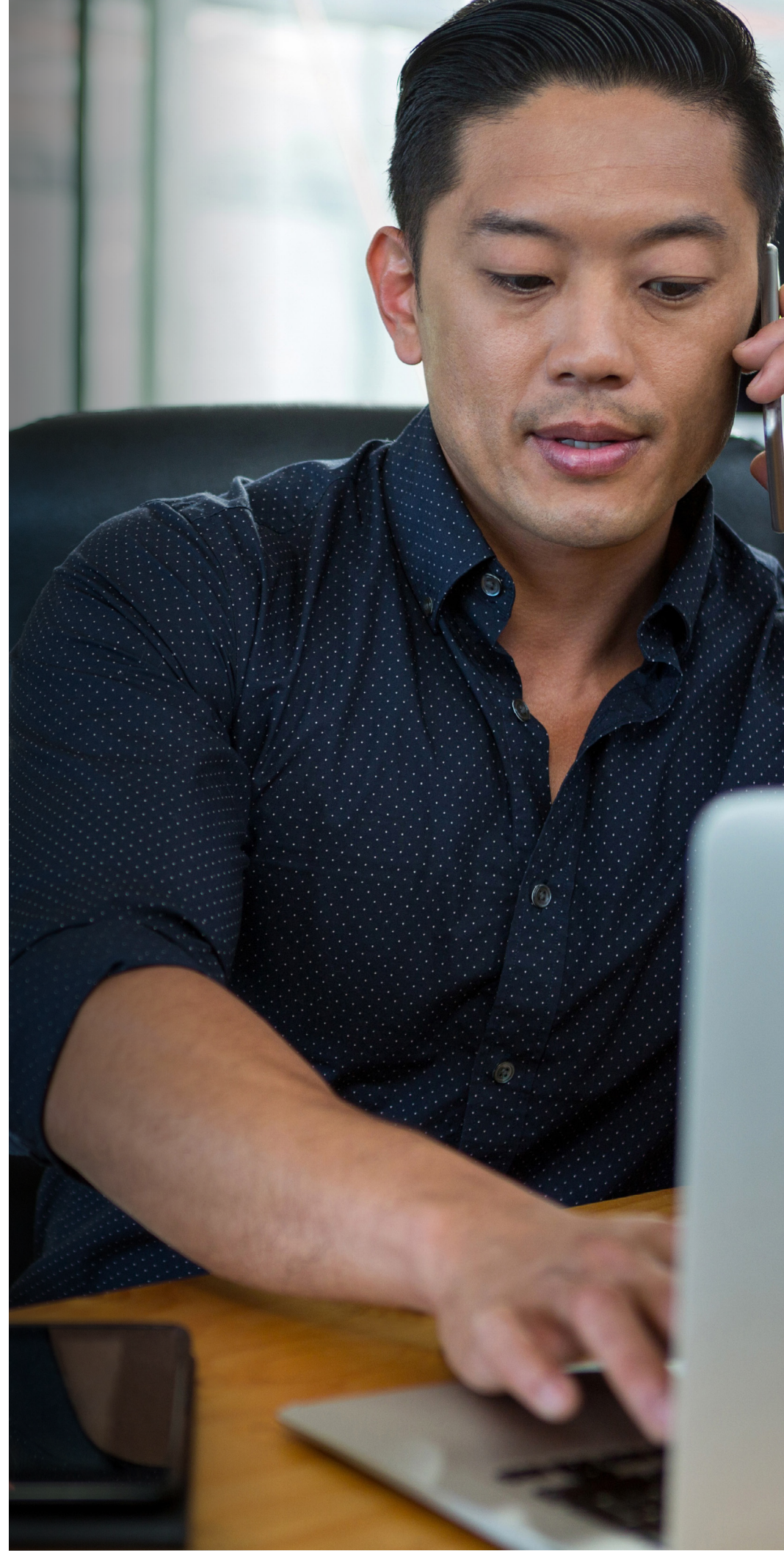
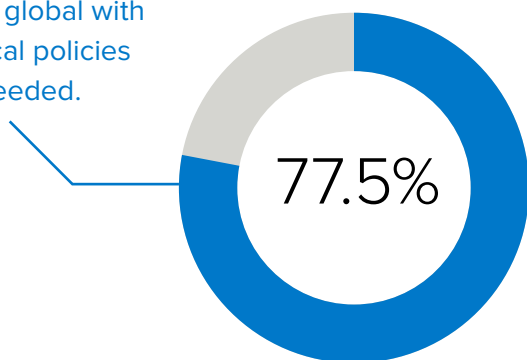




## 2 Use policy to create the pull.

- There will always be outliers in the process—organizations, divisions and other business units that, for one reason or another, need to be coaxed into a shared services model.
- Bring them in with policy. For example, the creation of zero-based budgeting and unified corporate T&E policy (where those things haven't existed before) create a demand for shared services. How? Business units need to comply with the new policies, and they need help in doing so.
- So instead of forcing a new way of working onto them, they're knocking at your door.

In a recent survey of Concur's large, global clients, 77.5% said they have a global policy or primarily global with some local policies where needed.







## 3 No matter the model, accountability is key.

- Once you get your business units, geographies and departments on a global policy, keeping the shared services model flowing requires a culture of commitment.
- Often, organizations will outsource portions of the centralized spending processes to key partners, which is a great way to cut costs. In this model:
  - *Partners manage the day-to-day, rules-based transactions of T&E, like card administration and auditing.*
  - *The company's shared services T&E team manages expectations and the evolution of policies and interactions with the business. This team also typically manages higher-profile issues like payment delinquencies.*





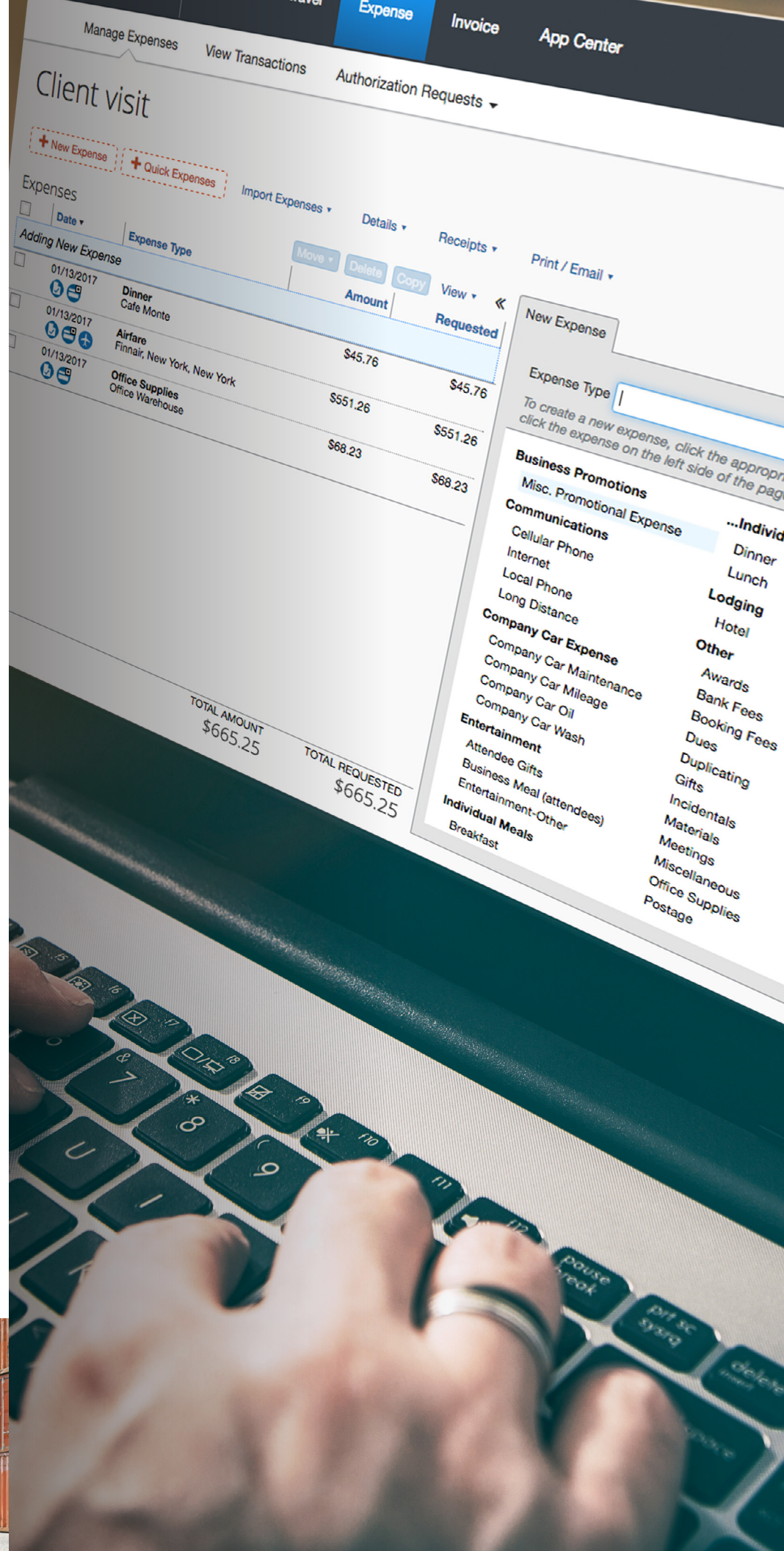


# 4 A single system will help you get you the most out of shared services.

- One, central system for managing spending will allow you to get more out of the model, so make sure everything from employee purchases to card administration to invoice approval and expense report audits is centralized.
- *This makes it easier for a single shared team to manage. You don't have one person supporting one division; you've got real efficiencies because anyone on the team can work on any business unit.*
- *This means you can look at spend, processes and policies across business units, improving productivity and sharing consistent data with the businesses, as well.*
- It should be easy to use. Technology—like policy—enables shared services to be successful. Choosing a best-of-breed T&E solution that's easy for users, and that will make it easier for your organization to make the move.

## Quick Case: DHL

How did the world's largest logistics company find greater visibility through shared services? See what DHL did by focusing its resources and sharpening strategic decisions—including a rapid ROI. [Read the Case Study](#)





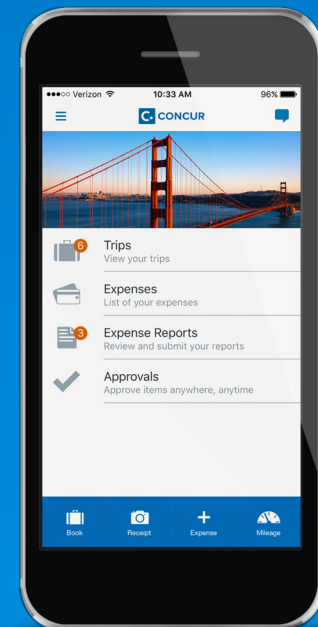
## The more you centralize, the more you save.

All of these things—process and policy and partnerships; systems, culture and collaboration—together are what make managing spending successful in a shared services model.

If you try one without the others, you'll only reap part of the rewards. For example, if you centralize the T&E process without a common policy, even if you're on the same system, you don't realize the full potential of shared services.

ONE SYSTEM, ONE CONFIGURATION,  
ONE COMMITMENT ACROSS EVERY BUSINESS  
UNIT—WITHOUT VARIATION.

This unity is the best practice for shared services. It is key to getting every available benefit from every bit of your spending and every part of your budget.



## See spending clearly, so you can manage it proactively.

Concur connects all your expenses from every country into a single system, so you can track and manage all of your spending. We go beyond travel booking and expense reporting automation to help you focus on your entire financial picture and transform how travel and expense processes and systems integrate with each other and the rest of your company.

To learn more about travel and expense management in shared services, contact your Concur Global Sales Executive.





### **About Concur**

For more than two decades, Concur, an SAP company, has taken companies of all sizes and stages beyond automation to a completely connected spend management solution encompassing travel, expense, invoice, compliance and risk. Our global expertise and industry-leading innovation keep its customers a step ahead with time-saving tools, leading-edge technology and connected data, in a dynamic ecosystem of diverse partners and applications. User-friendly and business-ready, Concur unlocks powerful insights that help businesses reduce complexity and see spending clearly, so they can manage it proactively. Learn more at [concur.com](https://concur.com) or the [Concur blog](#).

