

# Controlling Shared Services – More than central Reporting

Christian Schulz  
München, 15.05.2017



# | Henkel at a glance 2016

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More than **50,000**  
employees worldwide

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Around **€18.7 bn**  
sales, +3.1% organic sales  
growth

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**€3.2 bn** adjusted<sup>1</sup>  
operating profit (EBIT)

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**42%** of our sales  
generated in emerging  
markets

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More than **2,000**  
social projects supported

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More than  
**140 years**  
of success

<sup>1</sup> Adjusted for one-time charges/gains and restructuring charges.

# | Henkel at a glance

Global leading positions in consumer and industrial businesses

## Adhesive Technologies



**LOCTITE**  
**TECHNOMELT**  
**BONDERITE**

## Beauty Care



Schwarzkopf  
syoss

Dial

## Laundry & Home Care



Persil  
Purex

Pril

# | Christian Schulz



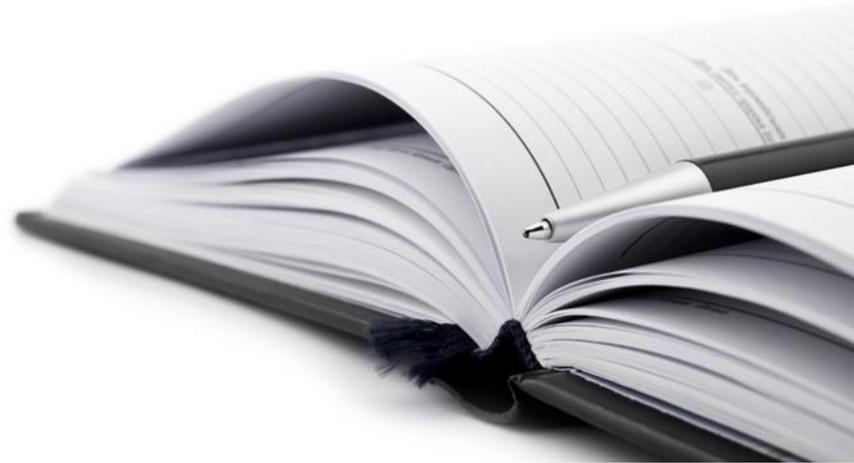
**Head of SSC Bratislava  
President Henkel Slovensko**

<b>With Henkel since</b>	<ul style="list-style-type: none"><li>▪ 1995</li></ul>
<b>Current position</b>	<ul style="list-style-type: none"><li>▪ Head of Shared Service Center Bratislava President Henkel Slovensko</li></ul>
<b>Previous experience</b>	<ul style="list-style-type: none"><li>▪ Head of International Planning &amp; Logistics Steering Laundry &amp; Home Care</li><li>▪ Regional Head of Logistics &amp; Industrial Engineering Central Eastern Europe Laundry &amp; Home Care / Beauty Care</li></ul>
<b>Nationality</b>	<ul style="list-style-type: none"><li>▪ German </li></ul>

# | Controlling Shared Services – More than central reporting

## Agenda

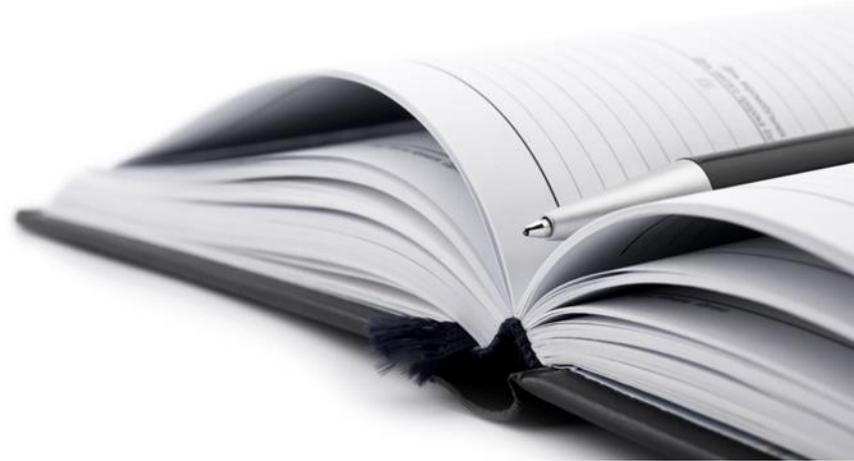
1. Controlling @ Shared Services – an overview
2. Merging process- & systems expertise
3. Network instead of competition
4. Opportunities and challenges



# | Controlling Shared Services – More than central reporting

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# | Shared Services @ Henkel

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## **Integrated**

Business Solutions: Shared Services and Information Technologies form one organization

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## **Global**

process orientation ensuring delivery of standardized services for 75 countries

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## **Hybrid**

Shared Services with five captive centers and one BPO-center

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## **Comprehensive**

Service offer to business units and functions covering 20 processes & 66 sub-processes

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## **End-2-End**

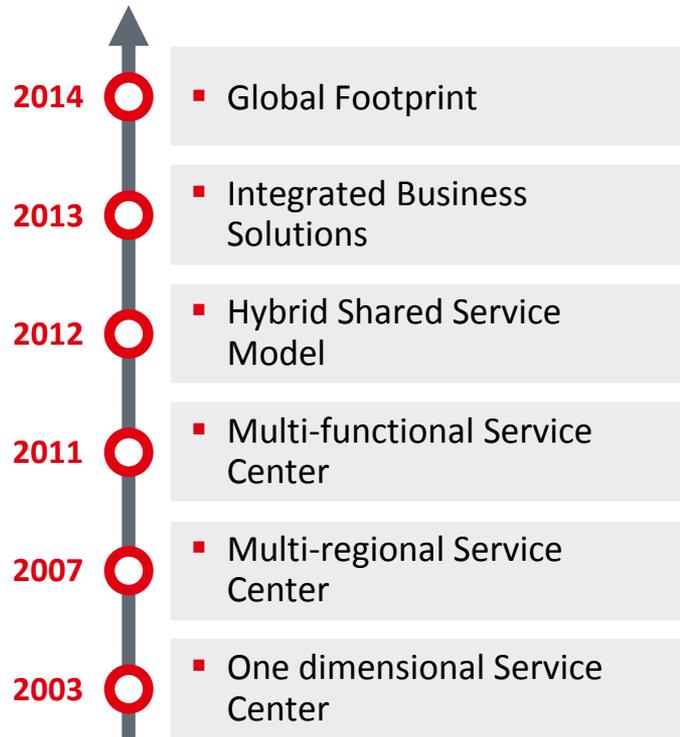
Organization of processes enabling agility & synergies

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## **Diverse**

organization with 3,000 employees, more than 40 nationalities and > 60% women

# | The Shared Service Centers journey



# SSC Bratislava

## Henkel's biggest Shared Service Center at a glance



1,400+  
employees  
whereof  
66% women

125 people  
managers  
whereof  
63% women

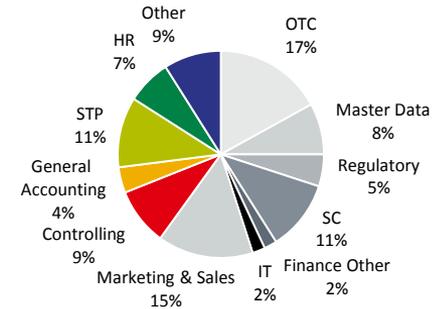


Ø 31 years

26 languages

35 nationalities

54% direct support  
to business units



# | Service portfolio SSC Bratislava

For the functions

For the business units



# Controlling service portfolio SSC Bratislava

## Scope and stakeholders

Finance Operations	Business Controlling	Corporate Functions	BI & Systems
Regional	Global & Regional	Global	Global
Country Controllers	Business Controlling	HQ Functions	Businesses and Functions

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# Controlling service portfolio SSC Bratislava

## Process scope

### Finance Operations



- Product costing
- Internal reporting (P&L, balance sheet)
- Standard country reports
- Basic analysis
- SAP CO module expertise

### Business Controlling



- Financial reporting & analysis
- Planning & forecast support
- Ad hoc reporting & analysis

### Corporate Functions



- Group financial controlling
- Subsidiary controlling
- Corporate treasury support
- CEO - financial analysis
- Internal audit support

### BI & Systems



- BI Center of Expertise
- BI transformation projects
- Report development
- Administration & user support
- System data load & validation

# | Controlling @ SSC Bratislava

## Synergies thanks to combined expertise

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**>700,000** material  
costed monthly

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Month end closing  
**executed for 75**  
**Legal Entities**

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Month end closing  
**coordinated**  
**globally**

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**120 P&L /**  
**balance sheet**  
reports automatically  
generated

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Reporting tool user  
support to **>2,000**  
**users** globally

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**10 global**  
**applications**  
supported

# Example: Advanced dashboards as information hubs

## Managed by Shared Service Controlling

**Henkel Group**  
YTD Q4/2016

EPS Adj. Growth vs. PY

# +9,8%

	OSG	EBIT Adj.	EBIT Adj. Margin
A	+2,8 %	1.629 M€	18,2 %
B	+2,1 %	647 M€	16,9 %
L	+4,7 %	1000 M€	17,3 %
<b>Henkel</b>	<b>+3,1 %</b>	<b>3.172 M€</b>	<b>16,9 %</b>



Beauty Care



Laundry & Home Care



Adhesives

ExCom Reports



E6/E7 analysis

TOPAS

Accounts Receivable Toolbox

Treasury Reports



L6 Report



Profitability Analysis

Brand Profitability(L)

Corporate Standards



AMR Database



Scout Slow Mover Reports

Search/ Archive Page



Need Help



Dashboards ▾
Reports ▾
Search ▾
Views ▾
Contact Us ▾

Eastern Europe View



Western Europe View



Latin America View



Asia Pacific View



North America View



IMEA View



Search/ Archive Page



Ask for Access



Request for New Report Development

# Example: Advanced dashboards as information hubs Managed by Shared Service Controlling

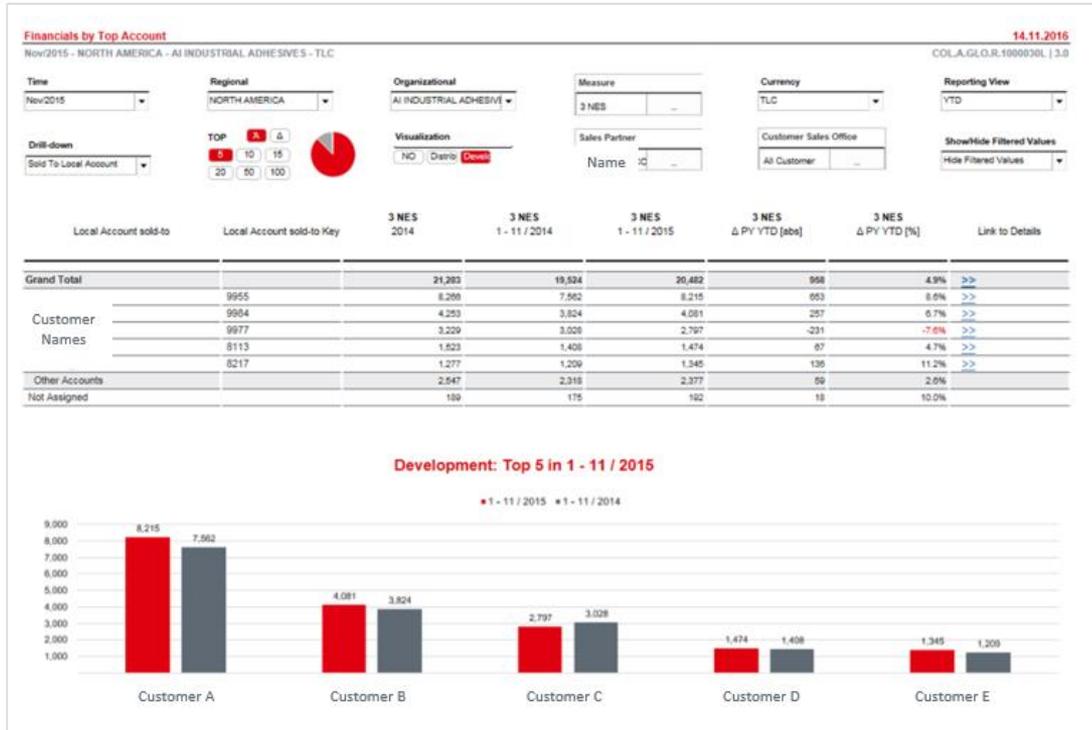


Shared Service responsibility:

- Dashboard design
- Report development, maintenance and update
- Links to all reports & information
- Access rights management

# Dashboards based on dynamic reports

## Flexible online reporting for many user groups

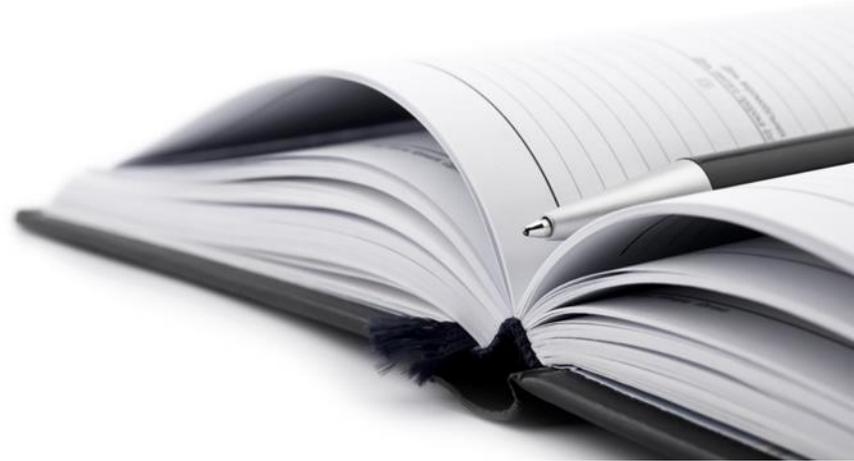


- Standardized & flexible online reporting
- Access to latest available information
- Fulfill requirements of broad user community

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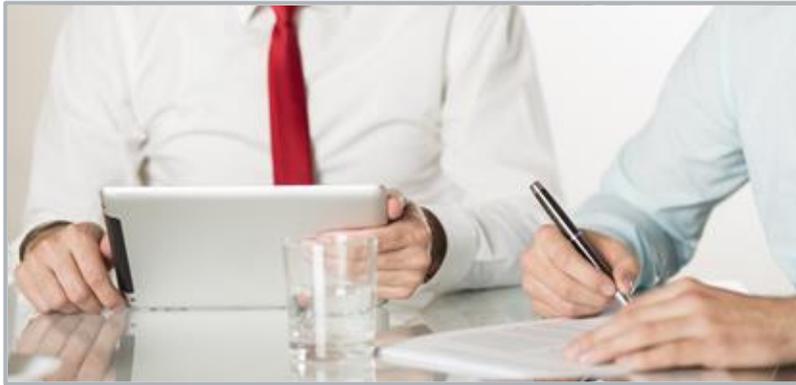
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# | Network instead of competition

SSC & local Controlling complement one another

## Local Controlling



- Content & process expertise
- Business partnering
- Interpret results & derive actions

## Shared Service Controlling



- Process and system expertise
- Operations excellence
- Standardization & scale

# Migration of Controlling activities to SSC created win-win

## Example – operations & reporting Eastern Europe

	Scope of transfer	Benefits
Closing and operational Controlling	<ul style="list-style-type: none"><li>▪ 90 % of closing activities</li><li>▪ 50% of operational work in SAP</li></ul>	<ul style="list-style-type: none"><li>▪ Automation of closing activities</li><li>▪ Harmonization across countries and business units</li></ul>
Reporting	<ul style="list-style-type: none"><li>▪ All standard reports</li><li>▪ 80% of reporting</li></ul>	<p><b>Shared Services</b></p> <ul style="list-style-type: none"><li>▪ Leverage of BI-Solutions</li><li>▪ Best practices &amp; knowledge sharing</li></ul> <p><b>Local controlling</b></p> <ul style="list-style-type: none"><li>▪ Increase involvement with businesses</li><li>▪ More time for content interpretation</li></ul>

# | Network instead of competition

## Example: cooperation during month-end-closing

### Local Controlling

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- Simulates forecast & follows up with local business managers
- Provides input for accruals posting
- Validates P&L and BS content resulting from closing process
- Analyses results and deviations
- Discusses results with business managers and jointly define follow-up actions

### SSC controlling

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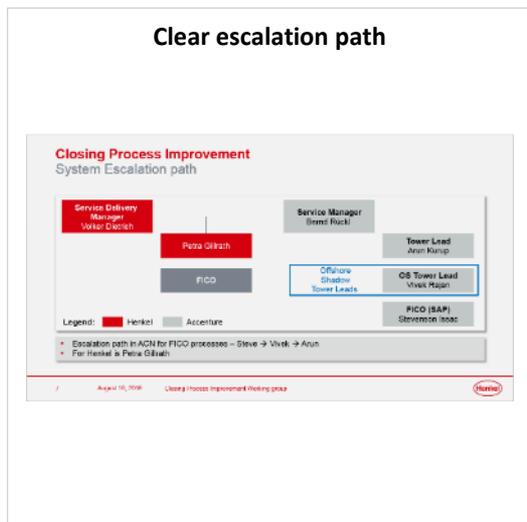


- Ensures SAP-set-up for closing
- Steers overall closing time table
- Processes inputs from local organization (i.e. accruals)
- Runs P&L/BS transactions
- Ensures process correctness, reconciliation and P&L/BS basic checks
- Delivers final results to global consolidation system

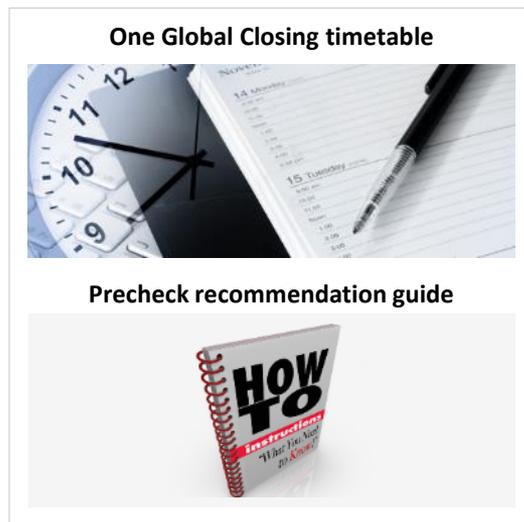
# Improvement of closing process

## Enabled by centralization at Shared Services

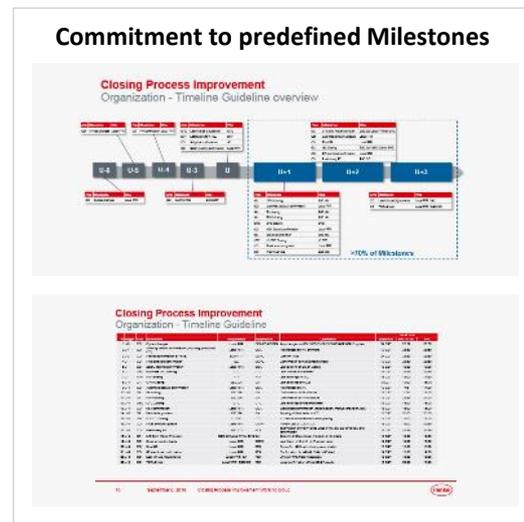
### System



### Process



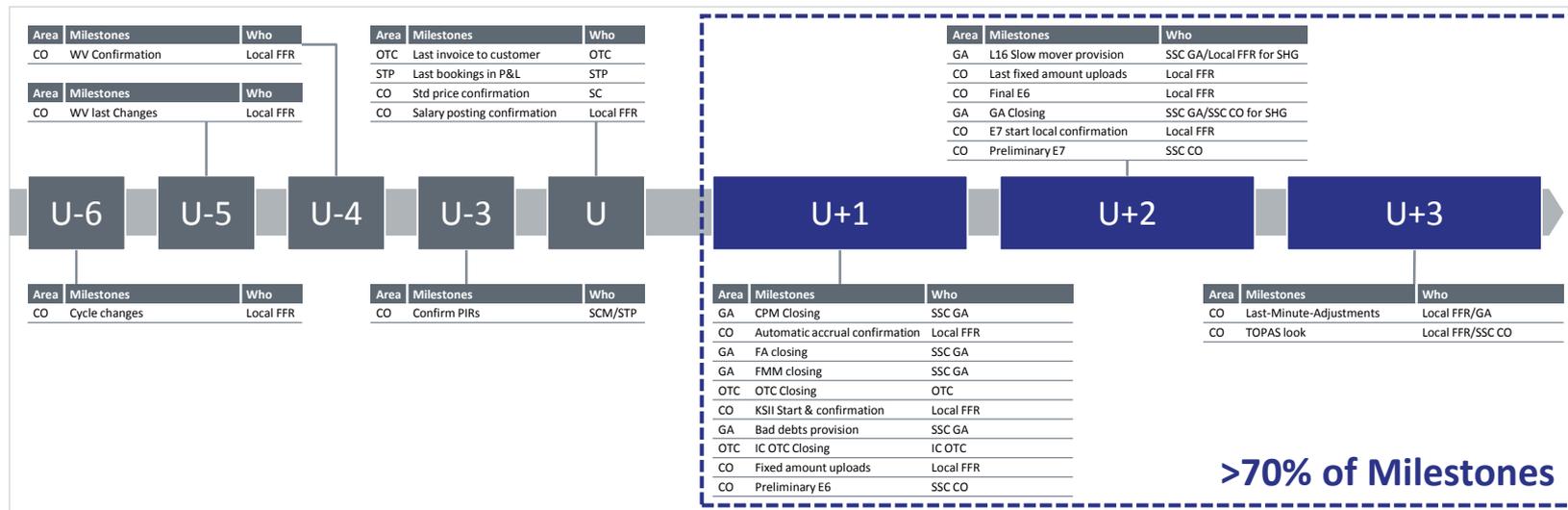
### Organization



➤ Successfully achieved thanks to close cooperation SSC and country controlling

# Improvement of closing process

## Harmonized closing schedule steered by Shared Services

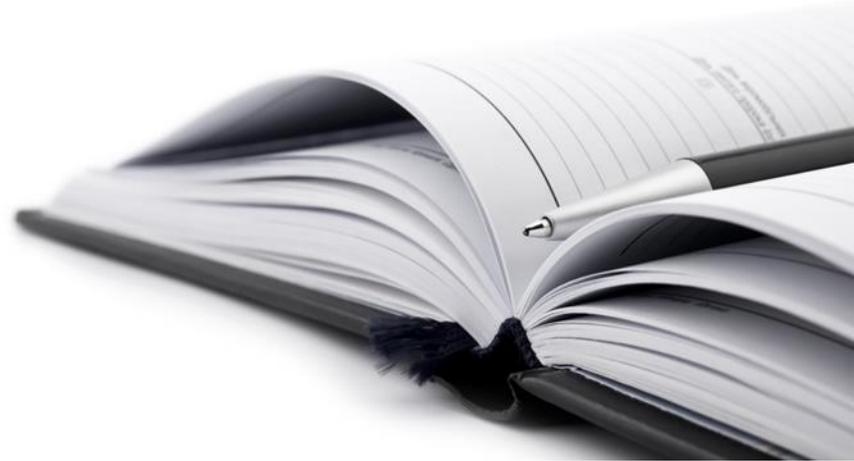


- Duration: U-6 ↔ U+3 (U+7 quarterly closing)
- 8 Shared Service Processes involved
- 160 closing steps / transactions

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# | Specific challenges of Shared Services Centers

## Remote collaboration



- Avoid “us” & “them”
- Create virtual teams

## Personnel changes



- Internal rotations
- Maternity leaves
- Employee turnover

## Capacity management



- Manage peaks
- Support projects

# | Specific SSC-challenges managed systematically

Focus on onboarding, planning, documentation & retention

Remote  
Collaboration



- Introduction visits to local entities
- Regular video conferences / phone calls
- Periodically F2F meetings

Personnel  
changes



- Employee retention program
- Comprehensive onboarding program
- Detailed and well-maintained documentation

Capacity  
Management



- Ticketing-tools
- Capacity tracking
- Back-up planning

# | Controlling @ Shared Services

## Much more than centralized operations

### Strengths

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- Scale effects & synergies
- Highly skilled employees
- Center of Expertise
- Visibility on process variants

### Opportunities

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- Agility in transformation projects
- Talent pipeline for local organization
- Incubator for process & system innovations
- Robotic process automation

# | Opportunity robotic process automation

## Leverage process expertise and automation know-how

System automation

- Mainly in one application
- Process steps according to rules readable by system
- Programmed with code
- Complex / high costs

IT expertise required

Standardization by Shared Service is enabler

Desktop automation

- In one application
- Process steps according to rules readable by system
- Programmed using tool kit or coding
- Comparably low cost

Process expertise required

Strongly driven by Shared Services

Robotic process automation

- Across applications
- Executes process steps identically to a human user
- No programming required
- Agile, flexible and at comparably low cost

Process expertise required

Shared Services as CoE

# | Controlling @ Shared Services

## Summary & outlook

- SSC controlling ensures harmonized and faster controlling operations using state-of-the-art technologies
- Intensive collaboration of SSC and local controlling – business partnering remains local
- Combined & centralized process and systems expertise
  - enables integrated solutions
  - supports global transformation projects and
  - is prerequisite to leverage potentials of robotic process automation



# Thank you!

