



WHITEPAPER

Global Business Services

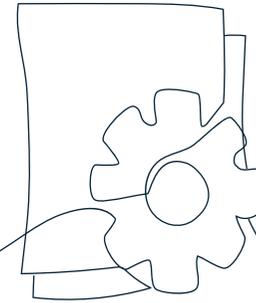
Laying the foundation for future innovation

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Sector overview



“Does the global business services model still matter?” That was the headline of an article from McKinsey and Co back in 2017.

Four years later, the concept of centralising administrative tasks is one many businesses are still exploring, embracing and wrestling. GBS organisations employ more than a million people worldwide, with growing revenues. Some of the world’s largest, most complex businesses rely on GBS to run their operations and allow them to serve customers more effectively.

What’s more, GBS operations have been repeatedly praised for their fast response to the pandemic, with some barely breaking stride as they switched to fully remote working models or transitioned whole functions to other locations. Whether in consumer products, automotive, chemicals or any other sector, those businesses with effective, established GBS functions were able to react quickly.

“Global business services were at the heart of companies’ ability to react quickly to the pandemic.”



The GBS sector

First, it is worth defining what GBS actually means, before looking at where the sector is in 2021.

EY defines it as a focus on “creating customer-centric, digitised end-to-end process flows across functions and geographies. It includes agile operating units that are steered globally and independently of traditional business units.”

That’s quite a strategic view – to understand what it really is, **Deloitte states that GBS** is “a term for centralised service delivery models that encompass shared services (captives), outsourcing, and centers of excellence (COEs) to serve multiple business units. Scope can include finance, IT, HR, and procurement, as well as other functions, and can be delivered onshore or offshore.”

In short, it is the bringing together of backend functions to provide a standardised, global administrative and transactional service to revenue generating business units, allowing them to focus on value-add customer activities. It is the evolution of siloed, functionally specific shared service organisations, the back-end operations companies have employed for nearly 30 years.

“Global businesses services deliver standardised, global services to revenue generating business units to drive customer value”

GBS have only appeared over the last decade, as companies have embraced digital transformation. As they have sought to revolutionise legacy systems and processes, they have turned to GBS to help standardise operations, with the ultimate aim of creating a single organisation using technology to drive end-to-end processes focused on

delivering the best for the customer.

And it is big business.

According to BCG, “GBS organisations worldwide employ more than 1.5 million people, and their revenues are increasing at compound annual growth rates of 7% to 8%, about twice that of global GDP.”

“GBS centers employ 1.5 million people generating 8% annual revenue growth”

The same company also estimates that 30% of global companies have some form of GBS organisation, with the rest operating either functional or multifunctional shared service centers.



Four challenges GBS needs to overcome in 2021

Despite this boom in GBS, problems remain.

Firstly, there's the implications and impact of COVID-19. Put simply, remote working (whether full-time or in a hybrid model) is here to stay, with its demands on culture, working patterns and planning.

That has an immediate impact on the ability of GBS to deliver quality services and experiences, but it also has implications for the wider organisation, and in turn what the business as a whole wants from GBS.

Digital is still going to be key, but as we've seen, the urgency has accelerated significantly.

So, businesses as a whole need to complete their digital transformations so that they can keep innovating. While some will have been well advanced pre-2020, many others had to cut corners to keep operating as lockdowns hit. Now, they are in the process of turning choices made on the fly into strategic decisions that support overarching objectives.

For GBS organisations, this creates four challenges:

Plugging the gaps:

In order to drive an exemplary user experience, processes and services need to be fully end-to-end, with no gaps or opportunities for services to fall down. Yet organisations are loading up with new tech, and it won't be all encompassing or properly integrated. As such, gaps will appear between legacy systems and cloud-native apps, between front and back-end functions. Whether the user is an internal function or an external customer, GBS need to be able to fill the

space, by automating and integrating processes that proactively solve issues, rather than wait for users to raise a problem.

Fixing problems in a remote world:

GBS organisations have long been adept at solving issues while on the other side of the world. But when no one is onsite, solving a problem means being able to do so in a manner that supports or enhances the overall user experience. Pre-pandemic, this might be achieved through face-to-face interactions with on the ground representatives – with that no longer an option, GBS need to find a way of maintaining that goodwill and positivity in a virtual world.

Maintaining employee support and keeping track of it:

GBS' third challenge revolves around how they support employees to build engagement, and then measure it. While maintaining business buy-in has always been a factor in GBS

implementation success, it has only increased in both importance and complexity in the remote work world. With new hires likely to be predominantly remote, and new technologies to incorporate, making sure that employees are both fully engaged and understand how it all fits together while keeping track of any changes to morale and buy-in are going to be critical.

Talent attraction and retention:

GBS organisations are in a battle for talent. Remote and hybrid working models are expanding talent pools, but they are also creating more opportunities for job seekers. In order to attract and retain high quality talent, GBS organisations need to optimise the workforce based on skill set, utilise resources in the most effective way and encourage talent to broaden their experience without leaving the organisation, as well as attracting new employees with the prospect of a breadth of experience and development.

A platform for innovation

The key to solving these challenges is to combine two elements – delivering the right cultural approach with the appropriate technological deployment.

The focus of GBS organisations is the same as it always was – to retain and reinforce a focus on efficiency, experience and engagement. Yet within the context of remote or hybrid working models, prioritising culture is critical to success.

To support that, GBS operations need to be judicious in their deployment of the right technology. It is not simply a case of picking a solution, no matter how best-of-breed, putting it in place and expecting it to deliver. Technology needs to drive efficiency; it needs to underpin the experience and it needs to promote engagement. It needs to

place and expecting it to deliver.

Technology needs to drive efficiency; it needs to underpin the experience and it needs to promote engagement. It needs to do all that while integrated with the appropriate culture – both within the GBS organisation and the relationship between the wider business and GBS.

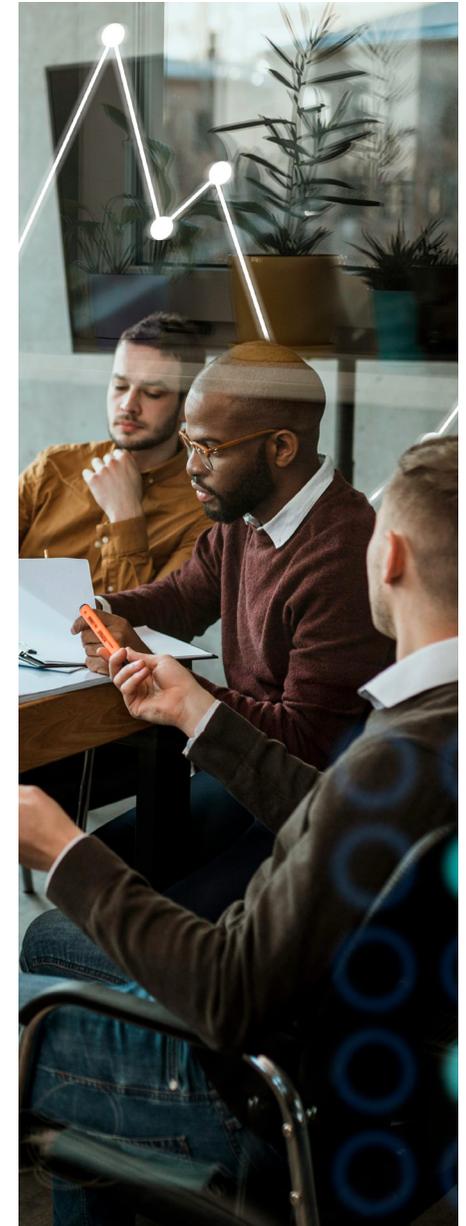
With that culture in place, not only will technologies such as robotic process automation be more effectively integrated into working processes and practices, but the groundwork will be laid for advanced service offerings with increased capabilities. That might be introducing artificial intelligence, it might be predictive analytics for operational efficiencies and futureproofing, it might be improving working opportunities to attract the right talent. The point is that it will provide GBS organisations with a platform to develop in the right way for their parent companies, support ongoing digital transformation and, ultimately, lay the groundwork for innovation.

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Include Enate in your digital transformation roadmap

- 1 Is digital transformation a strategic goal for your organisation?
- 2 If you could orchestrate processes with more transparency, efficient work-handoffs, and SLA adherence, would that improve your customer experience and ROI from current and future technology investments?
- 3 Is the employee experience key to your Talent attraction and retention strategy?

If your answer is yes for any of the above, then please contact the team on sales@enate.io to find out how Enate can help you and your business.



About Enate

Enate is a SaaS Process Orchestration platform that manages a workforce of humans and digital workers for simplified end-to-end business processes. With Enate, you can plug and play any technology (RPA, AI, cognitive, NLP, machine learning), from any vendor, to get digital fast. The platform enables the delivery of services from multiple locations to local standards while maintaining complete visibility and control

(including the automation of KPIs and SLAs), all aligned to detailed reporting of cost and productivity. Enate's platform deploys within weeks.

Enate was founded by automation industry expert **Kit Cox**. Customers include TMF, CMS, Mizuho, Utmost Group and Capgemini. Enate was named a Hot Vendor 2019 by HFS Research.

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