Putting ‘who’ into ‘what’… and why?

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Putting ‘who’ into ‘what’…and why?

One of the hot topics in shared services right now is generating insight and making business impact through data analytics and big data. Research by Loughborough University’s Centre for Global Sourcing and Services suggests, however, that this potential may not be realised if organisations do not ask the right questions about the links between business partners, business process centres and business units. While corporate-wide master data has improved significantly in recent years, big data requires new thinking and this means creating a new culture that values and leverages data to better support global end-to-end processes that deliver real outcomes to frontline business operations. Yet, few organisations have a comprehensive strategy to create new insights from either their existing master data or new big data sources.

There are many individual examples of innovation, yet many shared service centres (SSCs) are having difficulty in articulating what a systematic approach to data analytics might look like, or indeed, why shared services should be leading the agenda in preference to other departments and functions across the organisation. While the SSC model has been a success story to date, SSCs are usually predicated on a continuous cost-cutting agenda and that may be at odds with the mindset and resources necessary to create sustainable advantage from data. There are two broad strategies available to the SSC: using data analytics to improve the processes of the SSC or helping the business.

What is your role?

I am the continuous improvement lead for Shell Finance Operations supporting the revenue process that covers credit assessment, billing and receivables management for our downstream business. It also includes transactions between the various Shell entities across the world. Currently there are around 1,300 staff located in specialist centres in Malaysia, the Philippines, India, Poland and Scotland.

My own team consists of 10 people who are all Lean Six-Sigma (LSS) professionals. Our key focus is looking for improvement opportunities that will generate value for Shell, such as cost savings in process execution, reducing working capital and generating more income. We do this by leading improvement initiatives, coaching others that are working on improvements and creating a continuous improvement mindset among our leaders. Our aim is to support operational teams not to do it for them. In this way, the solution becomes their solution, which they implement and maintain.

Could you give examples of how Shell Finance Operations uses data analytics in the revenue process?

In the revenue process, we use an analytics tool from Deloitte called Process X-ray™ to identify process improvement opportunities. The tool captures and stores extensive historical data extracted from our global ERP on different aspects of the revenue process including billing, customer, and payment information. It captures the key activities for each transaction including customer order date, product delivery.

While corporate master data has improved significantly in recent years, big data requires new thinking.
Paradoxically we can allow people more discretion in what they do because we have more knowledge of what is happening and that strengthens our control system without having to have lots of detailed rules.
Facts can only be derived by talking to the staff who do the job and understanding the process or the business well.

Wider facts
Data and statistical outcomes usually do not tell the entire story. We talk to our frontline teams to validate our understanding and the interpretation that we have concluded from the data analysis.

Additionally, for many improvement projects we tend to run pilots to validate the solutions before we roll out the solutions at a global scale. This enables us to test the effectiveness of the solutions and also take learnings from the pilot to increase the chance of success in full global rollout.

Key learnings
- While there is a lot of hype around data analytics, there are emerging examples of success in the low-hanging fruit.
- Data analytics and big data require a coherent strategy to develop a deep data culture in the organisation as a prelude to using analytical techniques.
- Data analytics offers new insights into continuous operational improvement and delivering better outcomes for customers.
- While business process centres might appear to be the natural areas to build analytical capability, progress will stall if the overall strategy is based on continuous cost-cutting rather than building value. A twin focus is easy to say but often difficult to do.