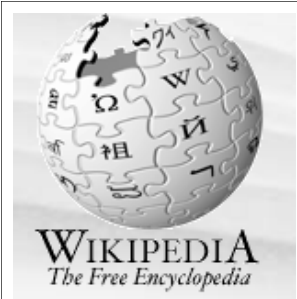


PART THREE
THE UGLY



Shared Services are the convergence and streamlining of an organization's functions to ensure that they deliver the organization the services required of them as effectively and efficiently as possible. A key advantage of this convergence is that it enables the appreciation of [economies of scale](#) within the function and can enable multi function working.

Shared Services are more than just centralization or consolidation of similar activities in one location. Shared Services mean running these service activities like a business and delivering services to internal customers at a cost, quality and timeliness that is competitive with alternatives.

IT SHARED SERVICES: THE GOOD, THE BAD, THE UGLY

In the last two issues I went over why companies move to a Shared Services model (the good) and the fact that it does not happen overnight or without a lot of work (the bad). In this last article I will tell you what I see are two of the main reasons an IT Shared Services organization can fail (the ugly). I will also wrap up this series with some views on where you can start in your organization if you want to create an IT Shared Services Model and a few thoughts to keep in mind on your journey.

The Ugly: Why Shared Services can fail

The main and major reason for a failure of a Shared Service organization is the lack of executive support in either the business and/or IT for the support of the model. It needs to be there at the start and continued year after year, especially by IT Management. The next best reason for failure is the lack of communication with your customer. You will need to view the business as your customer, create an open environment with them, focus on “Are we delivering the right products and services?” Be responsive to and anticipate their changing business needs.

Unless you have good Executive support for Shared Services along with a good communication plan, do not start on the Shared Service path, you cannot be successful without them. If you lose either after you build the Shared Service organization, you will eventually see the organization crumble.

Conclusion

To make IT Shared Services model succeed, you must take a disciplined approach. Create an initial cost and services baseline, measure service delivery through internal and external benchmarking, market these savings and efficiencies to achieve and

retain the executive support you will need, and create a transparent funding model. Most successful businesses hold their IT shared services organization to a market standard of excellence.

A good place to start your journey is in the data center where Shared Services and, in particular, a Shared Infrastructure, can help build an Adaptive Infrastructure, one that will reduce costs, improve speed, increase quality of service and accelerate change.

Always remember, the shift to Shared Services involves a customer focused approach to providing IT internally, emphasizing efficiency without redundancy and bringing your company greater flexibility in sourcing options for delivering IT services throughout the organization.

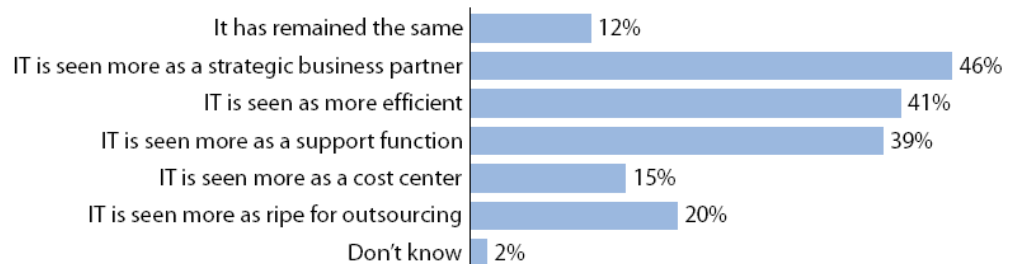
Open avenues of communications with the customer, align IT resources as relationship managers to help accomplish this, have them develop Partnership Agreements and Service Level Agreements between Shared Services and the customers. Schedule regular meetings with the business to understand their needs and issues. Have an annual meeting with management to review deliverables, operational level agreements, and service level objectives.

Finally, remember Shared Services is a set of principles for organizing work to be more cost effective, and business and service-like in its approach to delivering results to its customers. It is one of the primary steps in running IT as a business.

Next month I will discuss “Partnership Agreements” and how they work to clarify the relationship between the Business and IT.

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“How has the move to shared services affected the perception of IT in your firm?”



Base: 61 technology decision-makers at North American \$1B+ firms (multiple responses accepted)

Source: Forrester Research, Inc.