

Why Sharing Resources Makes Enterprises More Resilient and Adaptable in Today's Environment

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Key insights

Discover why sharing services across companies makes sense in this new post-pandemic environment.

- Adjusting your shared services model to work within today's new paradigm offers surprising benefits
- Achieving a balanced, cost-effective, flexible approach to business continuity is essential
- Using a proven, secure operating model can allow you to fully utilize your work-from-anywhere talent pool

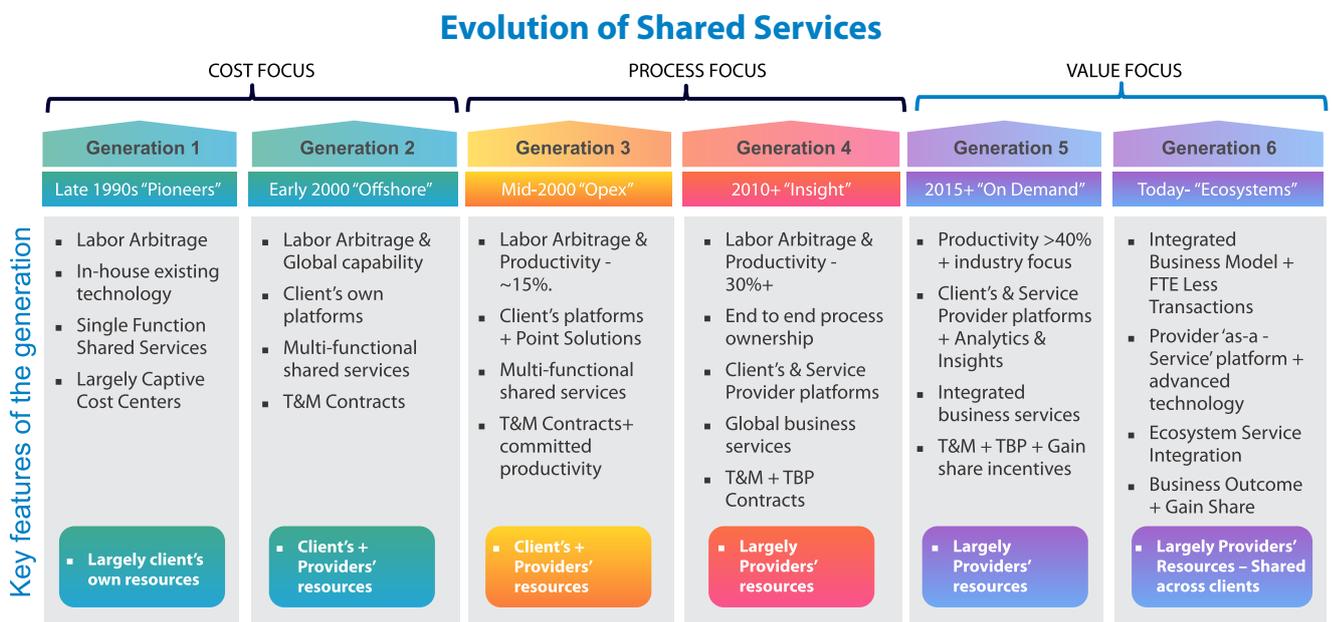
The concept of sharing and utilization has become increasingly evident in human society. Sharing as a way of being in the world has emerged, as we collectively observed that we were underutilizing our cars, houses, and computer resources—and other things. We wanted access to those things, without the hassle of ownership and with no waste. Airbnb, Uber, and Microsoft Azure are a few of the companies that emerged as disruptors and made tangible the advantages, opportunities, and benefits of a sharing model. In the area of the human workforce, for example, you can often find underutilized capacity against high costs. If we are able and already used to other ways of sharing, it makes sense to do this at a business level, where companies can take advantage of a flexible sourcing model that provides the right number of human resources when they are needed.

Recent global events have forced people and companies to look, think and act differently. The situation in which we find ourselves has forced us to question previous models and risks we underestimated. Being prepared for a situation that will likely never happen is costly—and yet if it does happen, the unprepared will pay an even steeper price. How can you strike a balance between risk and cost? Now that we fully understand the possible impacts from an epic disruptive event and what is needed to adapt and respond appropriately, it's the right time to take a second look at sourcing models—how they've evolved and where they're heading.

Shared services: “business as usual” post-pandemic?

Shared services, business process outsourcing (BPO), and captives have typically been viewed in terms of designated physical locations and dedicated resources to specific companies or clients. In many countries it was not uncommon to have discussions about whether people should or could work from home. In response to the global lockdown, working from home has become the new norm without any debate. Is there a possibility that shared resources across clients will become standard operating procedure in BPO?

When we go back and look at the development of sourcing, we can recognize different stages of evolution and models.



Source: Based on TCS Internal Study

Achieving a balanced approach to sourcing and business continuity

The optimal BPO model seeks to build a sourcing solution with a balance of quality, continuity, and costs. During the first phase of COVID-19, it became clear that continuity—keeping your operations running and serving your customers without interruption—was the biggest, most important factor. However, most business continuity plans (BCPs) mitigate risks only from within a specific country. For example, when there is a flood in the south, it does not translate to a problem in the north because with a traditional BCP, the services/operations are seamlessly shifted to the north and the business keeps running.

The global pandemic disaster taught us all very quickly that having a continuity strategy in a country is not enough, even within the same continent. We need to look beyond borders and continents if we want to ensure continuity can be provided. Unfortunately, certain crises cannot be predicted, but the data and science indicate that it will happen. After a crisis every government, every company is willing to take measurements and spend money based on their latest experiences. But when the crisis is infrequent and likely to not happen again in the near future, people start to question the necessity for spending so much money on an unlikely "what if" scenario.

Thinking ahead for future strategies and opportunities

During a crisis, the outsourcing delivery model will be tested on its preparations and precautions. Having a shadow team on the other side of the world on stand-by, waiting for a crisis to happen is very secure, but also very costly. If a crisis does not happen or happen often, executives start to ask whether there is a legitimate need for the expense. It seems that a win-win cost-effective solution is to create a true shared services organization that is flexible, scalable, and resilient in times of disaster, whether manmade or natural.

Opportunities and benefits

Can the sharing of resources become part of today's new business environment? Here are some potential opportunities that could be gained from a shared services model.

Ecosystems

In a paradigm shift driven by a global pandemic, we start to understand that everything and everyone is related and connected. When optimizing our business processes, we also need to look beyond traditional boundaries to a larger partner and technology ecosystem and explore how we can share the human talent pool in a win-win scenario.

Agile

Agile is about collaboration and innovation. Let's rethink how we can share resources without competing. For example, is your way of doing your financial accounting really a unique selling point?

Optimizing the talent pool

Language capability is still an issue, especially for languages like Dutch, Norwegian, Swedish, and Danish. Some clients in a shared services organization don't always have enough work for a full-time associate. If the need is high, the language will come with a price, which is relatively high and inefficient because the full available time is not utilized. Consider the value if you could get 0,3 FTE from the talent pool and other clients could use the other 0,7 FTE—in other words, you pay for only what you need and share the costs with others.

Business continuity

The rate of attrition of people is monitored very closely in BPO. By sharing exceptional resources, the provider always has a pool of hard-to-get resources, which can be also used as backup for other accounts.

Cost reductions

It goes without saying that by sharing resources, you share the costs, which implies a direct cost reduction. Let's call it RaaS, or Resource as a Service, and you pay by use.

Crisis teams

COVID-19 taught us we must be prepared for unexpected global and local disasters of every type. Keeping a SWOT team ready can be costly, but by sharing this resource, the expense is much more bearable.

Addressing objections

Why is it important to address objections?

Addressing objections is important because it helps build trust and educate people about the benefits of sharing resources and sensitive information. When an NDA is required, it typically does not state that an individual is prohibited to sign multiple NDAs. If a client does not want to share resources, a legal workaround to consider is adding a clause or condition stating that none of the associates from the talent pool can be shared with the competition. Companies like Ahold, Shell and Bayer can easily share resources from a competition perspective.

What is SBWS™?

TCS' Secure Borderless Workspaces™ (SBWS™) is a transformative operating model framework that allows organizations to take full advantage of their talent ecosystem to maximize business opportunities. It encompasses a wide range of human functions, including infrastructure, talent management and employee engagement; processes, tools, and governance mechanisms; and collaboration and engagement practices.

What about performance and security?

There are technologies available that can measure and monitor performance of employees at other remote locations. For example, [TCS' Secure Borderless Workspaces™](#) is a technology-based solution that has proven it is possible, on a large scale, to ensure security while enabling a remote workforce for any business. In fact, during the initial phase of the lockdown, TCS was able to transfer 95% of its nearly half a million associates (450,000+) to work securely, remotely, from home—and all within a few days.

TCS' swift transition to a remote working in the face of COVID-19 induced lockdowns was facilitated by its SBWS™ operating model. This transformative model enables remote access for employees, sets up a suitable cybersecurity framework and all project management practices and systems needed to ensure that work allocation, monitoring and reporting continues as normal.

Conclusion

Sharing resources makes sense in today's new business paradigm and supports new, more resilient ways to work within ecosystems, optimizing resources and services, reducing costs and environmental impact. Continuity, cost reduction and the development of more robust service models—helping us to be better prepared for the unforeseen challenges of the 2020s.

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