

Shared services: case study on the performance of the controllership in 13 Latin American countries

Ana Cristina de Faria †

Municipal University of São Caetano do Sul

Márcio Antonio Gonçalves ^Ω

Municipal University of São Caetano do Sul

ABSTRACT: This paper aimed to evaluate whether the implantation of Shared Services (SS) of Controllershship, as an area which generates management accounting information suitable for managers in 13 Latin American Countries to make decisions, satisfactorily contributes to the management process of the organization globally. A case study was carried out involving 22 managers and 9 controllers. The results shows that SS attempt to join, in the same place, support processes of the business units of the corporation so that the company's strategic aspects can be focused on to eliminate functions and duplicated activities. The limitation was the study of only a multinational organization, but it was found that SS contribute to the decision-making process of managers, because they operate with high level services, stimulate technological investments, generate economies of scale and obtain the satisfaction of its internal customer-partners. SS can function as an independent unit, with their own structure and resources, control of the executed activities, sharing useful and convenient services with other areas in a single company, in any segment and even globally.

Keywords: Latin America; controllership; case study; information; shared services.

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Corresponding authors*:

† Doctor of Controllershship and Accountancy by the University of São Paulo

Affiliation: Municipal University of São Caetano do Sul.

Address: Rua Santo Antonio, no. 50. São Caetano do Sul - SP - Brazil - CEP: 09521-160.

E-mail: anacfaria@uol.com.br

Telephone: (11) 9912.6431

^Ω Master of Accountancy by Álvares Penteado Foundation

Affiliation: Municipal University of São Caetano do Sul **Address:**

Rua Santo Antonio, no. 50. São Caetano do Sul - SP - Brazil - CEP: 09521-160.

E-mail: marcio.goncalves@dsm.com

Telephone: (11) 8352-1213

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1. INTRODUCTION

The pressure of a globalized world by technological innovations, cost reduction, cheaper products and with more quality, among other variables, requires that companies in various economy segments and from several countries make strategic decisions with flexibility of action so that they can aggregate values to their businesses to make them competitive businesses. Companies are experiencing changes in their organizational structures (downsizing, outsourcing, etc.) and the use of Shared Services (SS) – the focus of this paper – is a part of those changes.

The research named *The Shared Services Survey 2000*, made by Akris Bulletin in association with Arthur Andersen's consulting service, in organizations such as: AlliedSignal, Monsanto, Baxter International, Johnson & Johnson, General Electric, IBM, Hewlett Packard, Cargill e Rhodia, found that those companies, which implemented SS in their operations, evidenced a 35% reduction in their operating costs (SILVA; PEREIRA, 2004, p. 59).

When managers of business units of those large companies focus their efforts on well-known activities, that is, the ones they are really capable of executing, giving some secondary activities to others, new gains can arise. It may sound as if it is about outsourcing to third party companies, but it is not the case.

The outsourcing that is being mentioned refers to the transfer of tasks which are not the expertise of the area so that other internal areas or even third party companies execute them, standardizing processes and cost reductions. One of the ways of standardizing processes, minimizing costs and freeing business units from so-called bureaucratic tasks, in a manner they are still performed, so that each specialist focus his/her efforts on activities which he/she really know, can be executed by means of Shared Services (SS). This is a business unit or entity within the company which delivers specialized services, adding value through the whole organization.

In the opinion of Melchior Jr. (2007), in the past few years, hundreds of private companies have been implanting the SS culture in their operations as a new area within their organizational structure, aiming to centralize their operations with profitable growth for business. Martins and Amaral (2008) mention some examples of these companies: Petrobrás, Bradesco, Editora Abril, AmBev and Sadia, among other large international and national corporations, which have been created the denominated SS. That SS culture has also been implanted in the public management, as mentioned by Janssen and Joha (2006) and Grant *et al* (2006).
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al. (2007). In view of that scenario, the reason which motivated the development of this paper is the importance of this new area and its advantages and disadvantages for the corporation management process of several segments.

Due to the importance of this topic, annual conferences are held in Europe and United States of America for workers involved in this subject (SS WEEK, 2008); and there are several discussion forums about the subject, such as North West Shared Services from Great Britain, which has several member-companies which implant that concept into their human resources and financial areas (NORTH WEST, 2008).

While some of these companies limit their SS to Controllershship, Financial, Legal and Human Resources areas, as commented by Reilly and Williams (2003), others have been adding Accounts Payable, Accounts Receivable, Marketing, Purchasing, Communication, Public Relations, Customer Services, Information Technology, Research and Development, Fixed Assets, Cash Flow Management, Invoicing, Logistics and Budgeting areas, among others.

Kris and Marting (2003) comment that the implantation of SS Centers, regardless of which area of the company aggregates value to the operations in the companies, as well as the results of them. Cruz (2006) evidences that, among habit changes of those corporations, SS represent 20% of the most common innovations in the current business models. In the 21st Century, this will be consolidated as a relevant instrument for the management of corporations which value the best innovative practices.

The SS area executes standardized activities for several business units, within a single company, whether national or multinational, with national branches or in other countries. That new structure releases the business units so that they focus their efforts on their main activities (core business), minimizing costs. The problem-situation of this study is related to that new SS structure, which arises as a unit which is independent from the others. A similar study was developed by Bangemann (2005), which evaluated the implantation of SS in Financial and Accountancy areas, in several American companies. In view of this context, the problem which permeates this paper is based on the following question: Does the implantation of Shared Services (SS) of Controllershship, as an area which generates management accounting information suitable for managers in 13 Latin American Countries to make decisions, satisfactorily contribute to the management process of the organization globally?

Attempting to answer the main question, the following goal is presented: to evaluate whether the implantation of Shared Services (SS) of Controllership, as an area which generates management accounting information suitable for managers in 13 Latin American Countries to make decisions, satisfactorily contributes to the management process of the organization globally.

This paper is structured as follows: in addition to this Introduction, there are four more developed topics. In topic 2, the theoretical platform will be presented, which will cover the definition, benefits and difficulties for SS implantation. In topic 3, the Methodological Aspects will be described. In the fourth topic, the Case Study will be developed on SS of Controllership in a multinational company. Then, Conclusions and Recommendations will be developed and References will be evidenced.

2. SHARED SERVICES

In several companies, a new responsibility area will be instituted, as if it were a new corporation, which has its own life and must aggregate value to their internal customers (partners): the Shared Service area. This area does not treat their activities as bureaucratic, because its main attribution is to execute those tasks which some business units have no ability to perform, because they do not identify the value aggregation from their performance, such as, for instance: the performance of invoicing, supplier payment, customer reception, accounting record of employee expenses, product costing, assessment of financial and economic results, data report for international matrix tasks, in addition to many other activities.

Therewith, the business units take care of their main activities and enable the SS area to provide the required support of administrative, financial and other services, thus avoiding task and effort duplicity. Gianesi and Corrêa (1994) believe that when the business units stop worrying about the services which are connected to their products, the business focus is directed to a better production, with more quality and lower costs than the competition. In the opinion of Sabbag (1995) and Bergeron (2003), there is a significant collaboration in sharing attributions and responsibilities in the internal customer and service provider relationship; directed to the activity reorganization. According to Forst (2001), most of the company managers reach the conclusion that the customer satisfaction must be a goal to be aimed at, more important than cost reduction. The work is a partnership between the SS areas and the internal customers can and must demand a service level suitable for their management.

In addition to that partnership and mutual cooperation, other characteristics are part of SS, such as the ones suggested by the Institute of Management Accountants (IMA) and according to Arthur Andersen (2000): they operate as a business unit and with well-defined processes, performing service support for one or more business units of a single company; they have their own resources and work with contractual agreements in the definition of the services provided, according to the needs of the clients. These, in turn, help to define the scope and price of the services provided by that area and have full responsibility for the management of their costs, quality and fulfillment of the delivery time of the services to clients.

Ulbrich (2006) researched in some companies, founding that there are similarities between the reengineering process and the SS implantation movement. To Quinn, Cook and Kris (2000), SS enable companies to have control over their main activities, while maximizing the efficiency in cost control, and they are oriented to meet the needs of internal clients, being concerned and taking responsibility for the quality of the services provides, as well as for the incurred costs. Schulman *et al.* (2001) and Bangemann (2005), mention that the sharing of the management accounting processes, the focus of this paper, has been implanted by companies, such as: Alcoa, Monsanto, Cummins, Dow Química, Motorola and Teneco, among others, aiming at the optimization of the administrative and financial services and economies of scale.

2.1 Benefits of Shared Services (SS)

In the view of Schulman *et al.* (2001), with the implantation of SS, the following benefits can be obtained: adding value to the company; searching for strategic growth; creating new management responsibility; focusing on services and support; transferring secondary activities of business units to main processes of SS; providing concentration of resources to carry out support activities, at low cost and with high level of services; stimulating technological investments; and focusing on continuous improvement.

According to the Institute of Management Accountants and Arthur Andersen (2000), as well as Bain & Company (2004), the SS benefits initiate by cost reduction, due to the elimination of redundant tasks, systems and persons related to such functions; aiming to achieve the standardization of processes and activities, which would probably not be reached if they were individually performed within business units. The elimination of data entry redundancy, which minimizes some process errors, by means of consolidating data in a single base and best organizational practices, can also generate efficiency and effectiveness

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improvement. An implicit concept in the SS philosophy is the one of lean thinking “Divide to add”, according to Womack and Jones (1998, p. 3), is the focus of that concept. It is considered that the thinking is lean “it provides a way to do more and more with less and less -- less human effort, less equipment, less time, and less space -- while coming closer and closer to providing customers with exactly what they want”.

Another benefit is the issue of geographical position of SS Centers, which Melchior Jr. (2007) says that, although it has a relative importance for the SS to be successful, they require a pool of technological talents and competent workers who speak other languages and have a solid infrastructure of Information Technology.

2.2 Barriers in the implantation of Shared Services (SS)

According to Shah (1998), there are some barriers in the implantation of a SS Center, because that area requires deep changes in several factors, such as: the behavior of the persons involved, the required technology and the processes. In the view of Schulman *et al* (2001) and Gundavelli and Mohanty (2004), problems can arise from people resistance; policy and procedure change; technology change required for the new environment, influencing the corporation’s culture and its organizational dynamics, as well as controls and metrics.

Other barriers found for the SS process are the legal issues which must be considered in the implementation of such services. For instance, if a determinate SS structure is considered for a Controllorship area, Deloitte (2007) highlights the following observations: Must the accounting journal entry of each country be maintained in the local currency and language or in another particular format? Is the environment prepared (in terms of computer systems) to receive and record supplier invoices in foreign currency? Must the invoicing of sales and their respective accounting be maintained in the local currency and language? What are the local demands regarding tax invoicing, involved time and amplitude of those records?

The factors mentioned above are directly related to the capacities of implantation of systems which suit such issues, as well as change of people’s behavior, so that they are apt to handle the new situation. Justino (2002) points out the following unfavorable points: XXX of interpersonal relationships; breaking of the service performance rhythm; internal customer’s dissatisfaction; and absence of creativity in carrying out services. In the view of Silva, Santos and Santos (2006), those points are generally minimized after some time elapses since the beginning of SS operations. The following will cover the methodological aspects of the research.

3. METHODOLOGICAL ASPECTS

This paper used, as a research strategy, a bibliographic research regarding the main theme, as well as a Case Study development in a European multinational company, with 430 employees, which imports animal and human vitamins from its head office in Europe and mixes such vitamins into their productive plants throughout Latin America. However, the company did not allow us to disclose the value of its sales or its name. Martins (2006, p.11) comments that the Case Study, as a research strategy, will give directions to the “search for convincing explanations and interpretations for situations which involve complex social phenomena, and the construction of an explanatory theory of the case which enables conditions to make analytical inferences on the proposition found in the study and other understandings found”. Triviños (1990) says that the Case Study aims to obtain a deep understanding of a delimited reality.

The focus of this research is directed to the data-gathering together with operating managers and controllers of the thirteen branches, in order to evaluate if the implantation of Shared Services of Controllershship, as an area which generates management accounting information suitable for these agents and satisfactorily contributes to the management process of the organization.

Due to the opportunity of investigating the environment of a multinational company and its Controllershship area in Latin America, working as an independent unit from the organization, the case study was chosen as a research strategy for complementing the bibliographical research carried out in this paper.

According to Yin (2005), there are several bases to justify the choice of a Single Case Study. The study developed in this research is considered revealing, since the researchers had the opportunity to observe and analyze a phenomenon hardly accessible to scientific investigation: the environment of a Controllershship area, sharing services in a regional context for thirteen Latin American countries.

After the permission was communicated by the Controller of Latin America in May 2005, a survey was initiated on the Controllershship activities, which was carried out up to November 2005, when the instrument was validated by a test performed with the controller from Brazil. The controller requested that the questionnaires (in Spanish) were sent by email to the controllers of each country so that they could forward them to the managers of their respective countries, and after their answers, the questionnaires would be re-sent from the

controllers to the researchers by email. Even by applying a reliable method, this is the limitation of the research, since the researched persons separately answered (self response) the questionnaires, with no direct contact with the researchers in Brazil.

In addition to the questionnaires developed based on the bibliographical research, even though the local controllers answered 12 closed questions and managers nine, there was an open space so that each respondent commented on their needs of information, in order to optimize the decisions of each area.

4. CASE STUDY: SHARED SERVICES (SS) OF CONTROLLERSHIP FOR LATIN AMERICA (LA)

The studied company has several branches throughout the world. It has its own research centers, productive plants, sales teams and distribution networks located in several countries of the world, aiming to meet the needs of human and animal nutrition, pharmaceutical and cosmetic industries with high-quality vitamins. In São Paulo, Brazil, there is one of the thirteen branches in Latin America; the other twelve branches are spread throughout LA: Argentina, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Panama, Peru, Uruguay and Venezuela.

This company has several SS areas, such as: Logistics, Controllership, Human Resources and Information Technology, among others. This paper was delimited to analyze the SS activities of the Controllership Area located in Brazil, which executes monthly closing activities and reports monthly, quarterly and annual management accounting reports, both for the countries of the referred region (for evaluation by local controllers and managers of each country) and the head office in Switzerland. This area was created aiming to minimize the costs in information generation and the standardization of information in the LA region.

There is a regional controller who, for the activities of the Controllership Area - SS, is supported by three supervisors; all of whom are physically allocated in Brazil and perform the control of the thirteen branches. The Controller directly answers to the Director of the region who is also in Brazil and is responsible for the Financial area of the region. In addition to the regional controller, in this structure, there is a direct person in charge for each country who is not physically in Brazil, that is, a local controller, who performs the intermediation of the works carried out by the SS area and his country.

In the local Controllership area of each country, there are fiscal, legal and some management activities, as well as the planning activity, which is revised by the regional

controller (Brazil). He only concludes a planning if it is within the requests originated from the head office in Switzerland.

There are nine controllers and each of them does not necessarily answer to a single country of the region. The Controller I is responsible for the economic and financial management of Costa Rica, Guatemala, Honduras and Panama; II is responsible for Mexico; III, for Colombia; IV, for Ecuador; V, for Peru; VI, for Venezuela; VII, for Brazil; VIII, for Chile; and the Controller IX is responsible for the managements of Argentina and Uruguay. These local controllers are subordinate to the regional Controller (Brazil).

The company has technological resources which are appropriate for the communication between the constituent countries of the region, as well as a strong power of negotiation of its products and services in the market. This is mainly due to the utilization of extremely advanced technologies, as well as modern telecommunication systems, videoconference devices, telephonic conference equipment, and Internet access, which facilitates the communication between several countries, enabling them to compete in a globalized world. By means of integrated systems, such as SAP R/3, which were implanted in the said corporation, it is possible to seek information and transmit it from a country to other countries of the region.

In addition to the integrated systems, there are other information technology tools which make the physical (of products and goods) and service flows more efficient, in which, for instance, materials which are manufactured in Europe can be taken to Latin America or any other region of the world, being soon transformed into new products. Thanks to the technology installed, it is possible that a message written in Brazil is read within minutes in Europe or vice-versa. In addition to the technologies, that environment contemplates highly qualified professionals who know informatics, speak several languages and constantly search for professional improvement.

4.1 Research with managers

The company's population is composed of 35 operating managers, located in said thirteen countries. From this population, thirty-one questionnaires were sent to operating managers (managers and directors) of the vitamin company, in Latin America. The other four managers did not receive questionnaires, either because they were moving out for Switzerland or they were not found in all two attempts to send the questionnaires. From the 31 questionnaires sent, self responses from 22 managers were obtained, which represents 71% of

the questionnaires sent. The respondents are from the following countries: Brazil (36%), Central America (14%), Chile (14%), Colombia (9%), Ecuador (4.5%), Mexico (9%), Peru (9%), and Venezuela (4.5%).

The participating areas were: Purchases, Sales, Production, Logistics, Marketing, Production, Technical Commercial, Nutrition, and Business areas. And the participants have the following functions: Purchases, Sales, Industrial, Production, Technical, Logistics, Market Analysis, and Area managers, as well as Sales, General, and Technical directors.

It was found which reports prepared by Controllershship - SS Area in Brazil had been received by local managers of the region, which means of communication, and in which frequency they received such information. It was possible to see that all reports prepared by the SS Area are received by managers from Latin America; however, the most received ones are the reports of Inventory Turnover, Up to Date (CDI) and Control of Production Costs – Mixing Costs, followed by the Receipt Time Limit of Receivables (DSO).

One of the less received reports is the Balance one (a report with the Balance Sheet accounts). Perhaps, this information the way it is presented has higher validity for professionals directly connected to the Financial Department than to operating managers; these should change their habits, because they need to know the impacts of their decisions on the property of their area and company as a whole.

It was found that the managers receive such reports in paper or by the intranet, but the most used means of communication for the most frequently received reports is by email. That is explained by the fact that, in most cases, local controllers search such information in the intranet and forward them by email for managers located in their respective countries. Regarding the receipt frequency of such information, the monthly frequency was the main one. If such information were quarterly or annually received, they would possibly make the local management actions non-feasible.

In another question, the satisfaction or dissatisfaction of managers was mentioned regarding the received reports to be used in the decision-making process. The highest response frequency was “satisfied”, with 68%; secondly, “very satisfied”, which corresponds to 23%; the “not much satisfied” with the information or reports received for analysis or decision-making corresponds to 9%; and among the respondents, there was not any manifestation of dissatisfaction. The managers mentioned above point out, as a fault, the attention of the area regarding the support to production needs; including regarding the non-

receiving of reports which are prepared by the Controllershship - SS Area, but which do not reach their hands for analysis and respective decisions.

A means of intermediation of such information is the local controller himself. There can be a communication failure between the SS – Controllershship (Brazil) and the local Controllershship, a renunciation regarding the receipt of such information by the local controller or an omission of SS information to the respective manager. The satisfaction rate pointed out by most of the responding managers shows that the Controllershship Area - SS - SS can, with the reports mentioned above, meet most managers' needs. The information is relevant, opportune, useful and with proper quality, taking into account that managers would appreciate if the main points of this information were highlighted.

However, according to the open answers on the reason for the satisfaction or dissatisfaction, some managers commented that they do not always receive the information in the way they would need to, being necessary, in some cases, more details; and, when this is necessary, the response time is not always ideal. The ones who are very satisfied with the received reports/information for the decision-making, reported that the information is opportune and appropriate and that it is possible to make decisions from the received reports.

Another issue aimed to identify if, in addition to the reports received from the Controllershship Area - SS, there were others which were sent or made available by other areas for decision-making; as well as the issuing area, means of communication and frequency should be pointed out. The following information were obtained: 45% of those interviewed do not receive reports from other areas, in addition to the Controllershship Area - SS, for the decision-making; and 55% of them, involving the following countries: Brazil, Central America, Chile, Mexico and Venezuela said that they did and pointed out the following aforementioned reports: Import status (Position of the inventory in transit); CPR (Sales performance by customer); GPI (Gross margin of the imported product); DSO; CDI; Budget Control (Follow-up of the variations between reality and what was budgeted); Business Review (Economic and financial map of the business); Sales by Customers; and Economic and Financial reports.

From the reports indicated as received of other areas, it is possible to identify that CDI and DSO are reports which are prepared by the Controllershship Area - SS from Latin America; however, the ones received by managers are provided with more details (reports by products and by customers). The local Financial area of each country is the most monthly issuing area

of such information (CDI, DSO, Budget Control, Production and Sales by Customer, Nonconforming Material, Extra Time, Freight Performance, Process Capacity and Storage Losses), then it is the head office in Kaiseraugst - Switzerland (CRP, GP1, Currency Evolution and Import Statistics). Most of those reports is issued monthly and received by email. In another issue, it was checked if the area itself needed to generate some other type of report which it does not receive from other areas.

The result obtained was that 64% of the interviewed people did not generate any other type of additional report in their areas for decision-making of the respective managers, who believed to receive more information than it was possible to analyze. Perhaps, the information should be highlighted in the most relevant points for the respective managers. That rate is followed-up by an analysis pertinent to this paper which is the information and report support for analyses and decisions of business units. It is a SS task that must be well executed so that those units can focus on efforts and activities they really know.

However, it was found that, for the production area of some countries of the region, the demand for additional reports is large, developing information, such as: inventory calculation for national and international third party materials, based on the sales forecasts; size of produced batches; optimization of orders and cost reduction of analysis; more effective management reports of production control, with information on idle or lost time with corrective and preventive maintenance, lack of raw materials or other reasons; productivity versus facts that can be affecting it; reports of actual consumptions versus standard consumptions; charged freights versus paid freights; mixture reprocess cost; reliability, efficiency and quality reports, among others.

Finally, the managers were asked what reports they would like to receive to optimize the decisions of their areas; which area should generate that information, by which communication means and how frequently. It was found by their responses that some of the reports the managers need are already prepared by the Controllershship Area - SS, such as: CDI, Gross Profit and Mixing Cost reports; however, it was emphasized that it would be necessary that such information had a higher level of details per product.

In other cases, it was found that some of them are not prepared by the respective area (costs by samples, no transaction of materials and expiring materials which include costs). Other information which managers would like to receive are not related to the service package supplied by the Controllershship Area - SS; however, some of the information, according to

direct observations carried out in the informatics area of the company, are available in the integrated system - SAP R/3, such as: Forecast versus orders (quantities); Sales Forecast; Economic Report (prepared by the Local Controllership with data collected from information arising from the Controllership Area - SS - Brazil); Expenses by cost center; and Gross Margin by market and by customer. In the opinion of the respondents, the areas responsible for the emission of such additional reports should be the following:

Table 1: Other information providing areas for managers

Issuing area (%)	
Controllership (Local)	37%
Controllership Area - SS (Brazil)	31%
In the operating area itself	12%
Sales	12%
Production	04%
Head Office	04%

Source: Research Data

Regarding Table 1, the 31% classified as responsibility of the Controllership Area - SS (Brazil) correspond to the managers which are not receiving current reports prepared by said area or which need more details. On the other hand, the other 69% (local Controllership, the area itself, sales, production and head office) indicated in the research are the responsibility of other areas to provide such information. It is concluded, then, that the business areas do not want to get too involved in activities of management support, although extremely important, but they consider that these activities do not aggregate values to their businesses.

In relation to the means of communication of the reports, 58% of the researched persons answered that such information must be supplied by email, while 34% would rather have them made available over the company's Intranet; only 8% of the respondents would like to receive such information printed. Regarding the frequency for receiving such information, 81% of the interviewees want to receive them on a monthly basis.

4.2 Research with Controllers

Nine questionnaires were sent to controllers, who returned all questionnaires individually answered (self response), corresponding to 100% of the researched professionals (census). It was found that Argentina and Uruguay have a single controller who is located in Argentina. Central America countries also have a single controller and the other countries of the regions have individual controllers. The second question aimed to see how many effective employees there were in each country of the local Controllership and the following information were obtained:

Table 2: Effective employees of the controllershship in the countries

Country	Employees
	Quantity
Argentina/Uruguay	4
Brazil	4
Central America	3
Chile	4
Colombia	5
Ecuador	3
Mexico	7
Peru	1
Venezuela	4
Total Employees	35

Source: Research Data

It is observed in Table 2 that the local Controllershship areas participating this research have few employees (35), an average of 2.7 employees by country (considering the 13 countries surveyed in this research); which basically meet the tasks of the local Accountancy and tax assessment, and support the local controllers who are also contained in the presented numbers. The company should review Mexico's management, which has more employees than Brazil, which provides Shared Services to other countries. In turn, in question 3, the monthly expenses of the Controllershship area in each country were researched:

Table 3: Effective monthly expenses of the controllershship by country

Country	Expenses US\$	Average of country US\$ by employee
Argentina/Uruguay	19,000	4,750
Brazil	55,000	13,750
Central America	40,000	13,333
Chile	30,000	7,500
Colombia	23,000	4,600
Ecuador	17,000	5,667
Mexico	65,000	9,286
Peru	12,000	12,000
Venezuela	15,800	3,950
Total	276,800	74,836

Source: Research Data

We can see that Brazil is the country with the highest expense in the region, in relation to the quantity of employees; which can be explained by the fact that the country carries out cost assessments and analyses internally, but the provision of Accountancy SS is outsourced, which represents 36% of said expense. The country with fewer expenses, in relation to the total region, is Venezuela. Those values should be compared to the values charged in the external market (outsourcing), with local generation of information, over the thirteen countries.

In another question, it was verified which reports prepared by the Controllership Area - SS were available for the analyses of the controllers. Similarly to the answers of the managers, it was possible to see that all reports prepared by the Controllership Area - SS in Brazil are received by Latin America controllers. The most received ones are CDI reports; then, DSO and also Mixing Costs report. All controllers, with no exception, receive those three reports, which are also the most seen ones by managers.

In contrast to the result of the reports received by managers, in which the Balance report was one of the less received reports, these have a good participation in the research. This probably occurs because this report is more valid for the professionals connected to the Financial Department than for operating managers, who should change the way they think, because they have not realized the value of this report yet. The Headcount report was the less indicated as received when controllers were asked (22%), in contrast to the manager research which had a rate of 54% indicating as received.

Another issue aimed to see the way and the frequency the reports were made available. Controllers, almost unanimously, receive the reports over the intranet; 100% of the information is received on a monthly basis. The difference between the answers of the controllers to managers, regarding the means of communication, is that the professionals of the business areas are more frequently absent from their workplaces than controllers, so perhaps this makes other ways of receipt unviable.

It is known that, except for the Headcount report, the other information is 100% with local controllers on a monthly basis. We should see if the manager is not interested by the information or if it is not sent to him for analysis and decision-making. However, it must be considered that, according to the manager satisfaction research regarding the information received for their decision-making, 23% are very satisfied, 68% are satisfied and only 9% are dissatisfied. In another question, their satisfaction or dissatisfaction regarding the received reports for analysis and decision making was asked. The highest response frequency was “satisfied”, with 89%; secondly, “very satisfied”, which corresponds to 11%; there was not manifestation of low satisfaction.

It was found that, in addition to the reports received from the Controllership Area - SS, there were other reports sent or made available by other areas for the decision-making of local managers, being the following responses obtained: 11% of the interviewees do not receive reports of other areas, in addition to the Controllership Area - SS, for decision-making of local

managers and 89% of the interviewees said that the local Controllershship has the need of generating other reports for the decision-making of local managers.

A space was open so that controllers could inform which type of information was generated by each one of the reports mentioned above. There are particularities in some countries and, for some managers, local information is required and with more details for analysis and decision-making. From the above-mentioned reports, an analysis for a potential agreement of the Controllershship Area - SS would be relevant together with its internal clients, in which such reports could be managed by that area.

It was also asked about what type of information the local controller would like to receive from the Controllershship Area - SS, located in Brazil, aiming to meet the needs of local managers, and the following answers were obtained: Argentina: Comparison of the evolution of operating expenses; Chile: Report by cost center, with accumulated expenses and available budget, compared to the same period of the year before and the achieved percentage; Colombia: Cost Report in the local currency, used plant capacity, inventory report adjusted by inflation, Gross profit by product in the local currency and dollar; Ecuador: Production Cost Report; Peru: Cost by product report; and Mexico: Cost by product Report and Gross Profit by product.

It is found that, although the satisfaction level of controllers is 89%, there are still some information needs which are not met by the SS Area. Much of the information the controllers would like to receive for the decision-making of local managers demand a higher level of details by products, in relation to the Gross Profit, CDI and Cost-by-product reports. Another mentioned need is regarding the used plant capacity report; however, the SS Area elaborates such information by means of Production Capacity. Only 33% of the executives of the region receive the said report, and that leads to realizing that such information must be restricted to some countries, or that they were not previously negotiated with the supplying area.

The controllers were asked if they find interesting to have a Controllershship Area providing SS for Latin American branches and 100% of the interviewees justified their positive answers as due to the effective reduction in expenses. The experience sharing generates higher efficiency by means of standardized processes and buys time for analysis and decision-making. In addition, it improves the communication process, obtains an overview of Latin America and makes the information similar in an integrated manner, by means of ERP

(in this case, SAP R3). However, a difficulty that arises from it is the fact that the generated information is standardized for all and, when specific (local) reports are required, there is a personnel limitation to provide such information, as well as time limitation.

It was also checked if the controllers believed that the information generated by the Controllershship Area - SS should be generated by the local Controllershship. The following answers were obtained: 67% of the interviewees answered no, that the information generated by the SS area should not be generated locally by the Controllershship area. However, 33% remained undecided.

It can be seen that both managers and controllers consider that there is elimination of task duplicities, resource economy, and activity standardization and that generating this information by means of reports does not aggregate value to their business. However, they make it clear that many reports, for meeting governmental issues, should not be provided by the SS Area, requiring a higher participation of the local Controllershship in the SS processes and activities.

5. CONCLUSIONS AND RECOMMENDATIONS

Many large national and multinational companies operate with Shared Services (SS). In these, several areas can operate in a SS environment, as it is the case of the Controllershship Area - SS located in Brazil, covered in this paper. It was possible to see that, according to what it is described in the theoretical basis and in the case study, SS present a series of advantages and disadvantages in their operationalization; however, this new area aims to satisfy its customers and aggregate values to the company, with the benefit of even generating economies of scale which minimize operating costs.

The SS area, for instance, is prepared to carry out those activities denominated bureaucratic in the view of other areas of a company. Its focus is directed to the execution of support tasks, such as: standard cost calculation; monthly cost closing; report generation for the decision-making of managers; data report for the head office; among other activities. With this, the business units are free to take care of their main activities, being able to increase their focus of attention on their customers. That means that each specialist will be executing what he has the expertise to carry out, avoiding duplicity of functions and tasks. SS require highly qualified employees and, in this research, the employees of the Controllershship Area - SS need, in addition to technical knowledge, learn other languages to maintain contact with professionals from the Latin America countries, as well as the head office in Switzerland. In

addition to such qualifications by employees, the area requires advanced technology and, in the company researched, in addition to their modern information systems, the integrated system SAP R/3 is used. That is, the said vitamin company, with SS implantation, went through changes in their processes, personnel and technologies, required for living in a SS environment.

In this case study, the limitation of the research was the fact that the researched persons separately answered (self response) the questionnaires, with no direct contact with the researchers who were in Brazil. The case study results corroborate the SS proposal, which is to have a single central unit, in this case, the Controllership Area - SS, established in Brazil. This area is composed of four employees which assess costs, carry out monthly closings, report financial-economic reports to the head office in Switzerland, as well as for all thirteen countries of the region, aiming to support the decision-making of the operating managers of the company, that is, they execute standard activities for their customers.

It was found in the research that the needs of generating additional reports are different between controllers and managers. Such reports generated by controllers, in turn, are forwarded for analyses by operating managers, i.e., even if the Controllership Area - SS does not provide such information for the said managers, it is provided by the local controllers to the operating managers. However, it was found that managers and controllers would like to receive additional information and it is clear that these are specific needs by different reports for their process of analysis and decision-making.

Even if needs of additional information arise, such internal customers demonstrate a favorable position in relation to the SS area, because there is cost minimization in such processes, exchange of experience, efficiency gain by means of standardized processes; which also results in reduction of processing time, appreciation of the available time for analysis and decision-making, standard information integrated to the company's branches, and a business overview of the Latin American region is acquired. According to what it is suggested by the bibliography researched, what needs to be done is a review of agreements between the parties so that the business can take advantage of the time that is used to develop additional information for the decision-making process. Even with the fact that 91% of the managers and 100% of the controllers (census) are satisfied with the information received, the rates of satisfaction can be improved, once 89% of the controllers have the need to generate additional reports for the decision-making of the local managers; this rate follows the need trend to receive additional and more detailed information from other areas (55% of the managers).

However, it is worth emphasizing that SS cannot be responsible for providing all analysis information required by a company's business, once one of the proposals of such area is to provide standardized information for the businesses.

This paper is considered to have met its overall goal and answered its main question, because the implantation of Shared Services (SS) of Controllershship was evaluated, as an area which generates management accounting information suitable for managers in 13 Latin American Countries to make decisions, satisfactorily contributes to the management process of the organization.

In addition, it was found that the managers and controllers of each one of the thirteen branches in LA are satisfied with the management accounting information originated from the Controllershship Area - SS, considering the utility aspect and the opportunity of the said information for the decision-making.

This research had as a limitation the study of the SS implantation in a single multinational organization, which acts in thirteen Latin American countries, but it brought a report on how SS can work as an independent unit, with its own structure and resources and control of executed activities, sharing useful and opportune services with other areas in a single company or globally, considering several units in the world.

It is found that there is a wide research field on the SS topic. With no ambition to become a guide for the academic or professional areas, this paper can originate new researches on the topic in question, in other areas operating with SS, such as: Logistics, Information Technology, Human Resources, etc., in several business segments, as well as on the utilization of evaluation metrics; minimization of personnel conflicts in the implantation of SS, etc.

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