Shared Services as a New Organizational Form

Shared Service Centers: From Cost Savings to New Ways of Value Creation and Business Administration

J. Strikwerda

Chapter 1

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Abstract

Purpose — The reason of this chapter is to clarify at a conceptual level the phenomenon of shared service centers. The aim of the chapter is to enable managers make better decisions when applying the concept of shared service centers.

Design/method/approach — This is a conceptual chapter, in which the phenomenon of shared service centers is being rewritten, from an initial cost efficiency level, into a constituting building block in the new nature of the firm.

Findings — The findings of this chapter are that especially the combination of financial shared service centers and IT shared service centers are an instrument to organize information outside the structure of the internal organization of the firm, as implied by the changing nature of the firm. Also shared service centers are enablers for new business models, especially those based on human capital.

Practical implications — Executives and managers that have a better conceptual understanding of the application of shared service centers will create more benefits beyond costs savings.

Originality/value — This is the first chapter in which shared service center is reconceptualized in terms of the changing nature of the firm. With that it is also one of the first chapter describing the changing nature of the firm in operational terms. The value of the chapter is that it will help executives to define more efficient

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change processes. A second value of the chapter is that it opens new avenues of empirical and conceptual research for academia.

Keywords: Shared service centers; financial shared service centers; ICT-SSC; nature of the firm; intangible assets; business administration; cost savings; organization of information; organization theory; organization design; M-form

Introduction

At the end of the eighties in the 20th century, the first appearances of what would be called shared service centers demonstrated themselves in a number of US companies. One of the first was a shared service centers of the US Army that among others processed travel expenses. In the nineties, there was a slow growth, be it poorly documented, on the application of shared service centers, in many cases these were about ICT services, and for HR transactions. Financial shared service centers also made their appearance, but the growth of Financial Shared Service Center (FSSC) would demonstrate itself after 2000.

Today virtual no multinational company or other large organization, and even government organization, can be identified which does not operate one or multiple SSCs. This is remarkable because the concept of shared service center was no part of traditional theories for organization design. Even more, the introduction of the concept of the shared service center is a fundamental digress from the so successful M-form. Therefore, the phenomenon of the SSC raises a number of questions. A first question is what distinguishes an SSC from a staff department? A second question is by what theory it can be explained that introducing an SSC in an existing M-form will produce a more efficient organization? A third question is how the concept of the SSC is consistent with the need of decentralization of decision making and entrepreneurship, especially in the information economy? A fourth question is whether SSCs are consistent with new business models and especially with the changing nature of the firm, due to the salience of intangible assets? To develop answers to these and other questions will help practitioners in better decision making and in managing the introduction of SSCs where appropriate and to achieve sought for efficiency of the organization. Also good theories will help those involved to cope with change, develop new understanding and skills to be able to work productively in a context with SSCs. A better understanding of the phenomenon of SSCs by academics will produce better research, new insights in theories for organization design and will improve teaching on organization design and organization forms.

The questions reflect the scope and objectives of this chapter. To achieve this in the section "What Are Shared Service Centers and What Not?," the phenomenon of shared service centers will be described by definition, objectives, results, and demarcation. The section "Shared Service Centers and Organization Theory" will provide an explanation of the shared service centers in terms of organization theory.

The section "SSCs and the Changing Nature of the Firm" will be a reflection of the phenomenon of SSCs in terms of the changing nature of the firm. In the section "Closing," an explanation of the phenomenon of SSCs will be presented in terms of the changing nature of the firm, leading among others to the conclusion that the name shared service centers is blocking our view on what shared service centers really are about; Herbert Simon's insight that in the design of the internal organization the organization of information is the first parameter, no longer structure is. The closing section provides a number of views with respect to the implications of the gained insight with respect to practice, research, and education.

What Are Shared Service Centers and What Not?

A shared service center can be defined as an accountable entity in the internal organization of a firm or institution, tasked to deliver specialized services to operational units (business units, divisions) on basis of a service-level agreement Service Level Agreement (SLA) against set transfer prices (Strikwerda, 2010). These services usually are about ICT services, HR transactions and HR support, finance and accounting, purchasing, facilities, but also examples exist of shared service centers providing manufacturing services, logistic services, medical services, etc. Typical statutory support for the executive board, legal counsel, management development, business development and strategy, and corporate control are consistently not allocated in a shared service center. Typical examples of shared service centers in the Netherlands are the SSC Finance of Philips Electronics (organized distributed on a number of places in the world), the back-office SSC of Randstad, the functional SSCs of the chemical multinational DSM, the CDC organization of the Dutch Defense organization, and SSCs for HR and ICT in the Dutch government.

Empirical research for achieved cost savings is wanting. First, because little research on cost savings is done. Second, because of measurement problems and a lack of good quality information within firms. The measurement of the initial costs of the processes to be organized in an SSC should be in the situation in which those processes are still organized within the business units or divisions. Often these costs are not known and target setting and measurement starts at the start of the SSC as a result of which costs remaining in the business units are not taken into account. The research available suggests that US firms achieve costs savings on financial SSCs typically between 40% and 70% within two years, but European firms between 25% and 50% (Bangemann, 2005). Respondents report benefits other than cost savings from SSCs: achievement of synergies (e.g., in purchasing, increased purchasing power), improved use of knowledge of various kinds, higher level of quality of services, higher degree of transparency in the organization, strategic flexibility of the firm, and an improved position on the labor market for support function because better career prospects can be offered (Strikwerda, 2010).

Shared service centers are to be distinguished from corporate or central staff departments. The distinction between those two is summarized in Table 1.

Table 1: Defining differences between shared service centers and central staff departments (Strikwerda, 2010).

Shared service center	Central staff department
Customer oriented, customer is BU	Oriented toward the HQ, to the Executive Board
Delivering service is core business	Service to BUs is subordinate to defining policies and implementation of policies
Provided services are based on requirements of the BUs	Services are based on corporate policies
Cost coverage/allocation of budgets is based on demand	Cost coverage/allocation of budgets is based on corporate objectives and HQ budgets
Operational culture	Staff culture
Costs per unit of service are calculated and managed SL	Blind cost center; cost per unit of service are not calculated, reported nor managed
Services are based on an SAL and on basis of documented processes	Services are based on procedures and functional authorities
Located where conditions, labor market, cyber infrastructure, are most optimal for the operation	Located at site of HQ
Accountability is primarily for the quality of services and costs	Accountability of primarily for policy formulation and the cost budget of the department

The definition provided suggests the existence of SLAs between a shared service center and a business unit or division, based on a set transfer price. The reality is more complicated, dependent on factors like the role of services provided in the customer value proposition, dynamics in the customer value proposition, whether costs of services are volume sensitive or not, and whether volumes of products or services are volatile or not. Also the nature of the SLA and the system of cost charge out may depend on the phase of development of the shared service center, the professionalism of the business units as "purchasers" of services and the level or conceptualization of the shared service center by headquarters (whether an SSC mainly is perceived as an instrument for cost savings or whether it is deployed in the context of a corporate strategy).

Shared Service Centers and Organization Theory

The concept of the shared service center violates the concept of the M-form (the multidivision or multibusiness organization) within which this concept is being applied. In the M-form, the manager of a business unit or a division has a bottom-line responsibility to achieve an assigned strategic and financial performance in an assigned market segment or business, and to that end this manager has hierarchical control over all the resources needed to accomplish the assigned objectives, including management accounting, HR, ICT, except some reserved powers with respect to, for example, corporate legal affairs, accounting standards, and such (Strikwerda, 2003a).

It has been reported that the M-form is the most successful organization form of the 20th century in terms of its contribution to the growth of our economy (Williamson, 1985, p. 279). Also the M-form is the default organization form at the level of internal governance in textbooks for management accounting, management control, organization design, etc. Why then is there such a large-scale abandonment of the successful M-form?

As so often in business, intuition precedes explaining or legitimizing theory, but not necessarily a more fundamental theory. A first level for a theoretical explanation of shared service centers can be found in the phenomenon of convex curves for marginal costs and average costs as a function of quantity of output (Brickley, Smith, & Zimmerman, 2001, p. 111). For a long time, it is a well-known phenomenon that the different parts or activities in a value chain of a business have different cost curves (marginal costs, average costs) resulting in different minimum efficient scales for each of those activities (Figure 1).

In case the value chains of a multibusiness firm have similar subprocesses which can be alternatively applied in each of those value chains (e.g., IT) and have a minimum efficient scale which is larger than the minimum scale of the complete value chain (the subprocesses A_1–A_3 in Figure 1), the firm has an opportunity to increase the efficiency of the organization of the firm as a whole by sharing the subprocess A across the three divisions, provided this can be done subadditive, that is that the costs of the additional required coordination are offset by the gains in efficiency.

Within the traditional theory of organization design, the sharing of the similar process A across the three businesses would be organized by creating a central department. This however might be detrimental to the focus on assigned markets by the business units and impair the scope of accountability of the management of the business unit. The success of the M-form can be explained in multiple ways: one simplified explanation is that the M-form combines a best focus on markets with lowest costs of organization, being the sum of costs of coordination and costs of duplication of (support) functions (curve C in Figure 2). (The M-form does have a corporate headquarters with multiple staff departments creating an added value to each of the businesses (Chandler, 1996; Goold, Campbell, & Alexander, 1994)).

By reducing the costs of duplication of functions by creating centralized departments, the curve for the total costs of organization would be the curve B–B' in Figure 2, favoring the functional organization. However, this curve does not reflect the benefits of market orientation. What the concept of shared service centers does, as is reflected in its name, is not creating a functional organization, but

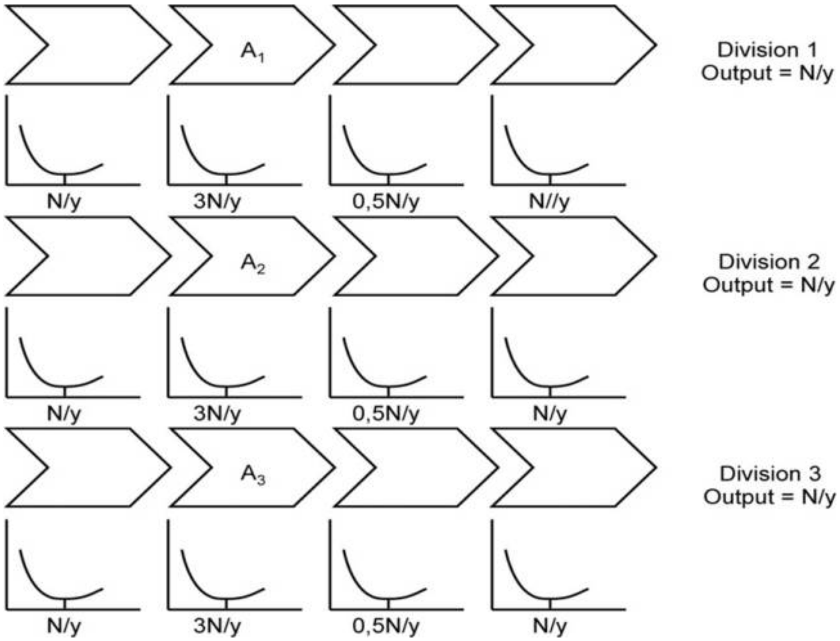

Figure 1: The value chains of a multidivision firm, which each division having the same minimum efficient scale, but within each of the value chains the constituent sub-activities having different minimum efficient scales.

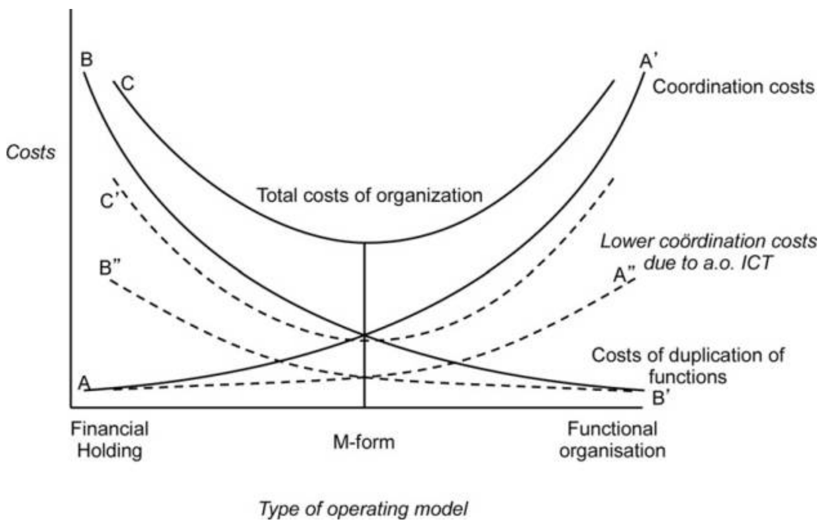

Figure 2: The relation between type of organization form and total costs of organization.

maintaining the scope of accountability of the manager of the business unit, while modifying the scope of control over resources. The manager of a business unit decides which services to procure from the shared service center or not and *vice versa*, and the shared service center is funded from the budget of the business unit, not from a central, corporate budget. It is assumed that business managers can articulate adequately and efficiently their demand for services to be provided by a shared service center, including a business case. This should result in a most efficient allocation of resources within the firm; a shared service center in theory is a step in decentralizing decision making for resource allocation, not centralizing. In theory, the manager of a business unit is a perfect principal to the shared service center because he knows precisely (based on Total Quality Management (TQM) techniques) his processes and is able to write in an efficient way complete contracts with the shared service center, also because in the period (1990–2000), the costs of coordination declined due to the capital deepening of ICT (Varian, Farrell, & Shapiro, 2004). As a result, the curve of the total costs of organization changes from C to C' thus maintaining the M-form with its focus on the market.

A number of case studies reveal that in a majority of cases (but for this survey-type quantitative research is lacking), the true concept and underlying microeconomic theory is not understood (Strikwerda, 2003b). The underlying microeconomic theory of the shared service center implies that, at least in those situations, in which a strong relation exists between the nature of the services rendered by a shared service center and the customer value proposition and a high variability or volatility exists for the latter, the bottom-up resource allocation process (Bower, 1986), which is so typical for the administration of the M-form, is adapted to an economic model of the firm exploiting synergies through shared service centers (Strikwerda, 2010, p. 194). Because in the theory of organization design, the resource allocation process is not a design parameter, whereas it should be (Bower, 2003; Bower & Gilbert, 2005; Kaplan & Norton, 2008), in many cases, but not all, the introduction of the concept of shared service center created problems resulting in not achieving the potential efficiencies implied by the concept as explained. As to be explained by March's concept of *belief conservation* (March, 1994) in many cases, management and others involved, including management consultants, applied the concept of the shared service center, without acknowledging that this implied a departure from the M-form, but instead mentally and conceptually clung to the familiar M-form and all its rituals, identities, rules, and processes: assigning SSCs the status of division (e.g., in the case of the ING Bank, which now has been repaired), having the manager of an SSC report to all division managers simultaneously without executive involvement, sticking to the resource process as typical for the M-form. Like in the early days of the M-form, in many cases, a corrupted concept of the SSC was applied; in some cases, executives managing the costs of divisions not up-front in direct relation with the division managers, but through the backdoor of the SSC, thus eroding the confidence of members of the organization in the concept of the SSC.

SSCs and the Changing Nature of the Firm

The question to be asked is whether the concept of the shared service center is intended to increase the efficiency of the M-form or whether the concept of the SSC reflects a more fundamental change in the nature of the firm. An organization (form) is efficient if there is no available alternative that is universally preferred in terms of the goals and preferences of the people involved (Milgrom & Roberts, 1992, p. 22).

The M-form is one of a limited set of organization forms applied in the 20th century (Grandori & Kogut, 2002; Williamson, 1985). This limited set of organization forms constitutes one of the complexity-reducing institutions in the 20th century as needed for efficient relations between actors in the economy in a context of high costs of information and a limited capacity to process information (North, 1991). However, these organization forms not necessarily would produce the technically highest level of efficiency, whereas neoclassical economics requires the technical possible highest level of efficiency and thus wants to reduce the role of complexity-reducing institutions.

The M-form developed within the specific institutional arrangement labeled by Chandler as the Modern Business Enterprise (MBE) (Chandler, 1977). Chandler focused on the M-form as being typical for the MBE, Zingales rightfully deepened the concept in terms of the nature of its assets, the limits of the MBE, the role of knowledge, and some other parameters which provide a more accurate description of the nature of the firm compared to the original description of the nature of the firm as provided by Coase and the MBE as provided by Chandler (Arrow, 1996; Chandler, 1977; Coase, 1937; Zingales, 2000).

The MBE was shaped by at the end of the 19th century by the then new corporate laws, property laws, and labor laws in the various western jurisdictions. These three laws in their turn were based on tangible assets and on patent law as the only form of intangible assets. The latter reflected the acknowledgment and salience of the exploitation of codified knowledge. Tacit, uncodifiable knowledge as held by trained workers in some way was acknowledged but labor, including the knowledge carried by trained workers, both in neoclassical economic theory and in the three constitutive laws was defined to be a bought commodity by the firm; it is no part of the firm. Through idiosyncratic work methods and standards, and an immobile labor market, in most cases workers carrying tacit knowledge could not turn this asset into an economic bargaining power. The methods for industrial engineering, based on the concept of scientific management, aimed for codifying all knowledge and making it a property of the corporation. With that the M-form, in Chandlers definition so typical for the MBE, was based on tangible assets and knowledge codified in those assets, which were not or only costly interchangeable to be used across multiple products and or markets. The synergies to be achieved in the M-form were limited to finance, management development, R&D, and dependent on the nature of the industry, to a number of components or subsystems. Also, the M-form was based on high costs of information, high costs of communication, a low speed of communication, and a limited capacity of communication channels (Stinchcombe, 1990).

Since about 1975, a number of fundamental changes are developing with respect to the firm. Due to TQM, processes are increasingly better specified and standardized, increasing the number of processes eligible for either sharing across multiple value chains or for outsourcing. In the exploitation of knowledge uncodified, personal knowledge has become at least or even more important as is the exploitation of codified knowledge (Arrow, 1996; Jensen, 1998). The costs of information and communication are declining as is the speed of communication increasing to real time and the capacity of information channels is virtual unlimited (Jorgenson, 2001). Since 1995, we witness the rise of information goods and with that a change in the nature of resources to be exploited by firms and traditional tangible goods are subject to meditation. The new resources, information, images, and knowledge which can be exploited without being embedded in discrete physical goods have a semipublic nature and require new business models, for example, the multiplier profit model, to achieve highest levels of efficiency. That is, basically all the assumptions underlying the M-form and even the MBE are disappearing, in speed, kind, and degree dependent from business to business and from industry to industry. As was felt by managers since about 1990, the old M-form limited the capabilities of the firm in view of the changing nature of the assets and in view of the new opportunities for organization design offered by the declining costs of information.

A strong intuition existed to do away with the M-form, but the M-form having become an institution itself through reification due to its initial success induces a number of resistances to be overcome by identities, attributed and acknowledged roles, management accounting and reporting standards, expectations of investors, lack of sufficient managers, and staff experts who were capable to work with alternative organization forms (the issue of organization capital intensity (Arrow, 1974)), lack of clear concepts on how to deploy information technology, etc. So a tension was growing between what the changing nature of assets implied by requirements and new options, and the M-from as unconsciousness routine in business.

At the end of the eighties, Michael Porter analyzed why in that period the Japanese economy and the German economy were more competitive as the US economy. From that study Porter concluded: "Many American companies have embraced a form of decentralization that involves autonomous business units and limited information flows both vertically and horizontally. … [successful] Companies practice a form of decentralization that involves much greater information flows among multiple units in the company as well as with suppliers and customers" (Porter & Wayland, 1992). In the same publication, it was stated that intangible assets, especially human capital, information capital, and organization thus capital, are more important in the economic system of a firm to create value and for the market value of the firm as are tangible assets (Arrow, 1996; Kaplan & Norton, 1992). There was a plea for the network-type organization, with free flows of knowledge, people, and information across business lines and IT organized as an enabling infrastructure (Nolan & Croson, 1995). However, the functional fields of management control and management accounting did not move, they clung to the M-form and these functions did not offer solutions to turn the economically sound intuitions of executives and entrepreneurs into operational practices to answer the changing nature of the assets. As a result, the M-form is still the dominant reference for the internal organization. The concept of the shared service center could be organized within the concept of the M-form because the concept of the SSC fits into the existing system of costs centers and transfer prices, apart from the fact that the achieved cost savings legitimized the concept. In this approach, the purpose of the SSC remained limited to cost savings.

The quoted article by Porter and Wayland implies that firms, to have a higher level of efficiency in view of the changing fundamentals of the economy, organize their information disembedded from the structure of the internal organization, in stark contrast with the old organization principles and the existing practice in IT governance. This message went unnoticed in the main stream of management books, but not for a few leading companies. Also Herbert Simon's message that in the design of the internal organization of the firm no longer structure is the first design parameter, but the organization of information and the factoring of decision making went unnoticed in mainstream management books. An example of a firm that picked up Porter's message is IBM, which in the nineties started deliberately to eliminate the internal and vertical information asymmetry by deploying shared service centers for finance and IT services (Campbell & Strikwerda, 2013; Strikwerda, 2008; Strikwerda & Stoelhorst, 2009). IBM deliberately used the declining costs of information to create one global transaction recording system and one global general ledger in which transactions are recorded with multiple attributes, allowing IBM to report the performance simultaneously on multiple dimensions. By eliminating the internal information asymmetry, the cooperation between knowledge workers is facilitated (under the guidance of the IBM values) and responsiveness to market dynamics is improved, while providing a safe climate for its workers.

In this example of IBM, we see that based on considerations of strategy and awareness of the increasing role of personal knowledge, the concepts of the SSC are being used to organize information disembedded from the traditional internal structure of this multinational company, while maintaining that traditional structure for reasons of legal organization (countries) and resource configuration (the traditional product divisions). The through SSC's disembedded organized information however allows to solve problems which could not be solved in the traditional M-form: defining the (corporate) customer as the first profit center (as opposed to the BU being the first profit center) as a prerequisite for customer synergies, and making cross BU's and SSC's processes the first dimension for resource allocation and planning of investments (Kaplan & Norton, 2004, 2008) to answer Porter's 1992 call to prioritize investments in intangible assets. To this needs to be added that both the capital markets and executives themselves acknowledged that in the traditional M-form, but also due to the phenomenon of financial performance management, the agency costs became more of an issue between the executive board and the management of the divisions than between the investors and the executive board. To reduce those agency costs, both the ownership of information and the organization of information needed to be redefined, without impairing the accountability of business managers. The latter was conceptually facilitated by applying Anthony's distinction between *financial control*, *business control*, and *process control* (Anthony & Govindarajan, 1995). These three components of management control tended to be organized in the same department within divisions. Process control being the recording of transactions, the general ledger and maintaining protection of assets is not typically business sensitive and therefore can be organized within a financial SSC (which therefore includes increasingly HR transactions). Business control is about issues like resource allocation and e.g. cost difference analysis and therefore typical is business sensitive. Business control needs to be organized to be within a division (although, for example, KLM has organized the controllers for business control in an SSC for reasons of professionalism, which then are on secondment to the businesses). Financial control is closely related to the statutory duties and responsibilities of the executive board and is thus organized as a corporate control department, although some of its routines (not policy making) also may be organized in the financial SSCs. A third factor is that the costs of IT systems, which were driven by lack of semantic data standardization and by a lack of standardization of software, whereas in most cases such standardization does not conflict with product differentiation, needed to be brought down.

These three factors pushed the deployment of especially the combination of financial shared service centers and IT shared service centers and in their wake HR-SSCs. The underlying force is to create a higher level of transparency, a higher level of control, and to enable new business models, especially those based on personal, uncodified knowledge, and business models based on the exploitation of information as a resource (Johnson, Christensen, & Kagermann, 2008). In actual business cases, the weight of any of those three motives for deploying SSCs will differ. The larger picture however is that the combination of corporate account management (the customer is the first profit center), the priority of customer value proposition based processes over traditional departments, and shared service organizations constitute the transformation of the M-form toward the platform organization with its three constitutive elements, a *guiding system*, *tools*, and its *platform* (Kanter, 2009). Implied in that is an almost unnoticed ongoing change in the fundamentals of business administration which is summarized in Table 2.

By reading the phenomenon of the SSCs in the context of the changing nature of the firm and the subsequent changing nature of business administration (Table 2), the concept of the SSC both can be understood as an expression of this changing nature as well as a practical instrument of change enabling firms to manage a transition toward new economic models for their firm in the context of institutions (accounting rules, lagging concepts of organization design) which are lagging the developments in the economy.

The concept of SSCs enables the transition toward the new natured firm by disentangling operational and support processes and placing generic processes in what is to be called the platform of the firm. Especially the combination of financial shared service centers and IT shared service center operationalizes the second row in Table 2. Because shared service centers are process based and also the process interface between operational units and SSCs need to be specified, the concept of the SSC is, together with TQM and process reengineering, a force to elaborate processes as cause-and-effect relations, thus contributing to the dimension in the third row in

Table 2: A summary of the ongoing changes in business administration (Strikwerda, 2012).

20th century instruments	Issues	21st century instruments
Programming by indoctrination of selected individuals and through organization culture in general	Indoctrination text limits information processing capacity of the organization, culture assumes lifetime employment and strong identification	Programming is through codification of mission and values in the objective function of the explicit formulated and communicated business model
Structure with information organized partitioned within structure to influence thinking (focus) of organization members	Structure assumed high costs of information and communication and tangible assets, impedes team work	Organization of information disembedded from structure, elimination of information asymmetry (Herbert Simon)
Budget-driven bottom-up resource allocation process	Budget gaming, satisfying behavior, structure limits strategic development, frustrates synergies	Allocation on basis of validated cause-and-effect relations, mobilization of intangible resources
Power is based on information asymmetry	Internal agency costs no longer are accepted	Power is basis on the capacity of sensing, sense making, creativity to achieve goals
Selection of position-oriented managers, because of motivation based on control over resources	Experts, creative (knowledge) workers pursue an as large as possible personal market, require resource mobilization	Modern workers are contribution oriented, as acknowledged contribution is their source of motivation

Table 1. Because the combination of financial shared service centers and IT-SSCs enable to organize the information outside the structure of the internal organization, SSCs provide the technological possibilities to reduce information asymmetry, but still a constitutional decision by the executive board is needed to allow all members of an organization access to all information. Because SSCs reduce the scope of resources of the traditional unit manager, the traditional unit manager is forced to manage more through nonhierarchical relations and on basis of content, thus weakening the power and the concept of the traditional unit manager. This opens up opportunities for those workers whose motivation is more based on contribution, the last row in Table 2. Because SSCs, as a more decentralized system for resource

allocation, emphasized further horizontal self-coordination over imposed, hierarchal coordination, mission and value become more critical to avoid parochial decision making and serving interests of individual departments.

Closing

The phenomenon of shared service centers can be experienced and conceptualized in multiple ways, dependent on the interests and the viewpoint of the observer or practitioner. Interests may be narrow or broad, viewpoints may be egocentric, parochial, conventional, or more future oriented and community oriented. The task of academia is to provide practitioners and students with insights and an understanding that will help them to create and operate efficient organizations in the context of a society that for its well-being depends on efficient organizations. What an efficient organization is or will be is in constant flux as a result of technological developments, changing relative prices, changing customer preferences, changing self-images of individuals and groups, cultural changes, political changes, etc.

It is a natural tendency to describe, explain, and organize a new phenomenon, in this case the shared service center, in terms of traditional organization theories and practices. But in that way we are suffering the horseless carriage syndrome. To change, to innovate, to renew our organizations first and for all is to rethink and to review our concepts.

In a first research on shared service centers, it was observed that in cases in which executives decided for a shared service center from an operational, cost savings only and perspective on basis of the traditional M-form concept, implementation turned out to be a process full of obstruction and halfhearted solutions. In cases in which the executive viewed the introduction from a broader strategic perspective at industry level and understood the fundamental nature of introducing the SSC, an implementation would not necessarily be faster, but more steadfast, better conditioned by the executive board and less prone to obstruction or other mishaps (Strikwerda, 2003b).

As has been explained in this chapter, the phenomenon of SSCs needs to be taken by academics to ask questions with respect to organization theory, to unearth forgotten assumptions, to identify new design parameters, to review our concepts and their limitations and to identify new possibilities. This will result in a better understanding and thus in improved changes processes, more pleasant organizational climates for managers and workers, less efforts wasted, and more efficient organizations and happiness.

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