

## EXECUTIVE SUMMARY

The shared service industry started in 1990s in United States of America and European countries to centralized support functions. The objective was standardization and cost reduction while making the process efficient. Over the last 30 years the industry has grown significantly and countries like India, Philippines lead the industry. Similar to the other industries the key expectation of the shared services is to improve the speed and quality of the work while providing the services at a competitive cost. The author selected accounts payable division of MAS Legato which is a local shared service center for the study. The division selected brings close to 60% of the revenue and consists of 50% of employment of the company.

MAS Legato is a part of MAS holding which is a well-established local multinational. The company recorded USD 2.4Mn in revenue and employs close to 220 associates. The company has invested in world renowned technology which is one of the biggest strengths while low productivity and high cost are major weaknesses. Since it is part of a large multinational there is a big scope for shared services and the company has already invested in high tech and there is an opportunity to materialize further productivity without further capital. The attrition and the competition for talented resources are threats to the company. One of the objectives of shared services is to reduce the cost while making the process efficient and there is no difference on the same for Accounts Payable department. This is measured through the average number of invoices processed by a person. The AP division reported 11,879 invoices per person in 2019 however the expectation is around 15,883 invoices. The author has studied and recommended solutions on how to bridge this gap through the project. FTT on invoices and low performance of virtual bots are some of the other related problems. The author has done a fish bone analysis and identified root causes under process management, training and development and technology infrastructure.

The literature review covered the knowledge worker productivity, BPR, innovative work behaviors and RPA technology. The work that is handled at AP division is type of a knowledge work which is defined as jobs in which workers are involved with knowledge. The AP employee productivity is based on the volume of invoices that each employee handles. The knowledge worker productivity unlike labour productivity, measuring and improving is

challenging. Process standardization is one of the objectives of the AP division and that can be achieved through a proper BPR exercise which would focus mainly on removing nonvalue added activities and retaining of value-add activities. Formal learning opportunities positively impacts the performance of the employee and training also has a stronger association with innovative work behaviors because. It focuses on providing employees with knowledge, skills, attitude, and behavior needed to do a particular task. There is a 94% chance that the automation would replace the accountants in future and the digital transformation is becoming a priority in strategic planning excises. RPAs plays a critical role in automation of activities in AP divisions.

Improving FTT, reducing process variations, increasing employee satisfaction on knowledge transfer, increase auto posting and increasing auto release are the key project objectives that author set to achieve through this project. Creating SOPs for end-to-end processes, developing procedure for knowledge transfer to close 30 new recruits per year and investment in RPA technologies and fine tune additional invoices formats were some of the solutions to achieve objectives. The project work has been allocated mainly to the operational managers, process excellence managers and automation team. The planned cost on these solutions was USD 21,935 whereas the total benefit that author was planning to bring was USD 213,469 giving a net benefit of USD 146,297. The project would increase the number of invoices handled by a person by 36% as the main output while increasing the overall productivity, improving the employee and customer satisfaction, improving relationship with suppliers were main project outcomes.

Measuring productivity is difficult for knowledge worker however it is becoming an important due to the growth of the service industry. The author identified the problem and developed the study framework covering process management, training and development and technology infrastructure. The solutions were developed, and recommendations were presented. The involvement of the senior finance leadership and the decision on additional investment on technology are key factor to ensure the successful implementation of the solutions and derive the benefits. The regular cadence to review the progress of the project is also critical for success.