

Acorn Systems

Shared Services Manager (SSM)<sup>TM</sup>

## Verifiable Shared Services Transparency

## Determining Service Value

In today's economic climate and the foreseeable future, organizations are trying to reduce costs to an absolute minimum by eliminating non-value add activities and improving overall efficiency of their operations. Years of consolidation have created complex organizations with many overlapping operations. While some have made strides to consolidate operations, most have only succeeded in further complicating the picture to the point where they have absolutely no idea how their back office operations support their revenue producing processes. Meanwhile, front office leaders are growing increasingly frustrated with their lack of transparency and expense control for the back office operations. As a result, the fair assignment of back office expenses eludes most organizations.

Ironically, one of the first areas where costs get slashed is back office operations because these costs are typically assigned to the front office as overhead using a flat percentage. Without defensible numbers, back office leaders are forced to comply with across-the-board cuts irrespective of the demand for their services. This leads to further declines in the quality of services and even lower perceptions of their value. These leaders often face obstacles, such as lack of data and traceability, which makes cost transparency extremely complex and difficult to deliver. They also face an educational hurdle to communicate their approach to individuals without a financial cost management background. Best practice leaders have been successful in providing better visibility into back office operations by effectively modeling based on the actual use of their services. As a result, consumers of these services can better understand and manage their consumption, which leads to substantial savings across the entire organization.

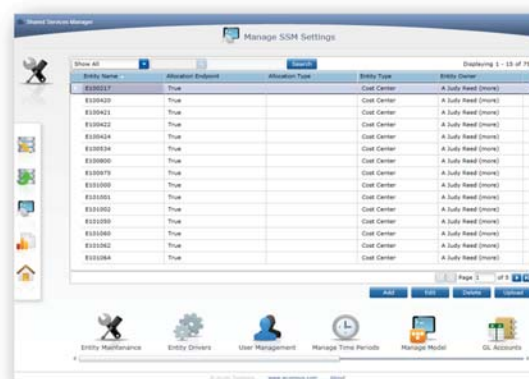
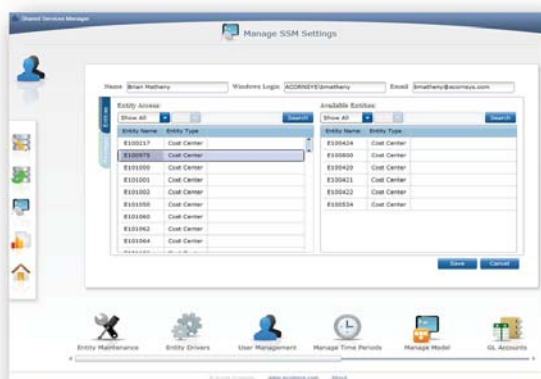


Business User Empowerment &amp; Control

Acorn's Shared Services Manager (SSM) encapsulates a variety of best practice approaches into a sustainable and streamlined process, never delaying the month-end financial close. The product elegantly handles even the most complex allocations and it scales to support the largest shared services organizations' data handling requirements. Once implemented, it gives complete transparency into shared services costs, allowing the understanding of the root cause of those costs, thus creating the ability to get a handle on how to better leverage shared services functions.

### Simple Rules for a Complicated Problem

Back office leaders need a simple way to define the services they provide and relate them to the drivers of their expense without becoming cost management experts or creating complex workarounds with many manual steps. SSM simplifies the process using built-in best practice rule-sets that require no additional assembly. Simplicity leads to better understanding, greater acceptance and provides business leaders with the confidence they need to make business decisions that lead to bottom line results.



Full Cost Transparency for Business Units

### No Data, No Problem

Nobody likes filling out timesheets so often times it just simply does not get done. If it gets done, the data gathered is often inaccurate or incomplete, leading to misleading results. SSM's unique approach to data gathering eliminates guesswork and streamlines the process with advanced policy management features that not only validate the required data, but also handle cases where data is incomplete or missing entirely. Of course, all data is tracked throughout the process so there is never any question about its origin, satisfying even the most rigorous audit requirements. There are even notification capabilities to help manage the data gathering process itself.



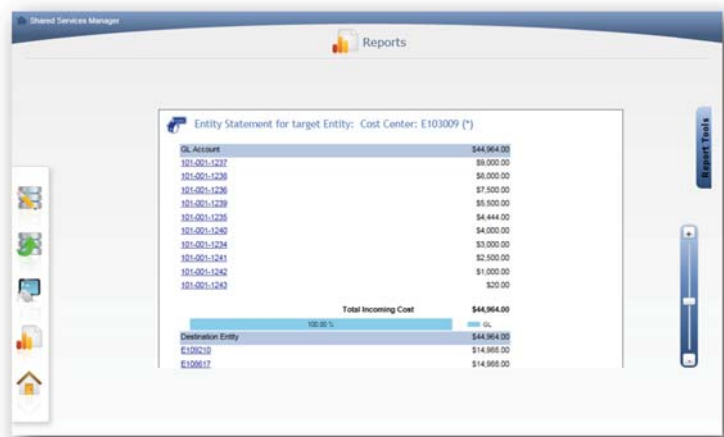
Web Based Cost Driver Data Capture

## Eliminates Spread Marts

Spread marts are a growing concern for many organizations. Efforts by IT organizations to reign in the use of spreadsheets are often met with stiff resistance from business users who rely on their flexibility and ease of use to get things done. SSM eliminates the need for spreadsheets by tracking all inbound and resultant data in a centrally located and secure database. SSM delivers these benefits without sacrificing the flexibility business users require while maintaining a low total cost of ownership.

## Drive Out Cost by Eliminating Wasteful Consumption

Most chargeout systems for back office operations stop short of providing actual business value. Even the fairest of chargeout methodologies will not allow business users to better manage their services costs because they fail to link expenses to their business drivers. Imagine paying for a service where you have no idea how much it will cost until after you have used it. SSM provides full visibility into service cost drivers allowing business users to more effectively control their consumption.



Pre-Built Reports Empower Business to Predict and Control

## Make Smarter Business Process Consolidation and Outsourcing Decisions

Whether it is information technology or payroll, outsource providers all promise to lower costs through optimized operations. Organizations are often surprised when results are not what was expected. Most did not have an accurate picture of their costs prior to outsourcing. SSM makes it easy to identify how much you are paying for a specific service. Compare unit costs against peer benchmarks or outsourcing rates to negotiate with knowledge and make smart decisions.

## It's Complicated (but it does not have to be)

Organizational complexity is an unavoidable fact of life that creates problems for most tools used to determine service costs. The workarounds required to model multiple levels of service relationships and their interdependencies make it difficult, if not impossible, to determine anything but the origin and final destination of any cost. SSM does not limit the number of levels or interdependent relationships your business requires. Only SSM provides complete traceability whether it is from the origin, destination or any point in between with a level of performance you have come to expect from Acorn Systems.

## Charge It or Not

Some organizations have adopted a shared services cost control strategy focused on improved efficiency and capacity utilization while others have adopted a strategy to chargeout cost of services to the consumer using one of several unit pricing methods. Regardless of your cost control strategy, SSM makes it easy to execute by supporting whatever method you need, including various hybrid methods.

## Fixed or Variable

What is considered a fixed cost and what is a variable cost is often a matter of considerable debate. Lack of agreement on what constitutes a fixed cost or variable cost can often distort planning scenarios because erroneous assumptions are made between the business drivers of cost and the consumption of back office capacity. As a result, potentially game changing strategies are missed because a cost assumed to be fixed is actually variable at some level. For example, let's say you had the option to choose between two wireless plans: the first plan offers you unlimited call minutes for a fixed price and the second plan includes a certain number of monthly call minutes after which you are charged at a certain rate per minute. At first glance, the unlimited plan sounds like a better value because it is fixed. However, after monitoring your actual consumption, you may find out that, while you occasionally exceed the included number of monthly call minutes, overall you would be paying less for the second plan. By linking your consumption to underlying capacity of both plans, you are able to intelligently determine the optimal level of fixed costs for your budget. As in this example, one of the biggest opportunities for many shared services consumers to reduce costs is to examine their Service Level Agreements (SLAs) and to compare the costs of different levels of service and to rationalize that with the needs of the business.

## SSM – Simplify Your Process Today

SSM simplifies and manages your shared services cost allocations. It is an easy-to-deploy and easy-to-use solution that handles your modeling, data collection and reporting needs. It elegantly manages complex organizations and organizational structures and produces accurate results in a timely fashion. SSM will make your process and your company more efficient, enhancing your competitive positioning in a return to profitable growth.



## About Acorn Systems

Acorn solutions combines technology and methodology to improve profitability and increase shareholder value for Global 2000 companies in Financial Services, Retail, Consumer Products, Manufacturing, Distribution, Logistics, and Services. To learn more about improving your company's profitability call 1.800.982.2676, email [sales@acornsys.com](mailto:sales@acornsys.com), or visit [www.acornsys.com](http://www.acornsys.com)