Executive Summary: Shared Services

The Shared Services Committee was tasked with two items:

- to identify efficiencies that can be realized by implementing shared services between colleges, including accounting and academic support services, and

- to make recommendations on potential structure, functions, and other ideas in a shared services model for NDSU.

Below is a summary of our findings along with our March 3rd, 2022 presentation for reference.
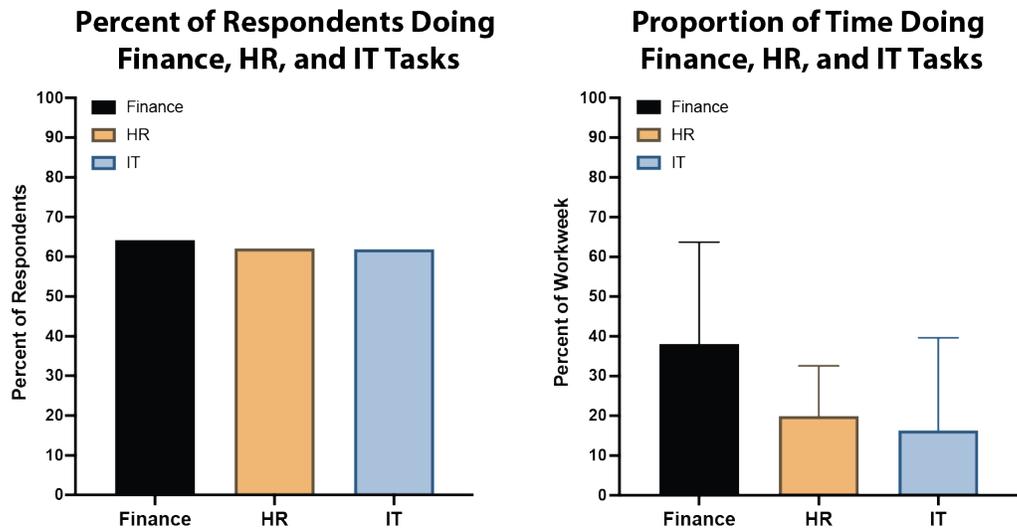
Before any implementations take place, everyone involved in the decision-making process needs to clearly understand the difference between a shared services model and a centralized services model. While both have advantages for the organization, the shared services model is often confused with centralized services, but there are key differences. Gartner defines the approaches as follows:

- The shared services model is designed to provide services to "customers" — internal stakeholders, business-unit leaders and functional heads. The shared service organization typically operates like a business, with a defined set of services and pricing structure.
- Centralized services are usually an extension of functional teams located at an enterprise's headquarters, and certain types of work required throughout the enterprise (e.g., transaction processing) are performed by this single centralized organization.[1]

Currently at NDSU we have some small areas that operate in more of a centralized model where resources are shared between departments.

In early 2022, the committee did a survey of NDSU's academic support units that looked for tasks or functions within those groups that may be areas of focus for these models. As shown in the graphs below, our survey data indicates that NDSU could pilot a shared service model in the areas of finance and accounting.

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[1] Wiles, J. "3 Advantages of Shared Services over Centralized Services." Gartner, April 8, 2021.
https://www.gartner.com/smarterwithgartner/3-advantages-of-shared-services-over-centralized-services

**Percent of Respondents Doing
Finance, HR, and IT Tasks**

**Proportion of Time Doing
Finance, HR, and IT Tasks**

Our research shows that other universities have implemented shared services models; we recommend reaching out to some of those institutions to discuss their journeys and what they have learned since first implementing shared service models before trying this at NDSU. As the concept of shared services has been around for some time, we can learn from other institutions, although each model is unique to that university. Ideally, we would evaluate their best practices and adapt them to the NDSU environment. When implementing shared services, NDSU should start small and pilot in one area; once the pilot succeeds, NDSU can expand and grow the model to other areas.

It should be noted that moving to a shared services model is not a quick fix; it will take time, planning, effort, and will not save money in the short term. It will also require leadership support, clear goals and objectives, and constant communication, and will require the development of change management strategies for effective implementation.

Lastly, regardless of whether or not a shared services or centralized model is implemented, NDSU could see immediate benefits from process improvement efforts. Identifying and improving processes would be an initial step in an implementation plan regardless of if or what model NDSU chooses. This would potentially result in cost savings and increased efficiencies, freeing up employees to do other value-added work for the organization that currently is not or cannot be done with the available resources.