

CASE STUDY 4

SECTOR: RETAIL

DELIVERABLE: ON SHORE SHARED SERVICES CENTRE

THE CLIENT: LARGE OPTICAL RETAILER

As one of the UK's leading optical retailers the business was planning to increase its national and international retail footprint but due to head office location constraints – the local labour pool was already at full employment – it could not scale its back office finance support functions to underpin its growth plans. An urgent new location with better recruitment opportunities was therefore required. With zero unemployment causing local labour costs to be significantly inflated, the business was also hoping that in addition to tapping into a new labour pool it would also be able to benefit from labour arbitrage.

The business had decided that the best solution was to set up and migrate all transactional finance activity to a new Shared Services Centre (SSC) located elsewhere in Europe, retaining core value adding and decision making activity at the current head office location.

Zebrazoo Consulting was appointed for a period of 12 months with an initial remit to:

- project manage the selection of an appropriate location for a new 150 seat SSC,
- project manage the setup of the associated / required infrastructure, and
- draft a set of migration project plans the business could follow to successfully migrate the relevant transactional activity into the SSC.

This remit was subsequently expanded to become a wider programme of change to include:

- collocating with the SSC an 80 seat contact centre, a product development team and a training laboratory, and
- facilitating the setup of a new 35 seat Customer Service Team to absorb displaced local staff in the retailer's existing location

The optical retailer's key objectives for implementing this change initiative were:

- to build for scale by relocating existing transactional activity to a location with an abundant supply of suitably skilled labour
- to build for scale by centralising transactional activities
- to reduce costs through economies of scale, collocation and labour arbitrage
- to reduce costs through the re-engineering of business processes

- to add value to the business by separating out transactional activity from business analysis and decision making
- to improve customer service through implementing best practice to improve service levels

Key Areas of Change:

- Business relocation
- Business process re-engineering
- Workforce relocation, redeployment and redundancy

- Workforce optimisation
- Organisational redesign
- Culture change

ZebraZoo Consulting's Impact:

Despite an executive decision having been taken to relocate transactional finance activity no feasibility study had been undertaken to ascertain which processes were feasible to move and, of these, which needed to be redesigned to deliver efficiency / staff savings.

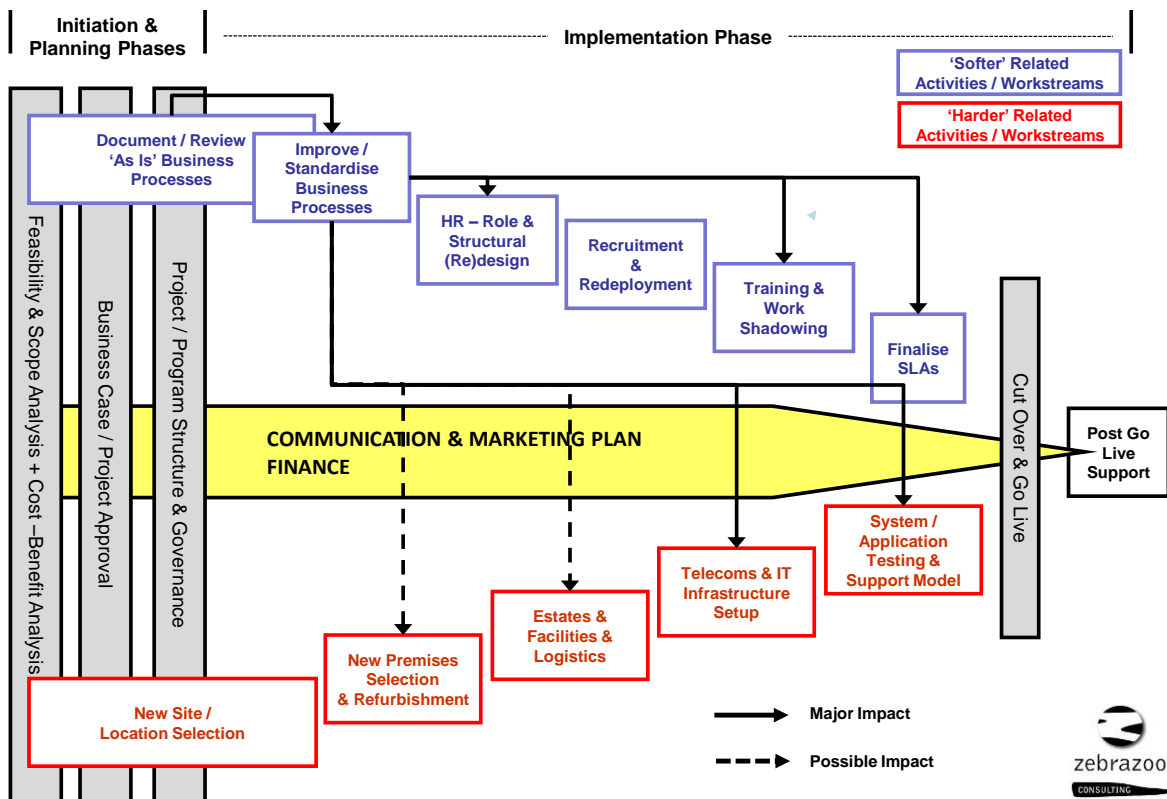
ZebraZoo Consulting was aware from having facilitated numerous lessons learned workshops for clients that unless an appropriate level of focus is given to the Project Initiation phase (which includes undertaking a feasibility study, finalising the scope and preparing a detailed business case) the project will suffer from delays and additional costs downstream as the project follows an 'organic' as opposed to planned

path to delivery. Without appropriate project initiation and planning it will not be possible to review whether the project, once delivered, has been a success or whether the business will generate an appropriate return on its financial investment. ZebraZoo Consulting therefore immediately put the high level plan as per Figure 1 in place and, using its experience in delivering Shared Service Centres, set about undertaking a retrospective high level feasibility study while simultaneously trying to move the project forward on a generic SSC implementation pathway.

With reference to the diagram below two key workstreams were immediately put in place:

- Business Processes (the output from which a number of other workstreams are dependent)
- Site Selection

High Level SSC Plan & The Importance Of Business Processes



Working with a blend of competent internal resource and business process analysts supplied from our associate partner Tribal Network, a detailed transactional activity migration framework for the new SSC was established. Working with Buck Consultants International (our preferred partner for European site selection), Nottingham was selected as a lower cost, lower risk location (from a shortlist of other viable on shore and near shore locations).

The output from these two key workstreams were used to validate

- a high level feasibility study
- the pre-selected implementation pathway

A suitable new building was selected on a Nottingham business park that could accommodate all migrating activity (SSC, Contact Centre, etc) and in conjunction with Paragon Interiors (a local provider of building design, build and refurbishment) the building was refurbished in line with brand values and operational requirements. The required technology infrastructure was implemented and tested.

Within 12 months of the start of the project the new SSC infrastructure was in place and the relocation and consolidation of the 80 seat contact centre, product development team and training laboratory had been completed. At this point ZebraZoo Consulting provided the client with a full set of detailed project plans so that it could manage the final stages of the implementation using its own internal resource.

In line with these detailed project plans the client completed the migration of all the in scope transactional activity to the new SSC.