

## ABSTRACT

Since the concept of commercial business is originated in the world, people expected gain more and more profits. Since then they tried applied various methods to reduce the cost to gain more profit. With the time lap people understood that there other objectives to be achieved other than cost reduction such as improving efficiency, customer satisfaction, controlling power etc. On the hand commercial business evolved rapidly than ever in the world. As a result, the role of the back office function is significant for the company core business operation. In the view of finding various approaches, cost reduction, improving the efficiency effectiveness and controlling powers; diversified companies in the Western world brought out the concept of pooling the common back office function and serve all the subsidiary companies called as Shared Services. Though, it seems that the concept was not effectively utilized locally. Therefore, the research has utilized qualitatively and inductive approach to find the main factors, outcome and the relationship of both. After selecting leading 16 diversified companies from CSE by using a snow ball sampling method, their view were extensively reviewed through the thematic analysis method. In this process, going through responses researcher was able extract real causes of each factors and outcomes. In Sri Lankan context requirement of application of professionalism in procurement, Information technology (ERP), establishing of supplier base and standardization found as main causes. Further, it was found that diversified they were able to achieve significant cost reduction, quality improvement, controlling power and solid supplier management as result of adopting the shared service application, Different level of degrees of relationship were observed through the analysis between each causes and effects which could be suited in different objectives of diversified companies such as cost or quality. At the end cause and effect relationship model was produced through extensive research discussion and six major theories were produced accordingly.

**Keywords:** Professionalism, core competency, back office function, controlling power standardization, ERP system, shared service , solid supplier base, supplier management system,