

## Case Study

### Marsh Europe

Trading continuously since 1871, Marsh is one of the best-known global names in insurance and risk services, with a string of international awards and a good reputation as both trading partner and employer. So when a recently established financial shared service centre (FSSC) in Budapest serving 16 EMEA region countries ran into difficulties, it needed to act quickly, says Henk-Jan Wesselink, HR Director for CEE and CIS regions.

“Marsh made the strategic decision to deploy Oracle Financials software. The high-level goal was to centralise, standardise and gain overall better control of all EMEA finance functions via the service centre. When I began my current role in April 2006 it was in the middle of an ambitious growth plan, including expanding from 8 to 64 people serving operations in 16 countries.”

Marsh had hired an experienced FSSC director and meticulously planned how the centre would operate. But running an FSSC was an unfamiliar experience for management, and transitions from each country into the centre in quick succession compounded problems. Marsh found itself under-resourced just as a local ‘talent war’ was at its height. People were leaving and service levels were declining.

Then, towards the end of 2006, the centre director became ill and Marsh’s UK operation, the largest in EMEA, transferred its finance function to Budapest, almost doubling the workload.

“These two events brought things to a head”, points out Wesselink.

“We anticipated that our centre director would return but he did not. Responsibility for containing and dealing with the difficult situation then fell to me. I needed to move fast to find someone who had the right knowledge and experience to step in, contain the matter, establish fact from fiction and act quickly.”

Marsh contacted Steve Dengel of BIE, who identified three candidates. One was Kalyan Banerjee, a London-based interim finance director with international and specific shared service centre management experience. Unlike other interim executive providers, BIE’s approach is to personally meet and get to know each of its interims. It might be more time-consuming and expensive to undertake but this difference proved to be crucial in making the final recommendation to Marsh.

“On paper, any of those three people had the right skill-set for the Marsh assignment. I had worked previously with Marsh and knew that character was key in this case. Kalyan had the soft skills - the cultural sensitivities required as well as the technical and practical experience. You can’t tell that from a CV and that’s the added-value that comes from knowing all of your interims well,” says Dengel.

Marsh acted quickly to appoint Banerjee, organising three interviews in one day which resulted in his arrival in Budapest the same week to assess the situation. “It was a very quick handover”, says Wesselink.

“On day one he held a crucial, all-staff meeting explaining who he was and what he was going to do. This was the beginning of re-establishing trust and re-building staff morale. Over a 48 hour period he

talked to all the key people, identified bottlenecks, process gaps and the true extent of the problems, before reporting back to our EMEA CFO in London.

“Our people accepted Kalyan because he had credibility and the authority that comes from experience. He was a vital bridge between the very different cultures of London and Budapest. It was evident that he knew all about financial shared service centres and also how to return our operation to intended levels of efficiency.”

Banerjee developed his short term action plan covering 10, 20 and 30 days, which ran in parallel to a longer term 60 day plan. He then coached the centre’s team leaders, using active, hands-on management to show them what to do and how.

“One thing that I realised on this assignment was that Marsh, like many others, had been partly caught out by cultural differences. Shared service centres are generally staffed by young people in the early stages of their working lives. They use them as a bridge; typically looking to get some work experience and training, show progression, earn some money and then move on to something more permanent. If you achieve 20-25% staff turnover, that’s pretty good. This is in sharp contrast to the mainstream, large corporate culture where staff turnover is 5% at most in finance departments,” says Banerjee

Although he went on to successfully deliver against the original assignment, events took another turn. Management at Marsh’s US-based parent group made the strategic decision to outsource what were viewed as the ‘non-core’ services provided by the EMEA FSSC. Marsh wanted to close the centre in a responsible manner and asked Banerjee to stay on and manage its closure and efficient handover to WNS, the India-based outsourcer.

The work Wesselink and Banerjee did subsequently has since become a benchmark in corporate social responsibility against which others today take their lead, says Wesselink.

“We held job fairs and personal, 1:1 exit interviews for everyone and all those who wanted a job elsewhere in Marsh were redeployed. How we did it has become a textbook example of responsible management.”

The final three months of Banerjee’s assignment were to tie up the legal aspects of the centre’s closure. Under Hungarian law, it was considered a branch office of Marsh and therefore had to have its own accounts. Banerjee’s knowledge of local rules and his revamped processes allowed Marsh to identify £800,000 of VAT and corporation tax that hadn’t been reclaimed as allowed. This added an unexpected bonus to what Marsh already considers to be a very satisfactory outcome to a testing experience.

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