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SYNERGY EFFECT AND FUNCTIONING OF SHARED SERVICES CENTERS

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Abstract: Shared Services Centers (SSCs) have become a strategic component of today's business environment. Most large companies centralize their business processes in specialized units called SSCs or outsource some of their processes to third-party providers – the so-called Business Process Outsourcing (BPO) companies – that effectively manage SSCs for them. The goal of the paper is to investigate the activity of SSCs in Poland. On the basis of statistical data, the growth of SSCs on the Polish market was diagnosed. One of the most important factors having an impact on the significant growth of SSCs seems to be the synergy effect. This paper aims to indicate the main benefits and savings resulting from the synergy effect for the organization.

Keywords: Shared Services Centers, synergy effect

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Introduction

Theoretical considerations related strictly to the concept of shared services historically are not solidly grounded in the literature as the whole subject (i.e., the modern approach to business supportive functions via Shared Services) is relatively new. Although the shared services model is quite new (its origins date back to the 1980s of the 20th century), the more general concept of outsourcing of certain services was already known in the ancient times (!) – "the contracting out of organizational activities is no new phenomenon. The Romans contracted out tax collection, while in eighteenth- and nineteenth-century England, service provided by the private sector under contract to local authorities included the maintenance and operation of street lights, prison management, road maintenance, the collection of public revenue" (Kakabadse, Kakabadse 2000). This type of cooperation between state-owned organizations and private sector was also well known (already in the 19th century) in France (railways, water storage), the USA and Australia (mail delivery) and many other countries.

Identifying Shared Services Centers

Among the many definitions of what an SSC is, the definition by Peeriosity, one of the leading best practice research programs for shared services professionals, suits us the best. Peeriosity says that "Shared Services is a business model that enables resources to be leveraged across an entire organization resulting in lower costs with agreed upon customer service levels. In many instances, Shared Services is a separate business unit created within a company or agency accountable for delivering a suite of services to both the operating business units and the corporate functions" (Szpor, Ziółkowska 2018). One of the key aspects in the definition above is that SSCs operate using a service level agreement (SLA), which enforces proper quality of service. In the SSC model, other business units become customers, and this relationship requires continuous improvement in processes that are in the field of SSCs operations. Janssen and Joha consider the SSC as "a separate and accountable semi-autonomous unit within an (inter)organizational entity, used to bundle activities and provide specific pre-defined services to the operational units within that (inter)organizational entity, on the basis of agreed conditions" (Janssen, Joha 2006). From the point of view of the shared services model, and in particular the provision of internal services, such as accounts payable, we can highlight the opinion of Sam Walton, the founder of Wal-mart. According to him "There is only one boss. The customer. Moreover, he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else." Currently, this statement is very true for such services because every SSC must nowadays prove its value and compete with BPOs that are ready to take over the services within such a short period of time as a couple of months. Typically, transferring services from an internal SSC to a third-party BPO provider takes not more than a few months and often less than a month. Also, various organizations including non-commercial organizations, such as ministries, municipalities, hospitals, and universities, have started to embrace the concept and set up SSCs for supporting tasks (Janssen, Joha 2006).

One could ask what is the difference between a centralized department and an SSC. Typically, centralized departments are seen more as corporate functions focused on meeting the requirements of the headquarters, whereas SSCs work for business units or divisions and these are the business units and divisions that are the customers of SSCs. Thus, business units and headquarters effectively define the requirements and expectations in terms of the provided services. Centralized departments do not have written contracts/services level agreements (SLA) with other business units, whereas it is hard to find SSCs that do not have clear contracts and key performance targets in these days. SSCs, in the majority of cases, are placed in other locations than the headquarters, whereas centralized departments are usually located in the same location as the headquarters. Typically, SSCs are placed in relatively low-cost areas in order to generate the required savings for companies. Modern SSCs employ thousands of people in different parts of the world. In order to show the scale of the SSC undertakings, we would like to discuss the example of the Royal Dutch Shell Company that has approximately 10,000 employees working in shared services organizations only. These people are spread across five main SSCs in Glasgow, Kuala Lumpur, Cracow, Manila, and Chennai and provide very sophisticated services including financial reporting, logistics processes, statutory accounting, and stock exchange reporting.

The real "boom" for outsourcing / shared service type functions started in the 1990s of the 20th century when corporations initiated the separation of back-office functions and started converting them into specialized units (either as part of their organization or as an outsourced service).

As in the case of many other "inventions," the genesis of this trend is not clear. The range of alleged beginnings varies from evolutionary theories to the concept of "big bang." One of the stories stipulating that the model was "invented unintentionally" was brought by Tom Olavi Bangemann (Vice President Business Transformation at The Hackett Group), who says that in the early 1980s of the 20th century a large group of finance people left a Finnish subsidiary of Ford Motor Company at the same time. As it was too difficult for Ford to rebuild finance organization in Finland in a short time, they went for emergency support from their Swedish facility. The solution worked well, and Ford decided to keep it as a permanent arrangement for Finland and also implement a similar setup in other countries. About 20 years later, Ford moved the first finance process on a global basis to India (Bangemann 2005).

Genesis and development of SSCs since the early 1990s

The term *Shared Services* has been in use since the early 1990s. At that time American companies started creating on a bigger scale dedicated business units that were responsible for providing specific business processes to other internal organizational units. In the early 1990s, the SSCs focused purely on transactional processes like accounts payable or payroll. Successful American SSCs managed to decrease the back office costs significantly, which was an excellent example for European companies. Along with globalization, multinational companies started comparing back office costs in North America and Europe. In the 1990s, the costs of European back-office operations were at a significantly higher level, which was one of the triggers for European companies and the European branches of American companies to set up SSCs in Europe. S. Cacciaguidi-Fahry, J. Currie and M. Fahy present in the ACCA Research Report No. 79 *Financial Shared Services Centres: Opportunities and Challenges for the Accounting Profession, 2002* other important factors that enabled and stimulated the growth of the SSC business model in Europe. In particular, the authors mentioned the fact that organizations were put under a continuous pressure to cut costs and improve margin. The harmonization of European accounting standards and tax regimes as well as the liberalization of telecommunication markets were other incentives for the growth of the SSC sector. Another critical factor was the technological development in the form of International Direct Dial, Enterprise Resource Planning systems (ERPs) and International Virtual Private Networks (VPNs). In addition to that, the development of workflow technologies enabling scanning documents and electronic approval flows, as well as improved access to internet and broadband connections, has enabled the creation of 'modern – remote' SSCs (Ślusarczyk 2017).

According to the above mentioned ACCA report, in 2002 60% entrepreneurs from the Fortune 500 list (the largest companies) had SSCs in their structures. Over the next eleven years, the SSC coverage increased significantly. According to Tanya Bondarouk, who is the editor of the book *Shared Services as a New Organizational Form, 2014,* in 2013, the number of Fortune 500 companies that used the SSC model for at least one function, reached 85%. It shows clearly that the model was adopted on a widespread scale.

The first SSCs were created in the United States of America. Then in the 1990s, a number of multinational companies adopted this model in Europe, mainly in the UK and Ireland. Until the end of the 1990s, the SSC business model was largely used by Anglo-Saxon companies in the domestic market. In the first decade of the 21st century, a number of mainland European companies decided to create SSCs. This period of time also represents a considerable change in selecting locations for SSC organizations. With continuous globalization and the opening of new markets, predominantly in Eastern Europe and the Asia-/Pacific region, large multinational companies decided to open their SSCs in these emerging regions. Clearly, the cost aspects and labor arbitrage were one of the key factors why these markets where selected. Technological progress played here a critical role and made remote work possible. According to the report *Business Services Sector in Poland 2015*, prepared and published by the Association of Business Service Leaders (ABSL), which is an association of SSCs and BPOs with foreign capital in Poland, there were approximately 4.3 to 4.4 million people employed globally in this sector in 2015. Out of the this number, 80% were employed in the APAC region, 52-56% in India, 20-23% in the Philippines, 8% in the so-called "near shore Europe", mainly in countries of the Central and Eastern Europe, 6% in Latin America and the Caribbean, and 6% in other countries. The numbers exclude domestic markets. The fact that more than 4.3 million jobs were moved to a foreign SSC/BPO location shows the scale of operations and the phenomenon of this business model.

Historically, only transactional processes, such as accounts payable, accounts receivable, human resources database maintenance, travel and expense administration, and some basic help desk activities were in the scope of SSCs. These processes were considered the most labor-intensive and offering the largest return on investment from centralization. Over time, the companies realized that the savings and efficiency come not only from replacing expensive accountants in Western Europe and North America with cheaper personnel in Eastern Europe or Asia-Pacific but mainly from process optimization and standardization, and improved control in a centralized environment. Moreover, the management of business units was able to focus on strategic core functions without worrying about all the supportive functions that were moved to the SSC. Bondarouk (2014, p. 3) argues that US companies achieve between 40-70% cost savings within the first two years of SSC functioning. In comparison, European companies achieve cost saving in the range of 25-50%. In the course of time, the companies expanded the scope of services covered in the shared services model to the following processes: general ledger accounting processes, controlling, financial reporting, fixed assets accounting, procurement including process administration and sourcing activities, sales support including customer help desks and back office activities including order maintenance, HR processes including recruitment, employee on-boarding, employee relocation, training administration, compensation and benefits and pension administration, internal audit, cash management, project management, tax/regulatory compliance, insurance administration, communications services, media relations, information technology services, including helpdesk, application development, application maintenance, hardware and software acquisition. Currently, a large number of companies are trying to introduce the whole end-to-end processes to the SSC model. For example, not only accounts payable are included within the scope of services but the whole process from ordering goods to payment. Thus, not only processing supplier invoices but also sourcing, purchase order maintenance, supplier master data maintenance, and payments are covered by one stream within an SSC. Analogically, we can speak about Order-to-Cash function on the customer side, Hire-to-Retire function on the HR side, Record-to-Report in the finance area and Acquire-to-Retire in the Fixed Assets process.

Analysis of the SSC/BPO market in Poland

Current employment in SSCs/BPOs is indeed very high in Poland. We should accentuate that the level of employment in this area is higher than in the coal mining industry. According to ABSL, in 2018 there are approximately 279,000 people employed directly in the SSC/BPO sector. This number consists of 225,000 employees in SSCs/BPOs with foreign capital and more than 50,000 of employees in SSCs/BPOs with Polish capital only. Thus, what is the employment in the mining industry? According to *Portal Gospodarczy WNP.PL* the coal mining industry employed 82,700 people at the end of 2017 (https://gornictwo.wnp.pl/…). This illustrates that the SSC/BPO sector is one of the key business sectors in Poland although it is not publicized in the media.

The Association of Business Service Leaders (ABSL) is an association of more than 170 global investors who created SSCs and BPOs in Poland. Its mission and strategy are based on five pillars: knowledge sharing, human resources, legislation, economy, and public relation. The strategy is executed through the cooperation with Polish authorities, networking, building sector awareness, and employer branding. The ABSL publishes annual reports showing numbers and trends in the SSC/BPO industry in Poland. These reports are the main sources of data that will be used in this section to analyze the phenomenon of the SSC/BPO market in Poland. According to the ABSL report, *Business Services Sector in Poland 2015* (p. 8, 17), the SSC/BPO industry in Poland in 2015 was as shown in *Table 1* below.

Table 1. Key figures describing the Polish SSC/BPO Market

Employment in business service centers with foreign capital	150,000
Number of business service centers with foreign capital	532
Number of foreign investors (some investors have more than one center)	356
Employment growth between April 2013 and April 2015	36%
Average number of employees in business service centers in Poland	285
Number of newly opened centers in the period of time 2014- mid-2015	60
Projected employment in the sector by the year 2020	250,000
Share of centers providing services in the financial sector	48%
Number of Business Centers employing more than 1,000 people	30
Number of locations in Poland with foreign capital	40

Source: Author's study based on (ABSL 2015, p. 8, 17)

The data show the vast scale of this business. In our opinion, the pace of growth of this sector is even more impressive, which is illustrated below.

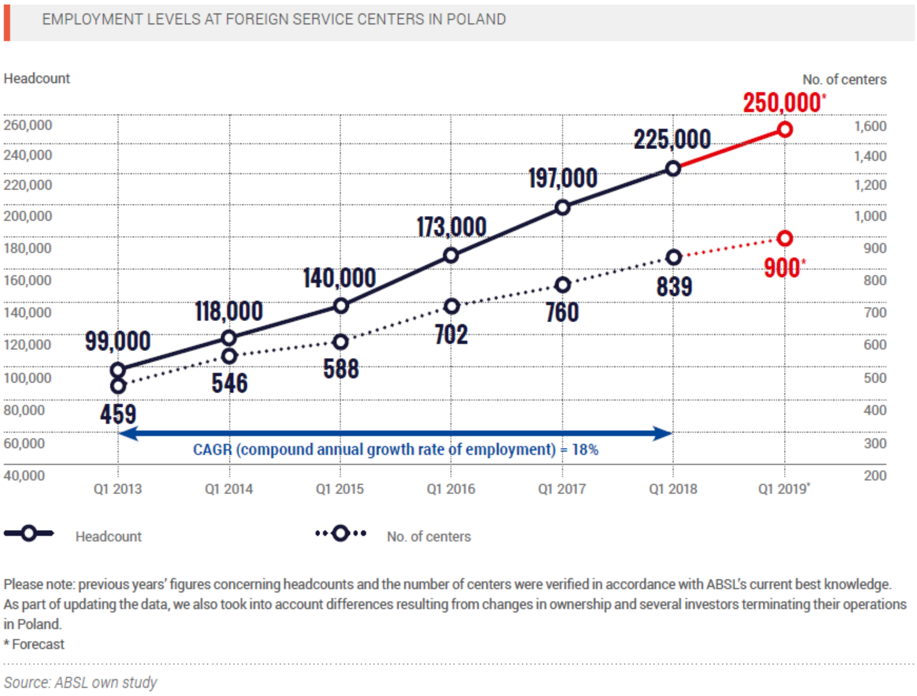

Figure 1. Development of Employment in the SSC/BPO sector in 20013-2018

Source: (ABSL 2017, p. 32)

Figure 1 shows the dynamic growth in employment between 2013 and 2018. In 2018, the employment was at the level of 225,000. It is important to notice that 70 companies of the Fortune 500 company list have their SSCs/BPOs in Poland. It is hard to find any other business field with a comparable growth in Poland. The projected employment of 275,000 people by the year 2020 is not something unlikely. However, it may be difficult to accomplish given the fact that there is a trend to move some more transactional and labor-intensive processes to India and the Philippines. As an example of this trend, we could take Danfoss – a Danish company that outsourced its finance and accounting processes to the Capgemini BPO center in Cracow and then, after the stabilization period, moved its accounts payable to another Capgemini BPO center in India. Another example could be Shell that moved its accounts payable processes from the SSC in Krakow to a center in Chennai, India.

Apart from skilled labor and good infrastructure, one of the main drivers to centralize work in SSCs and BPOs in Poland is the relatively low labor cost. *Table 2* shows salary levels in the SSC/BPO sector in Poland. Gross salary of 1,500 EUR for an experienced senior accountant is a relatively small portion of labor costs in North America or Western European counties. In the USA, a person with similar experience is valued by the market to around 4,000 EUR per month. There is no need to explain the reasons for transferring such personnel to SSCs in lower cost countries.

Table 2. Salary Costs in the BPO/SSC sector in Poland

Position	Salaries (candidates with English) EUR gross		
F&A	min	opt	max
Transition Manager	3,000	4,500	6,000
Business Improvement Manager	2,750	3,500	4,000
Process Improvement Specilist	1,500	2,250	2,750
Financial Controller	2,000	2,750	3,500
AP/AR Junior Accountant (0-1 year experience)	625	875	1,000
AP/AR Accountant (1-3 years experience)	925	1,250	1,500
AP/AR Senior Accountant (3-5 years experience)	1,250	1,500	1,750
AP/AR Team Leader (5-15 people)	1,500	2,000	3,000
AP/AR Process Manager (50 people)	3,000	3,500	4,500
Junior GL Accountant (0-1 year experience)	875	1,000	1,125
GL Accountant (1-3 years experience)	1,125	1,375	1,625
GL Senior Accountant (3-5 years experience)	1,375	1,625	1,875
GL Team Leader (5-15 people)	1,750	2,250	3,250
GL Process Manager (50+ people)	3,750	5,000	6,000

Source: (ABSL 2015, p. 51)

The ABSL report presents an analysis of businesses/companies transferring their processes to Poland. The chart below (*Figure 2*) shows the countries of origin (location of the headquarters was the criterion) of companies that centralized their processes in Poland.

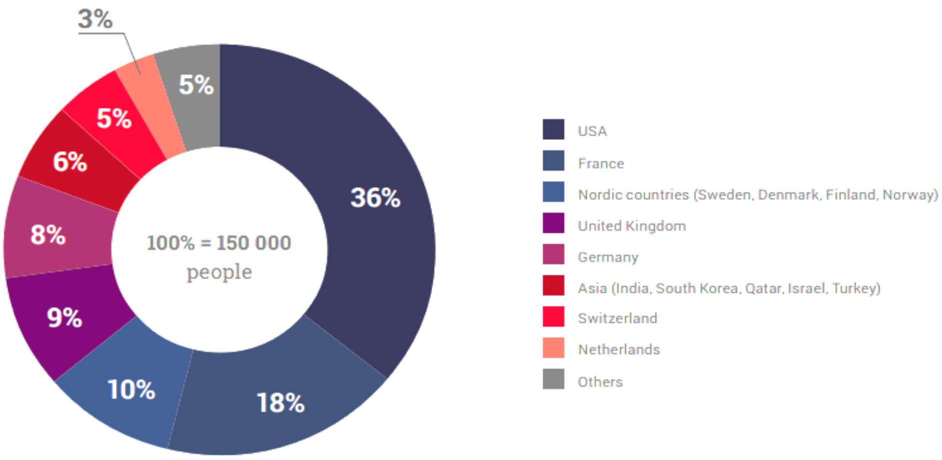

Figure 2. Employment in the SSC/BPO sector by the country of company origin

Source: (ABSL 2015, p. 16)

The majority (36%) of the companies that have their SSCs/BPOs in Poland originate from the USA. In general, it can be observed that American and British companies are more active than the mainland European companies in adopting the SSC model on the global market. There is a considerable variety regarding the functions centralized in Poland. The chart below shows that the main areas supported by the SSC/BPO sector in Poland are finance and accounting, IT, HR and procurement. Recently, there has been a clear trend to expand the services of individual centers to new functions. For example, a finance and accounting center starts providing procurement and HR services to its customers.

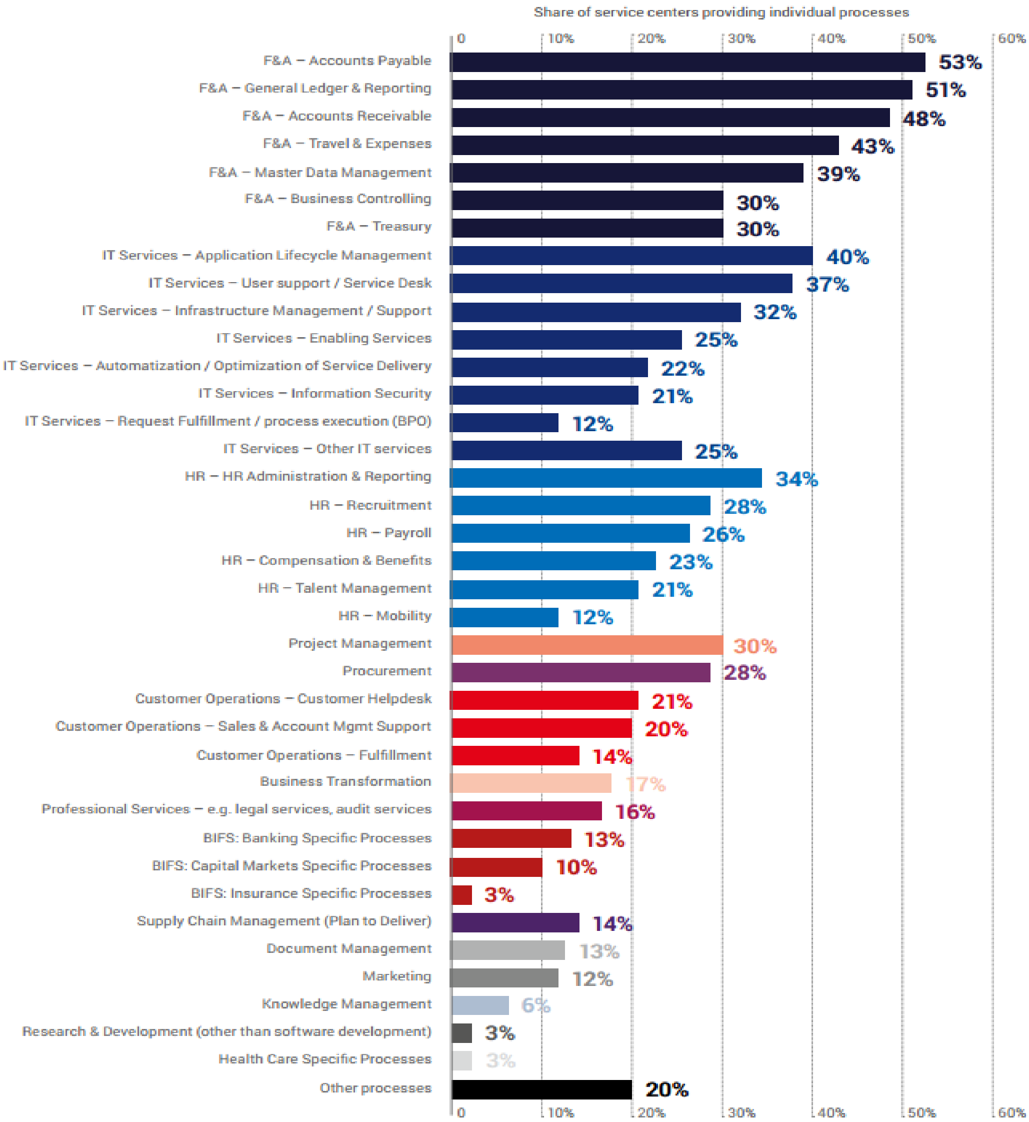

Figure 3. Functions Centralized in the SSCs and BPOs in Poland

Source: (ABSL 2015, p. 22)

The main cities where the investors decide to locate SSCs/BPOs are Krakow (e.g. Lufthansa, Shell, Heineken, Hitachi, Capgemini, IBM, Delphi, Electrolux, Amway, GE Healthcare, HSBC, RWE, Rolls Royce, State Street, Motorola Solutions, Nokia Networks, Philip Morris International, UBS, Brown Brothers Harriman, Cisco), Warsaw (e.g. Accenture, BNP Paribas, Coca-Cola, Colgate Palmolive, GE, Goldman Sachs, Orange, Samsung, Siemens), Wroclaw (e.g. Hewlett Packard, Dolby, McKinsey, Google, UPS, Volvo, Parker Hannifin, Viessmann), Katowice agglomeration (e.g. ArcelorMittal, General Motors, Oracle, Rockwell Automation, Vattenfall), Gdańsk agglomeration (e.g. Sony, Bayer, Arla Foods, Intel, ThyssenKrupp, Wipro, GE), Łódź (e.g. Infosys, DHL Express, Takeda, Nordea, TomTom, Atos, Veolia). There are also emerging cities, such as Lublin (e.g., Genpact, Orange), Opole (e.g., Capgemini, IFM Ecolink), Bydgoszcz (e.g. Atos, Alcatel-Lucent, SDL), Rzeszów (e.g. Nestle, Mobica), Bielsko-Biala (e.g. Fiat, Cooper Standard), which attract more and more investors.

Some companies with a very strong market presence create additional centers in less popular cities to reduce the risk of having all operations in one place and access labor markets that have not been yet penetrated by competitors. Following this strategy, Capgemini opened a BPO center in Opole. Another reason for that was the fact that this city offered a relatively large population of German speakers.

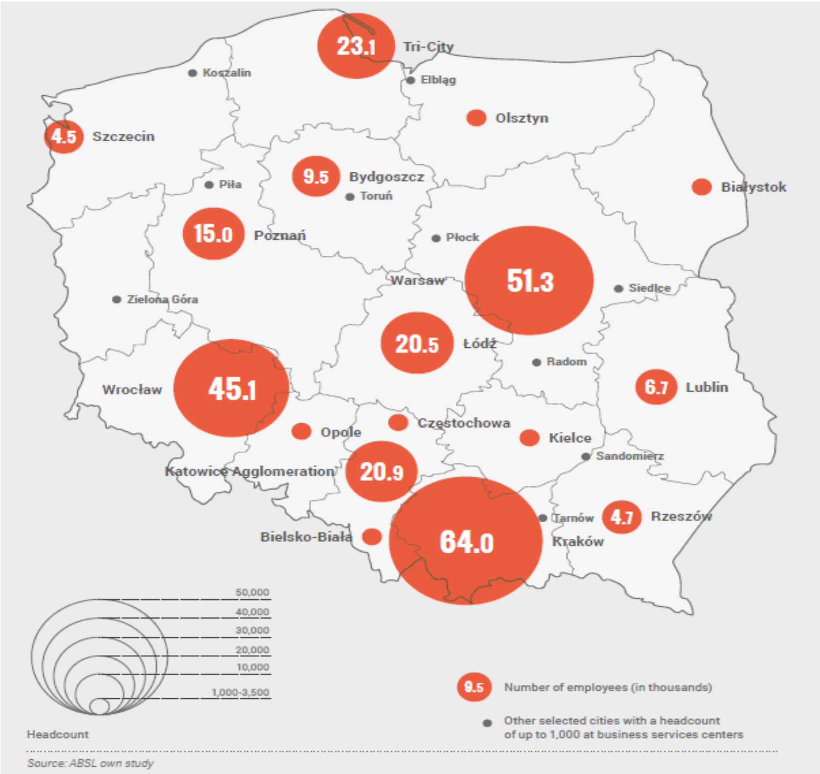

Figure 4. Geographic of the Polish SSC/BPO Market

Source: (ABSL 2018, p. 14)

The map below (*Figure 4*) illustrates the geographical placement of SSCs/BPOs by employment in Poland. The concentration of SSCs in large cities is related to the availability of skilled workforce and language skills. According to the ABSL report, SSCs and BPOs in Poland support services in 40 languages. Typically, these are the large university cities where companies can find graduates with proper language skills. For some simple processes, companies often hire graduates of language studies and train them in the field of processes. Thus, cities in which graduates of languages studies are available are a good placement for SSCs/BPOs.

The SSC sector is now a phenomenon due to its growth and the transformation of modern companies into virtual organizations. Poland on the European SSC/BPO market is so far the most significant player. According to the ABSL report, in 2014 40% of jobs in the SSC/BPO environment in Central and Eastern Europe (Czech Republic, Slovakia, Romania, Bulgaria, and Hungary) were placed in Poland.

Eastern European governments use incentives to attract foreign investors to locate SSCs in their countries. In most cases, these incentives are given in Special Economic Zones (SEZs), which are created to stimulate the economic development of particular regions. Typically, within the SEZs investors benefit from corporate income tax exemptions. Also, local authorities, often invest in infrastructure to make the region more attractive. For example, several years ago local authorities built a train station in Zabierzów, a small town very close to Cracow in order to connect it with the Cracow agglomeration and enable employees from Cracow to commute to work. The train station was a requirement of an investor who built a group of office buildings, which became home for a number of SSCs employing thousands of employees (e.g., Shell, HSBC, ACS, UBS, Delphi). The tax exemption in an SEZ is available for investors who commit to a certain level of investment and employment. Depending on the region, the tax exemption is limited to 25% - 50% of the two-year investment or labor costs.

The synergy effect and the environment of shared services centers

Currently, most of the large multinational companies continue investing in the SSC model. For SSCs, support functions become the core activity, and SSC management focuses on continuous improvement using lean management principles, Six Sigma methodology, and other tools previously used only in the production environment (Skowron-Grabowska 2015; Brzozowska 2013). The analogy with the production environment is accurate as for an SSC document processing is nothing else than a production process. Posting millions of invoices is a repetitive process that has its input, “production” methodology, and output.

The adoption of this "production" approach and the focus on the methodology of production optimization generates a number of tangible benefits and significant savings for the organization. One of the most important is the synergy effect.

The nature of the synergy effect fits perfectly to the shared services environment. The main advantages of combined activities and acting as one organization are:

1. better use of resources,
2. sharing best practices,
3. the ability to use advanced tools not available for "small players."

A shared services organization, as a unit designed for specific tasks, is much better structured to render services in a highly efficient way. Its scale of operations allows to efficiently allocate all three types of resources: tangible assets (office space, social facilities, IT infrastructure, etc.), intangible assets (advanced software solutions) and finally human capital. For all three elements in the SSC model, idle time can be reduced to almost zero because the flexibility of the process allows the organization to maximize the use of its working time. Unlike in small finance teams, the unexpected absence of one or two specialists is not a threat to the continuation of services. Employees' cross training, job rotations, standardized procedures help to minimize "safety buffers" in work capacity and at the same time keep customer satisfaction on a high-level, offering (if needed) 24/7 business support. Working around the clock is possible, provided that the critical mass of workload is concentrated in one place. In a large shared services organization, the partial coverage of second or even third shift is possible and hardly possible (even on a reduced scale) in a regular finance organization. In the shared services model "effects of staff turnover and absence are minimized, as there are always similarly trained individuals available to fill in" (Statements of Management Accounting, 2000).

The optimized workload allocation is also reflected in the ease of accepting additional tasks. A manager or a team leader managing a group of similarly skilled people can easily accommodate additional work representing, for example, 0.2 of full-time equivalent (FTE) by distributing tasks to several individuals. This flexibility is much more difficult if a job of 0.2 FTEs has to be undertaken by one person in a small accounting team. The other alternative (in a small organization) of bringing the second person on board to deal with additional tasks is a costly and not suitable option.

A significant advantage of the shared services organization is also visible in the fragmentation of tasks. This relatively narrow specialization in one position results in the possibility of hiring employees with lower qualifications for relatively easy tasks. Accordingly, the employment levels and related remuneration costs may be more carefully adjusted to the real needs of the organization. The mass scale of processing allows for a more industrialized setup that, like in the case of a regular manufacturing production line, makes process optimization possible (e.g., using Six Sigma techniques or lean manufacturing approach).

Finally, in a shared services environment, process fragmentation and clear work instructions allow Key Performance Indicators (KPIs) to be used to monitor performance regularly and to allocate resources efficiently. In line with the famous statement by W. Edwards Deming, – '*you can't manage what you don't measure*' – a well-developed KPIs system allows the organization to monitor both quantitative and qualitative parameters of the process. The example of features measured by KPIs may be:

- the number of documents or line items processed (per team or per individual accountant),
- the number of manual postings vs. the number of automated postings (self--billing, EDI, etc.),
- the number of invoices posted per average FTE month-by-month and y-o-y trends,
- time needed to complete the cycle from invoice receipt, invoice posting, and preparation for payment,
- the ratio of on-time payments made vs. the total number of payments made,
- timeliness of feedback from local organizations (e.g., goods receipt recording in the ERP system, confirmation of services rendered, etc.), and
- others.

A comprehensive set of KPIs allows the management of shared services to monitor performance, analyze trends over time, identify and address potential problems in the process and finally allocate resources to fluctuating transaction volumes as appropriate.

Many, if not all, large organization try to promote sharing of best practices. The ability to spread good ideas, efficient processes, and error proofing approaches is a highly desirable behavior in all organizations. Unfortunately, business practice demonstrates that having, for example, financial teams in many different locations, made up of people from different countries, is not conducive to creating an environment with high potential for sharing best practices.

In this respect, the SSC model is entirely different as it gathers people in one place, standardizes processes, and the ability to trace processes from different factories in different countries leads in a natural way to process "self-optimization." Each smart solution invented by one accountant is replicated almost immediately by his/her colleagues seating at the neighboring desks. Each (sometimes systemic) error found for one plant is "automatically" examined in the rest of the population. In this regard, a shared services organization which hosts all processes of the same type (e.g., posting of vendor invoices on behalf of whole company in the given region) in one place, is a unique environment where each single good practice can be easily promoted in the entire organization, and on the other hand, each error or non-efficiency can be systematically eliminated from the whole pool of services.

In a mature shared services organization, all the above-mentioned behaviors are not just "a side effect" of seating in one place. This advantage is usually very thoroughly cultivated by the management of the organization. The best ideas are extra rewarded in financial terms (bonus for a team or an employee), and they also contribute to the annual assessment of the employee. This approach is a great motivation for young and ambitious people to demonstrate positive creativity and stand out from the group as process experts or group leaders. This type of competition between peers in a given role leads to the continuous improvement of processes and cost savings initiatives. "Best in class" organizations make use of high-level changes (e.g., effective customization of the ERP system) as well as from “small things” where, for example, one Excel macro may replace hours of manual input. All these bits and pieces contribute to the organization's success at the end of the day.

All the above mentioned good practices, employee professionalism, together with day to day courtesy in customer support, are measured periodically by shared services centers by means of customer satisfaction surveys. This tool allows the management board to monitor the level of customer satisfaction and, as a result, check whether the efforts lead to the expected state of the optimal cost-value relationship and added value generated for the entire company.

Last but not least, the example of an advantage coming from the synergy effect is the ability to undertake actions, changes, investments not available to small individual players. The best example of systemic changes which is frequently implemented by shared services, but not accessible to diversified finance functions, could be the implementation of Optical Character Recognition (OCR) systems. OCR systems effectively lead to process automation and productivity improvement. A properly selected and customized OCR system (the best solutions with the possibility of "intelligent self-learning") may replace hundreds of people by eliminating the manual data input from incoming invoices to ERP systems. In OCR systems, documents are scanned, and the OCR software converts the data to a format which enables automatic posting. Needless to say that relatively high initial investments pay off in a reasonable time frame only for the invoices turnover exceeding the critical mass threshold. This type of solutions (OCR, e-invoicing, EDI, electronic workflow, etc.) improve productivity tremendously and accordingly reduce the cost of financial support. Its implementation is reasonably possible only in a standardized, mass transactional shared services environment. This opportunity seems to be implemented by business leaders, and the majority of large companies started to take advantage of shared services systems and modern IT technologies. The schedule below presents a fairly dynamic reduction of financial costs for companies in the 1990s of the 20th century when the implementation of shared services was booming.

Table 3. Ten-year development of financial costs as a percentage of company revenue

	1992	**1994**	**1996**	**1998**	**2000**	**2002**
Average (%)	1,90	1,70	1,50	1,52	1,20	1,10
World Class (%)	1,50	1,26	1,10	0,98	1,00	0,72

Source: (Bangemann 2005, p. 40)

Conclusions

Thanks to their significant advantages, Shared Service Centers and Business Process Outsourcing have become a key component of the modern industry. Almost all big companies have already introduced this type of core business supporting services and others, including smaller-scale businesses, are planning to do so. The domains typically operated within the SSC/BPO business model are finance & accounting, IT, banking, procurement, and HR. The key advantage of SSC/BPO is higher efficiency of processes as compared to the traditional delivery model coming mainly from the utilization of advanced technologies, economy of scale and, first of all, synergy effects. The other important factor is the ability of SSCs/BPOs to render its services remotely, which allows businesses to locate delivery centers in cost-attractive countries. Thanks to this feature and the availability of skilled employees, in recent years SSCs/BPOs have become one of the largest industries in Poland. Thanks to the existing potential, further growth seems to be inevitable.

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EFECT SYNERGII A FUNKCJONOWANIE *SHARED SERVICES CENTERS*

Streszczenie: Centra usług wspólnych (SSC – *Shared Services Center*) stały się strategicznym elementem dzisiejszego środowiska biznesowego. Większość dużych firm scentralizowała swoje procesy biznesowe w wyspecjalizowanych jednostkach zwanych SSC lub zleciła część swoich procesów zewnętrznym dostawcom – tzw. *Business Process Outsourcing* (BPO), które skutecznie zarządzają SSC. Celem artykułu jest zbadanie aktywności SSC w Polsce. Na podstawie danych statystycznych poddano ocenie rozwój SSC na rynku polskim. Jednym z najważniejszych czynników wpływających na rozwój *Shared Service Center* wydają się być korzyści wynikające z efektu synergii. Z tego też względu w niniejszym artykule wskazano główne korzyści i potencjalne oszczędności wynikające z wystąpienia efektu synergii dla organizacji.

Słowa kluczowe: centra usług wspólnych, efekt synergii