

POINT OF VIEW

The next generation of global business services

Global business services (GBS) has evolved. COVID-19 has forced organizations to invoke business continuity planning (BCP), adapt to virtual working, and push the boundaries of innovation. GBS will not return to the way it was.

In the future, GBS will drive tighter collaboration and enable remote working with data-engagement platforms and other systems of engagement. Predictive and prescriptive analytics and digital technologies like artificial intelligence (AI), machine learning (ML), and blockchain will drive superior user experiences through insights into your stakeholder community (including customers, suppliers, external parties, firm management, and employees) and open up continuous-learning opportunities across the organization.

Workers will rely on GBS to expand into additional areas, such as advanced financial planning and analysis and scenario modeling, which will attract and develop top-caliber talent.

The next generation of GBS

What do we mean by GBS?

Global business services are collaborative and efficient organizations that accelerate business outcomes. A GBS is:

- An integral part of end-to-end process execution, which optimizes user experiences
- Focused on enabling digital ways of working that support a virtual workforce and business continuity
- Recognized as an enterprise operating unit that has a seat at the executive leadership table and is the mandated service delivery entity
- A business partner that delivers business insights
- Delivered across the enterprise - globally and at scale - using one or many delivery locations and entities, such as centers of excellence, shared service centers, centers of work, and centers of competencies

Why do companies operate global business services?

The importance and role of GBS have grown in recent times. Though companies have many objectives, the

following themes remain consistent. They're focused on improving their cost structures, driving scale through mergers and acquisitions, accelerating the implementation of new business models, and enabling workforce capabilities, including virtual working.

Businesses are focusing on developing global business services with a clear purpose: to support the company's strategy by creating value and delivering quality. Of course, value for money and cost management are still key outcomes, but GBS goes beyond a narrow, conventional lens. Key characteristics of future GBS are crystallizing around the following seven attributes (figure 1):

1. Centered on experience, not on functional boundaries

At the heart of successful GBS organizations are their customers and the service they receive. They need to maintain a customer focus throughout the lifecycle of shared service design, build, and operate - by embedding the customer journey into core GBS activities such as continuous improvement and key performance outcomes.

Functional boundaries have long thwarted many efforts to improve productivity and drive benefits. Replacing the traditional model and aligning around experience -

What will drive the next level of global business services maturity?

Experience and a hybrid workforce

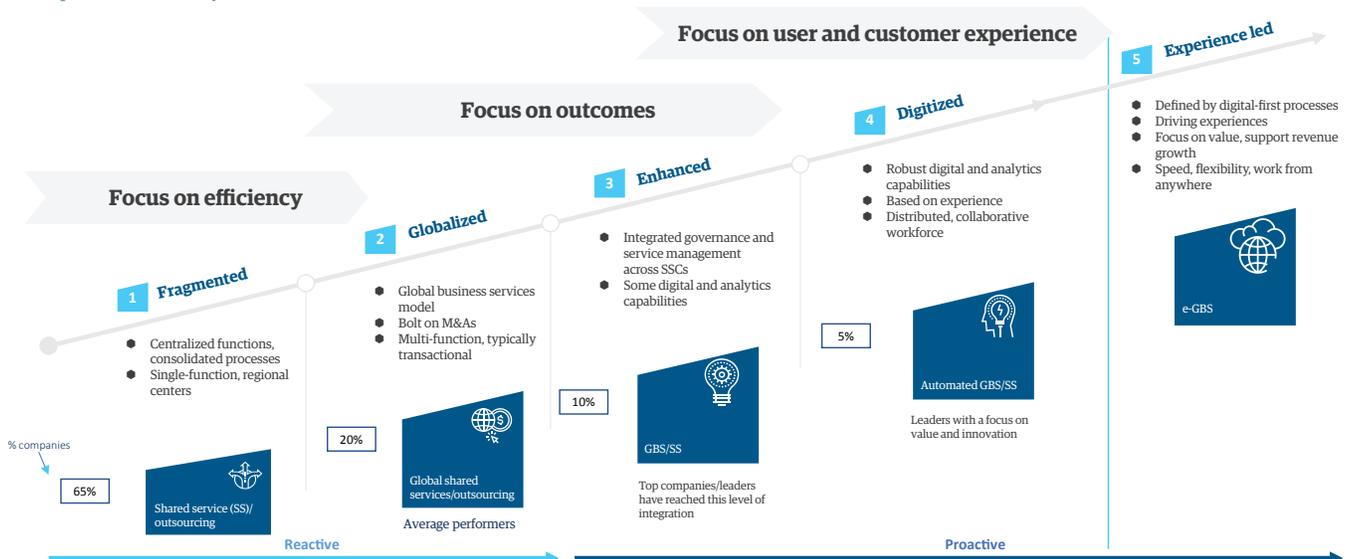


Figure 1

or user journeys - to deliver quantitative and qualitative outcomes will enhance and optimize performance.

For example, a global life sciences company shifted focus away from cost reduction to improved customer satisfaction - especially in placing and fulfilling orders for its products. Another global company reset its shared service center's objectives toward being 'easy to do business with'.

2. Digitally enabled

Our research shows that if companies have standardized, stable processes, intelligent automation can deliver a step change in efficiency and effectiveness. Robotic process automation (RPA) can automate routine, repetitive, and rule-based activities.

The next stage in the automation journey beyond RPA is intelligent automation, which includes technologies such as ML and dynamic workflow. Intelligent automation delivers exponential value by learning and adapting as it automates.

Successful future GBS organizations will develop an ecosystem of partners to ensure they keep ahead of the latest developments and have the range of tools required for automation.

3. Connected by analytics and insights

Tomorrow's GBS leaders are creating dedicated analytics hubs within GBS to continuously mine and use the vast amounts of data flowing through typical operating functions, which creates sustainable augmented intelligence for GBS.

By aligning across the process operating towers, GBS can continuously innovate around the specific needs of each unique operating ecosystem and improve time to market by deploying agile analytics development processes. GBS will leverage prescriptive and predictive analytics, AI, and cognitive computing to interpret omnistructured data and help drive better, faster decisions.

4. Agile to support evolving business strategy

Flexible plug-and-play GBS models help their businesses grow organically and through acquisitions. They either need full integration in the case of carve-outs or partial integration in the case of stand-alone businesses.

GBS models will continue to consistently expand in scope and scale into higher-value areas such as financial planning and analysis, compliance, and integrated operations across finance, sales, IT, HR, and more.

For example, one of the world's largest financial institutions turned to Genpact for help streamlining its compliance efforts and developing smarter overall operations. The business impact to date has been more than \$500 million. The bank has cut its exposure to Regulation E infractions, but more importantly, it has created faster and more efficient onboarding and fund-disbursement processes. These large-scale reengineering and automation initiatives are delighting customers through exceptional experiences.

5. Reskilling at scale with a distributed workforce

COVID-19 has accelerated the GBS agenda and challenged the decentralized status quo. It has forced businesses to establish a work-from-home strategy and reimagined BCP across countries. Future GBS will be much more flexible for speed and scale across multiple locations.

For the workforce, this means that location will not be a defining factor, and we expect that there will be tremendous discussion about that. Nurturing and developing talent within the GBS organization is often one of the non-quantifiable benefits in a business case. Higher-value and multi-function services within a GBS provide career paths and development opportunities to keep talent available and trained.

For example, a leading global retailer moves aspiring management in and out of its GBS center, developing

new skills and bringing them back to market roles. This helps promote and develop the GBS center and creates a true partnership with the business. With the introduction of more automation and advanced analytics, the required skills of changing and learning in these areas will be a priority.

6. Custodian of data and standards

GBS will become the nerve center for organizations' wider resources and information, and the process-centric and service metrics they operate. For example, there is more scrutiny on data governance, which demands experience in other functions. Companies are being forced to look closely at the quality of their data, its completeness, and possible biases thanks to increasingly complex regulatory requirements, the need for higher data security and privacy, and a greater demand for advanced analytics.

A service framework, which defines how GBS will operate, will be even more important for translating purpose into results. This includes setting out clear KPIs and SLAs and also means a defined and clear service catalog, escalation paths, and effective governance.

7. Led by purpose, focused on innovation

GBS will be the innovation sandbox for adopting digital technologies, not least because of the organization-wide data and insights contained within it. Given the purpose of GBS as far more than a transactional engine, services

such as procure to pay and opportunity to cash will run end to end, which will in turn enable GBS to impact working capital, reduced revenue leaks, and procurement savings. By aligning GBS objectives to those of the business, high-performing functions become a true strategic business partner with a seat at the top table.

Aligning around customer experience

GBS will continue to process transactions and provide expert analytical capabilities for the functions it supports. Customer needs and experience will have a greater influence on the shape of the delivery model. Those needs will be expressed through expected outcomes (the end-to-end perspective). GBS will embrace a disciplined service-management approach and consider continuous improvement as a core competency. These organizations innovate quickly and use agile techniques to deliver commitments.

GBS centers can play a strategic role for their enterprises. By putting customers first, a high-performing GBS can power the future of shared services. Expanding to provide high-value services and driving improvements through digital and analytics improves the experience for internal stakeholders and delivers benefits beyond cost reduction.

If your GBS organization adopts these seven attributes, it will accelerate your response to growth opportunities and take advantage of future business models that are no longer defined by location.

This point of view is authored by Gregory Derderian, Senior Partner, CFO Advisory, and James Pring, Senior Partner, Transformation Services, Genpact.

About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes primarily for Global Fortune 500 companies. From New York to New Delhi and more than 30 countries in between, we connect every dot, reimagine every process, and reinvent companies' ways of working. Transformation happens here.

For additional information visit, <https://www.genpact.com/finance-accounting>

Get to know us at [Genpact.com](https://www.genpact.com) and on [LinkedIn](#), [Twitter](#), [YouTube](#), and [Facebook](#).

