

Preface:

Shared Services as a Building Block for a World Class Finance Organization

In this book, we will illustrate the journey of a Shared Services Organization from a cost-efficient transactional service provider to a trusted partner of the operational businesses within a corporation, taking *Siemens* and its transformation process as an example. Further, it provides practical insights of today, but also a visionary view of the future.

A few years ago, *Siemens* changed its regional administrative structures from individual country presences to cross-border regional 'Cluster' organizations in order to make the organizations more effective, lean and globally aligned. With regards to the global finance function, it offered the opportunity to realize additional optimization potential in the areas of governance, quality and efficiency via the creation of a Global Shared Services Organization.

The finance function is an integral part of the global *Siemens* group, being represented in the Corporate Headquarters, in the Sectors and Divisions driving the business, in its regional Cluster organization providing infrastructure and business support and – last but not least – in its captive Global Shared Services Organization rendering in-house transactional and value-add services in the area of finance and accounting.

In the past, the advantages that such a Shared Services Organization offers were not fully leveraged and the penetration rate was low. In the course of remodelling the finance organization by launching the worldwide 'Finance Bundling' program, this hidden potential was systematically addressed: using economies of scale and scope on a global level, improving cost efficiency, freeing up the businesses of administrative tasks while assuring and improving transparency, compliance, quality of books and records and reliability of internal and external reporting.

This program is well embedded in the overarching short- to mid-term strategy for our Global Shared Services Organization, which consequently pursues a three-step-approach:

- 'Lift & drop' – Transfer transactional activities from the countries and single entities to the Shared Services Organization, bundle them, establish a service mind-set and start harmonization;
- 'Change' – Focus on harmonization and standardization, start transformation and automation, leverage process improvements;
- 'Enhance, innovate & automate' – Focus on transformation and automation, portfolio expansion, and reach the status of a 'trusted adviser'.

The structure of this book also follows this approach and gives insights regarding important supporting strategies and measures.

I believe that in the future Shared Services will be *the* way modern international organizations effectively and efficiently structure and manage their administrative work across country borders.

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