A DEEPER EXPLORATION OF SHARED SERVICES IN LATIN AMERICA

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SURVEY REPORT

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INTRODUCTION

Latin America has become a premier destination for shared services, with operations graduating from purely transactional models into a broad range of higher value-add services. Nearshoring is growing, and hybrid captive-outsourcing models are emerging as a response to both center maturity and regional complexity.

Despite all of this activity, information specific to the region is scarce. Most relevant studies cover the more generic global landscape, lacking focus and depth as to what is truly going on in Latin America.

As we talk to our clients, these strategic and operational questions about shared service centers ("SSC") in Latin America are recurrent:

- What is their typical size?
- What geographies are they covering?
- What functions are they supporting?
- Are they satisfied?
- How much are they outsourcing?
- What technologies are they using?
- What are their key challenges?
- Are they planning to expand?

This study is our attempt to narrow this information gap by embarking on a deeper exploration of shared services in Latin America and providing some actionable insights.

We hope you find this information as valuable as we do.

Best Regards,

Raúl Vega | CEO-Founder

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A DEEPER EXPLORATION OF SHARED SERVICES IN LATIN AMERICA

THE TYPICAL SHARED SERVICE CENTER IN LATIN AMERICA HAS BEEN ESTABLISHED FOR 5 YEARS...

Has 150 employees

And is supporting 7 different countries, mostly in Latin America or North America

LANGUAGES SUPPORTED

81% Spanish

52% English

48% Portuguese

6% French

HIGH LEVELS OF SATISFACTION

87% Efficiency & Productivity

84% Service Levels

81% Controls

77% Cost Reduction

TOP CONCERNS

55% Currency fluctuation

55% Investment needed in facilities & technologies

52% Maintaining service levels

SCOPE

90% of respondents are MULTI-FUNCTION

TOP FUNCTIONS

100% Finance & Accounting

87% Master Data

68% HR

65% Customer Service & Contact Center

GEOGRAPHY

65% Only serve countries within Latin America

29% Are supporting North America

60% Only have one SSC in Latin America

78% of Brazilian centers only support Brazil

LIFT & SHIFT IS THE PREDOMINANT APPROACH

60% implement major process changes after the transition

47% standardized systems after moving to the SSC and **40%** during the move

RESULTS

On average, respondents achieved over **45%** savings

>20% Labor arbitrage + 25% Productivity efficiencies

LOW ADOPTION OF TECHNOLOGY

The inclusion of North America into scope will be key to gain labor savings to invest in technology enhancements and increase automation

Technology	Currently implemented	Plan to implement within the next 2 years
Workflow	65%	13%
Cloud	19%	29%
Digital Imaging	61%	40%
OCR	16%	16%
EDI	35%	29%
Robotics		16%

- Currently implemented
- Plan to implement within the next 2 years

PATH FORWARD

Centers in the region will continue expanding

100% of respondents indicated they are planning to expand their SSC operation by adding more...

39% Geographies	48% Functions	58% Business Units	71% Processes

Outsourcing trend will grow as centers become more mature and shift their focus towards more value-added, analytical processes

TOP FUNCTIONS TO OUTSOURCE

40% of respondents are looking to **outsource more**

62% Information Technology

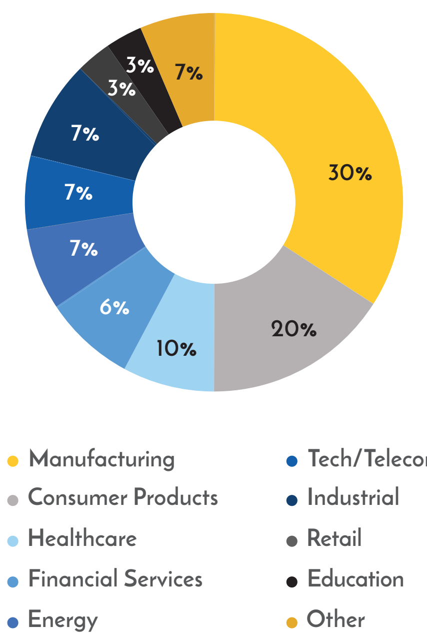
38% Record to Report / Accounting

31% Purchase to Pay

PROFILE OF PARTICIPATING COMPANIES

Respondents Represent a Wide Range of Countries, Industries and Revenue Sizes

Figure 1
What is your primary industry sector?



We collected responses from over 30 shared Service Centers across Latin America ("LatAm"). These centers were located in Brazil, Costa Rica, Colombia, Mexico, Argentina, Panama, Uruguay, Peru and Venezuela.

The top primary industry sectors represented in the study are manufacturing and consumer products, accounting for 50% of respondents. The remaining 50% includes multiple industries such as financial services, healthcare, telecommunications and retail.

Global annual revenue of participant organizations ranges from less than $250 million to over $25 billion. Only seven percent of respondents are under $250 million in annual revenue.

In terms of location, 44% of survey respondents are headquartered in Latin America, 30% in North America (U.S. or Canada), 23% in Europe and 3% in the Asia-Pacific region.

Outsourcing providers in LatAm were not approached to participate in this study. All responses came from actual companies that have set up their SSCs either under a "captive" model (in-house) or "hybrid" model (combination of in-house and outsourcing).

Figure 2
What is the annual revenue of your organization?

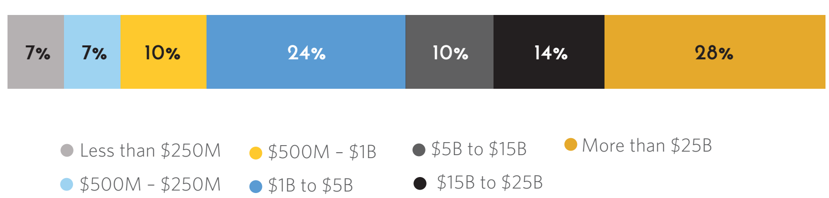
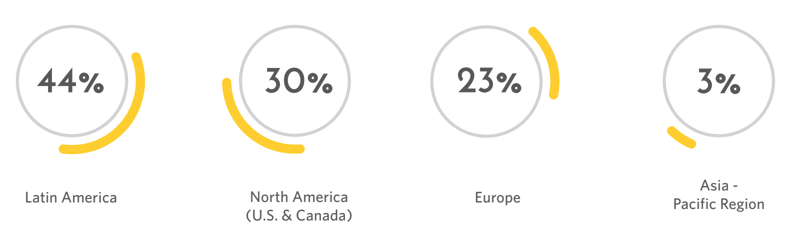


Figure 3
Where is your company headquartered?



STRATEGIC OVERVIEW

The Emergence of Latin America as a Preferred Shared Services Destination

> *"The rise of Latin America shared services has been primarily driven by the need for regional solutions (LatAm or Americas only) rather than as a global solution"*

Over the last decade, Latin America has emerged as a major destination for back office shared services operations. Many leading global organizations, such as PepsiCo, Wal-Mart, Citibank, DHL and Amazon, have successfully established large shared services operations within the region.

The results of this survey suggest that the rise of Latin America shared services has been primarily driven by the need for regional solutions – LatAm or Americas only – rather than as a global solution. Sixty five percent of the survey respondents are serving countries only within Latin America.

This finding reflects the growing trend to organize back office operations under a pan regional back office model is a response to the inherent complexities of operating across such a diverse geography as Latin America. Traditionally, the predominant operating model for organizing back office operations within the LatAm region was a country-based or sub-regional structure. For example, companies would organize their back office operations by individual countries (e.g. Brazil, Argentina, Mexico, etc.) or sub-regions (e.g. Southern Cone, Andean, Central America & the Caribbean, etc.).

The challenge with these traditional decentralized back office models is that they often result in sub-scale, non-standardized operations that are characterized by fragmented processes and internal control challenges. The Latin America pan regional shared services operating model addresses many of the challenges associated with the traditional back office operating models and appears to be the main driver for the growth of shared services within the region.

The average SSC in Latin America supports seven countries, but this varies widely by the SSC location. An SSC in Costa Rica supports an average of 15 countries, while a Brazil SSC supports an average of two countries. The consolidation of multiple countries in an SSC enables levels of efficiency, scalability and internal controls that are not possible with the traditional decentralized back office models of the past.

LATIN AMERICA SPOTLIGHT

- 24% of the "Top 100" Global Outsourcing Destinations are located in Latin America [1]
- Population of ~640M, with Brazil & Mexico comprising 53% of the total [2]
- 33 countries including the Caribbean, plus 15 dependencies [2]
- 93% adult literacy rate versus 84% in Asia [3]
- 4th most difficult region for doing business in the world [4]

(1) Tholons 2016 Top 100 Outsourcing Destinations
(2) United Nations - 2016 Population Projection
(3) UNESCO Institute for Statistics 2015
(4) World Bank – 2015 Doing Business Ranking

The Rise of the "Americas Region"

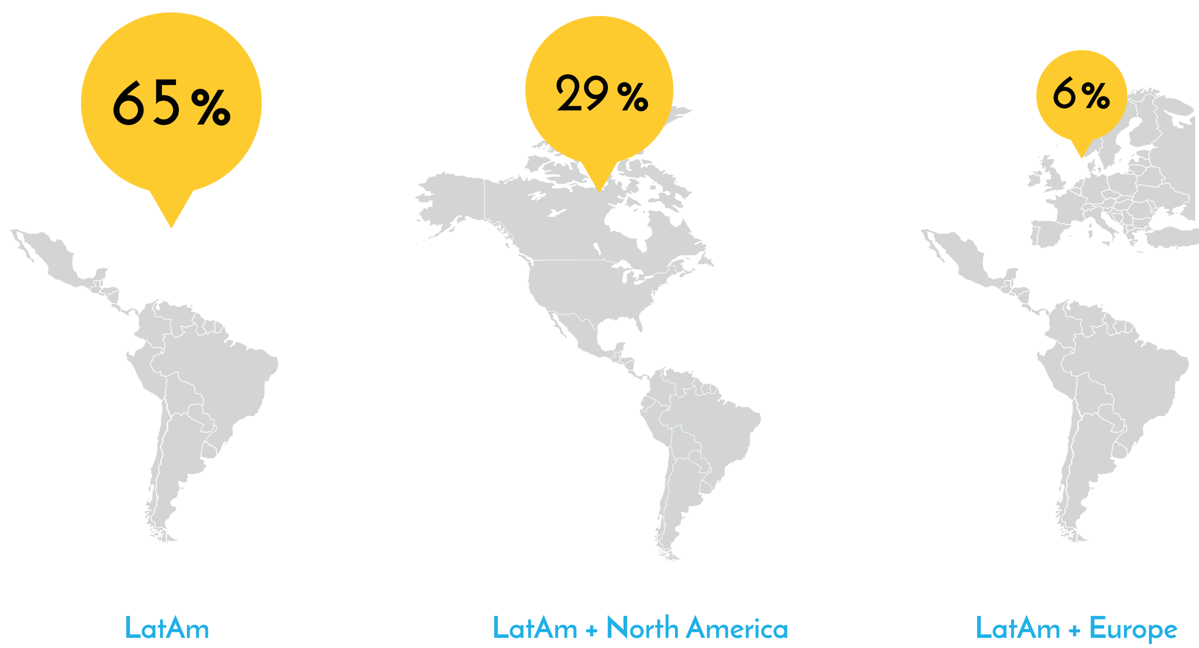
> *"44% of respondents with US operations are serving their North American market from LatAm"*

Another growing organizational trend over the last decade that is supported by the survey results is the rise of the "Americas Region". The "Americas Region" is an operational unit where large multinational organizations are organizing their North, Central and South America operations as one.

In the past, organizations more often organized their Latin America operations as a standalone region or as part of the International Division that had a separate leadership structure than their North America operations. However, organizations are increasingly finding that this type of structure creates unnecessary barriers and inefficiencies, and that significant advantages can be obtained by implementing an "Americas" Regional concept.

Twenty-nine percent of the SSCs that responded are supporting North America and this number climbs to 44% if you exclude the organizations that do not have a North America presence. There are significant advantages to adopting the Americas concept from a back office perspective. The inclusion of North America in the scope for Latin America shared services typically generates significant benefits in labor arbitrage savings, operating efficiency and economies of scale. The Americas shared services concept has been proven successful by many leading organizations across multiple industries, including Procter & Gamble, Citibank, DHL and Cargill.

Figure 4
Geographic Scope



"In contrast to Asia locations, Latin America has the ability to support the U.S. during standard business hours, reducing the strain on the SSC personnel"

The rise of Latin America as a viable shared services destination alternative to support North America operations has been driven by a combination of geographic proximity, business culture, cost attractiveness and quality labor pool.

Time and Geographic Proximity

Time zone and physical proximity of Latin America to the United States provides a significant advantage over more distant locations, such as Asia. Many early adopters of offshoring have found managing operations that were so distant and with large time zone disparities to be both challenging and a strain on their workforce. One of the major challenges that Asia locations are facing is retaining personnel, especially in the overnight shifts that are crucial to supporting customers in the United States.

In contrast, Latin America has the ability to offer real-time service, which provides employees the advantage of working during standard business hours. This advantage helps reduce the strain on the SSC personnel, and contributes to the lower levels of attrition that you typically find in Latin America versus other major shared services locations, such as India. Sixty percent of the survey respondents reported an annual employee turnover of 10% or less. This is a very low turnover percentage in comparison to India where employee turnover rates are reported to be from 19.3% to 30%.[5] Other factors causing lower turnover are less competition for talent and the unique attractiveness of some of the shared services jobs that are relatively new for Latin Americans, allowing them to work with other countries, cultures and languages which is shown to be especially motivating for the millennial generation.

Time and geographic proximity also enables a much more collaborative operating model. Communication and team interaction is made much easier, particularly when dealing with issues, exceptions and shifting priorities. In addition, the SSC becomes an "extension of your team," able to communicate and work together in real-time. Travel between locations is made much easier and common under this nearshore model. This greatly enables operational cohesion, effectiveness and team camaraderie.

Cultural Similarities

As with geographic proximity, the similarity in culture enables the integration of teams between the United States and Latin America.

Latin America and the United States share very similar business cultures. Pop culture and social customs are also closely aligned, making team interaction more seamless. Working styles and communication differences across regions are much easier to navigate. Business rules, operating instructions and even schedules are better aligned.

(5) Towers Watson 2014 BPO Total Rewards Survey (India - 28%); Hay Group 2013 Preparing To Take off Study (26.9% in organized services sector); Forbes July 2012 (India – 20% to 30%); 2016 Aon-Hewitt India Salary Survey (19.3% Services Sector).

Cost Attractiveness

The region enjoys significantly lower labor and operating costs versus the United States. Survey respondents that supported both the United States and Latin America reported an average labor savings of 22%, and productivity improvements of 30%. We believe that the average labor savings of 22% understates the North America cost savings opportunity.

"The significant currency devaluations versus the dollar across many Latin America countries has pushed up the labor arbitrage savings opportunities"

Per our experience, U.S. companies that have chosen a Latin America location for back office support have typically realized cost savings ranging from 30 to 60%. The wide range being driven by the type of operating model selected (i.e. captive, outsourced or hybrid) and geographic locations involved. A possible explanation for the lower reported labor savings could be that the level of support that respondents are providing to the U.S. is limited versus the overall focus of the center. This would result in a lower overall savings percentage as the Latin America cost savings would typically be significantly lower than the U.S., bringing down the overall savings percentage. The savings percentage should increase significantly as the mix of SSC headcount related to U.S. based service increases.

The savings opportunity can be even higher depending on the city in the United States and the selected location in Latin America. The significant currency devaluations versus the dollar across many Latin American countries over the last several years has pushed up the labor arbitrage savings opportunities. For example, the Colombian peso has devalued over 50% versus the US dollar since December 2013. This has greatly reduced the cost of Colombian labor in comparison to the United States.

In contrast, the labor savings opportunity between Latin American countries is typically driven by operational efficiency improvements and not labor arbitrage. The exception is commonly Brazil, where many multinational organizations are located in high-cost cities such as Sao Paulo and Rio de Janeiro.

The labor arbitrage savings opportunity in Brazil were often similar or even higher than the United States. The weakening of the Brazilian Real since 2011 has reduced the labor arbitrage opportunities from a pan regional-only model and increased the importance of operating efficiencies, economies of scale and internal controls enhancements in driving the business case for shared services.

By focusing on efficiencies, you are creating a much more flexible, scalable organization, and to some extent, "going against the grain" of the typical Latin American (and in many cases, US) regional operations. Often in those operations, operational problems are solved by increasing headcount. When you consolidate these operations, not only are you eliminating operational redundancy and manual work, but you are also creating a more dynamic environment that is not as dependent on people, but instead focuses on process efficiencies and performance.

Labor Pool Quality

One of the most often overlooked factors about the Latin America shared services market is the quality of the labor pool. Seventy percent of the survey respondents reported experiencing productivity gains of over 20% after migrating operations to the shared services center.

The Latin America and Caribbean region has an overall adult literacy rate of 92%, with leading shared services locations such as Costa Rica and Uruguay at 96.3% and 98.1%, respectively.[6] This compares favorably to other global shared services destinations, such as India which is at 62.8%. Latin America has a young and educated workforce with at least 11 cities with a minimum population of 1.5 million and numerous universities. These cities include Buenos Aires and Cordoba in Argentina, Santiago in Chile, Bogota in Colombia, San Jose in Costa Rica, Ciudad Juarez, Mexico City, Monterrey and Tijuana in Mexico, and Sao Paulo and Rio de Janeiro in Brazil.[7]

Latin America offers a critical mass of young population, which is another strong indicator of the attractive labor force available for shared services jobs. There are approximately 295 million people between the ages of 15 and 44, representing 47% of the region's total population.[8]

Figure 5

Population by age group - Latin America and The Caribbean (in millions)

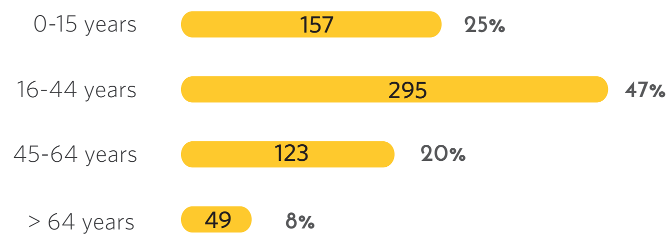
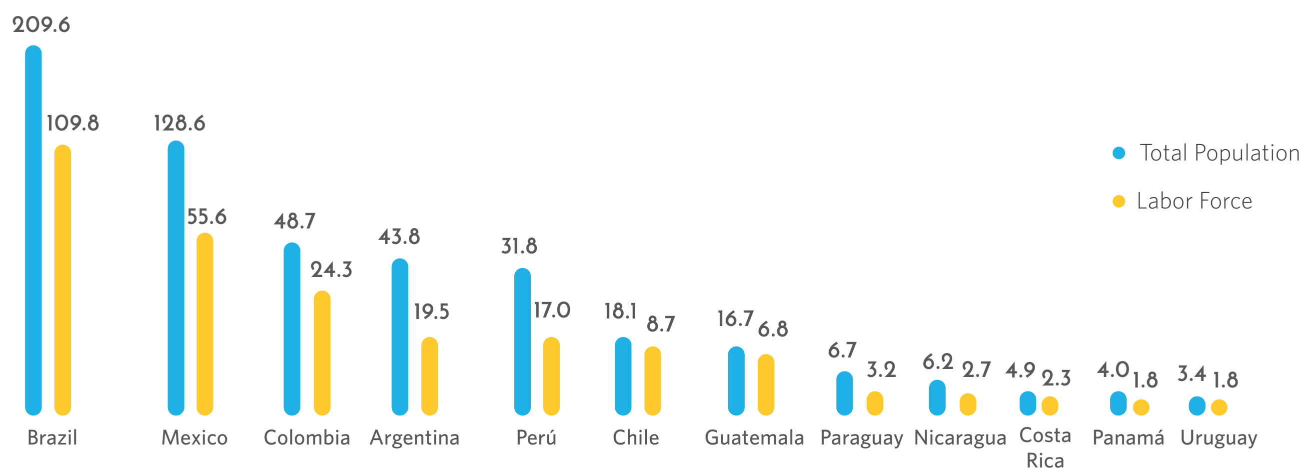


Figure 6

Population and Labor Force in top shared services countries in Latin America[9]



(6) UNESCO - Literacy Rates
(7) AT Kearney - Destination Latin America: A Near-Shore Alternative
(8) United States Census Bureau - 2016 International Data Base
(9) World Bank - Labor Force 2014

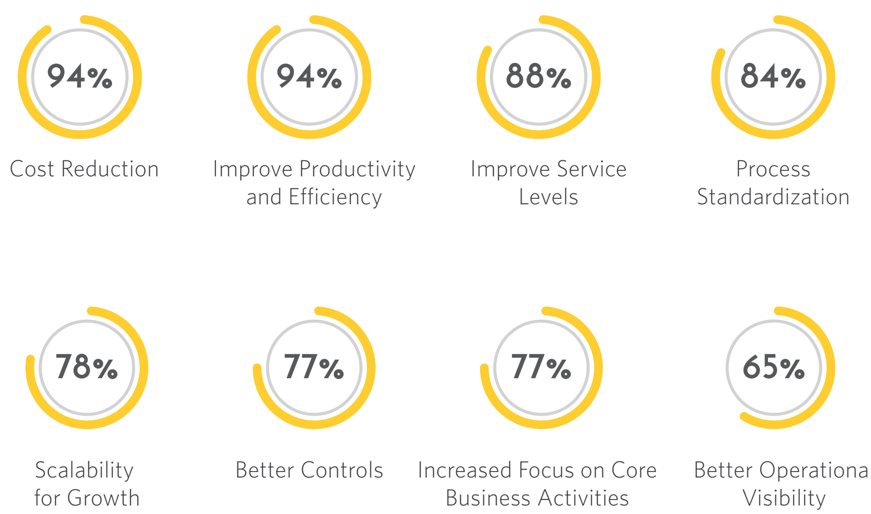
LatAm Shared Services Driven by More than Cost Savings

> *“Productivity and service level improvements are top drivers for implementing shared services”*

The top two drivers for making the decision to implement shared services in the LatAm region are cost reduction and productivity/efficiency improvement, with 94% of respondents considering these two factors “extremely important” or “important.”

Though cost savings are very important, they are not the only important consideration that is moving organizations to adopt a shared services model for their back office. Operational benefits such as better service levels, process standardization, improved controls, scalability for growth, better focus on core business activities, and better operational visibility were cited by more than 65% of the respondents as key drivers for their shared services initiatives.

Figure 7
What are the key drivers to implement an SSC model?



High Satisfaction with Results of LatAm Shared Services Initiatives

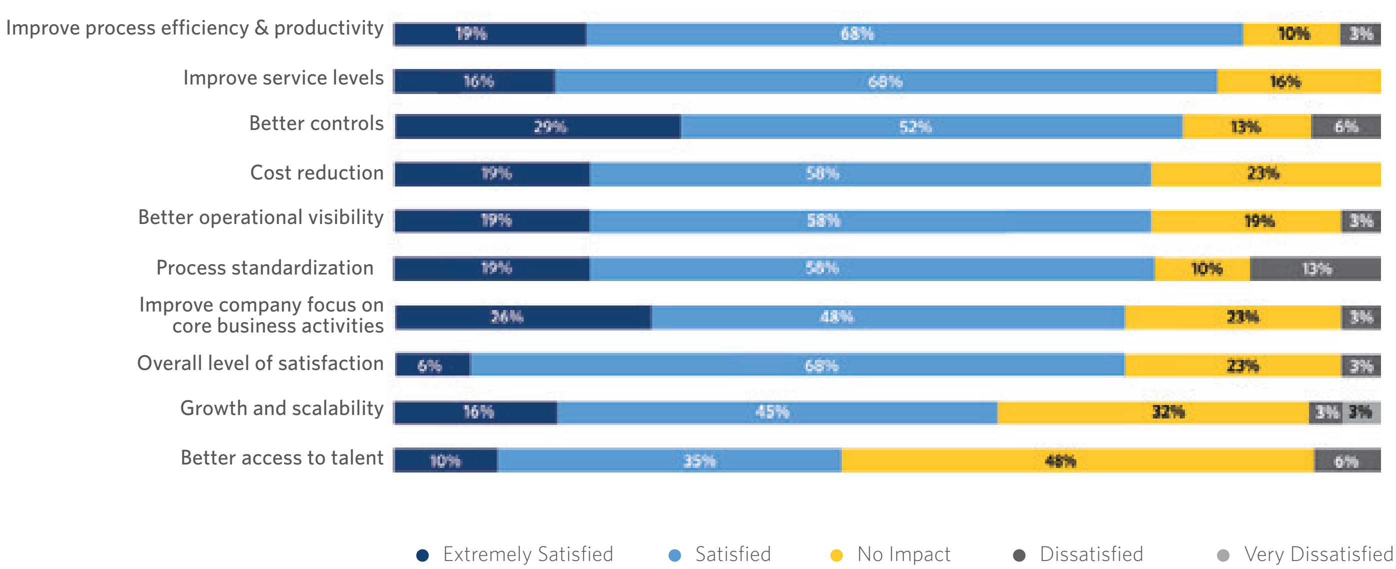
Seventy-four percent of the respondents reported being "satisfied or highly satisfied" with their decision to move towards shared services. Only 3% reported being dissatisfied. The survey respondents also expressed high levels of satisfaction across all key areas that they indicated were important when making the decision to move to an SSC model.

Interestingly, over 80% of the respondents cited satisfaction with service levels, controls, productivity and efficiency improvements. This strongly supports the notion that shared services is not just a cost reduction strategy, but a superior operating model for organizing the back office. Though better access to talent was not identified as one of the main drivers for implementing shared services in the region, 45% of respondents think they were able to get better access to talent in Latin America, and only six percent expressed any dissatisfaction with the talent available in the region.

> *"80% of respondents cited satisfaction with service levels, controls, productivity and efficiency improvements"*

Figure 8

When your organization decided to implement the SSC, how important were the following drivers on making the decision?



Significant Cost Savings and Productivity Improvements

"54% of respondents achieved labor cost savings above 20% and 72% achieved productivity improvements higher than 20%"

Setting up an SSC is a challenging process, but it is a rewarding one as well. More than 50% of our respondents reported labor cost savings in the 20% to 40% range, and only 15% reported savings of less than 10%.

Productivity was also significantly higher after migration to the center, with more than 70% of respondents experiencing improvements of 20% or more. Furthermore, these efficiency improvements were achieved with relatively low use of technology enablers, as will be discussed later in the Operation Highlights section.

Figure 9

What percentage of labor cost savings did you achieve with the implementation of the SSC?

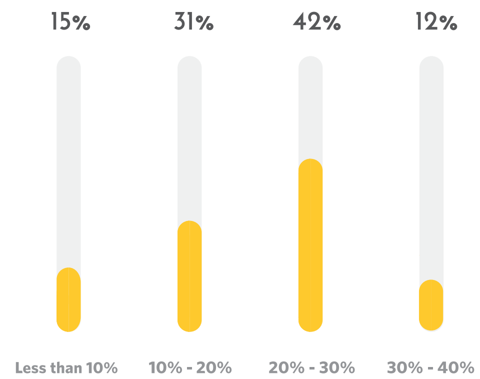
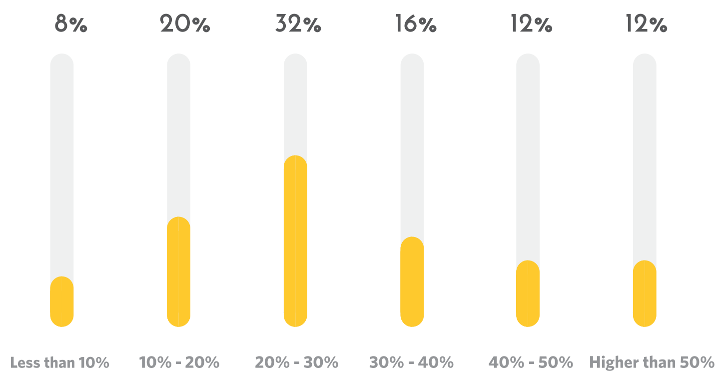


Figure 10

What is the estimated range of productivity improvement that you have gained with the implementation of the SSC?



OPERATIONAL HIGHLIGHTS

Typical SSC in Latin America has 150 Employees, Supports 7 Different Countries and has Been Operating for 5 Years

Almost half of the SSCs (45%) have less than 100 employees, evidencing that small centers represent the most common deployment method in the region. This goes against the common perception of SSCs as large service centers with hundreds or thousands of employees.

The average age of the SSCs surveyed was approximately five years and 77% of respondents were established within the last decade.

Fifty-five percent of the centers are supporting six or more countries. The average number of countries served by center varies significantly depending on the location of the SSC. For example, the average number of countries served from Brazilian centers is two, compared to Costa Rica where the average is 15, Mexico eight and Colombia five.

The 32% of the centers that are only serving one country are either in Brazil serving the Brazil market only (70%), or they are local organizations, for example a Colombian-based company, that only have presence in their own country (30%).

Figure 11

What is the approximate headcount of your SSC?

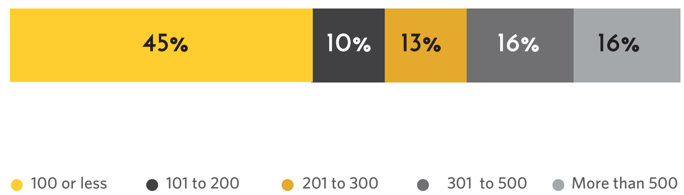


Figure 12

When was your SSC established?

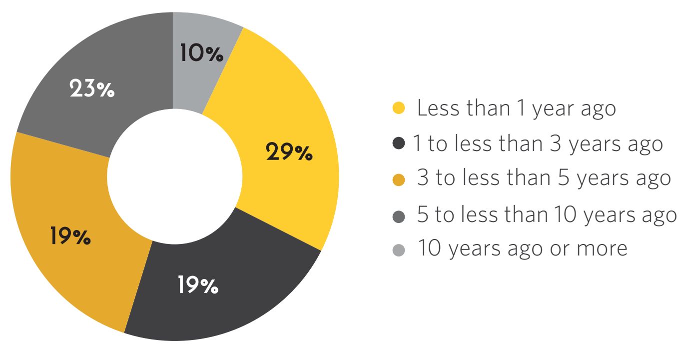


Figure 13

How many countries do you support from the SSC?

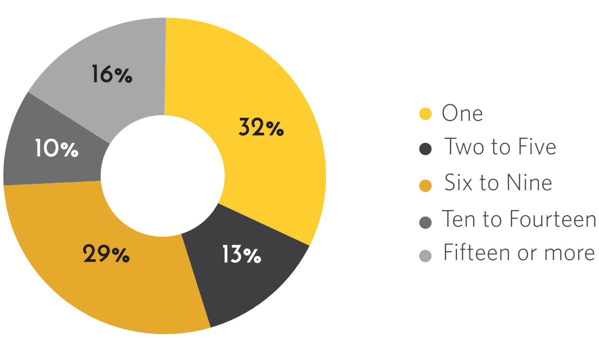
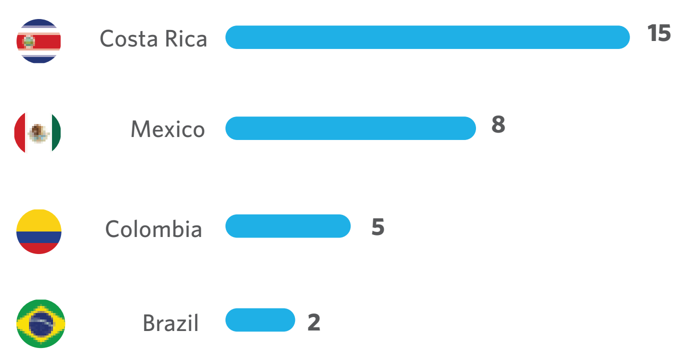


Figure 14

Average number of markets served by SSCs in each country



Shared Services Center Footprint

The majority of respondents only have one center in Latin America (60%), followed by 27% with two centers and 13% with three centers.

Eighty-seven percent of respondents with more than one center in LatAm have at least one of their centers in Brazil, evidencing that, in general, Brazil continues to be treated as a solution for the Brazil market only. In fact, over 75% of Brazilian respondents are only supporting Brazil. However, in the case of multinationals wondering if they could move Brazil outside Brazil, the answer is yes. Many global multinationals are already doing it and, in terms of savings, Brazil usually provides the highest labor arbitrage within the region, only surpassed by the United States.

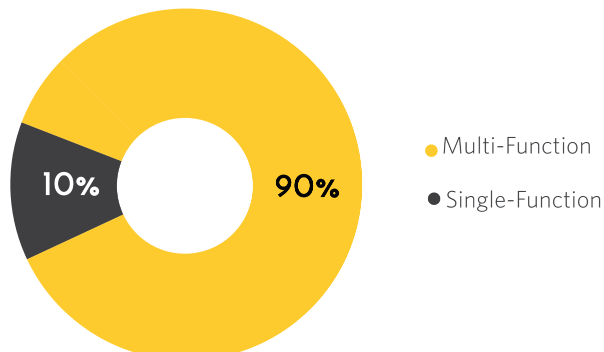
Figure 15
How many SSCs does your organization have in Latin America?

Multi-Function is the Predominant Model in the Region

> *"Centers in LatAm commonly lack the scale to justify a single function operation, creating a strong incentive to implement a multifunctional model from the start"*

Multifunctionality is a common theme within LatAm SSC operations, with 90% of respondents operating centers that support more than one function. On average, SSCs in the region are performing three different functions (e.g., Finance & Accounting, HR and IT).

Figure 16
Single vs. Multi-Functional Centers



Though the tendency for multifunctional operations is global and not specifically for LatAm SSCs, centers in the region commonly lack the scale to justify a single function operation, creating a strong incentive to implement a multifunctional model from the start.

Even organizations in the early stages of their shared services endeavors are choosing a multi-function approach. This is evidenced by the fact that 91% of centers with less than 3 years from establishment are multi-function.

While offering a range of services helps the SSCs achieve economies of scale, it also creates the challenge of staffing the right skills. When trying to implement a multi-function model, organizations need to make sure they plan for appropriate recruiting, training, and retention. Selecting a location that has the necessary talent availability for the different type of functions is also key.

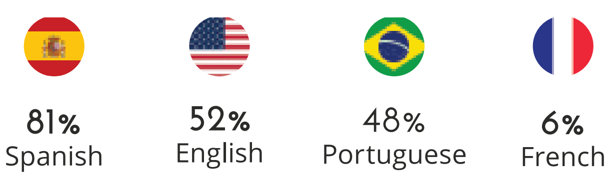
Strong Multilingual Capabilities in LatAm to Serve the Americas Region

One of the key concerns of any organization looking to establish a multilingual center, or expand it, is the ability to find the required language capabilities. Based on this study, Spanish, English, Portuguese, and French account for 100% of the languages spoken in the SSCs of the region.

As expected, Spanish is the predominant language being spoken (81%) as the majority of the SSCs in the region serve the LatAm Spanish market only. The 19% of the respondents that do not speak Spanish are based in Brazil, and do not serve Spanish-speaking countries.

Figure 17

Languages supported



Forty-eight percent of respondents speak Portuguese, out of which 56% are located in Brazil and 31% in Costa Rica.

Fifty-two percent of respondents support English, with 87% of these centers being located in Costa Rica, Brazil, and Mexico. Thirty-three percent of English-speaking centers do not support English-speaking markets, which could mean that they still require English to communicate either with customers, suppliers or Headquarters.

Six percent of respondents support French, essentially to serve French-speaking regions within Canada and the Caribbean. All of these centers are located in Costa Rica.

Forty-eight percent of the respondents support two different languages or more. In general, Costa Rica continues to show the highest multilanguage capabilities, serving almost three different languages, on average, from its service centers.

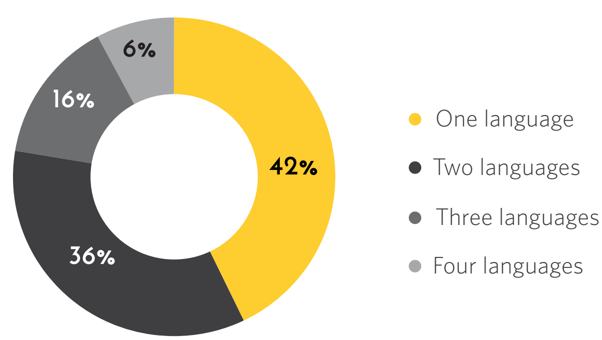
Language skills should not be a major challenge for U.S. organizations looking to house services in Latin America. However, depending on the volume of English-speaking employees required, a more in-depth analysis of the various locations will be necessary. Twenty-two percent of respondents expressed concern about the ability to find English skills in their existing SSC location. These centers were located in Colombia, Panama, Venezuela, and Brazil.

The availability of English-speaking skills (oral and written) usually costs more than Spanish-only requirements, and other, less prevalent languages such as French, German or even Mandarin, are generally available but at even higher costs.

For example, our experience is that strong English skills in Costa Rica typically come at a premium of 10% over Spanish-only resources. In Colombia, the English premium can cost up to 30% or more. However, market cost differentials will apply, therefore organizations should consider all of these factors when comparing the total labor cost of the various markets.

Figure 18

Number of languages supported by SSC



Low Level of Technology Adoption

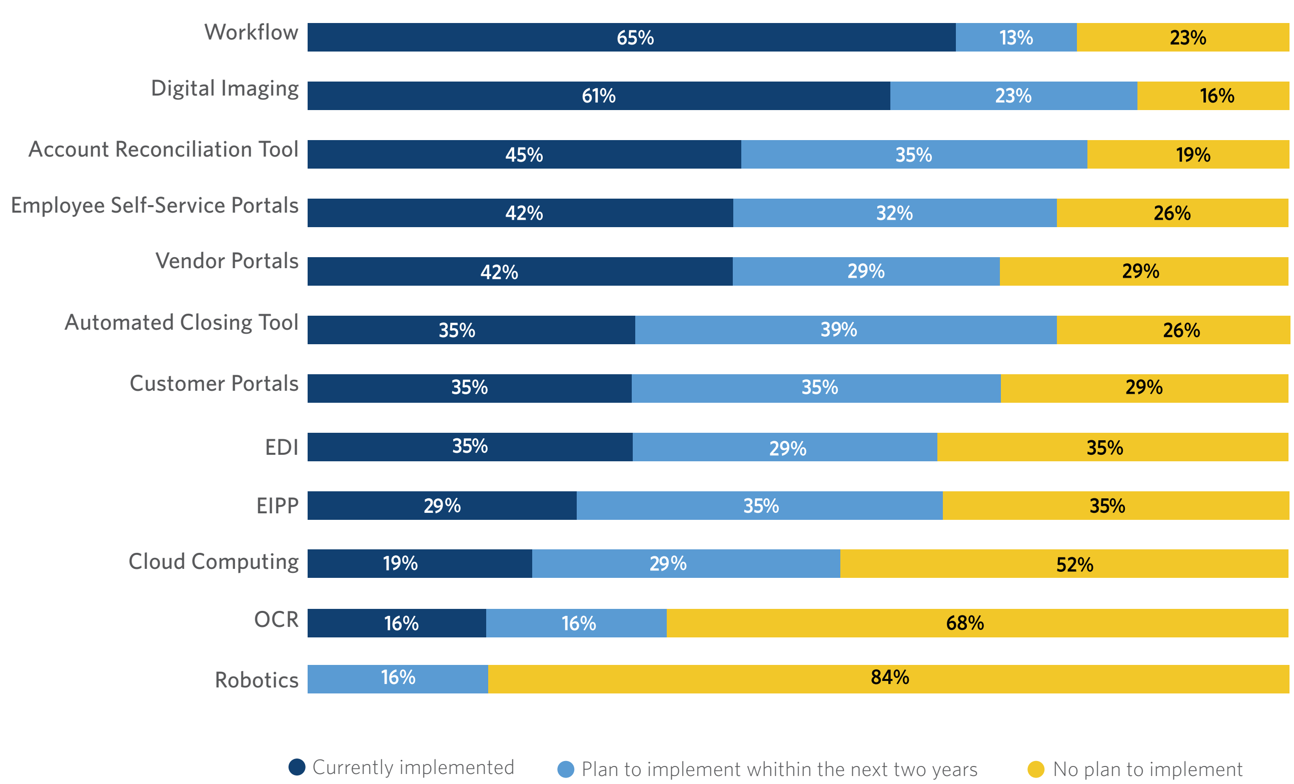
> *"39% of SSCs are not using Digital Imaging and 36% lack Workflow capabilities"*

One of the most surprising findings of the survey was the relatively low level of technology adoption. For example, 39% of respondents reported to not be using Digital Imaging and 36% lack workflow capabilities. Optical Character Recognition (OCR) is only implemented at 16% of the centers and 68% indicated they have no plans to implement. Although this figure might be partially explained by the adoption of other technologies such as Electronic Data Intercharge (EDI), Electronic Invoice Presentment and Payment (EIPP) and Vendor Portals, these other technologies are not very common either, suggesting underinvestment in common enabling technologies. Apart from Digital Imaging and Workflow, no other technology surveyed is adopted by more than 45% of the respondents.

We expected to see some adoption of emerging technologies such as Cloud Computing and Robotics. However, only 16% report to use Cloud and 0% Robotics. Implementation plans for the next two years are also quite modest. This low level of technology adoption suggests that SSCs are mostly relying on their ERPs for automation.

Figure 19

Which of the following technologies are you currently using in the SSC or plan to implement?



> *"Higher levels of automation translate into a stronger internal control environment, which is a key element in bringing North America services to the LatAm center"*

One of the reasons that may drive the low level of technology adoption in LatAm is the relatively low labor cost across the region and a business culture that tends to value headcount under management as a sign of managerial prestige and accomplishment.

The low level of technology adoption diminishes the business case for an SSC within the region by (1) limiting efficiency gains to a narrower set of opportunities, (2) minimizing the benefits that can be gained by relying on automated versus manual controls, and (3) reducing the ability of the organization to scale its operations to support greater transaction volumes and services scope.

Efficiency improvements are important for all shared services operations, but especially within the LatAm region where labor arbitrage opportunities are rare and prone to change. What is a profitable labor cost difference today may not be so tomorrow.

Justifying a LatAm pan regional center relies heavily on productivity enhancements. While pure process improvement, coupled with economies of scale, can render efficiency gains, its full potential is severely tapped without the proper enabling technologies.

Furthermore, automated tasks facilitate remote collaboration and are less prone to error, generating confidence and enhancing the internal control environment, which is another common driver for migrating operations to a common site.

Companies have achieved significant internal control improvements by migrating to a shared services environment and increasing their reliance on automated controls. A great example is PepsiCo Latin America Beverages, which achieved a 50% reduction in the complexity of its internal control environment through centralization and automation of many of its key financial processes across the region.

Strong Focus on Customer Service and Performance Management

"84% of SSC respondents have Service Level Agreements"

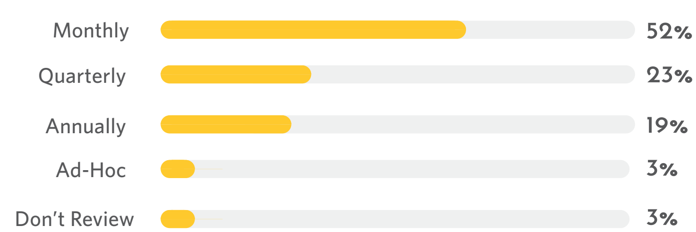
Performance management and customer focus is the key differentiation between a centralized back office operation and a true services organization. The majority of the SSCs in our survey are taking a formal approach to customer service and performance management. Over 80% of the survey respondents have Service Level Agreements ("SLAs") with their customers and 75% of them review performance levels at least quarterly. More than half utilize governance boards and 77% utilize customer surveys.

Figure 20

Which of the following elements are part of the governance structure for your SSC?

Figure 21

How often do you review performance metrics and service level agreements with your customers? [10]



(10) Some respondents indicated that they performed reviews at various intervals (e.g., monthly and quarterly). The graph reports the more frequent review period.

Most Centers Offer Performance-Based Incentives to their Employees

Incentive-based plans focused on productivity or performance metrics are offered by 68% of the surveyed organizations. The majority (71%) of these companies indicated that all employee levels are eligible to receive these incentives.

Respondents that offer incentive plans indicated higher cost savings than companies with no incentive plans in place (25% versus 15% on average), as well as higher productivity improvements (30% versus 25% on average).

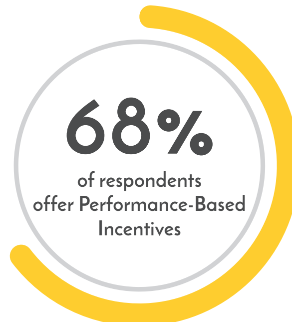


Figure 22
What employee levels are eligible for performance-based incentives?

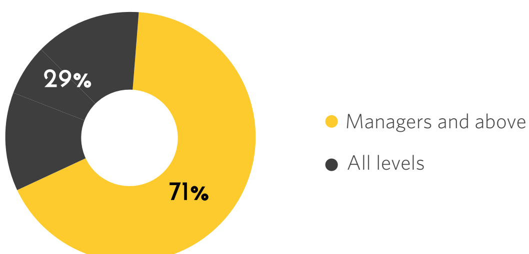
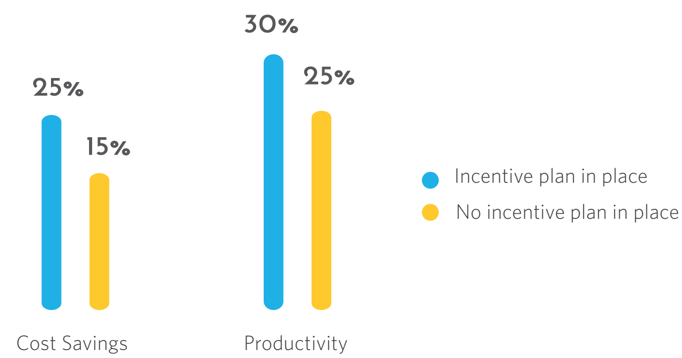


Figure 23
Impact of performance based incentives on cost savings and productivity

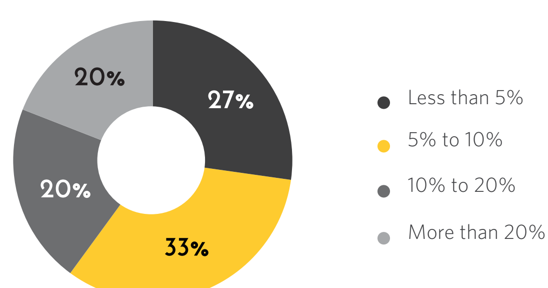


Reported Turnover is Lower than Expected

The majority of respondents (60%) indicated turnover rates of less than 10%. Though this percentage does not seem alarming, 35% of the centers expressed concern about this issue.

In general, the market expectation is that turnover is higher than what is reflected in these results, especially with the growing presence of the millennial generation as part of the workforce.

Figure 24
What is the annual employee turnover rate you have experienced in the SSC within the last 3 years?



SPOTLIGHT

TigerDirect

- **Headquarters:** Miami, Florida
- **Industry:** Multi-channel distributor of consumer electronics and technology products
- **Outsourcing provider:** Auxis
- **Outsourcing location:** Heredia, Costa Rica
- **Year of establishment**: 2012
- **Headcount:** 50
- **Geographic scope:** United States and Canada
- **Languages supported:** English

FUNCTIONAL SCOPE:

- General Accounting
- Accounts Payable
- Order Management
- Cash Application
- Credit & Collections

Outsourcing is a Growing Trend

Sixteen percent of respondents are already operating under a hybrid model, outsourcing certain functions while keeping others in-house. Forty percent of the respondent organizations are planning to outsource more in the future. As a center matures, outsourcing becomes more appealing. New organizations tend to shy away from outsourcing, but it becomes more common as they get better established.

Figure 25

Do you see your organization outsourcing more, less or the same in the near future?

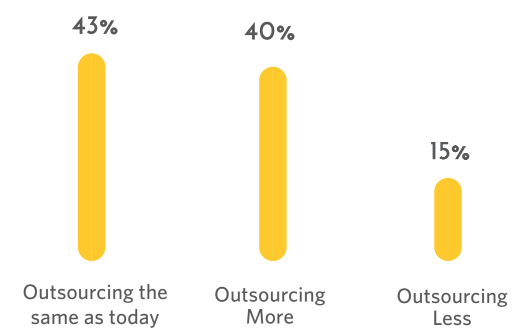
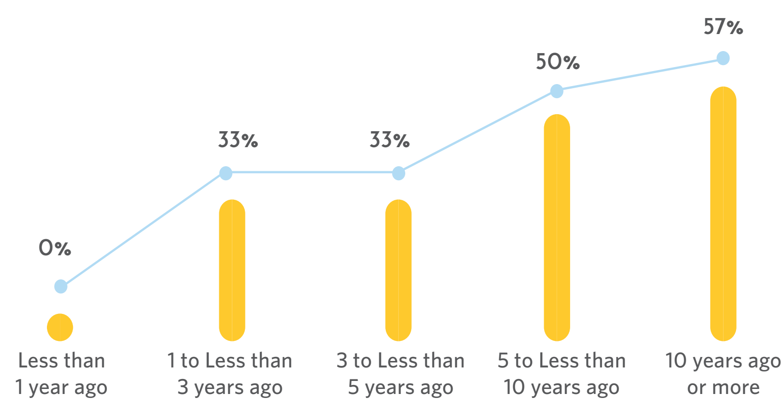


Figure 26

Maturity of companies planning to outsource more



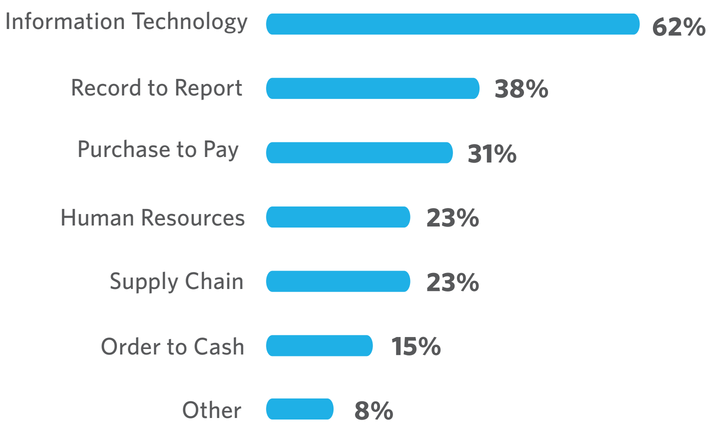
While newly formed centers (less than a year) don't show outsourcing plans, it becomes an option for 33% of the centers between one and five years of establishment, and for more than 50% of respondents with SSCs five years or older.

> *"We started by outsourcing our AP process and extended the scope to AR and Order Management. The fact that we were able to add more processes has helped us to leverage our nearshore staff more efficiently, moving individuals from one process to another, allowing us greater flexibility to deal with volumes and seasonal pressures"*
>
> **John Ollet**
> *Executive VP of Finance*
> **TigerDirect**

Outsourcing is not an all-or-nothing game, allowing organizations to tailor their operating model to their needs and corporate strategy, making certain functions more likely to be outsourced than others.

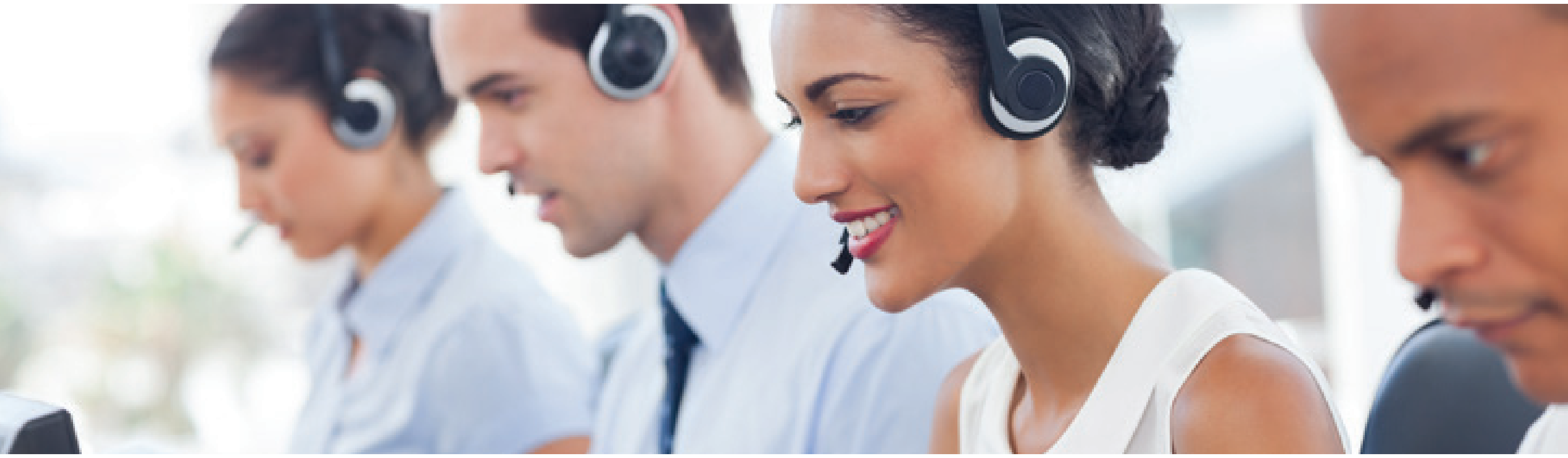
Figure 27

Within which function are you planning to outsource more?



Information Technology is a clear example, with 62% of our respondents planning to farm it out in the future, along with other staple services for third party management such as Record to Report (38%), Purchase to Pay (31%) and Human Resources (23%).

U.S. mid-market companies are also increasingly benefiting from the nearshore advantages of Latin America by outsourcing, without the complexities of having actual operations in the region.



FUNCTIONAL SCOPE

Top Functions in Scope are F&A, HR and Customer Service

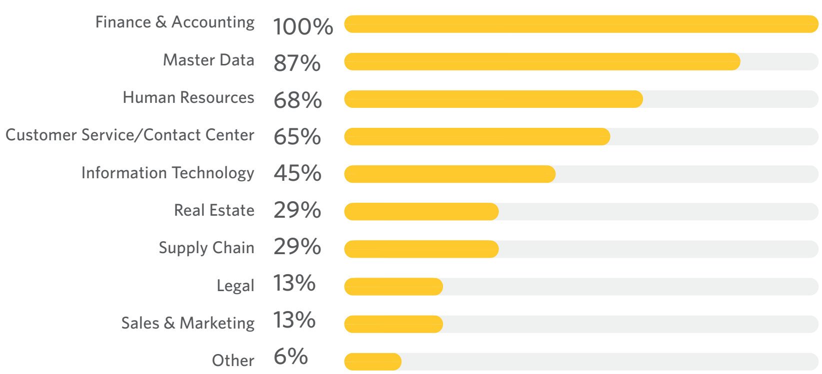
Finance & Accounting is the most common function in LatAm SSCs, being performed by 100% of the respondents.

The majority of respondents reported that they also deliver Master Data Maintenance, Human Resources, Customer Service and Contact Center Services.

It is interesting to note that more value-added functions such as Supply Chain and Sales & Marketing Support are emerging as SSC offerings.

Figure 28

Percentage of Respondents Performing the Following Functions from the SSC



In the rest of this section, we will go one level deeper to explore and understand what specific sub-processes and activities are executed within the following macro processes/functions:

- **Record to Report**
- **Purchase to Pay**
- **Order to Cash**
- **Supply Chain**
- **Human Resources**
- **Information Technology**
- **Sales & Marketing Operations / Support**

SPOTLIGHT

Walmart

- **Year of SSC Establishment:** 2011
- **Location:** Heredia, Costa Rica
- **Size:** Over 1,000 employees
- **Geographic scope:** Latin America market, including Argentina, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Mexico and Nicaragua
- **Languages supported:** Spanish

FUNCTIONAL SCOPE:

- Accounts Payable
- Accounts Receivable
- Record to Report
- FP&A
- Master Data
- Fixed Assets
- Payroll

OTHER HIGHLIGHTS

- Used a Lift & Shift implementation approach
- Separate SSC in Brazil serving the Brazil market
- Planning to expand scope to add more store back-office processes still in the countries

Record to Report

> *"Most centers are performing the full accounting cycle, not only routine, transactional tasks"*

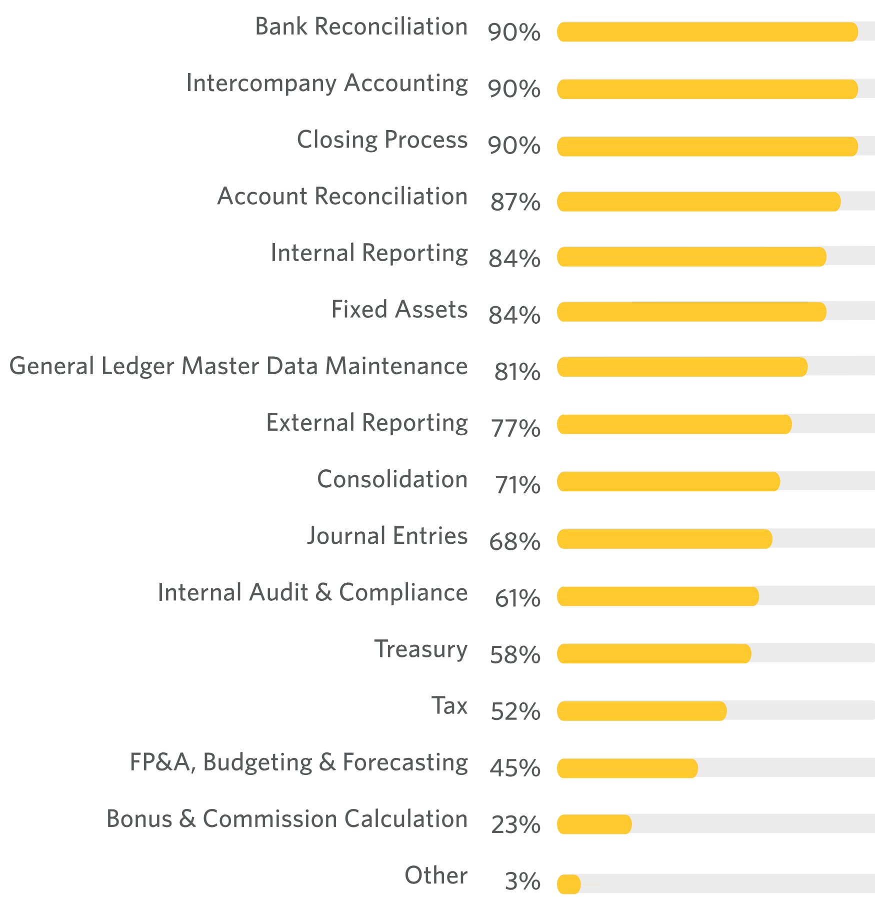
The majority of the centers in the region are performing the full accounting cycle and multiple high-value activities that go beyond the common stereotype of an SSC just performing routine, transactional tasks.

Some processes utilize a shared model between the SSC and the local country operation. In a shared model, certain activities that are routine and transactional within the process are performed at the SSC, and other elements requiring more specialized, local knowledge remain in the local country. A good example for a shared model is local tax compliance, where routine tasks such as tax forms completion and reporting may be centralized, while tax strategy and governance remains local.

While not unique to Finance & Accounting, the emergence of higher value -added and non-transactional services seems to be higher than in other functions for our group of respondents, suggesting a higher level of maturity.

Figure 29

Which of the following Record to Report processes are you supporting from the SSC?



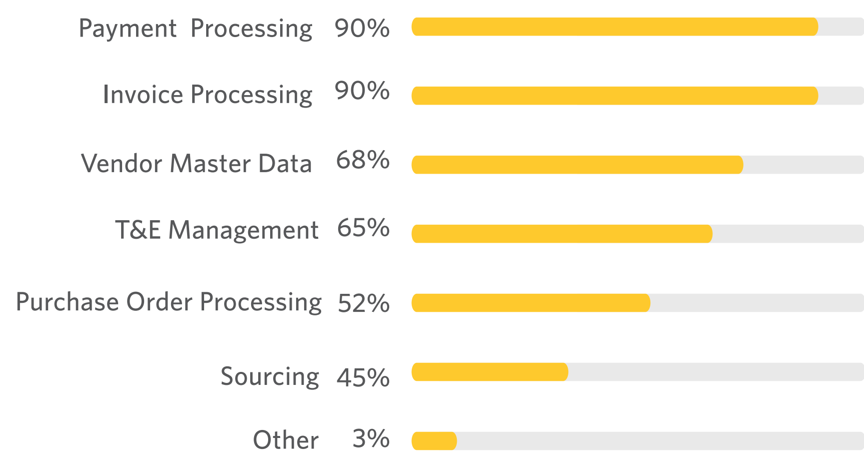
Purchase to Pay

> *"90% of SSC respondents are performing invoice processing and payment processing"*

Traditionally, Accounts Payable has been one of the first candidates to be considered for shared services. Invoice Processing and Payment Processing are being performed by 90% of the respondents. In contrast, Vendor Master Data is performed by 68%, and T&E Management (Travel & Expenses) by 65%.

Figure 30

Which of the following Purchase to Pay processes are you supporting from the SSC?



The responses indicate an opportunity for the centers that are already doing Invoicing and Payment Processing to expand its offering to other services such as Vendor Master and T&E, that are also very transactional in nature.

Similar to Vendor Master and T&E, Purchase Order Processing is another activity for SSCs to consider. Having a unique point of contact with the vendors is a good practice that can be more easily achieved when the end-to-end process is being managed by the SSC.

Vendor Portals are already being implemented by 42% of respondents, and another 29% are planning to implement them within the next 2 years. Vendor Portals and dynamic discounting solutions help streamline the communication between buyers and suppliers, reducing inquiry calls and allowing buyers to save money on each invoice paid early, while suppliers get faster, easier access to cash.

Order to Cash

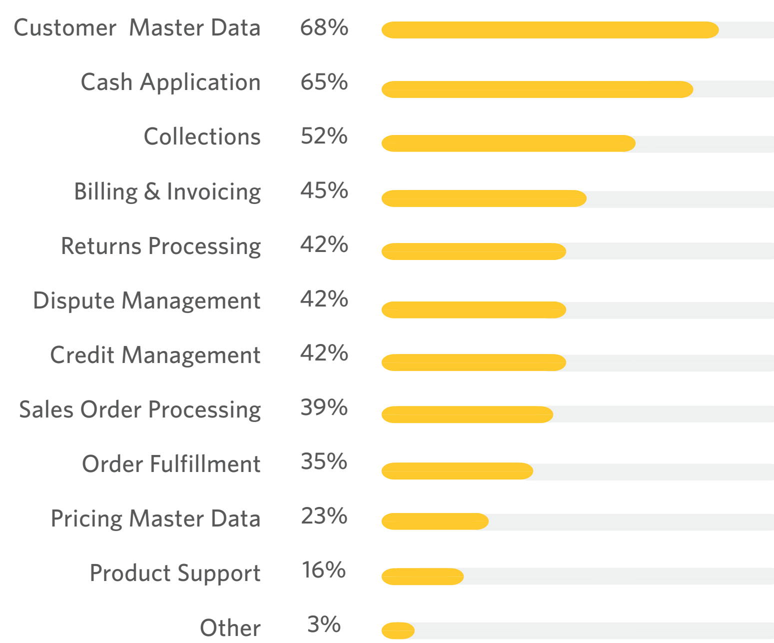
"Customer-facing activities are also part of the SSC scope, including Collections, and Returns & Dispute Management"

Within Order to Cash, the most common processes included in the SSCs are Customer Master Data (68%), Cash Application (65%), Collections (52%) and Billing (45%).

Other processes that require more external customer interaction or analytical skills such as Order Processing, Returns, Dispute Management and Credit Management are also being performed by approximately 40% of the SSCs. This evidences that organizations trust the talent of the LatAm centers to handle sensitive, customer-facing activities.

Figure 31

Which of the following Order to Cash processes are you supporting from the SSC?



Pricing Master Data is only being performed by 23% of the respondents, suggesting an opportunity to include in the scope of existing centers by centralizing both Customer and Pricing Master Data, which are very related, under the same team. In terms of technology enablers, Customer Portals have been implemented by 29% of SSC respondents and an additional 35% are planning to implement them within the next 2 years. EDI (Electronic Data Interchange) is only being used by 19% of respondents and another 29% are planning to implement it in the near future.

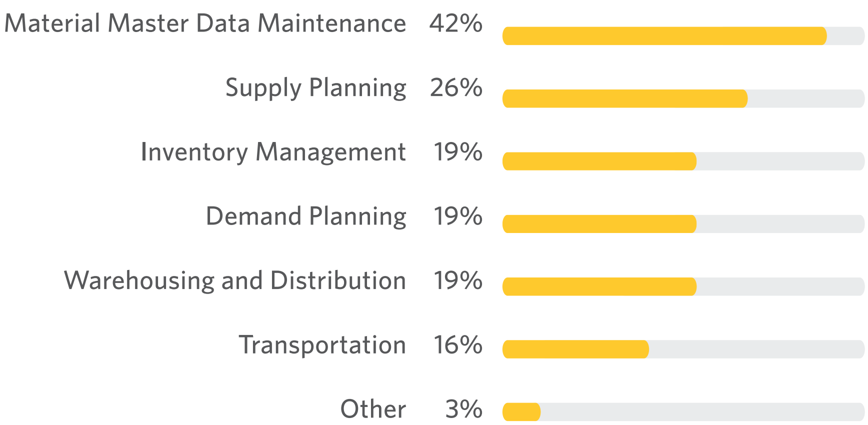
Supply Chain

> *“Significant opportunity for companies to expand Supply Chain services”*

Beyond Master Data Maintenance (42%), Supply Chain Management activities are not as common as Finance or HR in a shared services environment. This is an area that organizations should be looking at for the expansion of their SSCs.

For example, organizations that are already performing Customer and Vendor Master Data Maintenance could consolidate the Material/SKU Data responsibility to a team that is focused on Master Data.

Figure 32
Which of the following Supply Chain processes are you supporting from the SSC?



In the case of Supply and Demand Planning, usually Supply Planning is easier to centralize, as it doesn’t require as much interaction with the local commercial teams as in the case of Demand Planning, where there is commonly close interaction between Sales Representatives and the Sales Forecasting process.

Functions such as Inventory Management, Warehousing, Distribution & Transportation will always require local, decentralized resources due to the nature of their processes, but even in these cases, there is room for centralization. Some examples of activities that can be centralized include Inventory Reporting and Analytics (e.g. Excess and Obsolete Analysis, SKU Rationalization Analysis), and Custom Broker Management.

A regional view of Supply Chain operations not only creates operational cost efficiencies, but by providing a more integrated perspective, also has the potential to improve the effectiveness of the entire Supply Chain. Given the current maturity of this offer, creating and managing the right capabilities at the SSCs can provide competitive advantage to first movers.

Human Resources

“Payroll and Time Administration are the top HR functions included in SSCs (58%)”

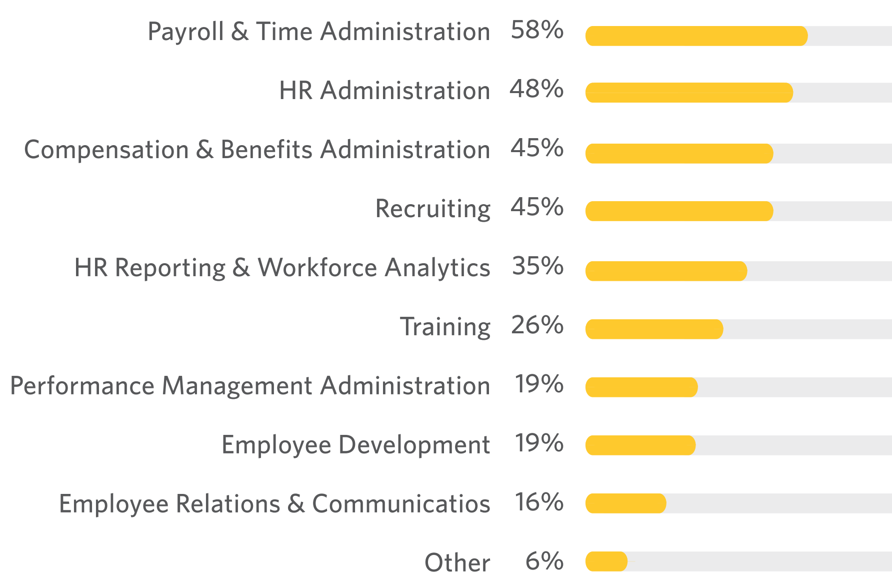
Payroll & Time Administration is the most commonly offered service within HR (58%), followed by HR Administration (48%). HR Administration includes activities such as enrollment and onboarding, employee data maintenance, and employee service desk.

These top HR functions are not as common as the top Finance & Accounting activities which are being performed by approximately 90% of the respondents.

A potential explanation for the lower prevalence of HR related processes compared to Finance is that in most organizations the HR headcount tends to be significantly smaller than the Finance headcount. The smaller headcount limits the savings opportunity in comparison to other functions. Additionally, labor law and compliance requirements vary by country and can be very specific. The combination of local complexity and smaller “size of the prize” has likely contributed to the lower level of adoption of the shared services model for HR.

Figure 33

Which of the following Human Resources processes are you supporting from the SSC?



Information Technology

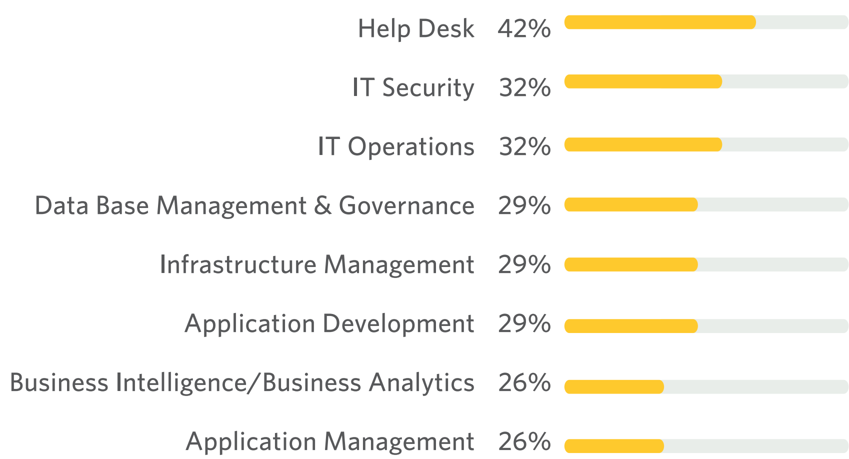
> *"Help Desk, Security and IT Operations are the most common IT services"*

The prevalence of IT shared services was relatively low in comparison to other functional areas such as Finance and Accounting, Procure to Pay and Order to Cash. The most common service reported was Help Desk, but it was performed by less than half (42%) of the survey respondents.

More advanced tasks such as IT Security (32%), Application Development (29%) and Business Intelligence (26%) are performed by more than 25% of the respondents, suggesting the viability to implement high-value, specialized IT services from the region.

Figure 34

Which of the following Information Technology processes are you supporting from the SSC?



Due to the ongoing high growth in demand for technology and the shortage of IT talent in North America, we see IT as an area of growth opportunity for SSCs within the region.

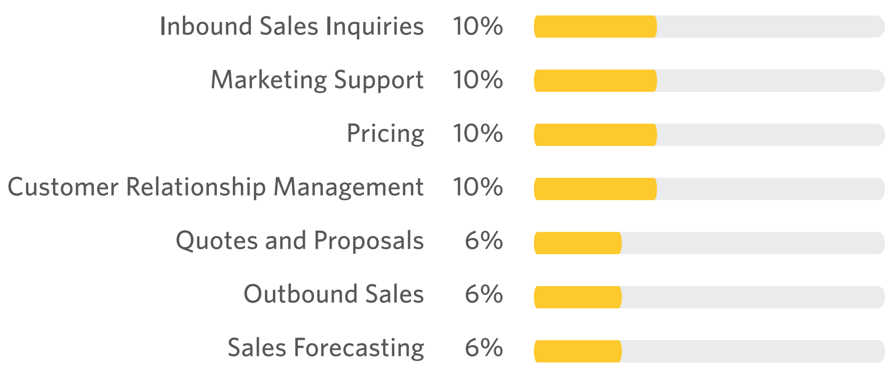
Sales & Marketing Operations and Support

> *"Very limited inclusion of Sales & Marketing Operations (less than 10%)"*

Sales & Marketing is traditionally a function best managed at the field and Business Unit level. This is reflected in the survey results as less than 10% of respondents are performing some type of Sales & Marketing support from their center.

Figure 35

Which of the following Sales & Marketing Operations/Support processes are you supporting from the SSC?



We believe that there are opportunities for SSCs to expand their Sales and Marketing related services beyond the traditional Order to Cash process. Sales and Marketing Analytics is an example of an area where a combined local/shared services model can provide the right balance of local market insight with the scalability required to make some of these specialized activities more effective and efficient.

Some of the transactional or specialized activities that fit well under a shared services model include web management, SEO, Digital Analytics and Advertising Management, low-cost Content Production, Graphic Design, CRM Data Maintenance, etc.

MIGRATION APPROACH

Lift & Shift is the Most Common Migration Approach

When moving a function or service to a center, companies need to decide whether to change current processes and technology and if that change should be completed prior to or after physically migrating the operation.

One path is to simultaneously improve processes while relocating the operation (Concurrent Change).

Another is to improve processes and standardize systems before moving (Fix & Shift).

A third is to postpone major changes until after migration (Lift & Shift).

Our respondents tend to favor the Lift & Shift path, with 40% postponing both the implementation of major process changes and systems standardization until the transition was completed. Sixty percent delayed process improvements and 47% system standardization.

Interestingly, none of the respondents reported major process changes before the transition and only 13% standardized systems in advance.

While the advantages and disadvantages to each path need to be analyzed in the context of each individual transition, the Lift & Shift approach presents, in our experience, an opportunity to drive business value quicker.

Note, however, that the case is stronger for process improvement than for system standardization. This is consistent with the idea that some level of technology commonality, such as Workflow or Imaging is a necessary enabler to the migration of certain processes.

Figure 36

Did you implement major process changes and system standardization before, during or after the transition to the SSC?

Standarized systems	Before	During	After	
	0%	40%	60%	
After	0%	7%	40%	47%
During	0%	27%	13%	40%
Before	0%	6%	7%	13%

Major process improvements

KEY ADVANTAGES OF THE LIFT & SHIFT APPROACH

- Faster implementation timeline
- Earlier realization of labor arbitrage
- Labor savings can be used for optimization investments
- Ultimate process owners driving the change under one single roof
- Lower change management and turnover risk

Having a Single ERP System is Not Required to Migrate to a Shared Services Model

"Migrating to one unique SAP instance will enable the inclusion of more functions and countries into our existing center"

Imre Kepes
VP Shared Services
Organización Corona

The majority of the respondents (55%) run a single ERP System. However, 45% operate with two or more.

While best practices stress the advantages of a single instance ERP, it is quite possible—and not uncommon—to operate a center with more than one.

There are several reasons why this can be desirable. The most direct one goes back to the "Lift & Shift" philosophy. It is often simpler to harmonize technology in a consolidated and standardized environment where labor arbitrage and productivity savings can partially fund system migration.

Budget constraints and business dynamics are another reason. The company might not be ready to move to a single technology for economic or strategic reasons.

Ultimately, even if a single ERP instance is in place, there is always the possibility of a business transaction (e.g., a merger or acquisition) that introduces redundant technology.

While the SSC should leverage the best available technology, it should also be prepared to deal with multiple systems. In a way, this capability can be positioned as a value enabler when it comes to integrating a new business.

Figure 37
What is the name of the ERP you are using?

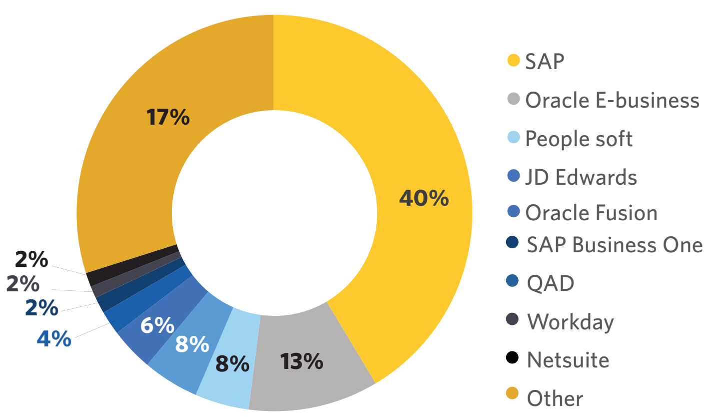
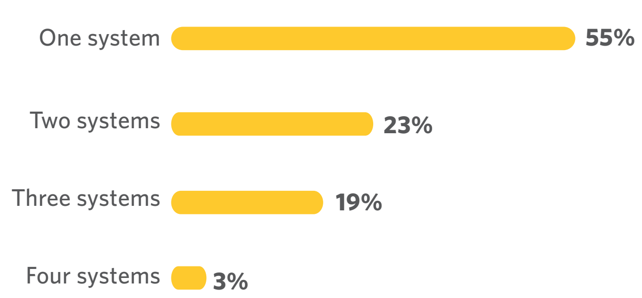


Figure 38
Number of ERPs per company



Top Challenges in the Shared Services Journey

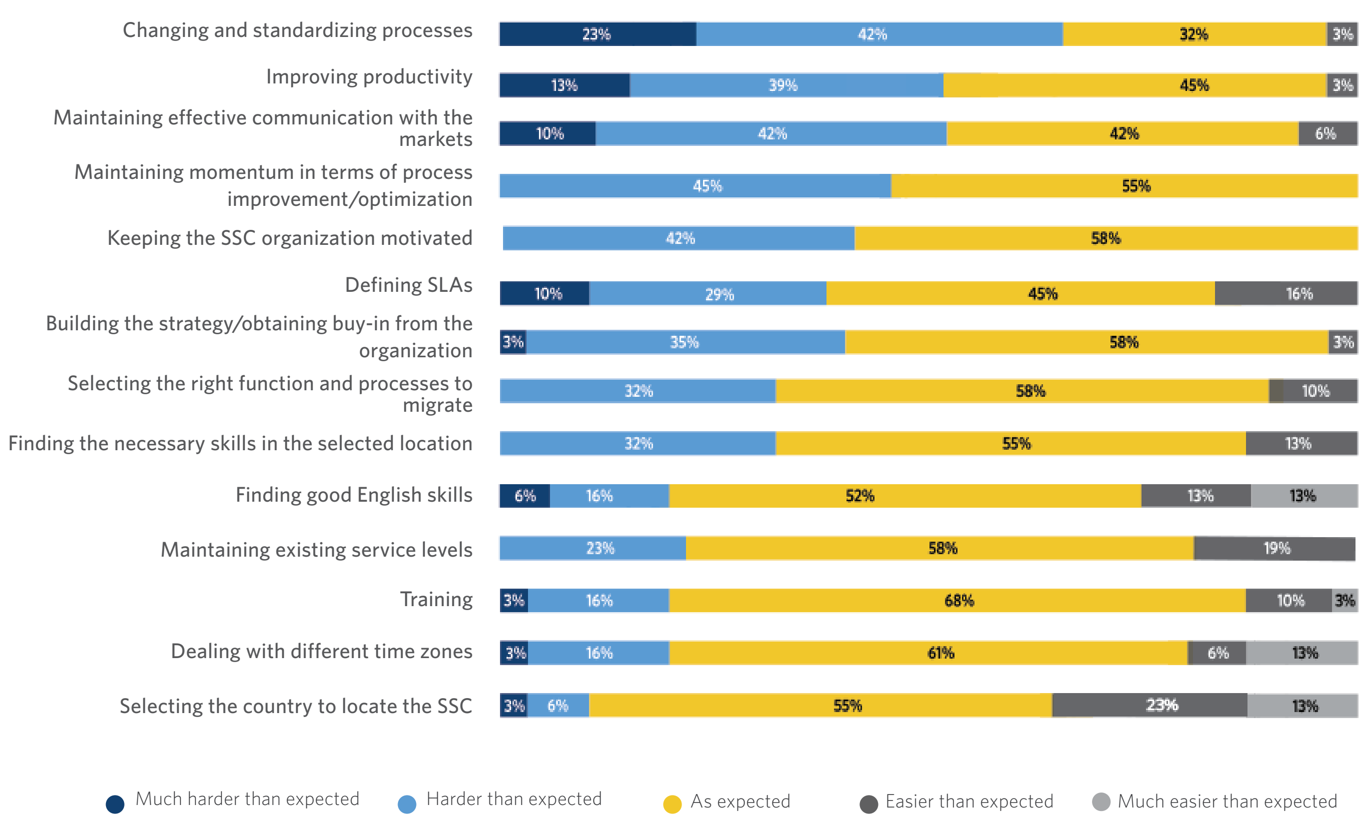
> *Our biggest challenge during the implementation was managing the change and communication with the field/countries"*
>
> **Federico Donato**
> *Sr.Director, Account Payable & Contact center*
> **Walmart**

Over 50% of the respondents cited changing & standardizing processes, improving productivity and maintaining effective communication with the business as "much harder" or "harder" than they expected.

The feedback on productivity is curious. Even though the majority of the SSCs found this process harder than expected, they were still able to generate impressive results with 72% delivering productivity improvements of at least 20% and 40% of the SSCs experiencing productivity improvements of at least 30%. This level of performance was achieved even though enabling technology adoption was reported to be relatively low.

Not surprisingly, time zone differences were cited as a lesser concern which reflects the nearshore nature of the Latin America SSC industry that effectively eliminates this type of operational complexity.

Figure 39
How hard has it been for your organization to go through the following steps during the SSC journey?



Interestingly, country selection shows at the bottom of the list with 91% of the survey respondents identifying the country location process "as expected" or "easier than expected". This is consistent with our experience in working with organizations on their shared services strategy. Location analysis and site selection get an extensive amount of discussion, but it is a relatively straightforward process that is often heavily influenced by the existing operating footprint of the organization.

While the location selection is an important component of the final plan and business case, designing the operating model in conjunction with the location decision is critical. Understanding what the operating model will require, in terms of resources, roles, experience, tools, schedules, and other skills such as language, helps drive the location analysis and final business case. The appropriate resources need to be readily available in the market that you have identified.

And by designing the operating model, and creating the resulting process and organizational structure, you are able to more clearly define the business case. The market's cost structure and resource availability will drive a large part of the business case, and all of this needs to be fully understood when making the final go/no-go decision.

Often, organizations seek guidance on the location analysis, but minimize the need for similar guidance on operating model design. Navigating the complexities of process and productivity improvement can be just as challenging as understanding the labor, tax, and regulatory environment. Companies recognize the challenge of these factors, but too often this recognition occurs after the fact. Investing the time upfront to properly design the operating model, and its associated organizational and staffing requirements will eliminate many of the challenges in implementation and ongoing operation.

SPOTLIGHT

corona

- **Headquarters:** Colombia
- **Industry:** manufacturing and distribution of home and construction products
- **Year of SSC Establishment:** 2008
- **Location:** Medellin, Colombia
- **Size:** ~300 employees
- **Geographic scope:** Colombia, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, United States (Spanish market only)
- **Languages supported:** Spanish

FUNCTIONAL SCOPE:

- General Accounting and Taxes
- Negotiations, Purchasing, Accounts Payable and Treasury Management
- Customer, Material and Suppliers Master Data
- Credit & Collections
- Human Resources, including Payroll, HR Administration and HR Reporting
- Facilities Management and Services

OTHER HIGHLIGHTS

- Currently focused on standardizing systems and processes
- Planning to outsource after finishing migration to one unique SAP instance

PATH FORWARD

Centers in the Region will be in Expansion Mode

We foresee a dynamic Latin America shared services market continuing over the coming years with 100% of the survey respondents planning to expand their SSC operation either by adding more processes (71%), business units served (58%), functions (48%) or geographies (39%). Fifty-eight percent of the SSCs are planning to make two or more of these expansions.

In regards to geographical expansion, the North American market is a clear opportunity, providing a lower cost option that has only grown larger with the devaluation trend of the last few years. This opportunity is still not being leveraged by 56% of the respondents with U.S. operations. Latin America provides a significant costs savings opportunity for North America back office operations, without the complexities and challenges of providing these services from a distant geography with significant time zone and cultural gaps.

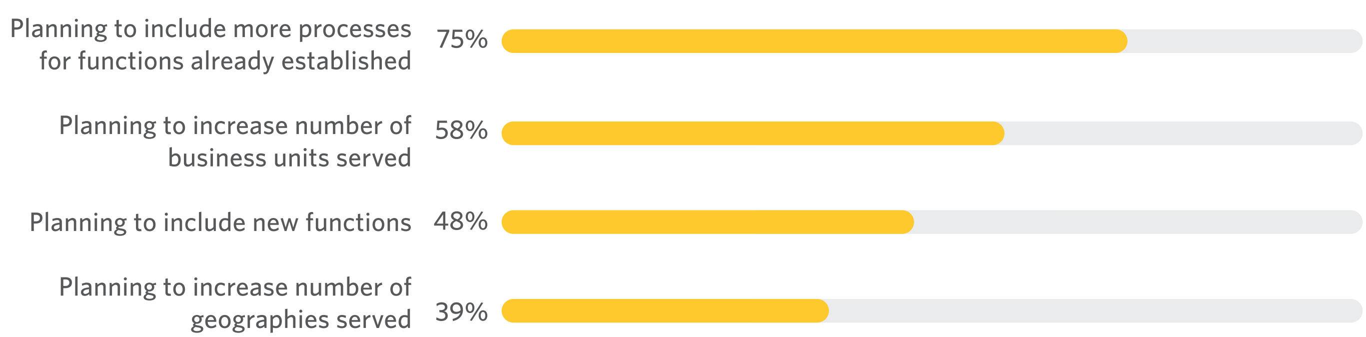
We foresee a growing trend of North America operations being supported from Latin America and movement beyond the Fortune 1000 to middle market organizations which will leverage back office services from Latin America to achieve better competitive parity with large global players in their industries.

In contrast, pan regional shared services operators focused only on Latin America will be hard-pressed to drive a strong business case without greater adoption of information technology and a more robust focus on continuous improvement and lean practices.

In terms of functional scope, many organizations are still working on standardizing the offering of the basic transactional processes (e.g. Accounts Payable and Accounts Receivable) to all units and countries served. More mature centers that have already stabilized their operation for transactional activities are starting to bring more high value-added functions such as Demand Planning, Supply Planning, Management Reporting and Analytics.

Figure 40

How do you envision your SSC evolving over the next 5 years ?



Biggest Concerns in the Years Ahead

> *"Investment needed in facilities and technology improvements, together with currency fluctuation, are the top two concerns expressed by respondents"*

Investment needed in facilities and technology improvements, currency fluctuations and maintaining/improving service levels were the top concerns of the survey respondents, with more than 50% feeling either very concerned or concerned about these issues.

The concern with maintaining and improving service levels can also be seen as closely linked with the concern that 39% of the respondents expressed with their ability to scale existing operations. In our experience, this is a common challenge with many established centers.

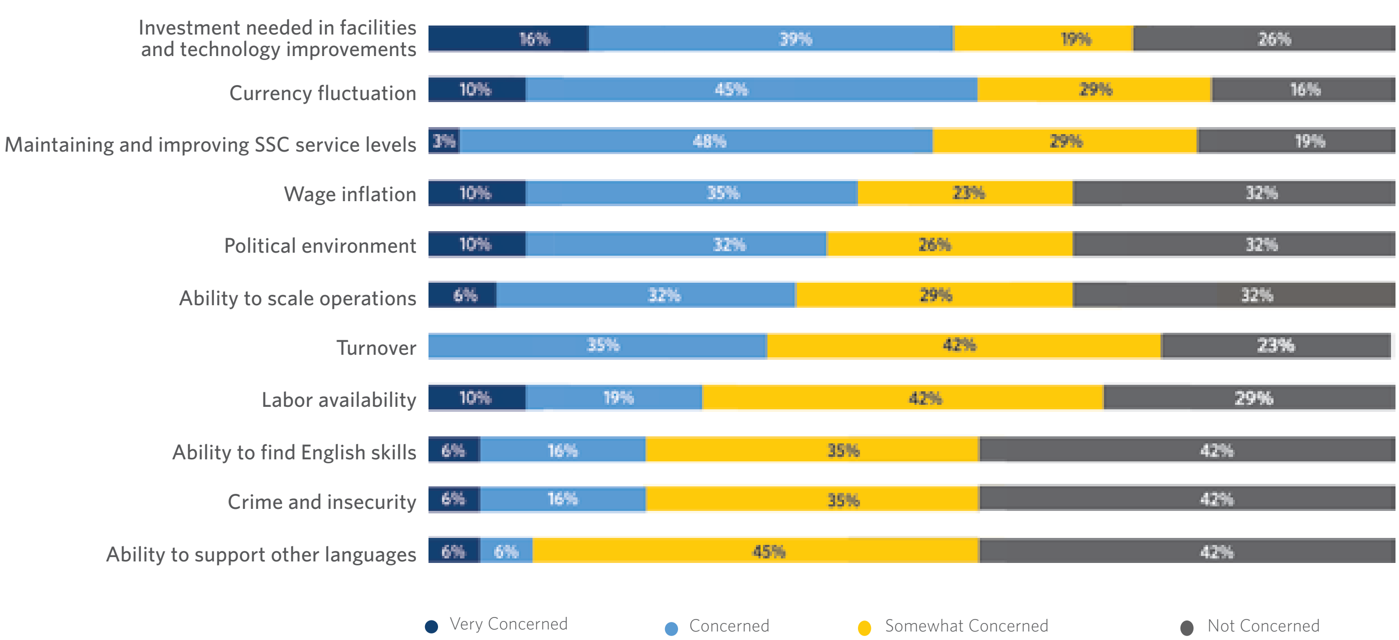
After the initial momentum and enthusiasm to establish a new shared services operations, organizations often find that their shared services initiative stagnates or find it hard to maintain their performance levels.

This is a risky period for an SSC operation as they can fall into the trap of just becoming a centralized operation and not running as a true services organization.

Performing ongoing and rigorous post implementation operational reviews, and developing an updated strategic plan and operational roadmap, is a great tool for avoiding stagnation, maintaining executive alignment across the organization, and leveraging the true value of shared services. It is an ongoing challenge for SSCs to continue pushing the service envelope while maintaining their workforce motivated and delivering peak performance.

Figure 41

What do you identify as your biggest risks and concerns on the SSC operation over the next years?



Leveraging Technology will be Key to Reach Peak Performance

As discussed in the operational highlights section, the overall use of technology in Latin America shared services is low. Many organizations are still not leveraging some common SSC enabling technologies, such as Digital Imaging and Workflow. However, there does appear to be a realization that better leveraging technology will be critical to the long term sustainability and success of SSC operations. Respondents indicated that they have plans to implement a wide variety of technologies within the next two years. Key technology initiatives include Automated Closing Tools (39%), Account Reconciliation Tools (35%), Customer Portals (35%), Employee Self-Service Portals (32%), and Vendor Portals (29%).

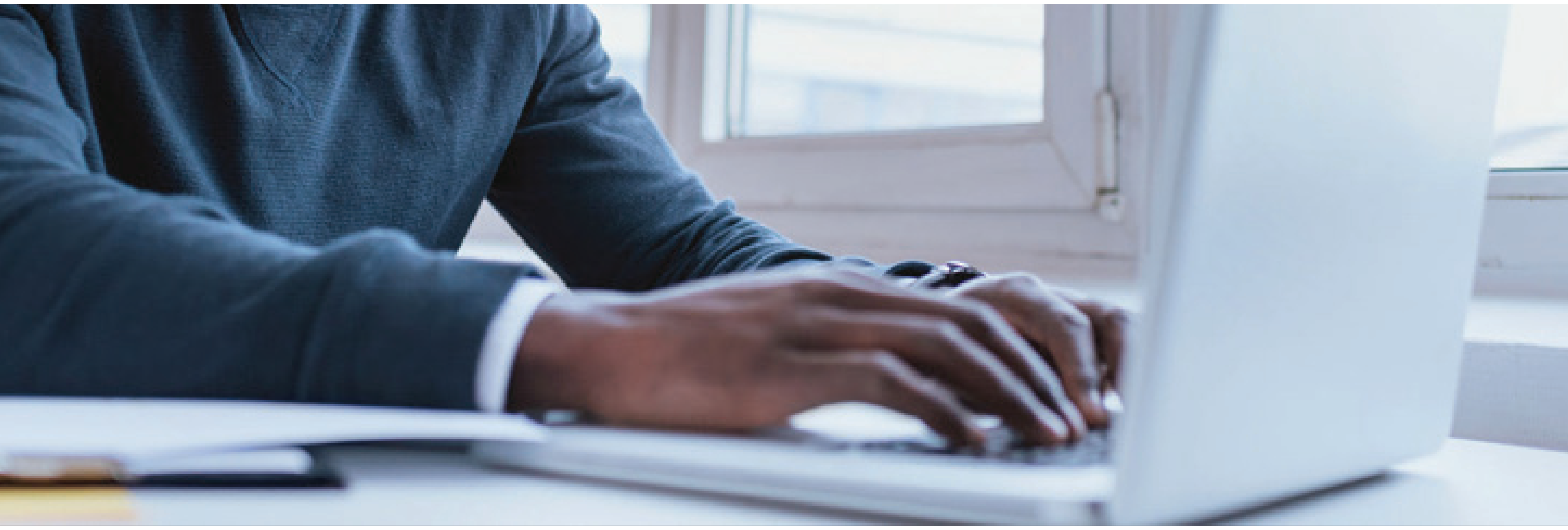
Though technology needs to be a key element of the back office optimization strategy, it is not an answer by itself. Software vendors often minimize the effort involved in implementing a solution, making it sound like it can be simply "dropped into" an operation and be up and running in days.

The reality is that implementing any technology solution requires a detailed understanding of the processes and systems that it is being integrated into, and the inherent challenges of those processes and systems. Technologies such as Robotic Process Automation (RPA), while holding great promise, will be challenging to implement until a certain level of process standardization is accomplished.

Many transactional environments in the region are not standardized and operating smoothly, but exist with disjointed, "siloed" processes and numerous manual workarounds and processing exceptions. Before implementing solutions like RPA, organizations will need to take a step back to analyze those disjointed, manual processes and clean them up first (robots don't like exceptions).

Critical to this effort will be eliminating unnecessary steps or redundancies; simplifying overly complex processes; standardizing diverse systems wherever possible and restructuring roles and responsibilities. Organizations will also be looking for creative methods to fund investments in new technologies, which could be one of the drivers of the growing interest to increase the level of outsourcing in the future.

Solution providers need to do a better job at presenting a realistic picture about what their solutions can accomplish, and more critically, what it will take to effectively implement them. Without a clear and convincing use case and ROI it will be difficult for shared services leaders to obtain the funds to invest in these initiatives.



Outsourcing will Become More Prevalent

"The right BPO partner can provide best practices and technologies that would be hard to develop at a captive center"

As organizations get more comfortable with the performance of their existing centers, outsourcing becomes a viable option, with 16% of respondents already outsourcing some of their processes and 40% planning to outsource more in the near future. This is not a surprising finding, as more mature SSCs often incorporate outsourcing into their service delivery model as they focus their internal resources on higher value, more strategic and confidential activities.

Outsourcing is also a common tool for obtaining the investments required for adoption of new technologies and best practices. Growing operations in a captive model represents not only a capital investment, but also a dedicated effort to improve current facilities, identify and recruit talent and develop the corresponding processes. The right outsourcing partner can also provide specialized skills and technologies that would be hard to develop and maintain at a captive center, plus it can improve operational flexibility by transferring internal fixed costs to a more variable model.

An outsourcing partnership is also often seen as the ideal vehicle for U.S. middle market companies to enjoy the advantages of nearshoring in Latin America without the investment and complexity associated with setting up an internal operation. Many of these organizations just don't have the necessary organizational bandwidth to effectively set up and run their own SSC.

Working with a BPO provider enables them to take advantage of the global business service market, while also better focusing their more limited organizational resources on higher value-creating activities. The key for U.S. middle market organizations is to look for a BPO provider who is able to offer them a custom-oriented, flexible approach rather than a commodity approach. Being able to understand their existing processes and technologies, and adapt them into the new model leveraging best practices is a critical skill that commodity outsourcers generally don't offer. The right partner can mean the difference between success and failure.

Long Term Success will Require Robust Performance Management and a True Services Culture

There is a significant difference between centralizing back office operations and running a back office operation as a true shared services organization. In our experience, it is very difficult to adopt a true services culture and maximize the value of a shared services initiative without a robust, performance management process and culture. This seems to be happening across the region as 90% of the survey participants reported that they are measuring performance and 84% are utilizing SLAs as part of their governance structure.

Even though performance management techniques are in place, the responses indicate that there may be opportunities to expand the use of these methods and tools to ensure the consistency of service delivery and drive continuous performance.

Only 52% of the respondents reported that they are conducting formal monthly performance reviews. This indicates that there may be an opportunity to adopt more robust performance management practices, especially for those concerned with maintaining their services levels and driving annual efficiency gains.

In our experience, a mature, standard process to monitor performance and drive continuous improvement is a critical component for long-term success and avoid the complacency that often creeps into more mature SSC environments. This goes beyond customer service level reviews to activity level performance targeting and monitoring and alignment of compensation plans.

CONCLUSIONS

The shared services landscape in Latin America is maturing and expecting to expand in terms of services provided, geographies supported and level of process complexity handled.

In contrast with the traditional offshore model, many organizations in Latin America have proven that a successful shared services center does not need to have a large headcount (average size is 150 employees).

The benefits of adopting a shared services model goes beyond labor arbitrage, especially in Latin America where increased controls, productivity, and efficiency are the top areas of satisfaction.

The Americas SSC and LatAm pan regional SSC back office operating models have been proven successful and should become more prevalent over the coming years. Latin America SSCs can deliver significant cost savings and productivity improvements, with the added advantages of geographic proximity, cultural similarity, and a highly educated, stable workforce.

Technology adoption within the region has been low. SSCs have been able to deliver impressive gains in productivity and cost savings without leveraging common technology enablers. Maintaining productivity and efficiency improvements will require increased adoption of new technologies and the associated investments.

English proficiency will be a critical component of the skill matrix for Latin American SSCs if they are to capture the benefits of the Americas model. Costa Rica is the current leader within the region in providing services in English. Other countries in the region will have to strengthen their English language capabilities in order to take advantage of these opportunities.

There is significant room for existing SSCs to expand their service portfolio to provide a wider range of processes within existing functions (e.g. Finance & Accounting, HR, IT), as well as to include new, emerging functions (e.g. Supply Chain, Sales & Marketing Operations).

The Hybrid SSC operating model is becoming increasingly popular. Incorporating an outsourcing partner supports the growing trend of expanding functional scope beyond transactional processes, by giving organizations the option to contract out routine tasks while maintaining a closer hold on more high value-added and confidential activities. Outsourcing can also help reduce upfront capital investments and fixed cost operating structures.

U.S. middle market companies are also benefiting from the advantages of a global services market by leveraging the nearshore advantages of Latin America in an outsourced versus captive model. This trend should increase over the coming years.

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About Auxis

Auxis is a Performance-Driven Consulting and Outsourcing firm that was an early pioneer in the Latin America shared services industry and a firm believer in the strategic advantages of nearshoring. Auxis' founders led the establishment of the first international SSC for PepsiCo in the early 90s, and have since advised hundreds of Fortune 1000 organizations on global business services. Auxis brings a very different service delivery model that is grounded by its unique perspective of Advisor, Outsourcer and Former Industry Operators. With a focus on flexibility, customization and faster speed to benefit, Auxis is able to consistently deliver successful shared services initiatives from strategy and design to implementation and optimization.

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