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## Understanding Shared Services: An Exploration of the IS Literature

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### Abstract

*In a competitive environment, companies continuously innovate to offer superior services at lower costs. 'Shared services' have been extensively adopted in practice as one means for improving organisational performance. Shared services is considered most appropriate for support functions, and is widely adopted in Human Resource Management, Finance and Accounting; more recently being employed across the Information Systems function. IS applications and infrastructure are an important enabler and driver of shared services in all functional areas. As computer based corporate information systems have become de facto and the internet pervasive and increasingly the backbone of administrative systems, the technical impediments to sharing have come down dramatically. As this trend continues, CIOs and IT professionals will need a deeper understanding of the shared services phenomenon and its implications. The advent of shared services has consequential implications for the IS academic discipline. Yet, archival analysis of IS the academic literature reveals that shared services, though mentioned in more than 100 articles, has received little in depth attention. This paper is the first attempt to investigate and report on the current status of shared services in the IS literature. The paper presents detailed review of literature from main IS journals and conferences, findings evidencing a lack of focus and definitions and objectives lacking conceptual rigour. The paper concludes with a tentative operational definition, a list of perceived main objectives of shared services, and an agenda for related future research.*

### Keywords

Shared services, literature review, archival analysis, NVIVO analysis

### INTRODUCTION AND BACKGROUND

Organizations constantly face challenges to innovate their customer offering, improve the quality of their business processes and operate at lower cost. The current global financial crisis has amplified this need. Managers are looking to 'shared services' as one means of improving organizational performance (Wagenaar 2006). While the notion of shared services is still under debate, it is broadly referred to as "*the concentration of company resources performing like activities, typically spread across the organization, in order to service multiple internal partners at lower cost and with higher service levels, with the common goal of delighting external customers and enhancing corporate value*" (Schulman et al. 1999). Shared services has become increasingly popular within both public and private sector organizations<sup>5</sup> (Bergeron 2003; Borman 2008; Janssen and Joha 2006b; Wagenaar 2006), where it is mostly deployed in large organisations, with a predominant focus on support processes (Ulbrich 2006). "*Since the late-1990s, the fast-spreading shared service concept has increasingly become popular as an organizational change approach, focusing on the theoretical potential for extensive improvements in support processes*" (Kagelmann, 2000; Schulman et al., 1999, cited in Ulbrich 2006, pp. 191).

Potential benefits of shared services have been extensively discussed in the commercial press e.g. "*promote efficiency, value generation, costs savings and improved service for the internal customers of the parent corporation*" (Bergeron 2003). (Cecil 2000) reports that 16 of the top 20 Fortune 500 companies have shared services centres. Shared services success stories such as General Electric (Lacity and Fox 2008), DEC (Lacity and Fox 2008), Reuters Asia (Lacity and Fox 2008) (Businessintelligence 2005), Allianz (Lodestone n. d), and

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<sup>5</sup> for example, Borman (2008) who conducted a case study of shared services in the public and private sector; Janssen and Joha (2006b) and Wagenaar (2006) who conducted a case study of shared services in the public sector.

Queensland Government (Queensland-Government 2008), are many. Leading research firms such as Gartner provide a range of reports that describe the application of shared services in different industries, stating that “*Many enterprises are looking to shared services to support efficiency goals and to enhance business integration and agility*” (Gartner 2008).

Shared services is considered most appropriate for support functions, and is widely adopted in Human Resource Management, Finance and Accounting (Cooke 2006; King 1998; McIvor et al. 2002; Peters and Silver 2005; Webster 2007). More recently shared services is being employed for the Information Systems function, and although not adopted as widely as by other functions, recent reports (Lacity and Fox 2008; Peters and Silver 2005) indicate that IS shared services is growing at a fast rate.

IS applications and infrastructure are an important enabler and driver of shared services in all functional areas. As computer based corporate information systems have become de facto and the internet pervasive and increasingly the backbone of administrative systems, the technical impediments to sharing have come down dramatically. As this trend continues, CIOs and IT professionals will need a deeper understanding of the shared services phenomenon and its implications; “*successful management of IT shared services was recently listed as one of the seven habits of effective CIOs*”(Lacity and Fox 2008).

As a “*discipline that is driven by rigour and relevance*” (Benbasat and Zmud 1999; Davenport and Markus 1999; Lee 1999), Information Systems (IS) academia has a vested interest in the growing phenomenon of shared services; a domain that warrants research in relation to the IS function, IS applications and IS infrastructure in organizations. In particular, IS as a discipline should be interested in shared services because they can drive radical change to the IS infrastructure and architecture (Curley 2006; Ross and Beath 2006; Weill and Vitale 2002); IS can play a major role in identifying opportunities for shared services in other functional areas and in preparing the business case, as well as the IS strategy; IS can either internally or through an external service provider, play a major role in transitioning to, and ongoing operation and evolution of the shared services environment. However, until now there has been no systematic study of shared services in the IS academic literature.

Therefore, a structured approach was devised and applied to systematically review the status of shared services literature in the IS domain. The driving research question being ‘How is the notion of shared services perceived and reported by IS researchers?’ This paper is specifically aims to report on how IS academia have defined the shared services notion and what objectives they have reported on. A better understanding of what shared services really are and why organisations deploy them, are important for the progression and success of shared services in practice and academia. Such results will, for example, help build a better understanding on what drives the interest for shared services (Hewlett-Packard 2006) and form the foundation for deriving performance measures related to shared services (Boessenkool et al. 2006). It can also support the design and deployment of shared service structure and governance (Firecone 2007); and help better understand the nature of shared services organisations (A.T.Kearny 2004).

The contributions of this paper are threefold. First, we demonstrate the lack of academic IS literature on shared services; that same literature evidencing a need for better understanding shared services. Second, drawing from the limited existing IS literature on shared services, we provide preliminary definitions and objectives of shared services and present a potential research agenda for future research in the domain. Third, we detail a pilot literature analysis approach, developed and tested for the study of shared services in IS literature; to be extended to a broader range of academic disciplines, the results of the extended study expected to contribute to a stronger conceptualisation of shared services.

The remainder of this paper proceeds as follows. The next section presents the research strategy. Discussion of findings is in the following section. The paper concludes with a summary of the findings and recommendations for future research.

## **RESEARCH METHOD**

This study is specifically devoted to searching and reviewing the literature on the shared services concept; predominantly the focus here is on how, the nature of shared service is perceived and reported by other researchers in Information Systems. Following Levy and Ellis (2006), the researchers followed a three staged method to extract, analyse and report the literature based findings. The first stage involved identifying the articles to be included in this review. The second stage comprised of designing and implementing an appropriate classification scheme to match with the study objectives. Finally, the third stage consists of synthesizing the coded details and analysing the literature to respond to the research objectives of this study. The following sections describe each phase in detail.

### **Extraction of relevant papers**

In defining the research method for a comprehensive review of the IS literature on shared services, two main criteria have to be identified and clarified: (1) the sources, and (2) the search strategy (Cooper 1998). The sources refer to which outlets are to be targeted, and the search strategy refers to what search terms to utilize during the article extraction process. The aim was to characterize shared services from an IS perspective and to review and depict the nature of shared services publications in IS. Thus, the primary search was limited to the IS domain.

Journals and academic conferences were considered. It was resolved to canvass the 40 IS journals listed at the 'ISWorld NET' web site<sup>6</sup>. These journals were identified after a comparison of 9 published papers on IS academic journal rankings (as reported in the 'ISWorld NET' web site. To ensure that the literature reviewed was as current and inclusive as possible, the proceedings from major conferences were also examined. The IS conferences to target were determined based on those that were supported by the Association of Information Systems (AIS)<sup>7</sup>. Thus, the following IS Conferences were included within the scope; the proceedings of International Conference on Information Systems (ICIS), European Conference on Information Systems (ECIS), Pacific Asia Conference on Information Systems (PACIS), Australasian Conference on Information Systems (ACIS), and Americas Conference on Information Systems (AMCIS). Articles published from their inception to present (May 2009) were accessed.

The article extraction was conducted in multiple iterations. In terms of the search strategy, first, the key word 'shared service' was searched for, in the title, abstract, and key words of all papers in the target source list, through a database search. This yielded 4 from the IS journals and 4 from conferences (hereon, we refer to these 8 as the "principal" set of papers).

As this search only yielded very few articles, we extended the study to search for the key word 'shared service' in the body-text field as the next step. Ten selected IS journals<sup>8</sup> (based from those that yielded results in the high-level search, and a selected set from the 'IS world net' journal ranking list - based on topic alignment to shared services), and all 5 AIS conferences mentioned earlier were included in this second-staged search. The 10 journals were selected after eliminating those IS journals from the IS world net journal ranking list, that seemed less aligned with the notion of shared services (i.e. Artificial Intelligence). These were excluded from this full-text search, to sustain efficiency and feasibility. All papers in these sources were downloaded as full text pdf files. They were systematically indexed (by year and source) using the Adobe Acrobat professional tool. Adobe Acrobat professional's 'advance-search' facility was used to search the indexed papers. 99 papers (after removing duplications with the principal paper set) were identified through this effort, where they had mentioned shared services meaningfully, somewhere in the text of the paper (hereon, we refer to these as the "secondary" set of papers. Thus, the sample paper pool having a total of 107 papers (99 secondary and 8 principal) as we entered the pre-analysis planning phase.

### Preparing for the analysis

Two key aspects are of importance to mention when describing the preparatory phase for the analysis; the a-priori coding scheme and tool(s) used. They go hand- in-hand and are described below.

The goal of this paper was to derive a synthesized definition and identify the most commonly reported goals for shared services, based on literature. As mentioned earlier, what is reported herein is a sub-set of a larger study which had broader intensions. NVIVO 8.0 was used as a qualitative data management and analysis tool; to systematically code and analyse the data within one single repository. NVIVO has effectively been applied for analysing prior literature (Bandara 2006; Gregorio 2000), and this study adapted the coding and analysis strategies based on these prior studies.

Key areas of interest, in this case; 'shared services definitions' and 'objectives of shared services' (amongst others) were placed as main tree-level nodes within the NVIVO data-base that was created for this project. A tree-level node is a physical location within the tool, where you store the groups of ideas that would be coded. All the articles extracted were entered and saved within NVIVO as 'documents,' which are simply data that one analysis in the study. The aim was to conduct the analysis in two levels. The goal of the first-level-analysis was to capture the main details that related to each main theme – at a high level. In the second-level-analysis, these extracted details will be analysed deeper to derive the intended findings. A detailed coding-protocol was devised by the researchers, to confirm the coding plan and scheme. A sample (3) of the papers (from amongst the

<sup>6</sup> Available at: <http://ais.affiniscap.com/displaycommon.cfm?an=1&subarticlenbr=432>, last accessed March 6<sup>th</sup>, 2009.

<sup>7</sup> The Association for Information Systems (AIS) founded in 1994, is a professional organization whose purpose is to serve as the premier global organization for academics specializing in Information Systems (see <http://home.aisnet.org/> for further details).

<sup>8</sup> These 10 journals were: MIS Quarterly (MISQ), IS Research (ISR), Journal of MIS (JMIS), European Journal of IS (EJIS), Information & Management ( I&M), Communication of AIS (CAIS), Journal of AIS (JAIS), Information Systems Frontier (ISF), MIS Quarterly Executive (MISQE), and Business Process Modelling Journal (BPMJ).

primary papers) were coded by two of the researchers and the coding protocol was strictly followed, proving to assist in maintaining rigor and inter-coder reliability. The overall research findings and the analytical activities that supported these findings are presented in detail in the next section.

## **DATA ANALYSIS AND FINDINGS**

This section presents the results of the literature-based analysis. First the extent of the academic IS literature on Shared services is discussed and it is argued that more research is warranted. Next is presented a synthesis of definitions and objectives of shared services, as identified from the IS literature. This section concludes with a research agenda.

### **Need for academic IS literature on shared services**

Our literature study shows that there is a lack of academic IS literature on shared services. Shared services is an interesting area of research because of its impact on the IS function in organizations and the driving and enabling role of IS applications and infrastructure. It is also a very relevant area of research because of its growing importance in practice. We, therefore, argue that more academic IS research and publications are required discussing shared services in organizations, in particular in relation to the IS function.

Our literature study showed that only 8 papers are dedicated to shared services from a large pool of papers across 45 main IS outlets (this included all outlets as listed in the 'ISWorld NET' journal ranking and all the 5 AIS sponsored IS conferences - after searching them since their inception). Shared services literature in IS is still very 'young', where the first main IS papers on shared services were those of (Ulbrich); (Veersteeg and Bouwman); and (Janssen and Joha) which appeared in Business Process Modelling Journal, Information Systems Frontier and Americas Conference on Information Systems in year 2006. However about a hundred papers (published since 1995) mention shared services in their articles, thus indicating a growing interest in and prevalence of shared services in IS, especially in relation to interest areas such as Sourcing (Accenture 2006a; HRfocus 2007; Kakabadse and Kakabadse 2000), ICT Governance (e.g. Goh et al. 2007); E-Government (e.g. Janssen and Joha 2006b; Janssen and Wagenaar 2003; Janssen and Wagenaar 2004); Public and Private Sector (e.g. Janssen and Joha 2006b; Walsh et al. 2006); and University (e.g. Deloitte.Touche.Tohmatsu 2001). Therefore, to advance the academic IS body of knowledge with respect to shared services as a research topic and context factor, more academic IS research and publications are required.

The relevance of shared services is illustrated by extensive discussion of potential related benefits in the commercial press (e.g. reduce cost, accumulate intellectual and capital assets, provide services with customer and process focus, and deploy new technology) (Casiraya 2001; Shah 1998). Despite its apparent benefits, anecdotal evidence (Craike and Singh 2006; Janssen and Joha 2006b; Lawson 2007; Shah 1998) suggests that many organizations have difficulty understanding the context and details of shared services. Thus, evidence from shared services initiatives has been mixed, suggesting value from further investigation of the phenomena. While there have been industry-based research reports, these are typically limited to trend analysis (Accenture 2005; Deloitte 2007a; Deloitte 2007b) or narrative description of the journey from shared services concept-to-implementation (Accenture 2006b; Gartner 2008; Longwood and Harris 2007).

Concluding, as an overall discipline, IS lacks academic research in shared services. This is supported by other researchers in the field (Borman 2008; Craike and Singh 2006; Ulbrich 2006). This paper calls for addressing this gap; there is a need for better understanding the phenomena of shared services, its relation to the organization of the IS function, and its relation with other IT interests areas such as governance or enterprise systems. The next sections present an analytical review of the definitions and objectives of shared services as reported within the limited pool of IS literature. This section concludes with a set of prepositions derived for this analysis that is the first formulation of a detailed research agenda for shared services in IS.

### **Defining shared services: a review of IS literature**

This section reviews how IS research defines shared services. As mentioned earlier, a separate node was dedicated in the coding scheme of the NVIVO database to capture any 'definitions' introduced or referred to by the papers included in this analysis. Table 1 provides a summary of this analysis. Six papers offer some unique attempt to define shared services, at least partially, if not completely. Amongst these, 3 papers refer to the definitions provided by Schulman et al. (1999) and 2 papers refer to Bergeron (2003) which are from the management discipline. This could mean that shared service is a common terms that needs little explanation. However, as the phenomenon is very recent, it cannot be assumed that the broader IS community is that familiar

with it. Alternatively, it could mean that while shared services are mentioned, it is not considered as important enough. This seems also hardly the case, as there are many direct statements in literature that refer to objectives of shared services in relation to the performance and organization of the IS function. Therefore, we argue that there has been a lack of attention and research of what shared services is and how familiar or different it is from other forms of the organization and sourcing of the IS function.

Table 1: Summary of all definitions of shared services found within IS literature

Paper		Definition made
<b>IS papers specifically defining shared services</b>		
1	Lacity and Fox (2008)	"the consolidation of support functions (such as human resources, finance, information technology, and procurement) from several departments into a standalone organizational entity whose only mission is to provide services as efficiently and effectively as possible." (Accenture, 2005, cited in Lacity and Fox 2008)
2	Borman (2008)	"...retains the core concept of concentration while avoiding prescriptive requirements to achieve specific objectives or operate in set ways." (Longwood and Harris, 2007, cited in Borman 2008). Other definitions referred by this author are Schulman et al (1999, pp. 9) and Bergeron (2003, pp. 3).
3	Sedera and Dey (2007)	"The concept is simple bring-together functions that are frequently duplicated across divisions, subsidiaries or operating units and offer these services more efficiently and at a lower cost." (Sedera and Dey, pp. 1). Another definition referred by the authors is Schulman et al (1999, pp. 9).
4	Ulbrich (2006)	"... shared services gather a selection of common and well-defined services to provide these services to an organization's units, acting independently." (Ulbrich, 2006, pp. 197) Other citations referred by this author are Schulman et al (1999, pp. 9), Bergeron (2003, pp. 3), Moller (1997), and Quinn et al (2000).
5	Whitaker et al (2006)	"...consolidating IT and business processes throughout the firm into a single or small number of centers owned and run by the firm." (Shah, 1999; Ulrich 1995, cited in Whitaker et al. 2006, pp. 3249)
6	Gibson and Arnott (2005)	"A shared service is the standardisation and consolidation of business functions, in order to reduce process duplication and at the same time centralise controls and processes." (Gibson and Arnott 2005, pp. 9)
<b>Other common definitions cited by IS authors</b>		
Schulman et al (1999) defines shared services as " <i>The concentration of company resources performing like activities, typically spread across the organization, in order to service multiple internal partners at lower cost and with higher service levels, with the common goal of delighting external customers and enhancing corporate value</i> "		
Bergeron (2003) defines shared services as " <i>Shared services is a collaborative strategy in which a subset of existing business functions are concentrated into a new semi-autonomous business unit that has a management structure designed to promoted efficiency, value generation, costs savings and improved service for the internal customers of the parent corporation</i> "		
Moller (1997) defines shared services as " <i>. . . a shared service centre (SSC) is an independent organisational entity which provides well defined services for more than one unit (which may be a division or business unit) within an organisation. The SSC is responsible for managing its costs and the quality and timeliness of the services it provides to its internal customers. It has its own dedicated resources and typically will have informal or formal contractual arrangements, often called service level agreements, with its customers.</i> "		
Quinn et al (2000) defines shared services as " <i>. . . shared services at a simple level refers to the practice of business units, operating companies and organizations deciding to share a common set of services rather than have a series of duplicate staff functions.</i> "		

Shared services can be perceived as a form of sourcing, and thus a clear description of what shared services is, and in particular how it differs to other sourcing arrangements should be made in order to define and clearly understand the scope of the notion. "*There is a need to integrate these concepts for a comprehensive view*" (Whitaker et al. 2006, pp. 3249). "*Looking to the future, the large-scale changes to the business environment... are likely to tip the balance of factors associated with outsourcing toward... shared services*" (Davenport 2000, pp. 175). Thus, it is important to clearly understand what sourcing model is used and when it is best to change from one form to another. This is especially valid for shared services in the IS domain, as one needs to clearly position ICT related shared services amongst other ICT outsourcing options when considering shared services strategies and adoptions. However, only Ulbrich (2006) made any attempt to compare and contrast shared services to other sourcing arrangements. The author states that shared services is somewhat similar to outsourcing, and that "*the main difference is where the service provider is located organizationally and that internal resources are used rather than those of a contractual partner*" (Ulbrich 2006, pp. 197). Furthermore, shared services can be seen as "*...an enabler that helps to create a platform for business growth, flatten organizational structure, and support of general group strategy. It is often a step towards globalization, an enabler for cultural organizational change, or a step towards external outsourcing*" (Kagelmann, 2000, pp. 79-81; cited in Ulbrich 2006, pp. 199).

In an attempt to analyse how IS academia has deemed to define shared services in several ways; the key words provided in the few definitions used in the pool of IS literature extracted (as explained earlier) were analysed. Both direct definitions (as presented in Table 1, and indirect attempts to describe shared services, were used here

from the principal and secondary set of papers). Figure 1 depicts these key words, graphed from least to most mentioned themes from 107 papers (indicated by the number of sources that have stated this as a key element when defining shared services).

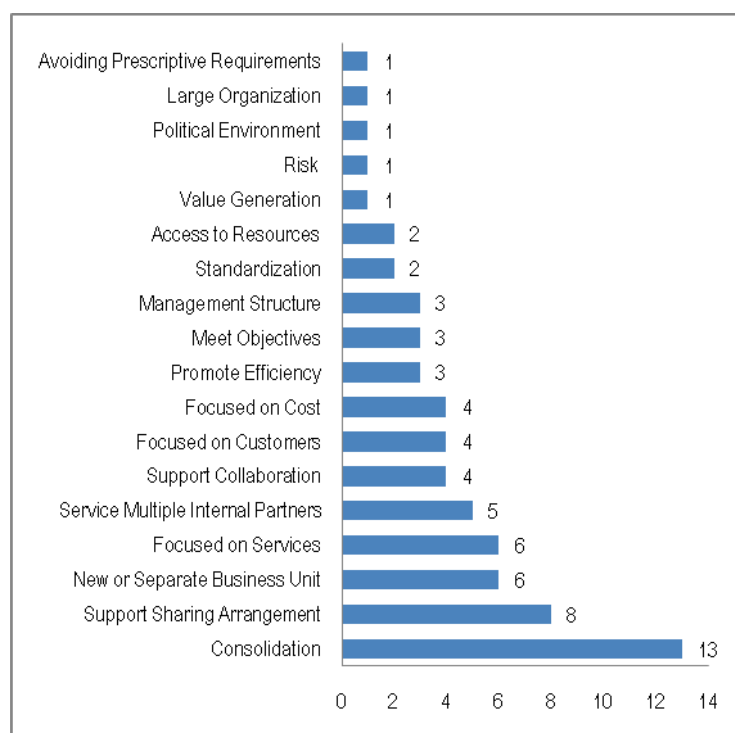


Figure 1: Key themes identified from the shared services definitions provided in IS literature

While the data pool is very limited (as only a very few papers define shared services), it can be observed that 1) consolidation, 2) support sharing arrangement, 3) new or separate business unit, 4) focused on services and 5) service multiple internal partners are the most common themes used to define shared services within the IS literature. Deriving a clear definition for shared services within the IS context is a gap that has to be filled and this analysis provides a starting-point for proceeding with this. Within the context of the currently available academic IS literature, we define shared services as the internal provisioning of services by a semi-autonomous organizational unit to multiple organisational units involving the consolidation of business functions supported by a sharing arrangement.

### Objectives of shared services: a critical review of IS literature

An in-depth understanding of why an organisation should consider shared-services is critical for its success; *“Make sure you know why you’re implementing shared services”* (Gartner 2008). Thorough understandings of its objectives are vital for the progression of the field and will be the foundation for its advancement in practice and research. For example, shared services objectives form the key input when designing a shared services decision-support framework or for benefits-realization and evaluation of shared services initiatives. This analysis systematically coded the different objectives of shared services as mentioned in the IS literature from 107 papers (8 principal and 99 secondary). Any direct or in-direct mention of an objective was captured in the higher level node in the first round of analysis. The content captured in this node was then analysed to build a set of objectives bottom-up from the coded data. Figure 2 depicts the high level summary of the objectives identified through the literature (based on the number of sources that have stated each).

It can be observed from Figures 2 that the top three objectives of shared services that IS literature have reported on are; support consolidation and integration, cost effectiveness and support standardization.

When taking a closer look at the top five objectives, one can argue that there are two relatively more strategic objectives (enhance value and decrease costs), and three organizational objectives. Therefore, within the context of the currently available academic IS literature, the main objectives of shared services are enhancing the organization's value and decreasing its costs by supporting consolidation and integration, supporting standardisation, and avoiding duplication.

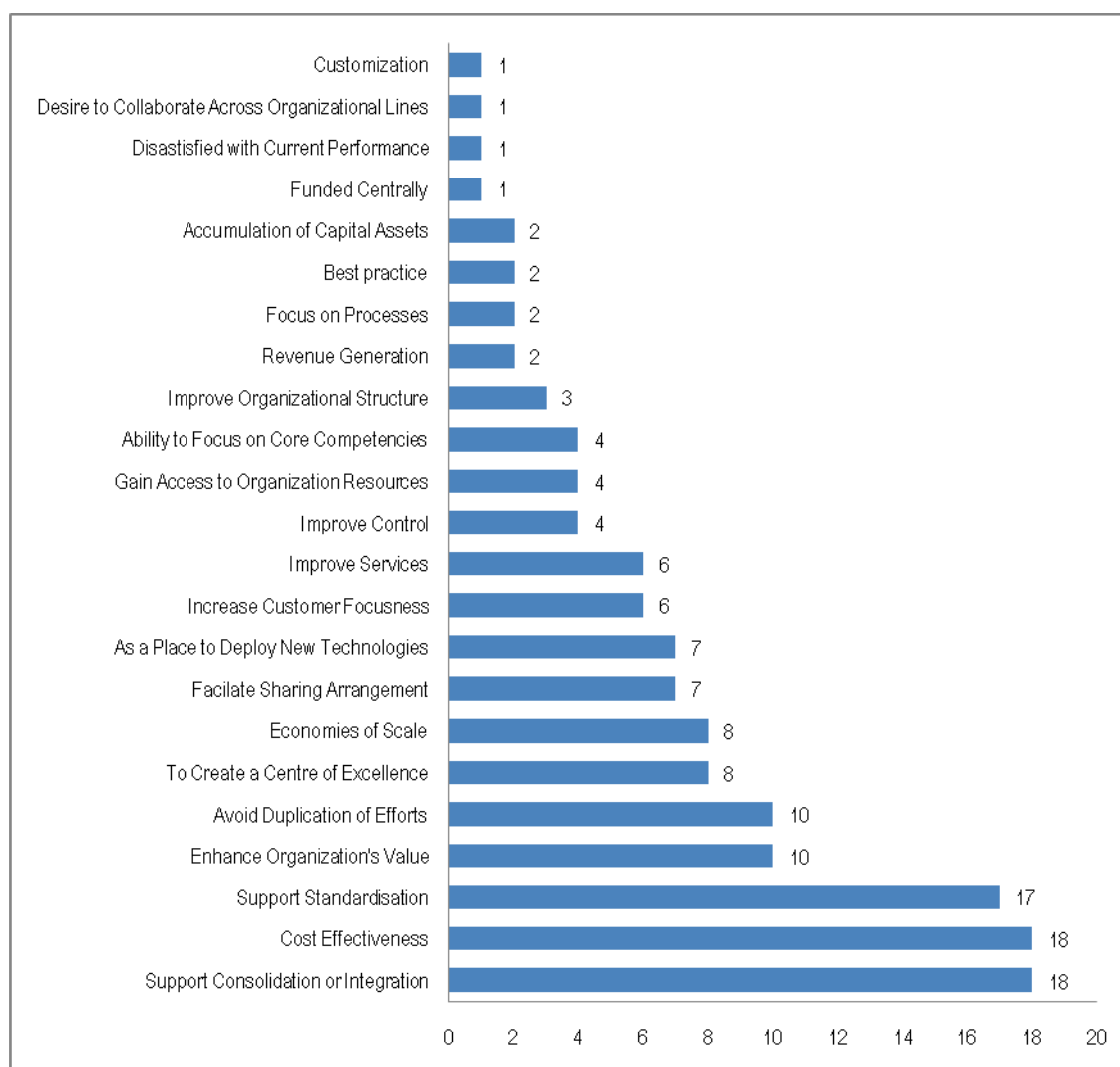


Figure 2: Shared services objectives as reported by the IS literature

### A potential research agenda for shared services identified from a critical review of IS literature

This section is dedicated to deriving a high level research agenda that has been motivated by this study on shared services definitions and objectives. The coded data was analysed further to identify potential prepositions for future research. NVIVO's query functions were used to identify potential relationships and implied causality amongst the coded objectives. These are presented (with evidence from data) below.

The first observation is that IS academics must make a stronger attempt to define shared services, especially for the IS context. Research prepositions to pursue are: 'What elements constitutes shared services (within the ICT context)' and 'How does shared services in IS, differ in other sourcing arrangements related to ICT?' Of course this also requires addressing the underlying methodological question of 'How can one best derive and validate a shared services definition?'

Secondly, while shared services is deployed with the expectation of various benefits, a deeper review of what the actual intensions of shared services are (especially in relation to IS), is an area requiring further investigation. The data coded in the NVIVO database under 'objectives' was analysed further to identify such potential relations. A set of research questions (inspired by current literature), has been derived as a starting point for future research on shared services. Table 2 presents these prepositions, together with supporting literature.



Table 2: Potential research to pursue in relation to shared services objectives

Research proposition	Motivating evidence from literature
<p>1. Should organizations invest in technology first when deploying shared services?</p> <p>a. Is technology a key enabler for progressing with shared services initiative?</p> <p>b. Can organizations gain cost effectiveness through technology investments, when deploying shared services initiatives? If so, how?</p> <p>c. Is integration capability a key enabler for sharing within shared services initiatives? If yes, how can IT support integration capabilities?</p>	<p><i>"Reuters found that technology was a critical enabler of its regional shared services" ... and "This is worth investing in before anything else"</i> (Lacity and Fox 2008, pp. 22)</p> <p><i>"The global ERP system drove process standardization and was the "engine" of the regional shared services."</i> (Lacity and Fox 2008, pp. 22)</p> <p>Cost effectiveness can be achieved by the organization through technology investment when deploying shared services. <i>"In 2001, the corporate CFO decided to significantly reduce finance costs by standardizing finance policies for global delivery (BPR), implementing standard, global enterprise resource planning (ERP) and workflow systems (technology enablement),..."</i> (Lacity and Fox 2008, pp. 19)</p> <p>In the literature, one of the goals adopting shared services is to deploy new information technology. Integration capabilities have been seen as an enabler for sharing arrangement in the shared services initiative. <i>"The ICTU processes are primarily aimed at creating coordination and integration capabilities to enable the sharing of services among as many agencies as possible in order to gain economies of scale"</i>. (Janssen and Joha 2006a, pp. 2309)</p>
<p>2. Are organizations able to improve customer foci by centralizing all the similar activities or business functions in a shared services initiative?</p> <p>a. How/Can shared services improve the services to a company's internal customer?</p>	<p>The shared services approach has a focus on putting the customer first. <i>"According to them, business units inevitably become more comparable, when drawing together activities that have been performed similarly in various locations before. Furthermore, work can be handled quicker and more precisely, putting the customer in focus."</i> (Forst, 2001; Norling, 2001, Ulbrich 2006, pp. 198)</p> <p>Shares services have been designed to improve the customer foci in the organizations. <i>"... designed to promoted efficiency, value generation, costs savings and improved service for the internal customers of the parent corporation"</i> (Bergeron, 2003, cited in Borman 2008, pp. 2)</p>
<p>3. How can organizations generate cost effectiveness through shared services initiative?</p> <p>a. Can organizations generate cost effectiveness by implementing shared services arrangement?</p> <p>b. What types of shared services arrangement can be utilized within the organizations in order to gain cost effectiveness?</p> <p>c. Can organizations realize the economies of scales when deploying shared services initiative?</p>	<p>Reuters found that financial cost can be reduce by <i>"standardizing finance policies for global delivery (BPR), implementing standard, ..." (Lacity and Fox 2008, pp. 19)</i></p> <p><i>"Services are more and more shared among public agencies to gain efficiency benefits."</i> (Janssen and Joha 2006a, pp. 1)</p> <p><i>"Hospitals and physicians are also able to share the use of the systems for ancillary services such as payroll, budgeting, and general accounting. These types of shared services arrangements provide cost efficiencies for both the hospitals and physicians (Guiney, 1994)." (Lockamy III and Smith 2009, pp. 7)</i></p> <p><i>"Cost reduction is often a primary benefit and driving force for companies to implement shared services (Norling, 2001; Triplett and Scheumann, 2000). Shah (1998) and Triplett and Scheumann (2000) argue that shared services realize economies of scale, and thereby gain efficiencies that are normally reserved to centralized organizations. The main goal is to provide optimal solutions for the lowest possible cost (Funk, 2000; Joachim, 2001)." (Ulbrich 2006, pp. 198)</i></p>
<p>4. How can organizations avoid duplication of efforts by implementing shared services?</p>	<p>Reuters was able to reduce financial costs by <i>"...moving a significant amount of work from decentralized business units to six new regional services centers (organizational design)"</i>. (Lacity and Fox 2008, pp. 19)</p> <p><i>"Economies of scale through centralisation, the removal of duplication and being better positioned to secure funds to invest in the latest technology were the most common reasons given for establishing SSCs."</i> (Borman 2008, pp. 8)</p>
<p>5. What are the benefits of standardization within shared services and how can these be best arranged?</p>	<p>Shared services benefits can be realize through standardization process. <i>"Cecil (2000) and Triplett and Scheumann (2000) see benefits in a standardization process. According to them, business units inevitably become more comparable, when drawing together activities that have been performed similarly in various locations before."</i> (Ulbrich 2006, pp. 198)</p>
<p>6. Are shared services able to improve an organization's structure through consolidating processes?</p> <p>a. How/Can the consolidating process facilitates the shared service arrangement within the organizations?</p> <p>b. Are organizations able to generate cost effectiveness through the consolidation process within shared services initiative?</p> <p>c. Are organizations able to avoid duplication of efforts through consolidating processes? If so, how?</p>	<p><i>"... , many firms have turned to a shared service model, consolidating IT and business processes throughout the firm into a single or small number of centers owned and run by the firm (Shah 1999; Ulrich 1995)." (Whitaker et al. 2006, pp. 3249)</i></p> <p><i>"... taking the concept of consolidation and shared services beyond the organization's four walls by sharing applications, hardware or core business processes with other firms to further reduce costs."</i> (Davenport et al. 2004, pp. 20)</p> <p><i>"From a business and organizational perspective, the most obvious route to consolidation- related cost savings is the adoption of shared services."</i> (Davenport et al. 2004, pp. 20)</p> <p>Organizations are able to avoid duplication in efforts when deploying shared services. <i>"By cutting out duplicate support processes and non-strategic activities, and organizing them as so-called shared services."</i> (Ulbrich, 1996. pp. 196) <i>"... bring-together functions that are frequently duplicated across divisions, subsidiaries or operating units..." (Sedera and Dey 2007, pp. 1)</i></p>
<p>7. Are shared services able assist organizations build a Centre of Excellence to gain access to organizational resources?</p> <p>a. Should organizations establish a Centre of Excellent to improve organization's control in shared services initiative?</p>	<p>Shared services have several goals, which one of the goal is establishing Centre of Excellence. <i>"Establishing a centre of expertise is another goal that has been mentioned. Employees are more satisfied and their competencies can be better utilized and anchored in the organization, which contributes to improved knowledge management"</i> (Kagelmann, 2000, pp. 77-8, cited in Ulbrich 2006, pp. 199) <i>"In this way, experts can be utilized by all business units for a comparable low cost."</i> (Ulbrich 2006, pp. 198). <i>"Expertise was</i></p>

	<p><i>scattered around the organizations and the departments were often not able to gain access to the expertise needed and to consolidate experiences." and "The municipalities decided to concentrate their ICT departments within one SSC, as they had similar objectives and ambitions." (Janssen and Joha 2006a, pp. 2309)</i></p> <p><i>A centre of excellence (combination of shared services centre and a group of expertise) are able to improve organization's control. "Since these SAP developments were performed by diverse groups of developers with different knowledge domains and specializations, a shared service center, together with an application management team was created to coordinate and monitor modifications to the SAP system. Through a systematic procedure of authorization and internalized payment for software modifications, the application management team was able to sift out unnecessary changes to the ERP system and reduce the impact of implemented changes across the organization." (Lim et al. 2005, pp. 142)</i></p>
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## CONCLUSION AND OUTLOOK

Many organisations are adopting shared services and there has been a significant presence of shared services in the recent trade press. Shared services are promoted in the commercial press as a powerful model for reducing cost, increasing quality and creating new capabilities. The potential to leverage ICT related benefits through shared services has been recognised and more and more IT related shared services solutions are predicted to take place, to address calls for efficiency, reduced costs, quality improvement and innovation. While shared services in practice has been excelling, it has not gained enough attention and momentum from academia. From an IS academic perspective, our goal should be to: a) do strong, relevant research that informs the practice of shared-services and related curriculum; and b) anticipate important roles our IS graduates might assume in relation to shared services, and insure we are preparing them to be preferred for these roles. Such roles might be in the business areas of shared services using organisations, in the IS function of shared services using organisations, with software or service providers involved in shared services.

This paper is the first attempt to investigate and report on the current status of shared services literature in IS academia. It consisted of a very detailed review of IS literature from all main IS outlets – which consisted of the 40 IS journals listed in the 'ISWorld Net' and all the 5 AIS sponsored IS conferences. All sources were searched for, since their inception. The resulting set of papers showed that the current body of knowledge is still very limited while there is a need for a better understanding of shared services. This paper provided a preliminary understanding of definitions and objectives of shared services as reported in the academic IS literature, and derived a set of research propositions that can be investigated further.

Within the context of the currently available academic IS literature, we defined shared services as the internal provisioning of services by a semi-autonomous organizational unit to multiple organisational units involving the consolidation of business functions supported by a sharing arrangement. We identified as the main objectives of shared services; enhancing the organization's value and decreasing its costs by supporting consolidation and integration, supporting standardisation, and avoiding duplication. Definitions and objectives are critical for the progression of the field, for example; to understand what drives the interest for shared services, to form the foundation for deriving performance measures related to shared services, to support the design and deployment of shared service structure and governance; hence providing a strong foundation for further research in shared services.

The content presented here was a segment of a larger study that attempts to characterise shared services via published literature. A three-staged systematic approach; for literature extraction, preparing for analysis and conducting detailed literature analysis, utilising the functionality of a range of tools (i.e. Adobe Acrobat professional, NVIVO and EndNote) was devised and applied here. This paper essentially pilot tested the methodology. This approach can be re-used to cover a broader range of academic outlets to derive a detailed characterization of shared services beyond the IS domain and to obtain a more in-depth understanding of shared services beyond definitions and objectives.

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