Shared services centres – the essential HR/legal checklist

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With the shared services industry booming more and more businesses are keen to reap the potential savings of consolidating operations. However, the process can be a demanding undertaking for even the most experienced HR team. We have used our experience of this challenging journey from inception to realisation to create an essential HR/legal checklist that will identify the key people challenges and allow for solutions to be planned in advance.

1. Plan ahead

A good plan today is better than a perfect plan tomorrow. If the business is being held to a tight completion timeline start the work as soon as possible.

2. Establish your goals

In practical terms, this is one of the longest tasks and requires creating a business case and detailed road map. However, it is time and money well spent. Document your objectives, prioritise them and engage with relevant stakeholders.

3. Manage change resistance

Create a change plan that accounts for your business culture and how end-users will adapt to the planned changes. Do not assume that one size will fit all. Plan how you will explain the purpose of the changes, what is happening and why. The senior management team should be well versed on the topic: their sponsorship and engagement is invaluable. The aim will be to sustain operational continuity in a time of change. Ideally, the business should be supportive of the new model and employees should feel responsible for its success.

4. Prepare for employee exits

When the time for redundancies comes consult with employees properly and manage the legal issues by preparing legally-approved scripts to keep messaging consistent. Engage with advisers – internal or external – at an early stage to understand your TUPE or collective redundancy information and consultation requirements. As statutory deadlines may apply the sooner you know these the better you can prepare for them. Failure to meet your legal obligations could lead to an award of up to three months' pay per employee (plus unfair dismissal risks) – enough to dent any savings from the project.

5. Identify the talent you need to retain

The risk of any change is low morale/engagement, which can lead to resignations and a spike in sickness absence. Early identification of those employees you want to stay is critical, but also consider those departing employees who are critical to the success of the transition. Consider how you can incentivise those in the departure lounge, financially or otherwise. A retention strategy should be prepared with retention bonuses paid out on the achievement of agreed objectives linked to the transition and/or business as usual activities.

6. Manage an effective knowledge transition

Retaining the talent isn't enough; you need to use them effectively. Plan what is required of subject matter experts so they can document processes and activities early on, ensuring sufficient time is dedicated to knowledge transfer and stabilisation. This provides new employees with the information required to succeed. Don't leave quality to chance – check and recheck outputs.

7. Map the potential landmines before they explode

Will a hard Brexit affect your plan? Does GDPR mean you can't transfer data to the new centre? Will the CFO suddenly cut funds? You don't need to immediately know the answer to questions like these, but put difficult issues like these on your team's radar. Having those around you conscious of them means solutions can be brewing whilst you focus on the more pressing issues at hand.

