

# SSC versus MDSU: Shared Service Centers versus Multi-Disciplinary Service Units

LinkedIn, Aug 16, 2014

A phenomenon I'm regularly running into is the **SSC, the Shared Service Center**. It is an initiative based on the desire to profit from the **economy of scale**, when two or more organizations are sharing some common, comparable services in a single organization unit. We see this for instance with small municipalities that are confronted with upscaling initiatives: they more and more tend to create SSC's for their IT services, often as a first step towards an upcoming merger. We also see it for facility management, e.g. in industrial compounds, where energy, heating, and network facilities are set up and shared between organizations of very different nature.

In terms of **economy of scope**, I now see more and more initiatives *within a single organization*. E.g. in hospitals, we now see the 'merger' of various disciplines into what I tend to call **MDSUs: Multi-Disciplinary Service Units**. In hospitals, these MDSUs can combine disciplines like IT, facility management, and medical technology. All of these disciplines are similar in terms of being supporting service disciplines. The scope of these initiatives is in practice often limited to disciplines that tend to have similar cultures, being very much aware of their nature as a 'supporting act'. Other in fact supporting disciplines like Finance or Human Resource Management are still keeping this off, continuing their existence as isolated silos. In time, we may see these disciplines join the bandwagon, once the others (the *first movers*) have proven the positive effects of their initiatives.

What are the most appealing **benefits** of these initiatives? Well, first of all, they share costs. This means that the initiative is *cutting cost*. Which, on itself, would be a good thing. But at least as important: they standardize their activities by accepting the fact that they are very similar. This stimulates *standardization*, which is one of the most effective and well-known ways to improve performance (for *operational excellence*). Third, and most important, the initiative improves the one and only goal of its existence: *the customer experience*.

Customers (users) benefit because they now do not have to take responsibility any more for differentiating their support issue between the various involved disciplines. They can simply call a single support number and explain what they want. The call often is picked up in a support unit that is responsible for the first contact, the one we tend to call help desk or service desk. We already were getting (slowly) aware of the fact that for IT services we actually shouldn't bother the user with the task to differentiate between change request, incident calls or service requests (in ITIL terms), because these three were actually only representing our *internal efficiency* as service providers. I'm now seeing that this phenomenon is going to expand into other disciplines: the MDSU acts with a SPOC (a single point of contact) *for various supporting disciplines*.

The biggest lesson to be learned from this: all of these supporting disciplines have one and the same structure for managing their individual services, and their services can be combined for reasons of *economy of scale* as well as *economy of scope*. They can all use the very same help desk tool ("service management tool" if you prefer), to manage their activities and their services, and profit from service management principles they've developed during their existence. Which again opens a great opportunity for saving cost and improving quality the very same time.

This is where standardization offers its maximum benefits. It's good to be living in the Netherlands, where we can experiment with these developments and improve "service management" to deliver the best possible benefits for the customer!

