

## Shared Services Leadership Study: Competencies for a Changing Global Environment

The role of the shared services leader has changed dramatically over the last decade. Once exclusively responsible for tactical activities like cost reduction and process improvement, today's shared services leader must continue to manage those tasks and be a strategic visionary, helping his or her organization seize opportunities and manage risk across functions in a world with evaporating geographic boundaries and continual technological change.

Unfortunately, shared services leaders report several significant gaps between the capabilities demanded by the new environment and the ability to effectively deliver against those capabilities. This was one of the primary conclusions of the 2012 Russell Reynolds Associates' Shared Services Leadership Competency Study, which surveyed 62 shared services leaders across a range of industries, asking these executives to rate the importance of 14 competencies and assess the effectiveness of the organization's shared services leaders in executing against them.

### Survey Details

**Respondents:** 62 senior shared services executives

**Timing:** February 2012

**Industry Representation:** All

**Geographic Representation:** North America & Europe

**Company Sizes:**  
80% with 5,000+ employees  
55% with 25,000+ employees

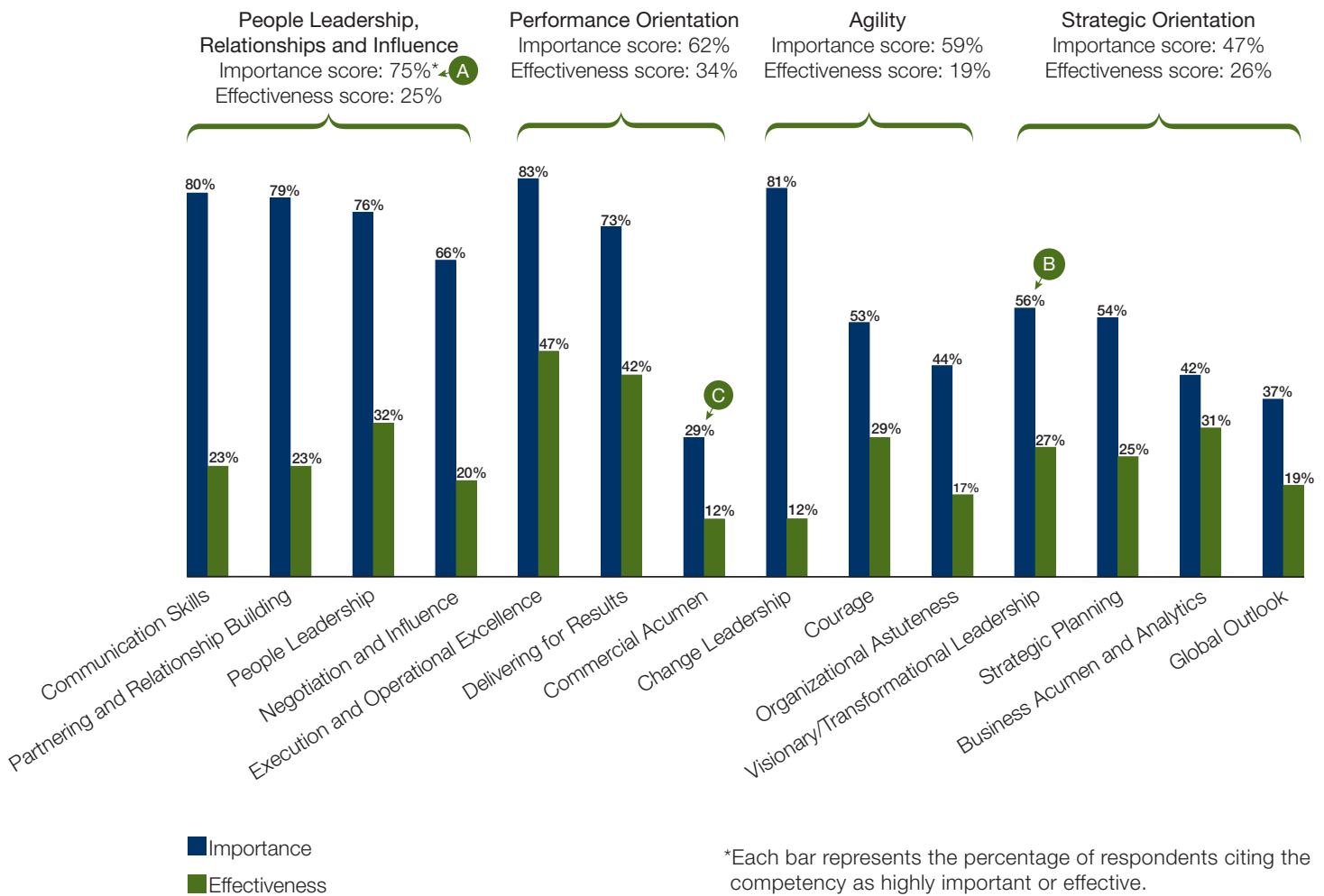
### Key Findings

- Although shared services leaders traditionally have been judged on “hard” skills like Execution and Operational Excellence and Delivering for Results, a significant majority (75 percent) cite “soft,” people-related skills as being extremely important to driving business success today (Figure 1, Letter A).
- Despite the emphasis they place on people-related skills, few shared services leaders give themselves high marks in this area. All four of the People Leadership, Relationships and Influence competencies feature significant gaps between reported importance and effectiveness (Figure 1, Letter A).
- Shared services leaders acknowledge their new mandate for driving organizational transformation, with 81 percent citing Change Leadership as very important. However, only 12 percent report high effectiveness in this area—the largest importance/effectiveness gap identified in the survey. We believe a major factor contributing to this gap is

a blind spot surrounding Strategic Planning and Visionary/Transformational Leadership, which received surprisingly low importance ratings. Without careful planning—or the design and communication of a clear vision of the future—shared services leaders will struggle to effectively drive change within their organizations (Figure 1, Letter B).

- Another blind spot surrounds Commercial Acumen, which similarly received low importance scores. For shared services executives to effectively advise cross-functional peers and convey the commercial benefit of their teams’ effectiveness, these leaders must have a solid grasp of end-customer requirements and expectations (Figure 1, Letter C).

Figure 1



## Taking Action

To help shared services executives optimize performance, we have isolated below the five competencies showing the greatest importance/effectiveness gaps (Figure 2). In addition, for each competency, we offer recommended developmental experiences for improving effectiveness. This information should be useful for designing and implementing individual development plans and managing succession for the head of shared services.

Figure 2

Target Competency	Competency Description	Developmental Experiences
Change Leadership	Implements needed change while maintaining the cohesion of the organization and meeting short-term operational goals	Manage a change program that impacts multiple functions
Communication Skills	Communicates clearly and effectively; facilitates collaboration; seeks to learn from others	Take a course in formal speaking and/or interpersonal communication
Negotiation and Influence	Gets others to buy into a vision; quickly earns credibility; protects interests and grasps opportunities while creating win-win situations and maintaining a reputation for fairness	Observe top procurement staff during a negotiation
Partnering and Relationship Building	Works effectively with leaders of internal business units and external organizations; designs and manages multi-organizational initiatives; demonstrates empathy for others' views	Complete a "listening tour" with the functional representatives within the organization. Understand their challenges, goals/objectives and value drivers
People Leadership	Attracts, develops, engages and retains the best talent for the organization; inspires and motivates teams to achieve extraordinary results	Identify a senior leader who is a respected people manager and ask that person to be one's mentor

**Conclusion**

As shared services leaders face increasing expectations and changing business requirements, they must determine which skills and abilities will best carry them forward. We hope that the findings from this study provide a useful guide for identifying and building the capabilities required to succeed in the new world of shared services.

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