

A photograph of a business meeting. Several people are gathered around a wooden table. One person is pointing at a laptop screen, while others are looking at a document with charts and graphs. A coffee cup is on the table. The background is a blurred cityscape.

Global Business Services: an engine for enterprise transformation



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Introduction: the trends and challenges

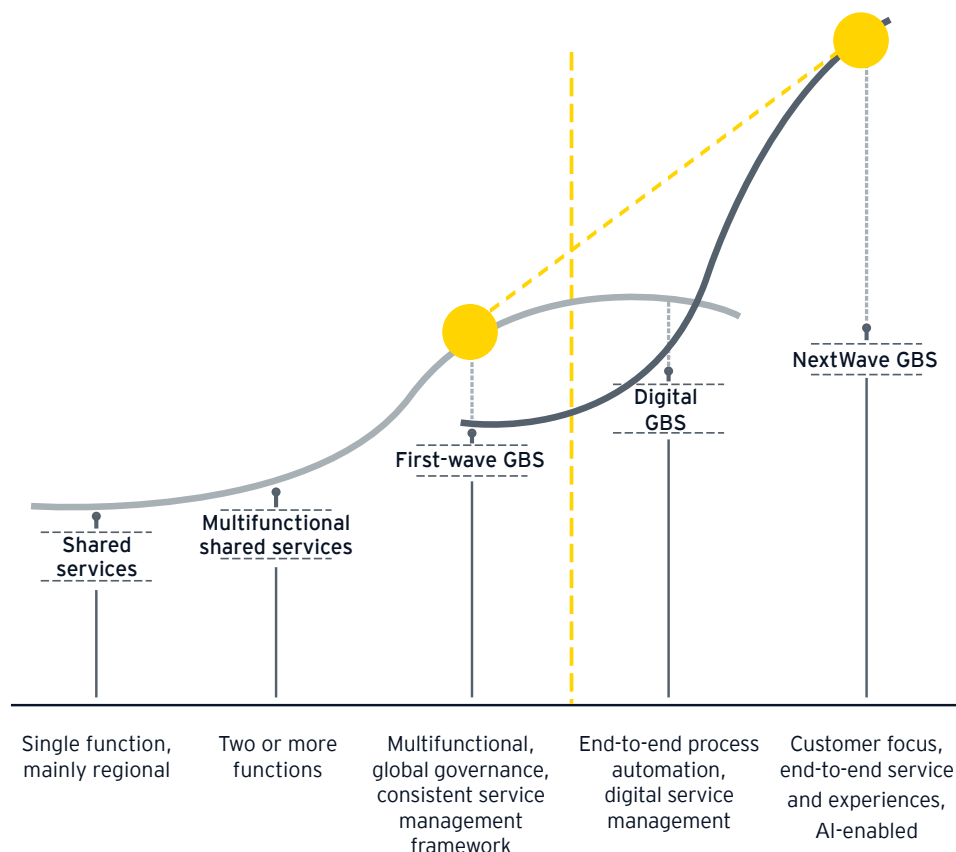
Adapt or die – GBS at the inflection point

It's indisputable that today all business sectors are challenged by the impacts of inflation, supply chain disruption, hybrid workforce dynamics, increasing customer expectations, climate change response and nonstop technological advances. We don't expect this volatility to ease. Hence, enterprises are forced to reconsider their business models and increase their ability to adapt to pressures.

Historically, enterprises have used global business services (GBS) to address these challenges. GBS has typically used labor arbitrage and productivity levers to reduce costs in the back-office functions across transactional work. As Figure 1 shows, businesses matured their approach over time, starting with single-function shared services and evolving to integrated, cross-functional GBS business units that tap into higher degrees of process harmonization and consistency, business process outsourcing and automation using advanced technologies. Along this path, productivity is front and center. Resources that are freed up can be redirected to innovate, reengineer core business areas and help the bottom line.

This quest for increasing productivity has driven the first S-wave of growth in GBS – but has now reached its limits. New productivity potential with GBS models has been exhausted. Moreover, under the increased push for impact, internal business customer satisfaction with GBS has suffered. Often, GBS' brand has gravitated to “your mess for less,” and what we may term “first-wave” GBS is being left without a seat at the main table of the enterprise.

Yet many organizations are not able to clearly articulate GBS scope, capabilities and value delivered to its customers. To make true impact, they still lack foundational capabilities, such as a compelling, intuitive service catalog, performance measurement of services provided, digital interactions with customers to request and consume services, etc. A few organizations are surging forward to create breakthrough value.



The new S-curve for GBS

First-wave GBS organizations along the first S-curve offer their customers (including business teams, employees, third-party customers and suppliers) what they produce. The trigger point for a new S-curve is in switching focus to services whereby GBS orients toward its customers' needs and desires, and designs for fulfilling experiences. Significantly, this experience-led approach also unlocks new sources of productivity. The GBS of a life sciences major assessed business cases in the order of 50% run-rate savings for end-to-end experiences, such as hire to onboard, meetings and events, and procure to pay – even after the individual functions indicated they were running optimally.

Bottom-line: GBS' new S-curve delivers great experience and productivity by putting the customer at the center. How are leaders making this shift from an orientation on "what we produce" to what customers want?



The four levers of the new GBS S-curve

Making the move

GBS leaders are advancing to the new S-curve following a flywheel approach, building momentum by applying four reinforcing levers with increasing intensity – orienting on customer experience, scaling out to multiply impact, enhancing performance with insight and developing a new brand beyond the back office. ServiceNow's powerful enterprise service management (ESM) platform is the core technology axle around which the flywheel spins.

Experience stimulates appetite for more services.

- Customer-led, human-centered service design
- Seamless, omnichannel service consumption
- Predictive, proactive and preventive care

Scale improves productivity and impact.

- End-to-end lean, automated and measurable services
- Focused service and solution innovation teams
- Automation orchestration and digital as a service



Branding uplifts reputation and fosters attractiveness.

- Internal and external GBS branding
- New skills required in line with evolving GBS scope
- GBS-enabled career acceleration

Performance enhances credibility.

- Speed, quality and consistency
- Transparency, reliability and control
- Measurability and actionable insights

Experience

Orienting on customer experience

Orienting on customer experience is the launch point to the new S-curve. This begins with reimagining GBS activities with human-centered experience design – from developing personas for a customer-centric mindset, to defining experience maps to fulfill the needs of each persona, to enabling dynamic and automated journeys that reduce complexity.

To use the example of the end-to-end service “hire to onboard”: In an organization with traditional GBS, onboarding is a fragmented experience for new employees trying to get their security pass, contract, phone, etc. For the CHRO of a global consumer health care company, taking an experience-led approach to an end-to-end service created a “wow” effect that reduced turnover, increased employer attractiveness and enabled new employees to reduce ramp-up time by more than 50%.

A second way this lever is transformative is when offering a unified service experience to GBS customers. An omnichannel approach across portals, mobile, collaboration tools, virtual assistants and kiosks meets employees where they want to work. Leading GBS effectively uses digital channels on ServiceNow to move service support off more expensive channels, such as phone and email, to customer self-serve and self-solve. The ServiceNow’s platform intuitive portal serves as a “first-stop shop” for customers to seamlessly access the data, information and tools they need to get work done. And we anticipate AI and machine learning to yield greater success with predictive and preventive care as we progress along the new S-curve.

Finally, we need to spotlight prerequisites to pull the experience lever. Breakthrough impact requires investment and championing of new governance, culture, roles, processes, standards and technology. Only by holding to ESM standards – e.g., request, catalog and issue management; UI design standards; intuitive and intelligible knowledge and content writing; and lifecycle management – can service experience be designed and delivered in a consistent way. (We will go deeper on these foundations and how to execute successfully in a follow-up article.)



Scale

Scaling out to magnify impact

Great experiences stimulate enterprises' appetite for more services to be transferred to GBS. To apply the scaling lever, leaders start by expanding their view on functions, processes and activities for which GBS is the best organizational executor. With the help of EY wavespace™, a multinational consumer products company was exposed to the art of the possible in reimagining services and decided to expand its GBS scope from three to eight functions. A life sciences major had a similar experience after analyzing the transformative power of customer service management to order-to-cash (O2C) to drive simplification, responsiveness and reliability.

Enterprises can also draw inspiration from EY's peer exchange forum, the EY GBS Leaders Club.

NextWave GBS subsequently applies advanced capabilities to convert their expansion of scope into disproportionate value for the enterprise, including introducing new roles, such as Global Service Owners, to govern the design and performance management of end-to-end services; industrializing experience-led service design and onboarding; systematically using an "automation

factory" that leverages low-code/no-code; and applying intelligent ServiceNow features, such as automated work assignment.

ServiceNow provides many of the capabilities to efficiently scale out of the box. Leaders mine the platform's innovation roadmap for performance edge and apply their influence to get new features and advances.

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As a service-oriented organization, GBS boosts its impact with great service design and delivery. Only ServiceNow provides the depth and breadth of capabilities GBS need.

Scott Mason

Chief Operating Officer, EY Switzerland,
and EY EMEA ServiceNow Go-To-Market Leader



Performance

Enhancing performance with insight

While expanding scale drives greater impact, GBS' credibility is enhanced with sharing and applying performance insights. Again, use of the ServiceNow platform is the key.

In first-wave GBS, KPIs are defined and tracked individually by functions and operational teams resulting in finger-pointing and lack of comparability. NextWave GBS uses ServiceNow as its centralized system of engagement, action and insights across organizational silos. This single platform integrates disparate technologies, tools and methods and allows multiple GBS technology enablers to work together as an integrated technology ecosystem. ServiceNow provides a simple, intuitive, frictionless way for employees and GBS internal and external customers to get their work done. By reliably capturing all service delivery data and analytics in ServiceNow, GBS now has a single, auditable source of truth on performance and can accurately communicate its impact on productivity, service quality and bottom-line value.

Performance insights also increase flywheel momentum with a stream of continuous improvements. The GBS of an international manufacturer expanded to a "one-stop shop" of over 500 services from eight functions across 55 countries in just over two years. Successful adoption and impact were helped by making over 2,200 enhancements along the way. Speed and responsiveness were more important than designing for perfection.

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The opportunity to reimagine GBS as an enterprise transformation engine has never been greater. We help clients broaden their understanding of the potential and path to the next wave of GBS using ServiceNow as a strategic platform for experience, action and insights.

Maria Saggese

EY Global and EY EMEA GBS Solution Leader



Branding

Developing a new GBS brand

With improved performance uplifting credibility, and the increased scope and scale of business capabilities within its remit, NextWave GBS can – and arguably needs to – reposition its brand to embody the enterprise transformational engine impact it has. As the senior vice president of one of the globally largest GBS organizations shared with us, “the cool, innovative stuff is now happening in GBS, but the back-office label obscures the fact that we run many core business capabilities. We need to establish a new brand.”

With this enhanced profile, NextWave GBS naturally draws in new talent pools with expertise in experience design, intelligent automation, service innovation, data and process analytics, etc. Also, the profile of the traditional shared service work shifts as transactional and repetitive work becomes automated and skills are uplifted to complex problem solving and customer engagement. As a result, NextWave GBS is increasingly recognized as an incubator for top talent and future executive leaders because of the cross-enterprise learning it offers. This shift also makes the GBS organization a career path accelerator and an attractive employer, which further enhances its reputation throughout the enterprise.

At the frontier of the new S-curve, NextWave GBS is increasingly an enterprise’s home for excellence capabilities and can now offer these to business areas outside of its organizational remit as a service. For example, the Global Customer Excellence team in the GBS of a global life sciences major is providing “experience excellence” to improve patient and health care professional issue handling in an existing customer portal. A pipeline of demand for similar needs is growing fast.



Conclusion

Unlocking breakthrough value with the next wave of GBS

While GBS organizations have been expanding their capabilities and ambitions, there have also been major shifts in the world of work. The global pandemic and Great Resignation revealed the need for agile approaches and human-centered solutions, while pressuring leaders around the world to invest in automation and digitization at a speed they had never considered before.

Next-wave GBS organizations have embraced this new reality to reimagine themselves as a transformation engine for the enterprise. Advancing to the new S-curve and to next-wave GBS is not a simple leap; it is executed by applying experience, scale, performance and brand levers to generate a flywheel effect:

1

Orient on customer **experience**. With the new focus on consumer-grade experience for GBS customers, GBS organizations stimulate an appetite for more services.

2

Scale out to multiply impact. Applying automation to an expanding set of services increases GBS impact to the enterprise.

3

Enhance **performance** with insight. Raise credibility with transparency, measurement and control across GBS' portfolio, and with data-driven, actionable insights.

4

Develop a new **brand**. GBS' step change in impact and reputation elevates its role as a must-have career building block for talent and a new brand image.

These four levers achieve maximum momentum when ServiceNow is used as system of engagement, action and insights.



The adoption of a more responsive, diversity-informed and data-driven approach enables a simpler, easier-to-navigate experience for users – and that translates to significant business impact. In fact, organizations that put humans at the center of their GBS transformations are 2.6x more likely to be successful than those that do not.

Source: “How do you harness the power of people to double transformation success?” EYGM Limited, October 2022.



GBS is the transformation engine for the new world of work.

While many organizations have started their journeys to next-wave GBS, there is still work to do. They need to accelerate their digital capabilities to improve service consumption, enhance user experience, achieve new productivity and process performance targets, and provide resilience as well as push the boundaries of service innovation to respond to an environment that is constantly evolving.

Powered by ServiceNow's platform and the EY Transformation Realized™ approach, ServiceNow and EY help organizations to deliver breakthrough value with NextWave GBS.

[Learn more.](#)

Contacts



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Scott's successful 30-year track record has kept him on the forefront of technology as a researcher, consultant and industry executive living and working across four continents. He's recognized for his strategic vision, pragmatic execution and energetic leadership. As CTO of a Swiss multinational pharmaceutical corporation, he was instrumental in building global business services, leveraging ServiceNow to transform to end-to-end services. He has applied this experience since joining the EY organization in 2019 to build its Global Tier 1 ServiceNow practice across Europe, the Middle East, India and Africa.



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Maria is a transformative leader with 20 years of experience driving large-scale, technology-enabled business transformation programs at multinational organizations, including Fortune 500 companies. She specializes in integrated GBS operating models across key functions of the value chain – from strategy to implementation, including digital enablement with disruptive innovators and greenfield enterprise resource planning (ERP) systems. Maria is also an engaged advocate of female leadership in GBS. She's actively engaged in creating and nurturing connections between female leaders in GBS, providing opportunities for inspiration, collaboration, and personal and collective development to prepare the next generation of female GBS heads.



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