Sharing evolves

Background to shared services | How to innovate
What Royal Dutch Shell did | Eastern European celebration

Professional Outsourcing Report
David, by any account you’ve had a pretty interesting career in your 24 years at Shell, with a broad range of roles and experiences across the world. How would you describe your overall journey?

Well it’s been varied to say the least. I started in oil refining in the UK, but after a couple of years it was off to internal audit in Africa, which developed into a special project arising out of an audit finding.

Up next was seven years in the chemicals side of the business, as it grew from a cluster of local businesses, to a region scale. I started in Hong Kong, then became the regional controller for Chemicals Asia Pacific/Middle East, based in Singapore, and for the second time I was part of a team that designed me out of one job but into another. Moving back to the UK, I was asked to replicate the Asian chemicals model across the globe. Following that, I spent seven very interesting years in Dubai heading up the new business development, mergers and acquisitions unit within commercial finance.

During those 20 or so years I’d been fortunate to work on some exciting projects, in exotic locations and with great people, but I’d only had experience of leading small teams of people. To really make your mark you need to demonstrate that you can lead and motivate significant numbers of people.

Hence the move into shared services?

Yes, that was quite deliberate. Three years ago, I moved to Kuala Lumpur, Malaysia, to be Vice President for Revenue within Finance Operations, with responsibility for around 1,400 staff stretching across all five of our shared business operations centres; that’s also Glasgow, Krakow, Manila and Chennai. I am accountable for activities related to the downstream and upstream credit-management processes, which cover credit assessment, cash application and allocation, collections and debt chasing, for certain group billing activities such as retailer billing and what we call global charges, and also for our intra-group billing process for services between all Shell operating units.

I’m also the centre lead for finance in the KL centre, essentially providing leadership for the finance agenda that is specific to this centre.

Forgive me sounding for old-fashioned, David, but isn’t this what we used to call the sales ledger?

(Laughing) I guess that might be one way of putting it but, and this is a pretty big but, what we are doing nowadays is a world apart from what happened even 10 years ago. Let me explain.

The first thing to say is that this is a pretty big “sales ledger” by any measure. We are managing transactional cash flows for the whole of Royal Dutch Shell plc and that’s over a trillion US dollars annually. Gone are the days when...
More than an oil company

What we are doing now is a world apart from even 10 years ago. We are managing transactional cash flows for the whole of Royal Dutch Shell plc and that's over a trillion US dollars annually.
each separate business did its own thing. Today, my team operates various revenue processes across our global footprint of countries, currencies, products and businesses. In one team we might be collecting, say, a $1m payment from a venture partner in an upstream project and in another team direct-debiting a $100 internal training course. (We don’t collect hydrocarbon revenues, and individual, low-value transactions tend to be eliminated by the process).

Second, and this is the more fundamental difference, running a traditional sales ledger is essentially a passive activity, based on a defined role that reacts to external events. Whereas, in finance operations, our whole outlook is focused on how we can drive value for the company in the financial interface between the business and its customers.

Just picking up on the semantics there, David, you’ve rebranded from shared services to business operations. Now, for most shared service centres the overriding rationale tends to be around creating a better customer experience. Typically, people are keen to bring in the language of customer service and stress that it’s all about sharing, collaboration and a sense of service to the customer. Isn’t operations as a label somewhat counterintuitive?

Ok, let me explain. It’s actually an enhancement rather than a step backwards. For us, service suggests that you merely respond to a request. In other words, your job is to do just what you’re asked to do. We want to reposition ourselves as a business partner that sits as an equal participant at the business table with an input into setting the agenda. We believe that we can have a very strong role in identifying where Shell can drive value, not just in processing historical transactions.

That outlook drives us to stronger collaboration, rather than negotiation with the business units. It also helps us to play a part in ensuring that there is a single business-led strategy for end-to-end business process performance and that Finance Operation’s priorities cascade from this.

We are part of a global governance body for business processes and, by acting as a business partner, Finance Operations can help to shape the agenda of how we can grow returns with our customers and how, collectively, we can give them a better customer experience by improving the efficiency and effectiveness of the end-to-end process.

So the potential value lies in the boundaries between the organisations.

A sales ledger suggests that you have a very defined accountability that starts and stops, and all you have to worry about is what happens within those boundaries. In other words, I just need to do a good job by applying the right numbers to the right account or whatever. Now, we’ve been able to do that for a some time.

But, if there is this siloed thinking then you are unlikely to be collaborating efficiently and effectively with the other people across the value chain. For example, if a salesperson consistently puts the price in late to their part of the system, that will result in the customer getting the wrong invoice and consequently not wanting to pay on time.

So if all I care about is whether I have something that is technically correct, then I’m likely to be missing the value that comes from collaborating with the sales team and encouraging people to do their job in a different way. If they do things right first time, then I can do my job better.

Just going back to your staff numbers. If more than 90% of them are not in KL, then why are you sitting here?

The reason I am here is because in global roles you can be fairly flexible in where you sit.

We want leadership to sit in one of
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the centres, but we also want to avoid a concentration of leadership in the largest centres. The risk is you naturally gravitate as leadership to, say, Manila, because that’s where a large part of your organisation is based, but this depletes the smaller centres of senior leadership.

In terms of your career, what is it about working in shared services that will prepare you for the next phase? What have you learnt from shared services?

I’ve probably learnt more from this job than any other. I thought M&A could be complex, but I find this is far more challenging. I think Shell, like any large multinational company, needs to have a really shared vision of what constitutes success. The challenge is often to align ourselves across different organisations and leadingships on a shared purpose and outcome, and then deliver on that.

I think that Finance Operations is a great place to learn how you can collaborate to achieve a common goal with a broad range of stakeholders and organisations, because we deal with all the Shell businesses and operating units across all levels of the organisation, right down to the shop floor.

Shared services has been a learning experience then?

Absolutely. I think we all need to learn continuously and I’ve certainly learnt a lot about performance management here. I think you’ll see that’s a key theme for Shell. A constant message from our CEO, Ben van Beurden, is that you need to understand to which set of business results your job links, you need to understand what are the priorities for that business. And then you need to think about how you help deliver on those priorities. I think Finance Operations is about how we have a positive impact on the business results.

In terms of my career, I’ve spent a lot of time in core controllership types of role. I’ve done a lot around projects and change, and I think that’s a big component of a career these days, the ability to manage change and implement significant projects on time and on budget.

I’ve built business deal skills by spending time in commercial finance. But it was the leadership piece for me that I was lacking. I think this role has clearly added that, but it’s also played in the other three aspects as well.

I guess it’s normally quite difficult to get a view right across a large multinational organisation. Yes, so I think our approach to shared services certainly gives you that wider perspective including understanding how to leverage process, systems and data. Indeed, as we get into data analytics, data is becoming more and more an important asset in driving value. Young people coming into Finance Operations as graduates can build broader finance experience in process, systems and data, and at the same time start to understand the businesses they support and how they can add value. They also gain experience in leadership early in their career. All this experience really complements accreditations such as CIMA and this is something that we would encourage along with ongoing professional development,

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