



Shared Services

Small Investments BIG Rewards

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Auditor → Controller → Financial Shared Services → Global Business Services

Today's Objectives

Where to start...

- People
- Process
- Technology

How to...

- Define your Vision
- Develop an Approach
- Focus on Process Efficiencies
- Implement Low Cost Automation

Always Necessary...

- Impact Analysis
- Change Management

What Can Be Gained...

- Cost savings
- Value drivers for business

Organization And Process.

CASE STUDY

A full scope **financial shared services**
organization that supports a company's
Global Operations.



Vision.

- 01 /** Operate as an **integrated, global** organization
- 02 /** Be able to **easily scale** to onboard new business.
- 03 /** Emphasize a **robust controls** environment.
- 04 /** Continuously **drive efficiencies** through consistency automation and process improvement.

OBJECTIVES

**SPLIT
FINANCE
FROM
ACCOUNTING**

**COMBINE
ACCOUNTING
INTO CENTER
OF
EXCELLENCE**

**REORGANIZE
FUNCTIONAL
ORGANIZATION**



Approach.

**Are you taking
an internal
approach?**

**Understand
Your
Environment**

**Initiate
Change**

Be Realistic

**Track Your
Savings**

Define Your Plan.

Regional Approach

Divisional Approach

Service Tower Approach

One initiative at a time or
simultaneous initiatives

Steps.

STEP 1

R2R

Align by function
vs.
by division

Financial Shared Services



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graph TD; A[Financial Shared Services] --> B[Accounting Services (R2R, O2C, P2P, Payroll)]; A --> C[Reporting Services (FP&A)]; A --> D[Advisory Services (Technical)]; A --> E[Business Improvement (Project Support)];
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Accounting Services (R2R, O2C, P2P, Payroll)

Transactional financial operations across the global Finance & Accounting organization

Reporting Services (FP&A)

Reporting and decision support services across the global Finance & Accounting organization

Advisory Services (Technical)

Support in accounting areas that require judgment and/or application of technical guidance

Business Improvement (Project Support)

Consulting and program management services for organizational improvement initiatives

STEP 2

R2R

Centralized Leadership

Create Standard Processes

Common Close Calendar

Common Approval

Thresholds Centralized Reporting

Every process improvement idea needs to have an ROI or eliminate a significant financial risk.

If it doesn't... don't approve.

Process Governance

Create a process improvement framework with project support to facilitate solutions

Allow the “doers” to identify solutions

Submit project proposals in standard template with ROI defined up front

Projects requiring <80 hours of time consider as “Quick Win”. No project oversight.

Projects requiring >80 hours of time should be placed in project roadmap and provide project support.

Remember all projects need to have an ROI.



Accounting Soft Close

Goal

Transition accounting to a quarterly close focus by eliminating various monthly activities.

Rely on systems and GL interfaces during non-quarter end months.

Perform manual accruals only at quarter end.

Soft Close Impact

Higher level financial statement variances

Reduce Close Meetings

Record Manual Accruals Quarterly vs Monthly

Group Account Reconciliations

Savings **10,000** hours (5.5 FTEs)



**Low Cost
Technology
Automation**

Technology Initiatives

Balance Sheet Reconciliation Tool

- Standardization
- Automated Review and Approval Workflow
- Direct access for Auditors (Internal, Compliance and External)

Automated JE Workflow (with existing ERP tool)

ERP Consolidation vs Full Scale Implementation

- One single instance of ERP
- Eliminated certain intracompany transactions
- Easier data access and reporting

Cloud Based Tools – (e.g. Vendor Maintenance, Cash Applications)

Timeline 6 to 12 Months per project



Other Initiatives

It all adds up.

R2R Reduction in business units & departments

P2P Reduction in Invoice Approval Thresholds

R2R Reduction in Manual JEs

OTC Reduction in Invoice Discrepancies

R2R Streamline Financial Systems Support

Change Management.

WHAT IS THE OBJECT OF CHANGE MANAGEMENT?

To ensure a smooth transition to a sustainable and new environment whenever possible.

MEASURES OF SUCCESS

**SMOOTH
TRANSITION**

**SERVICE
LEVELS**

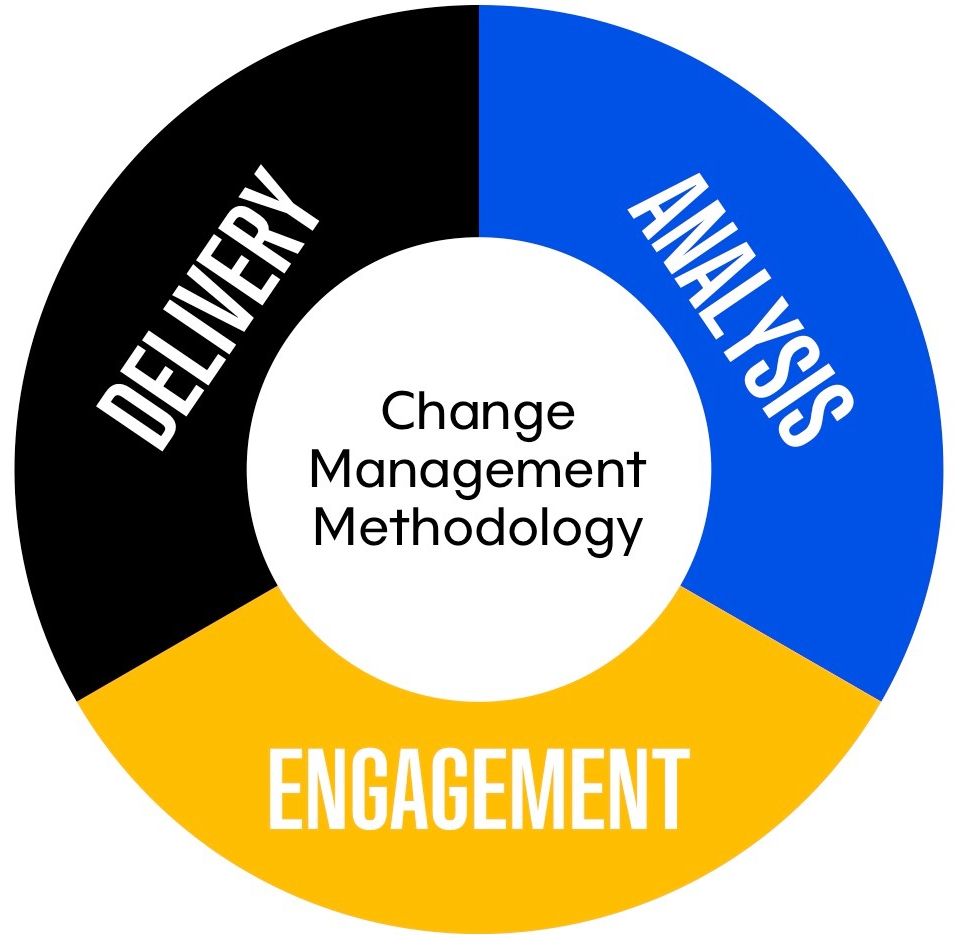
**NO MATERIAL
ERRORS**

**CONFIDENT
EMPLOYEES**

**VALUE
FEEDBACK
EMPLOYEES**

**STAKE-
HOLDERS**

PHASES OF CHANGE MANAGEMENT



CHANGE RISK

STRATEGY

Accounting Errors



Job Training Activities

Disruption to Employees



Communication Plan, Issue Reporting & Resolution

**Shared Service Roles,
New Skills**



Training & Clarity

CHANGE RISK

STRATEGY

Service Level Deterioration



Cross Training, Issue Reporting, Resolution & Defined Service Roles

Perception of Separate Career Paths



Career Pathing & Job Rotation

Retention of Key Talent



Communication, Defined Roles & Responsibility

High Power

KEEP
SATISFIED

MANAGE
CLOSELY

Low Interest

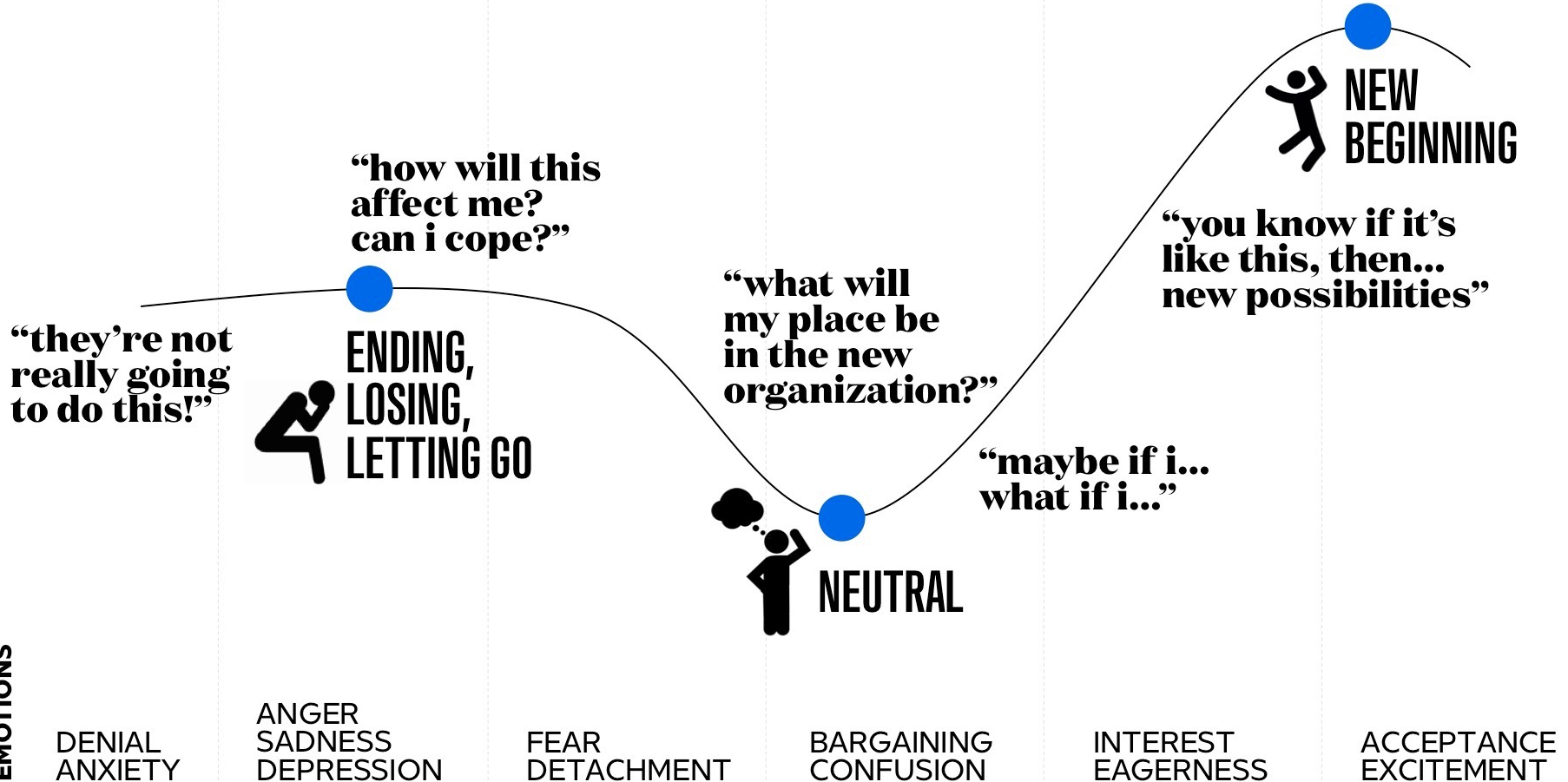
High Interest

KEEP AN
EYE ON

KEEP
INFORMED

Low Power

WHERE ARE YOU ON THE PATH OF CHANGE?





TOOLS OF DELIVERY

Leadership Engagement
Leadership Talking Points
Weekly Emails
Timeline of Activities
Cross-Training
Stabilization



**What Can
Be
Gained.**

**Cost Savings:
5-Year
Run Rate**



**Approx
30%**

Value Drivers for Business

1. Working Capital Improvements
2. New Business Initiatives
3. Reporting and Analytics
4. Cost Reduction

Shared Services Small Investments BIG Rewards

1. Adhere to your Vision
2. Develop an Approach that fits your organization
3. All Process Improvements have an ROI
4. Low Cost (internal) Automation is Achievable
5. Don't forget Change Management



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