Global Shared Services Centre (GSSC) 2018 Internal Annual Report

Submitted date: 8 February 2019

GLOBAL
SHARED SERVICES CENTRE

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A. Executive Summary

2018 was the second full year of operations for UNICEF's Global Shared Services Centre (GSSC). In addition to successfully delivering against agreed performance targets, the Centre continued to drive improvements in line with the key drivers as set out in the OMP:

- Increased mission focus
- Cost reduction
- Reduction of overall risk
- Increased service quality

Overall performance in 2018
Volume of transactions processed increased by 7% to just over 1 million (1,008,000)
Performance against SLA targets – 93% (compared to target of 90%)
No increase in headcount or budget allocation

KEY DRIVERS

Increased mission focus was achieved by freeing up staff time from transaction processing to activities that are more programme focused. For 2018 several **Accelerator targets** were set for the GSSC with the principal aim of delivering 10 per cent efficiency gains through reducing time spent on transactional activities in the field, hence increasing mission focus. Key achievements in this area were:

- Payment automation – introducing electronic banking processes where feasible. This project was 95 per cent complete by the end of 2018, with an estimated saving of 60,000 productive hours in the field.
- Introducing automation (Winshuttle) to increase efficiency – this was successfully introduced for Master Data Management (MDM), with introduction in other functional areas being assessed.
- BOS – achieving over the agreed 40% target of offices signing BOS agreements.

Other Accelerator targets will be delivered in early 2019 – principally:

- More efficient working processes through the introduction of a new case management tool (Service Gateway) combining smart forms and built-in validation with available VISION data.
- A streamlined way for handling payroll funding gaps – currently involving significant CO resource to rectify issues. This includes the introduction on a dedicated Payroll Local Focal Point function in local offices.

Full details of progress against the GSSC Accelerators can be found in Annex 3 of the report.

In addition to the above, a joint project with ROSA was undertaken to streamline back office processes in the finance area. Recommendations will be implemented in 2019, firstly in ROSA region and then across other regions.

Cost reduction has continued following the establishment of the GSSC. In addition to the annualized savings of $25 million achieved from the establishment of the Centre, in 2018 additional savings were realized with the transfer of extra functions to the GSSC and the reduction of associated costs (US$0.8M). This was combined with estimated productivity savings (US$3.3M) in field offices, resulting from improved and more efficient processes.

Reduction of overall risk by embedding Quality Assurance (QA) functions in all GSSC processing streams. The QA function monitors transactions for compliance, accuracy and service quality, and is improving the quality and accuracy of all in-scope processes. As a result, the GSSC is reducing the risk of fraud, maintaining consistency on the application of policies and improving UNICEF's overall control mechanisms

and tools. The QA Team focuses on transactions in high risk areas, as identified by the risk matrix for their area of work.

Increased service quality and customer focus have been achieved through the strengthening of the Customer Care team to enable efficient handling of all first line enquiries, a continuous review of performance to ensure the GSSC meets agreed targets, and finally through the roll-out of account management to strengthen relationships with customers and capture improved feedback about overall GSSC performance.

A key area of focus in 2018 was the design and development of a new and improved ticketing tool to enhance the customer experience for staff requesting transactional support from the GSSC. The Service Gateway tool will replace three existing tools (My Case, IT Service Manager and e-SAF) thus giving customers a one-stop shop for service requests from the GSSC and ICTD. The tool's portal is user-friendly, provides an improved view of ongoing transactions and has a built-in knowledge library to support knowledge sharing and capacity transfer to staff to users. The tool will launch in February 2019.

UN REFORM
In addition to the GSSC's focus on the above key drivers, the Centre has played a significant role in supporting UN Reform initiatives. The GSSC Director is the UNICEF representative to the cross-agency Business Innovations Group (BIG) for operational initiatives, and the Chief of Operations has been seconded to this group as part of UNICEF's overall support to BIG. The GSSC works closely with PPD on UN Reform initiatives and co-ordinates a regular meeting with Regional Chief of Operations and other stakeholders to discuss a common approach to UN Reform initiatives being driven by BIG.

At the interagency level, the GSSC remained responsible for the monitoring and reporting of the BOS indicator for the Strategic Plan. While reporting is under way, preliminary results show that the indicator was achieved, with 41% of UNICEF field offices having a signed BOS and estimated savings amounting to 6 million USD. This compares to the original target of 40% and 5 million USD. Due to the excellent results obtained, UNICEF was asked to share their experience with other agencies via the BIG project in order to accelerate achievement of BOS worldwide.

B. Update on context, trends and changes in area of work

Broad trends in the Shared Services industry include the following:
- Increasing use of <u>automation </u>(Robotics) to process rules based high volume transactions. The GSSC has an ongoing project in 2019 to deliver automation in the relevant areas of Finance and HR Admin
- <u>Customer service</u> is becoming more critical – most centres were established with the goals of making processes efficient, standardised and low cost. As centres become more mature customer service become more important. The GSSC is beginning to address this more systematically – through the roll-out of account management and development of case specific feedback.
- Development of <u>knowledge-based services</u> – the new case tool that will be implemented in early 2019 has an integrated knowledge platform that provides more intuitive access to relevant knowledge articles. The GSSC would like to further develop these services – and make knowledge article available in French, Spanish and Arabic.

C. Key results achieved

a. Major results

Performance Analysis

The overall volume of transactions processed by the Centre increased by seven per cent to just over one million in 2018. The GSSC was still able to deliver against its target of processing 90 per cent of transactions within agreed SLAs – achieving an annual performance of 93 per cent against SLA targets - with no additional headcount.

Performance data for 2018 and 2017 by processing stream is as follows:

PROCESS STREAM	2018 PERFORMANCE	2017 PERFORMANCE
General Accounting	99.1%	95.6%
Invoice Processing	95.4%	98.3%
Payments	94.1%	97%
Master Data Management	78.4%	95.5%
On-boarding	92%	96.2%
HR Maintenance	97.3%	97.5%
Off-boarding	93.6%	93.1%
Payroll (exceptional payments)	94.4%	86%
Incidents/requests	81.5%	84.4%
TOTAL	**93%**	**96%**

The main drivers for increased volume were:
- Transfer of grants management to GSSC from HQ in May 2018
- Increase in travel-related and eZHACT payments
- Increase of certificate of employment requests (self-service request)
- E-OSF clean-up (HR personnel files)
- Move of consultancy clearance process from DHR to the Payroll team in July 2018
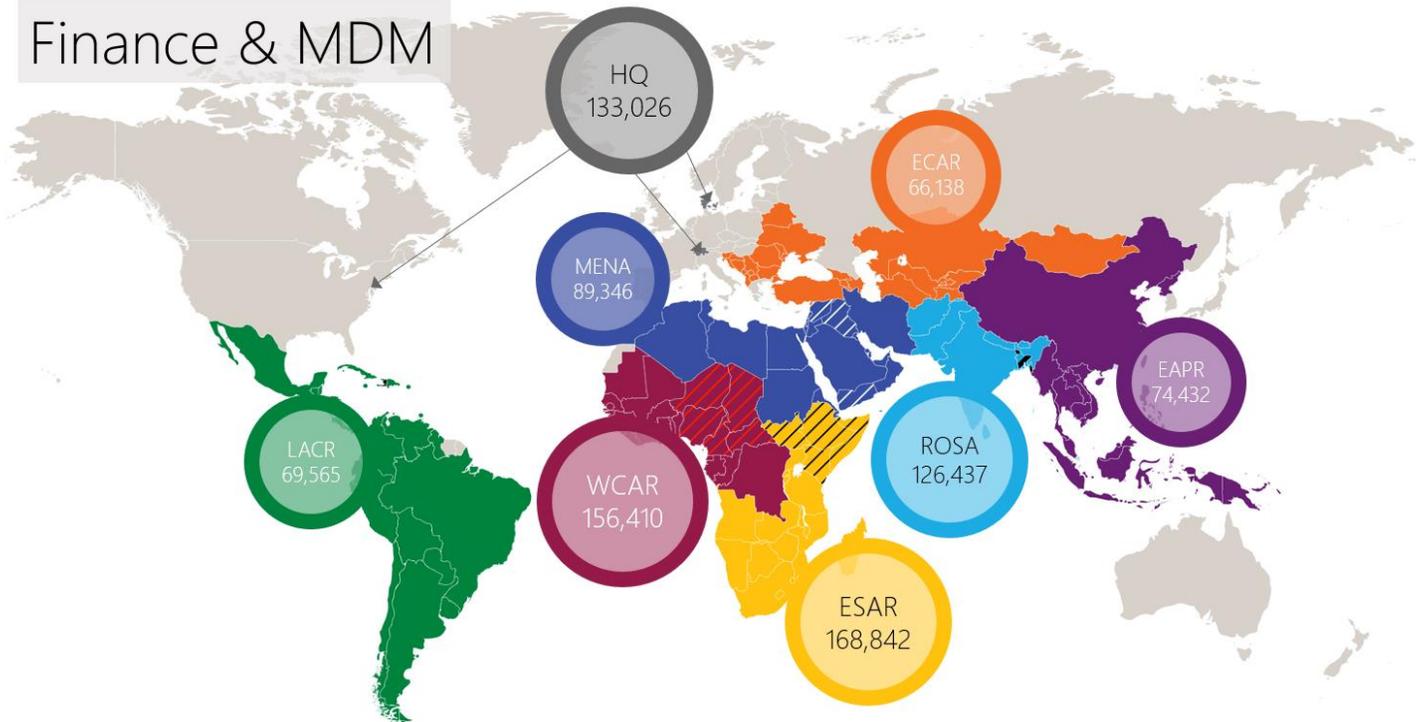- Increased payroll disbursements

The overall SLA achievement rated dropped slightly from 96 per cent in 2017 to 93 per cent in 2018, the main reasons for the reduction being:
- Problems with the MyCase tool in December 2018, which severely impacted overall performance during the critical year-end closure period. Hardest hit were Invoice Processing and MDM services.
- Below target performance of Customer Care during the year with SLAs met 81 per cent of the time compared to 84 per cent in 2017. This was partly due to unclear hand-off between Customer Care and ICTD colleagues in New York. Internal timelines for escalated cases will be clarified with ICTD in 2019 to ensure SLA Targets will be met going forward.
- Periodic problems meeting MDM SLAs due to changes in the process for registering non-staff individuals and staff resource limitations due to sick leave, etc.
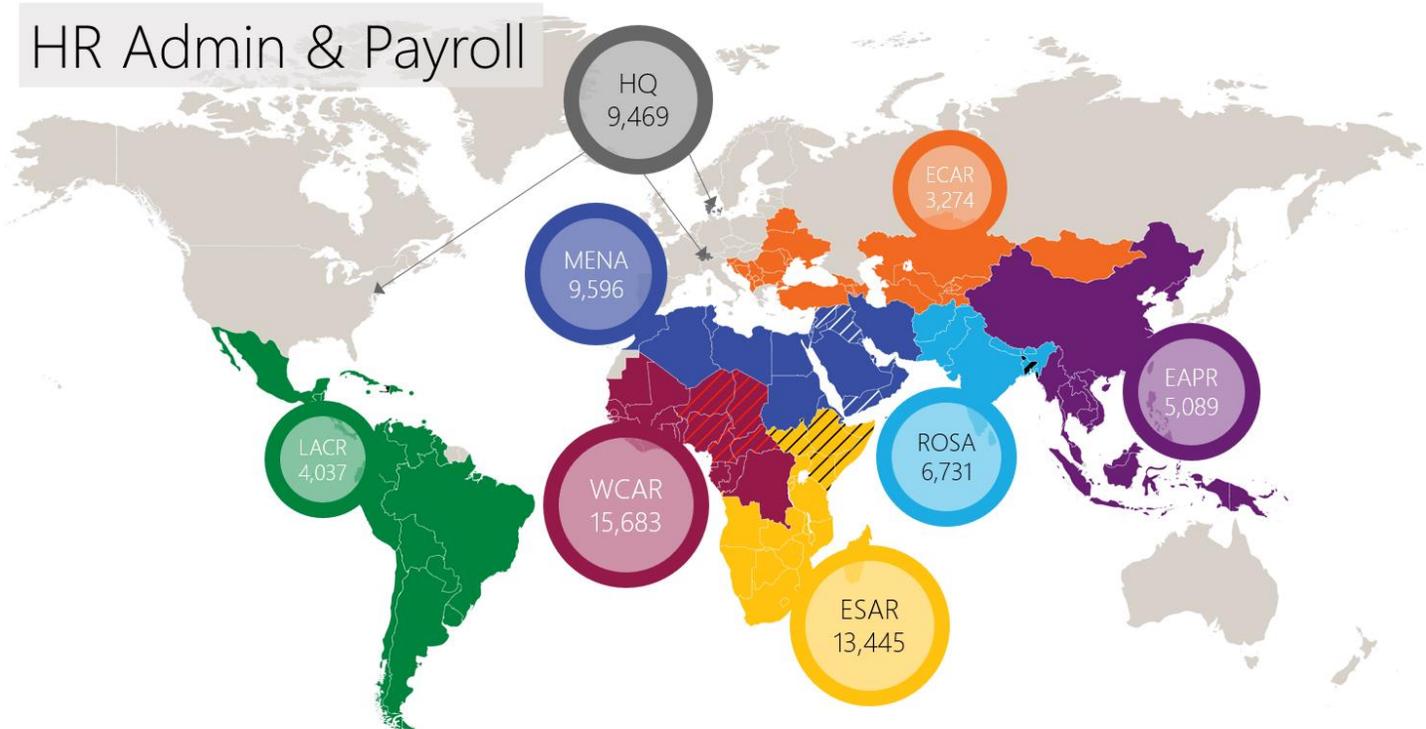
Transaction volume data by Region is provided below for:
- Finance and Master Data Management transactions – 884,000 transactions in 2018 compared to 875,000 in 2017
- HR Administration and Payroll (exceptional payment) transactions – 67,000 transactions in 2018 compared to 60,000 in 2017
- Please note, these volumes so not include requests received by Customer Care (approx. 57,000 in 2018) and monthly processing of payroll for all UNICEF staff.

Finance & MDM

- HQ 133,026
- ECAR 66,138
- MENA 89,346
- EAPR 74,432
- LACR 69,565
- WCAR 156,410
- ROSA 126,437
- ESAR 168,842

HR Admin & Payroll

- HQ 9,469
- ECAR 3,274
- MENA 9,596
- EAPR 5,089
- LACR 4,037
- WCAR 15,683
- ROSA 6,731
- ESAR 13,445

Increased Mission Focus

The GSSC continue to identify improvements and work on initiatives that will enable a greater mission focus of field offices and field colleagues. The aim is to make processes easier to follow and information simpler to find, and where possible to eliminate unnecessary steps.

The following improvements were implemented in 2018:

- Banking automation – for most of the UNICEF core banks the project has already been completed – but for the Bank of America project some implementation is still in progress. For 2018 electronic payments averaged 80 per cent and 60 per cent of payments value and volume respectively. Payroll payments made by electronic transfer also increased, with 80 per cent of UNICEF staff receiving their salary through electronic transfer in December 2018. The use of electronic transfer significantly reduces time spent at the country level on banking activities.
- Streamlining the on-boarding process with automated system access triggered by medical clearance to ensure staff can be on-boarded and fully productive faster.
- Registration of non-staff to facilitate a single data set for human resources, and to allow for further automation of access to various corporate systems.
- An automated process for cleaning bank transfer files to reduce errors, reducing the time required to re-process requests.

Significantly, the development of a replacement and more intuitive case management tool is well underway and will be launched in February 2019. Selection of the system was based on providing a tool that was more intuitive for users, provided better opportunities for integration with VISION and other UNICEF systems and had the flexibility and functionality to make processes smarter and easier for users. Significant effort was spent collecting user requirements to ensure the new tool addressed the pain points and issues users felt were inherent in the existing MyCase, Service Manager and e-SAF tools. These requirements drove many of the improvements and efficiency gains Service Gateway will deliver once launched.

In addition to these initiatives, one of the key activities undertaken in 2018 was a review of 'back office' transactional efficiencies in the ROSA Region, with the aim of reducing the time taken to handle transactions in the country or field office. ROSA had specifically requested GSSC support, but the aim of the exercise was to identify recommendations that could be rolled out globally. Several processes were reviewed during joint missions to Afghanistan, India, Pakistan and Sri Lanka from GSSC and ROSA colleagues – the key conclusions of the review that will be rolled out in 2019 include:

- Simplified processes for low-value procurements which comprise 50 per cent of our transaction volumes, but less than five per cent of overall value. Recommendations include:
  - Clearer guidance on what tools to use for which purposes
  - Introduction of corporate credit cards to all offices
- Moving away from the use of Fund Commitments to enable a more automated approach to invoice processing
- Exploration of possibilities for the vendor to liaise directly with the GSSC for vendor data amendments and invoice processing
- Shift from use of in country hubs as an intermediary between field offices and GSSC
- Streamlined process for handling of Travel Authorizations.

Further details of key GSSC continuous improvement initiatives in 2018 are outlined in Annex 1.

Cost Reduction

The initial set-up of the GSSC realized US$25 million of annualized savings through a combination of efficiency savings and the transfer of processes to a lower cost location. Since set-up, the GSSC has continued to track ongoing benefits realized through the transfer of additional processes to the GSSC. In 2018 a total of US$0.8 million additional efficiency savings were realised - broken down as follows:
- US$578,000 – transfer of the Contributions Unit to GSSC from HQ
- US$36,000- – consultancy clearance process moved to GSSC from HQ

- US$90,000 – transfer of bank reconciliation process to GSSC from HQ (for NY banks)
- US$143,000- – efficiencies deriving from bank automation through reduction of bank charges

In addition, the GSSC estimated US$3.3 million from automation or streamlining of processes that reduced inputs required at the field level. Examples include:
- Banking automation resulting in an estimated reduction of 60,000 hours at the CO level – or the equivalent of 37.5 FTE staff.
- More efficient process for issuing the offer letter resulting in an estimated reduction of 4,600 hours at the CO level.

Full details of cost savings for 2017 and 2018 can be found in Annex 2.

Reduction of Overall Risk

The Quality Assurance (QA) function was established in the Finance stream when the GSSC was established. This has now been extended across all processing streams. Based on risk matrices for each stream, QA teams focus on reviewing transactions for compliance with SOPs and applicable policies, quality and accuracy of the transaction as well as the quality of customer interactions.

The Finance QA team has been exploring the use of specialized software (i.e., ACL tool that is also used by Internal Audit) as a means of identifying potentially fraudulent transactions. They are continuing to develop several "detective reports" that can be used to more effectively identify risk areas. k.

The QA teams are centrally coordinated to ensure a standard QA approach is taken across the Centre, and the necessary process is in place to identify and escalate issues as necessary, including monthly co-ordination meetings to ensure a standardized approach.

The Finance team is also piloting an Incident Management process, to ensure root cause analysis is completed for all significant errors and to ensure processes and guidance are strengthened to prevent repetition of the same error/s and mitigate future risks.

Increased Service Quality and Customer Focus

The GSSC is committed to enhancing the customer experience and is developing a customer strategy that crosses all functional areas. Some examples of our drive to improve the customer experience include:
- Roll-out of account management. This has been rolled out initially to 8 key customers and builds on the ongoing monthly calls undertaken with Regional Offices as well as the customer performance dashboards which have been sent out to the regions from mid-2018. The aim of account management is to strengthen relationships with customers to enable a better understanding of the customer experience, identify areas of improvement for the GSSC as well as improve customer performance. This initiative will continue to be rolled out to additional countries in phases in 2019.
- Customer feedback – the GSSC has undertaken customer surveys in the past on an ad hoc basis but is now looking to implement a more systematized approach to feedback, utilizing the new ticketing tool (Service Gateway) to get real time feedback about cases. Ad hoc surveys will be used to get customer reactions to planned initiatives.
- Support for LFPs – a number of initiatives are designed to better support local focal points (LFPs) at country and divisional offices. The development of induction training for new LFPs will help them understand how to work with GSSC, whilst the review of the LFP Handbook will ensure guidance is up to

date. Finally, at the request of country offices the GSSC will look to better define the role of the LFP as well as the optimal number of LFPs in an office.

In addition, the Customer Care team (CC) has been strengthened to enable the handling of all first level queries coming to the GSSC. Finance resource was transferred to the team to support knowledge transfer, and the CC team is now handling all first level finance queries. A similar plan is in place for the transfer of HR Admin and Payroll knowledge in early 2019. One of the benefits of this transfer is the improved visibility of query volume and key questions, enabling the GSSC to respond with improved processes or improved knowledge tools.

As mentioned above, improving the customer experience was the main catalyst for the design and development of the new Service Gateway tool, replacing MyCase and Service Manager. Significant investment of effort and resources from the GSSC and ICTD was made throughout 2018 to define user needs and design the tool. We also closely coordinated with other HQ Policy owners, and Regional and Country Office colleagues throughout the development process. The result we believe is a tool that offers users increased mobile capabilities, improved system stability with fewer system outages, reduces the needs for duplicate data entries due to VISION integration, and access to a central repository of knowledge, how-tos and guidance to streamline the submission process.

b. Operationalizing Normative Principles – gender, human rights and environmental sustainability

Gender
The GSSC's work is very different from that of a country office, with no direct programmatic element to report on. However, in terms of gender equality among GSSC staff, we achieved a 60:40 female to male ratio of employees.

Additionally, the GSSC has a room dedicated to nursing mothers and supports a more flexible work approach for women returning to work after having children.

Greening initiative & accessibility
The GSSC is committed to minimizing the environmental impact of its operations and to achieving operational climate neutrality. To minimize the office's carbon foot print and energy consumption, the GSSC has undertaken several initiatives in 2018, some of which are outlined below:

- The Centre established a Greening Committee - engaging staff in eco-efficiency initiatives and behavioural change campaigns to build awareness – for example around World Water day and World Environment day.
- The GSSC eliminated the use of single use plastic bottles in all meetings and conferences hosted in GSSC, including changes specifications for catering suppliers. This has eliminated the use of approximately 7,500 plastic bottles a year.

The GSSC is equally committed to improving the accessibility of its premises to ensure that all staff including people with disabilities have adequate levels of comfort and mobility within UNICEF GSSC premises and has achieved Level 2 accessibility.

c. Supporting humanitarian response

The GSSC works to accelerated SLA targets for emergency countries, and regularly reviews actual performance to ensure we are meeting these targets. For example, for invoice processing the standard SLA is three working days – but for emergency countries this is accelerated to one day. The same approach is applied to other SLAs which could have a critical impact in an emergency. Overall emergency request tickets were 186,000 – approximately 18.5 per cent of 2018 transaction volumes.

In addition to this support, the GSSC is responsive to requests for special handling when unique circumstances arise at the CO level – for example where a country does not have L2 or L3 emergency designation but is responding to a localized emergency that requires a quick turnaround of transactions.

d. Influencing global/regional discourse and policy

The GSSC is advocates for the modernisation of organizational practices that will streamline ways of working across UNICEF and deliver results-based outcomes and value for money. The centre actively engages with key stakeholder Divisions through weekly meetings to recommend potential policy and process improvements. The GSSC sees itself as a strong advocate for the field, working where possible to ensure processes are streamlined and redundant work is eliminated.

This has been demonstrated through:
- The **Accelerators** (see Annex 3) – the aim of almost all the Accelerator targets for GSSC in 2018 is to increase mission focus and reduce the burden on Field Offices
- The review of transactional processes undertaken jointly with ROSA – the principal aim of this review was to identify ways to simplify processes in order to free up time at the field office. As a part of this exercise GSSC has played a key role in advocating changes to existing policies.

One of the initiatives being driven by UN Reform is around developing performance metrics. The GSSC is at the forefront of measuring performance, maintaining transparent reporting dashboards with real time data to ensure accountability to its customers.

The GSSC is very active in Shared Service Centre (SSC) forums, sharing best practices with partner agencies and other players in the public and private sector. During 2018, we hosted visitors from WHO Shared Centre representatives and the Shared Services Centre of the British Foreign Office, whilst also undertaking visits to other centres in Budapest. The GSSC also shared best practices with WFP who are currently evaluating the possibility of developing a SSC.

We continue to benchmark ourselves against the best private and public sector SSCs, and in 2018 completed a detailed benchmarking study of our HR Admin, Payroll and Customer Care streams, which gave us information about how we perform against our peers and ideas on how we can improve. Several initiatives have arisen as a direct result of this study and will drive a range of continuous improvements in 2019.

e. Implementation strategies

The GSSC continues to work to enhance our knowledge management of transactional processes managed by GSSC. We aim to provide the customer with a clear link between policy and process. The work has been closely tied to the roll-out of the new case management tool – to ensure customers get information when they need it and can easily search for missing information. We have also made significant effort to systematise how processor-focused knowledge is captured and stored through a defined knowledge focal point group who are responsible for supporting the knowledge management process and supporting the QA process. Accessibility to internal process knowledge is supported by the introduction to functional streams of a dedicated SharePoint knowledge base in 2018.

In addition, the GSSC shares knowledge about the BOS Initiative through a purpose-built intranet portal hosted by the GSSC. It has now been agreed with PPD that we will work together to build an overall UN Reform intranet site which contains knowledge about various reform initiatives as well as UNICEF responses and other relevant information.

The GSSC has regular interactions with Policy owning Divisions and works collaboratively to improve policies and processes. There are several initiatives that the GSSC will work on in 2019 that will require close collaboration with other Divisions, such as:

- Development of tools as recommended by the review of back office processes in ROSA – with DFAM and SD.
- Continued work to strengthen internal controls, risk matrices and fraud prevention initiatives – with DFAM.
- Finalization of recommendations to resolve issues with payroll funding – with DFAM.
- Review of potential opportunities for transfer of additional HR transactional work to the GSSC – with DHR
- Development of a chargeback mechanism and rollout – with DFAM.
- Ongoing enhancement of the Service Gateway case management tool – with ICTD.

f. Enablers and Internal Management

The GSSC's activities contribute to the following 2018-2021 Strategic Plan change strategies and enablers:

- **"HOW" change strategy 6: United Nations Working Together** through the facilitation of BOS implementation in countries and GSSC interagency partnership.
- **Enabler 2: Results-oriented, efficient and effective management** specifically related to the provision of efficient, effective and transparent administrative support services and consolidation of service delivery functions and facilities, anti-fraud measures and contributing to value-for money.
- **Enabler 3: People: versatile staff as agents of change** supporting simpler, faster and more targeted recruitment.
- **Enabler 4: Versatile, safe and secure knowledge and information systems** through efforts to provide and safeguarded resilient systems, and a standard operating environment and connectivity.

The four GSSC drivers help support achievement of the above, particularly SP enabler 2 by increasing mission focus of country offices; achieving cost savings for the organization through leveraging economies of scale, expertise and innovation, improving service quality through continuous improvement, and decreasing organizational risk through end-to-end visibility of processes and improved controls.

Additionally, the GSSC has been working to deliver the Accelerators identified in 2018 – the principle goal of which is to deliver more efficient processes. A summary of the Accelerators and the achievement against these at the end of 2018 can be found in Annex 3.

Enablers Where GSSC has Principal Responsibility

The GSSC has principal responsibility for delivering on H6.a.3 "Total Annual cost avoided from Business Operations Strategies (BOS)" strategy, under UN Working Together.

GSSC remained responsible for the monitoring and reporting of the BOS indicator for the Strategic Plan. While reporting is under way, preliminary results show that the indicator was achieved, with 41 per cent of UNICEF field offices having a signed BOS with estimated savings of US$6 million. Due to the excellent results obtained, UNICEF was asked to share its experience with other agencies through the Business Innovation Group project, to accelerate achievement of BOS worldwide.

GSSC Support to Other Enablers

- **HR Initiatives**

Talent Management & Recruitment

Talent Management continued to be a priority for the GSSC in 2018. Recruiting talented staff on time remained a challenge for the GSSC given the increasingly competitive shared services employment market in Hungary. Peak work seasons and additional projects required additional temporary staffing and surge capacities. As the work evolved in functions during the inception years, more effective roles and structures were introduced for quality assurance, customer care and subject matter expertise in Finance, HR, Payroll and Customer Care sections. Structural changes were systematically introduced and change managed effectively.

For timely recruitment, talent pools were systematically created and regularly updated. Outreach strategies included career fairs, collaboration with universities and outsourcing peak season recruitments to external agencies. GSSC increased our participation in Shared Services Centre networks/conferences, with specific focus on obtaining best practices from shared services centres and increasing the pool of diverse applicants. We piloted an Online Career Fair targeting EU citizens and expanded our social media presence through LinkedIn and tailored Facebook and Instagram campaigns. Timely availability of staff was ensured, with over 185 staff, temporary support and consultants hired in 2018 – an 85 per cent increase on 2017. The GSSC completed all recruitments within a target of 21 days, which is well below established SSC and global SLAs. Additionally, the Centre was able to maintain staff turnover of 13 per cent overall in 2018, well within the 15 -20 per cent benchmark for the shared services sector.

Learning & Development

New staff received comprehensive orientation into the UN, UNICEF, and the GSSC through our unique face-to-face Induction Training course, which includes a primer on customer service, business communications, fraud and confidentiality. Our Lunch & Learn series, offering insights into the various aspects of UNICEF from visiting professionals in the field, offered 16 different sessions with total attendance of nearly 500 staff in 2018. Staff exchanges and missions provided wider exposure to GSSC staff to various UNICEF offices and vice versa.

Besides capacity building to ensure staff have the necessary technical skills to perform their tasks, the GSSC's Learning and Development Strategy includes the provision of external learning opportunities to give staff the skills to allow them to grow in their career. A Shared Services curriculum is also available for those who wish to develop a greater understanding of the key attributes of running a Shared Services Centre. First line managers were involved in different Action Learning projects which focused on designing, developing, and delivering projects.

The GSSC is currently discussing with DHR a proposal to establish a **Global Learning Centre** in Budapest. The benefits to setting this up are to ensure trainings are coordinated and consistently updated. The GLC would build on the already highly developed recording studio and broadcasting facilities available at the GSSC. A decision on this is expected in mid-February 2019.

Ethics

The GSSC once again participated in UNICEF's Ethics Month by launching a series of Ethics and Diversity workshops. Here staff had the opportunity to discuss 'ethical dilemmas' and give feedback. As a follow-up to the pulse survey and global staff survey, GSSC introduced various clinics and workshops to bring staff together to discuss ethics, diversity and abuse of authority.

The GSSC introduced confidentiality training and all staff signed a non-disclosure/confidentiality agreement as a commitment to ensuring sensitive information is kept confidential.

GSSC Staff Association

The GSSC Staff Association has organized numerous events throughout the year including blood donations and clothing drives, staff parties, forest clean-up crews, and events for staff children and families. Our Peer Support

Volunteers participated in advanced training and are actively working to provide our staff with someone to talk to and encourage a 'Speak Up Culture'.

Responses to the Global Staff Survey

In response to the Global Staff Survey results, the GSSC continued to prioritize the enhancement of supervisory skills and performance management, taking the initiative to pilot first-level supervisor training.

As part of the key HR Activities during 2018, the GSSC focused on conducting training and refresher courses aiming at enhancing supervisory skills of GSSC Managers to lead their teams, create an honest performance culture and achieve higher results for children. These activities ranged from trainings on Performance Management culture, usage of ACHIEVE system and tools, and sharing best performance management practices with all GSSC Managers and staff. Additional training within the GSSC and with the UN Ombudsman on Providing Feedback and Conducting Difficult conversations were held, giving GSSSC Supervisors the opportunity to practice providing feedback and how best to approach difficult conversations with their supervisees.

As part of ensuring that sufficient time was allotted for the ongoing feedback and performance discussion, the GSSC launched its Performance Week in June, during which additional trainings were held and DHR webinars conducted. Additionally, the Centre piloted a 360 degree feedback assessment for selected GSSC Supervisors to promote a culture of honest two-way feedback. As a result, GSSC Supervisors obtained a more objective and holistic view of their performance, their areas of strengths, as well as areas of further development.

The aim of these trainings was to increase awareness of managers, clarify behaviors and create a unified and accountable culture of how key results and milestones are achieved and to promote dialogue within the team and improve working relationships between staff and within teams. As a result, GSSC Managers were better equipped, trained and supported to effectively manage staff and to fully embrace their pivotal role as a Manager.

Additionally, the GSSC encourages staff initiatives through two sites – one for Continuous Improvement ideas and one for Staff Well-Being ideas. These sites are actively monitored and where possible ideas are further developed and implemented. Examples of some of these ideas can be found in Annex 1.

- **Operational Initiatives**:

Business Continuity

As the global processing centre for UNICEF, handing payments, payroll and HR transactions for all UNICEF countries and Divisions, a robust Business Continuity Plan is critical. During 2018, three BCP simulation exercises were conducted that enabled the GSSC to identify several gaps. Several updates to the BCP were undertaken with participation of all sections which included review of critical staff, checklists and a review of emergency SLAs.

Additionally, several BCP events occurred in 2018, including power outage and outage of the case management tool, that provided further opportunities to test and refine our BCP. As a result, the GSSC undertook several measures to mitigate the risks of power outage to the overall operation of the GSSC by providing laptops to critical staff and ensuring access to a secondary power line.

The GSSC continued its effort and collaboration with ICTD to obtain required approvals to pilot the BCP mobile application to ensure critical staff can effectively respond to any BCP events. The GSSC IT team is collaborating with ICTD Platforms and Services Section at HQ to strengthen the resilience of the GSSC IT infrastructure and to build technical capacities at GSSC to respond to any eventual IT infrastructure breakdown.

Conference Facilities

The GSSC Operations team supported UNICEF offices with the efficient planning and delivery of 25 global events (workshops, conferences, meetings, trainings and other events) hosted at the Centre throughout 2018,

with a total of 860 participants. Examples included Budget training, ECAR Regional meetings etc. The GSSC offers state-of-the-art technology and a variety of configurations in its multiple conference facilities, with capacity to host multiple events simultaneously.

Budget Utilization

In 2018, the GSSC Budget and Finance Unit continued working with DFAM on improving reporting processes and aligning policies for optimal utilization of the Institutional budget in terms of both staff and non-staff costs. By regular reallocation of resources, as well through a reorganization exercise GSSC ensured that staff budget was efficiently utilized. Utilization of 2018 non-post budget was 87 per cent overall.

Collaborative Approach

The GSSC continues to collaborate with other UN agencies in Hungary to harmonize and optimize the procurement process by conducting joint tendering exercises and "piggybacking" on framework agreements (FA). In 2018, UNICEF utilised UNHCR's FA for office stationary and FAO's agreement for travel services, while FAO and UNHCR utilised UNICEF's LTAs' for catering and hotel accommodation services. The total savings generated by issuing POs under LTAs and by using other UN agencies LTA's is estimated at US$346,000.

D. Constraints and Lessons Learned

One of the constraints experienced in 2018 resulted from turnover of senior resources – and some refocusing of teams as a result. New Chiefs of HR Admin and SQM were recruited in 2018, and the Chief of Payroll retired towards the end of 2018.

As the Centre's second full year of operations, much focus was given in 2018 to ensuring we meet our performance targets. At the same time, there was substantial time invested in making improvements to processes and developing the Centre in line with the goal of being a 'best in class' shared services centre.

One of the key focuses for the Centre is to not only deliver in line with performance metrics, but also to further reduce effort required at the field level, thus supporting increased focus on programmatic delivery. Considerable time and effort were invested in two projects in 2018, namely:
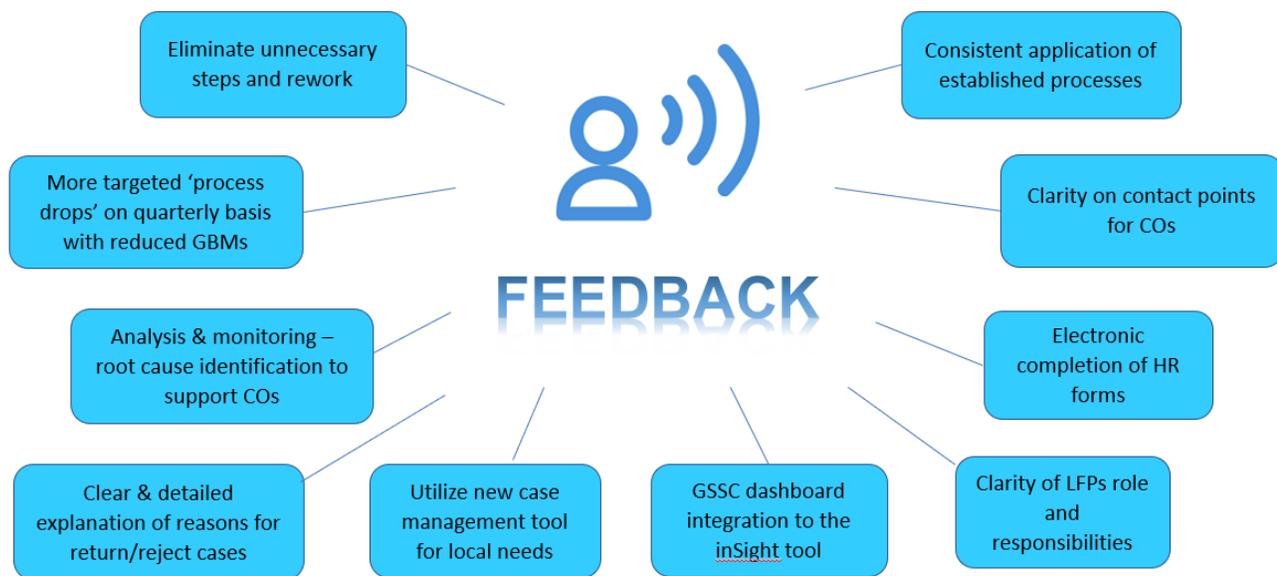
- The design and development of a new case management tool – Service Gateway – which will be launched in early 2019.
- A review of transactional efficiency in the ROSA region – recommendations from this review will be implemented in 2019 and have applicability globally.

These were initially planned to be delivered in 2018, but due to resource constraints will roll into 2019.

Customer Relationship Management is critical to shared services centres, and now that transactional delivery has stabilized, the GSSC will invest more time is finalizing a customer service strategy that covers all aspects of how the Centre engages with its customers – from the use of the new case management tool and account management, to refining customer feedback mechanisms. Some work has already progressed in this area – account management has started with key customers, and case feedback will be implemented when the new case management tool goes live.

Examples of customer feedback are detailed below. Work is already underway to address some of the concerns raised, for example:
- Working with FRG to include customer performance metrics in the Insights dashboard
- Review of the LFP function has commenced with the aim of clarifying responsibilities and giving guidance to offices on optimum numbers of LFPs
- 'Smart forms' in the new case management tool have been developed to reduce manual completion of forms and minimize duplicate effort

Feedback diagram with surrounding items:
- Eliminate unnecessary steps and rework
- Consistent application of established processes
- More targeted 'process drops' on quarterly basis with reduced GBMs
- Clarity on contact points for COs
- Analysis & monitoring – root cause identification to support COs
- Electronic completion of HR forms
- Clear & detailed explanation of reasons for return/reject cases
- Utilize new case management tool for local needs
- GSSC dashboard integration to the inSight tool
- Clarity of LFPs role and responsibilities

2019 Targets

The GSSC continues to set targets that improve ways of working for the field and support achievement of UNICEF's overall objectives. Major initiatives that the GSSC will focus on in 2019 include:

- Implementation of a cross-cutting Customer Service Strategy that supports how we communicate to, interact with and continue to support our customers (as detailed above)
- Automation of high volume rules-based transactions – enabling faster processing times with reduced error rates. The initial focus will be on Finance and HR transactions
- Development of a more robust reporting function with the ability to deliver operational and detective reports, thus enabling a more focused approach to risk and operational management
- Implementation of an effective and systematized change and knowledge management system with focus on driving efficiencies into the offices we serve
- Strengthened capacity of the GSSC Customer Care Team to provide business support and expertise in all areas to staff and offices, and with the ability to identify key issues
- Driving of end to end process review, ensuring linkage with UN Reform initiatives, to support process efficiency both in the field as well as in the GSSC

Support required

Going forward the GSSC will require additional support in three principal areas:

- During 2018, the GSSC provided significant support to UN Reform objectives from a UNICEF perspective, but to take this much further needs clear guidance from senior management on UNICEF's strategy.
- There is scope for a more joined up approach to GSSC strategy from key stakeholders, including DFAM, DHR, ICTD and SD. Initial steps were taken towards this at the end of 2018 with a joint meeting to discuss GSSC areas of focus – it would be useful if this collaborative approach were to be regularized.
- Resourcing – whilst the GSSC has been able to achieve a lot in terms of driving efficiencies and implementing change initiatives, it cannot further build on some of these initiatives without some investment in more professional resource – example of where resources are required include project management capability and knowledge management expertise. In addition, an ability to better understand SAP and quickly deliver system changes would be hugely beneficial.

Annex 1 – 2018 GSSC Continuous Improvements Matrix – Major improvements

IMPROVEMENT PROJECT	IMPACT	Mission focus	Quality	Costs	Risk
Process transfer - CO to GSSC					
MDM					
Registering Non-Staff Individuals (individual consultants, non-staff travellers, volunteers, individual contractors, interns, other personnel accessing UNICEF ICT systems, services and information assets)	Single system of record, collecting standardized data set for all UNICEF human resources (staff and non-staff.) Pre-requisite for further automation for user access to various corporate systems, which saves time for User Admin, and provides faster service to users.	-	✓	-	✓
Process transfer - HQ to GSSC					
Finance					
Contributions/ Grants Management processed moved from DFAM NYHQ to GSSC/ General Accounting team	Cost savings – positions moved from high cost location (NY) to low cost location (Budapest)	✓	✓	-	-
Data quality improvement					
All sections					
Strengthened QA function: coordination ensured by the Service Quality Management team; QA terms of reference refined; risk matrix and reporting dashboard standardized; roles clarified through development and adoption of RACI matrix	Reduced financial risk through improved compliance control and detective reporting.	-	-	-	✓
HR					
Historic data clean-up to ensure all relevant staff documents are stored electronically (E-OSF)	Ensuring all key staff documents are stored	-	✓	-	-
MDM					
Consistent email and mobile phone fields for all vendor types	Time saving at the GSSC – before this data was maintained in the Comments field, which made	-	✓	-	✓

	it hard to find or use in reports.				

Finance

Automatically clean bank data transfer files before submitting them to the banks, to decrease bank rejections for BCM	Saving time for processors to reverse and resubmit payment batches rejected by the banks (due to transfer files containing special characters.) Preventing delays in payments to vendors.	-	✔	-	✔
Improve semi-automated tool (checker file) to address potential errors in payment parameters before SAP payment runs (flag items requiring cross-border payments, integrated SA, CIGNA, UN payment proposals in one validation checker file)	Accelerate payment process, reduce aged open items, improved customer service by provide payment service right first time, avoiding the risk of rejected payments	-	✔	✔	-

Process simplification

Customer Care

Automatic creation of user access to UNICEF IT systems triggered upon medical clearance	Lost productivity time for new staff waiting for system access reduced by 75% from an average of 12.7 business days.	✔	✔	✔	-
Automating provisioning / de-provisioning of user access to VISION	Lost productivity for VISION users waiting for access restoration is reduced to zero, since process is now automated.	✔	✔	✔	-

Payroll

Pay slip information explained for all staff – interactive guide available in the GSSC Resource Library, for IP, NO and GS	Saving the time of staff, Customer Care or SMEs to ask repetitive questions or respond to emails, by providing just in time, readily available information on a topic of high interest.	-	✔	✔	-
Bring forward payroll value date to T-3, to reduce the need for exception records/ manual adjustments previously used to address specific requirements by different countries banking systems (over 40 house banks affected)	Ensuring all staff members receive their salaries in due time (before the end of the month); reduce the probability of mistakes by reducing the need for manual inputs when maintaining exception records.	✔	✔	✔	✔

Annex 2 – Benefits Realisation Summary for 2017 and 2018

	Reduced Labour cost from transfer of work & hard savings	Savings $'000 (Annualised)	Basis of calculation	Productivity gain – process change/volume increase	Savings $'000 (Annualised)	Basis of calculation
2017	SD freight invoices	277	Cost differential between SD CPH and Budapest staffing	Medical specialist	998	Avoidance of loss in productive days – equiv of 5 P3s through Acceleration of on-boarding by 3-4 weeks
	ASHI claims	290	Recovered amount from former staff members	Advances certification removal	140	Avoidance of loss in productive days – equiv of 1.4 FTEs (multiple grades)
				Payment of assignment grants	30	Estimated saving of 0.15 of P3 at field level
TOTAL 2017		**$0.6M**			**$1.2M**	
2018	Consultancy clearance	36	Reduction of 0.5 consultant in NY	Offer letter – more efficient process	600	Avoidance of loss in productive days in Field – equiv of 3 P3s
	Bank reconciliation (for NY Banks)	90	Cost differential between NY HQ and Budapest staffing – GS7 in NY replaced by GS6 in Budapest	Contract extension – more efficient process	60	Avoidance of loss in productive days in Field – equiv of 0.3 P3s
	Contributions move	580	Cost differential between NY HQ and Budapest staffing for 11 staff of varying grades	Pension document review - more efficient submission process	30	Avoidance of loss in productive days in Field – equiv of 0.15 P3s
	Payment automation – reduction in bank charges	143	Reduced bank charges = 143K	Payment Automation	827	Limits the need for manual intervention with vendor and payroll payments at the country level saving approximatively 2.5 minutes per transaction - equivalent to 60,000 productive hours
				Automated staff system access and non-staff registration	30	Estimated reduction of time by staff in field – 0.15 of P3. Additionally loss of non-productive time by approx. 1 wk for a new staff/non-staff member
				Increase volume processed by GSSC in 2018	1750	7% increase in volume – calculated over baseline savings of $25M
TOTAL 2018		**$0.8M**			**$3.3M**	

Annex 3 – Summary of Accelerators

#	Name	Baseline/Savings	Impact	SP Enabler	Status
1.	Invoice Processing Improvement	**BASELINE** • Invoice process baseline analysis ongoing • 250,000 invoices submitted to the GSSC in 2017 **SAVINGS** • 10% reduction in invoice processing turnaround time • 10% reduction in the number of invoices submitted • 10% reduction in payment transactions executed.	Impacts all offices by reducing the number of transactions and improving processing time.	Accelerate results in SP enabler (E2d, E4a)	Q4/18 **IN PROGRESS** **Reductions in turnaround times and overall volumes will be driven by two key projects:** 1. ServiceNow implementation – Q1 2019 2. Process simplification project – rollout from Q1 2019
2.	Onboarding process improvement	Minimum expected 10% process time reduction in onboarding turnaround time	Impacts all offices, especially finance, HR and payroll staff	Accelerate results in SP enabler (E2d, E4a)	Q4/18 **IN PROGRESS** **Reductions in process time will be driven by rollout of the new case tool – ServiceNow – projected for Q1 2019**
3.	Offboarding process improvement	Minimum expected 10% process time reduction offboarding turnaround time	Impacts all offices, especially finance, HR and payroll staff	Accelerate results in SP enabler (E2d, E4a.)	Q4/18 **IN PROGRESS** **Reductions in process time will be driven by rollout of the new case tool – ServiceNow – projected for Q1 2019**
4.	Single Global Directory of all personnel (staff, non-staff and volunteers)	• Minimum expected 10% reduction in process time for system access requests • Around 40% reduction in the number of system access requests, as access extension will be automated based on contract extension.	Impacts all offices by having one standardized user list	Accelerate results in SP enabler (E4a, E2d)	Q4/18 **COMPLETED**
5.	Master Data Management Strengthening	10% reduction in time spent on the processing of Master Data	Impacts Operations Officers and budget focal points.	Accelerate results in SP enabler (E4a, E4a, E2d)	Q4/18 **IN PROGRESS** **Reductions in turnaround times and overall volumes will be driven by two key projects:** 1. ServiceNow implementation – Q1 2019 2. Winshuttle implementation completed
6.	HR Maintenance process improvement	Minimum expected 10% reduction in HR maintenance requests processing time	Impacts Operations Officers and HR officers	Accelerate results in SP enabler (E4a, E4a, E2d)	Q4/18 **IN PROGRESS** **Reductions in process time will be driven by rollout of the new case tool – ServiceNow – projected for Q1 2019**
7.	Payroll Funding	Reduced number of posts with insufficient funds, resulting in reduced time spent addressing funding issues each month	Impacts Payroll and Finance officers	Accelerate results in SP enabler (E4a, E4a, E2d)	Q2/19 **IN PROGRESS** **A draft paper has been shared with selected country offices for consultation. Final recommendations will be shared with DFAM by end 2018**
8.	Payment Automation	Time saved through elimination of manual processes and handling at Country Offices	Impacts Payroll and Finance Officers	Accelerate results in SP enabler (E4a, E2d)	BCM Payroll Q3/18 **COMPLETE** BoA Roll out by Q4/18 **Ongoing with expected completion Q2 2019**
9.	Analysis of local procurement	• Assessment of potential savings is part of the analysis • Reduced processing time through implementation of identified streamlining opportunities and process efficiencies • Reduced exposure through risk-informed local procurement	Impacts primarily CO Supply, Finance and Operations Officers	Accelerate results in SP enabler (E2b)	Q2/2018 **IN PROGRESS** **Process Simplification project is ongoing with ROSA region as a pilot. Recommendations have been agreed and tools are under development**

10.	Detective Reporting	Reduced Risk of potential fraud and associated loss	Impacts RO/CO Operations and Finance Officers and budget focal points	Accelerate results in SP enabler (E2b, E2e)	Q4/2018 **IN PROGRESS** **Expected completion in Q1 2019**
11.	Business Operations Strategy	2018 target: 40% UNICEF offices on BOS and a minimum USD 5 million savings	Impacts Cos, specifically Operations Officers, HR, and Finance focal points	Accelerate results in SP enabler (E2.d, H6.a, H6.b)	**COMPLETE** Presently, 52 BOS are in place (41%), so KPI achieved on numbers. Estimated savings of US$6 million.