

GBS as a digital transformation engine: A practical how-to guide

How Global Business Services organizations can drive digital transformations in their wider companies



Building a better working world

Introduction

The concept of digital transformation has all the potential to become the next empty buzz word in the business world, if it wasn't for the profound improvements companies have been able to realize with it. We are seeing organizations improve their working relationships with their employees, customers and suppliers, finally deploy one seamless process platform across business units and geographies, improve productivity and cost levels, and unlock the wealth of information residing in core operational processes.

In many cases, the Global Business Services (GBS) or shared services organization is the catalyst in driving

change, especially in core support processes (such as source-to-pay, demand-to-cash, record-to-report, and hire-to-retire). GBS is often already responsible for a large portion of the activities, and it also houses vast knowledge of enterprise-wide end-to-end processes. Having worked under the pressure of year-on-year efficiency targets, GBS organizations have also become adept at disrupting operations and introducing new technologies. In addition, through its global footprint and relatively large scale, GBS has developed the distribution network and execution power to successfully deploy fruitful ideas.

In an increasingly complex business environment, companies are looking for ways to drastically simplify their operating model, provide a superior customer experience, strategically partner with their suppliers, and capitalize on data and analytics. This is a perfect time for GBS to rise to the occasion.

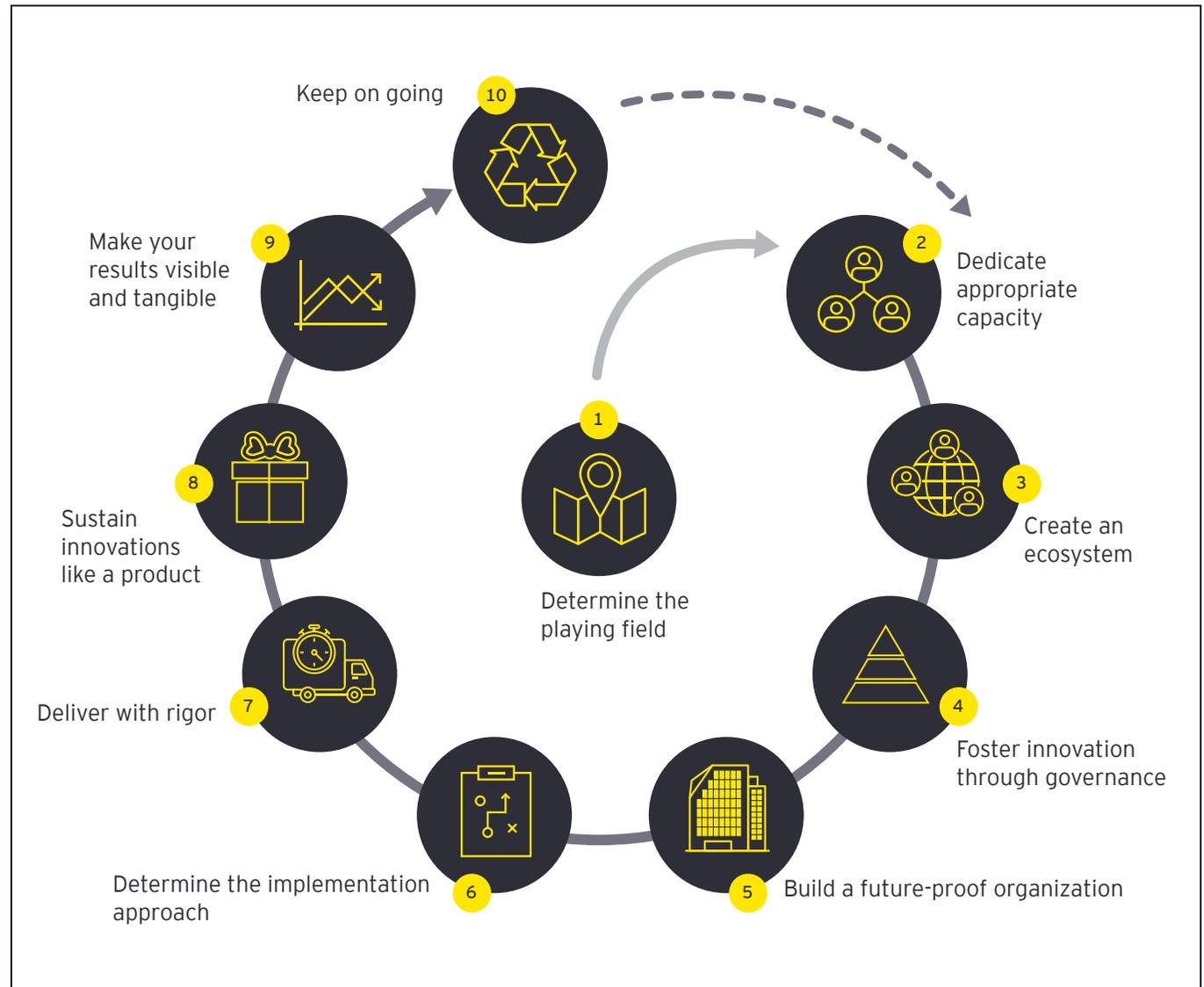
Not all GBS organizations have been able to become digital transformation engines, for varying reasons. Many GBS organizations still find themselves with "fix the basics" as their primary strategic imperative, often the result of a suboptimal build or transition phase. Other GBS leaders struggle to break

out of the operate-and-improve paradigm, in which they focus on delivering a 10-15% savings target, yet never discover disruptive “10X” opportunities. Sometimes, GBS organizations simply lack a clear playbook to bring the identified potential into reality, where the “why” and “what” is clear, yet the “how” is missing.

However, the potential is there for any GBS organization to realize its transformative potential.

Our experience working with leading GBS organizations over the past two decades across various industries, combined with insights from industry subject matter experts (SMEs), has helped us define ten steps for GBS to successfully become a digital transformation engine (Figure 1.1).

Figure 1.1: 10-step approach for GBS to become the Digital Transformation Engine



Inside

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DMX4 - 7.2T
- 5TB - 300G

1
Determine the
playing field

If technology is not your company's core business, it could feel reassuring to turn to your technology partners as a first step in the digital transformation journey. Vendors will of course have many useful off-the-shelf solutions. But to start with the tool is a mistake – don't buy the screwdriver until you know where screws are loose.

Instead, start with identifying the most promising opportunities. In our view, there are two routes:

Obtain the mandate of your stakeholders to transform the process areas with the most promising potential

When your GBS organization has a long track record of providing value to the business, is consistently meeting stakeholder expectations, and is regarded as a partner for innovation, you will find it most rewarding to simply work with your key stakeholders to identify process areas with the most promising potential. These could be processes that GBS currently operates, or process areas your key stakeholders perform themselves and see an opportunity for GBS to innovate within them.

Even with excellent operational performance, you may still need to convince the C-suite and your key stakeholders to give the mandate

for driving digital process transformations. Showcasing GBS' problem solving capability and presenting examples where GBS can add value for a company's customers will help to get on the board's agenda. An appealing vision for GBS as the digital transformation engine will certainly contribute to securing the necessary mandate. In many cases, successful references and results from other companies and intelligent business case projections have convinced leadership teams to appoint GBS as the company's digital transformation engine and identify an initial playing field.

Next, together with your business counterparts, determine the expected benefit of improving processes or your services, both in financial and non-financial terms (think of net promoter score, end-user time savings, insights from data, controls, predictability of process outcomes, business simplification). Be sure to clearly communicate your approach, as coming up with a solution may not be a short-term project. Also, it needs to be clear how digital solutions will be rolled out and what is expected from your business counterparts to make it a success.

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Don't start with technology, because technology is just one piece of the puzzle. Look at the end-to-end process, identify the pain points, determine the KPIs and process outcomes and determine what the future could look like. Otherwise, you're just implementing a tool, not driving digital transformation.

Ronan Gaeti

Global Director Global Capability Center: New Capabilities, ABInBev

Start with current GBS scope

However, if you often find your GBS organization challenged on its business outcomes, or your business counterparts even urge you to “fix the basics” prior to discussing digital transformation, your better bet might be to use your current process scope as a starting point and identify areas of potential opportunity there.

GBS very often fully or partially operates essential business processes such as source-to-pay, hire-to-retain, or record-to-report, which can form fantastic showcases for digital transformation. In fact, you might see a complete perception change upon successfully deploying radically improved processes, making it much easier to expand your playing field afterwards. As virtually all processes interact with end users outside GBS, you will need to make sure stakeholders are included and aligned upfront, ideally starting the design with the end customer in mind.

Regardless of your starting point or route, it is important to maintain a clear oversight of your playing field. You will find this useful in making your results tangible and visible (step nine), too.

A practical tip would be to create a simple grid of process areas, business units and geographies, linked to the expected outcomes from your business counterparts, almost like your typical process taxonomy. This overview will be the starting point for your “digital transformation team” (step two) to dream up digital process innovations, and your digital transformation engine to deliver results where your business counterparts will appreciate them most. Additionally, it is important to drive the business case for the digital transformation engine from the start, in order to clearly communicate results later on (step nine).

A group of people are seated around a table in a meeting room, engaged in a discussion. A single glowing lightbulb hangs from the ceiling, casting a warm light. The background features a brick wall and a whiteboard. The text "Dedicate appropriate capacity" is overlaid on the image in white, with a large, semi-transparent number "2" to its left.

Dedicate appropriate
capacity

With a clear view on the process or business areas where the digital transformation engine will have the biggest positive impacts, your next step is to secure the power source of the engine: people.

Historically, GBS organizations have grown across functions, moved into knowledge-centric activities and expanded across regions, resulting in relatively large FTE footprints compared to in-market teams. Therefore, there should be sufficient potential to free up capacity here. Let's assume a minimum mass of 250 FTEs in the GBS organization, distributed across multiple centers.

The 70/20/10 principle devised by Charles Jennings, perhaps even better known for its application at Google for innovation, can also be applied to GBS. In this case:

- ▶ 70% of GBS capacity would be dedicated to operations
- ▶ 20% on continuous improvement efforts
- ▶ 10% towards transformational innovations.

To initially fuel your digital transformation engine, even less than 10% of capacity could suffice. However, capacity will determine

the speed of execution, as well as allowing you to diversify and increase the chances of deploying digital transformations successfully.

For example, if you applied an 80/18/2 ratio, a 250-FTE GBS organization would be able to free up a team of five, which could accomplish tremendous results. Given the year-on-year efficiencies your GBS organization is delivering, re-investing five FTEs for delivering transformational innovations is easily achievable with limited impact on costs.

More important than the size of the team are the people that make up the team. When you look across your GBS organization to recruit for the digital transformation engine, emphasize skill as well as mindset. Ideally, the team should be made up from GBS professionals who know your organization, understand its processes, be technology savvy and curious, show interest in innovation or disruption, and be comfortable with failing fast.

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If you want to transform, you need dedicated people to take a more holistic end-to-end view of the process.

Ronan Gaeti

Global Director Global Capability Center: New Capabilities, ABInBev

To harness the full potential of GBS, leaders need to consider how to develop, recruit, retain and deploy their people.

https://www.ey.com/en_gl/consulting/is-talent-redefining-gbs-or-is-gbs-transforming-talent

After freeing up or recruiting the right people, using the playing field or grid from step one, the digital transformation team members can be allocated to specific process areas. GBS leaders can either do that upfront, by recruiting team members based on specific process knowledge, or organically assign people based on their preferences and professional interests. The meaningful outcome of this process is that all prioritized process areas are covered.

Dedicating the right number of resources with appropriate skillsets, and allocating them to the prioritized process areas, are fundamental steps to mobilizing the digital transformation engine.

However, for this newly established team to truly thrive, it will need to be completely carved out from GBS operations or continuous improvement. This will allow the team to fully dedicate itself towards digital disruption without being pulled back into day-to-day issues when demand volume peaks. Ring-fencing the team will have HR implications as well, as the team needs to be appraised (or even remunerated) based on their contributions to digital transformation, not the number of tickets closed or invoices processed.

Additionally, reporting lines and associated decision-making mandates will have to be re-evaluated to cater for the agile way of working that will become part of this team's DNA.

In short, the "failure is not an issue" culture this team needs to follow is vastly different from the "failure is not an option" way operations and projects are managed. Therefore, the structure and organization of the digital transformation team must be different and fit for purpose.

Once you have a dedicated team connected to the opportunities within your playing field, it is time to trigger the outside-in perspective and let the outside world originate or enrich your creative ideas.

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One thing we learned is that you can't transform your processes on top of your day-to-day job, as you will always have the risk of being pulled into operational issues. That's why we distinguished between 'Engine 1' and 'Engine 2'. Engine 1 makes sure we fix the basics, drive organic efficiencies, and transition new processes into GBS. Engine 2 was built on top to drive end-to-end digital transformations.

Ronan Gaeti

Global Director Global Capability
Center: New Capabilities, ABInBev

A woman with curly hair, wearing a striped shirt, stands in a data center, gesturing with her hands as if presenting. Behind her is a large screen displaying a world map with glowing nodes and connecting lines. In the foreground, the back of a person's head and shoulders is visible, looking towards the presenter. The scene is dimly lit with blue ambient light from the screens.

Create an ecosystem

Many GBS organizations have embarked on the journey to become a digital transformation engine, yet often find themselves lagging behind the innovation curve. There are also countless articles that talk about technology being introduced at an increasingly rapid pace, but much less is written about how to benefit from that in a structured and sustainable way. A flourishing ecosystem of innovative partners can address both these points.

Historically, leading GBS organizations have benefited from relationships with innovative companies supporting them on their transformative projects. These companies include outsourcing providers or consulting firms sharing leading practice insights and contributing to transformation skills, technology vendors offering new capabilities, and more recently disruptive start-ups bringing natural language processing and artificial intelligence (AI) into GBS organizations.

Now, with a much wider landscape of start-ups and much faster technological advancements, access to an ecosystem has become easier – but it has become more complex to create an ecosystem around your digital transformation engine. A key prerequisite is to establish the right structure and set-up that best fits your company and GBS organization.

Unless you have the mandate as well as sufficient dedicated capacity, you might find it worthwhile to focus only on bringing in specific technologies, while building up digital transformation capabilities and resources in-house. This benefits long-term capabilities and mitigates the risk of losing vital knowledge.

Alternatively, you can open up your ecosystem and invite third-party providers to co-innovate and co-develop your digital transformations. As a result, your digital transformation engine will be the center of a universe of best-of-breed parties – start-ups, consulting firms, technology vendors, research companies and universities alike. In this universe, you could even include the in-house IT function, to compete with or benchmark to outside options for digital transformation solutions. This approach benefits speed of innovation, provides a greater breadth of options, and increases your digital transformation capacity.

Another approach to building an ecosystem is to differentiate its set-up, depending on the nature of the innovation. For process areas that are either mission-critical for operations or largely company/industry-specific, you could depend fully on in-house capabilities and only introduce the technology element from the ecosystem. For less essential process areas you could develop the strategy and

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Roche's main focus is on leveraging technologies and instead building in-house resources and long-term capabilities, mitigating the know-how gap that comes after third-party handovers.

Philippe Bonhôte

Head of RSS Business
Development, Roche

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Protect your crown jewels – whatever your USP is should remain in-house. Work based on relationships and/or market knowledge should stay in-house; everything else can be performed through your ecosystem.

Reto Sahli

Chief Information Officer,
Asahi Europe and International

the plan together with your ecosystem – as an alternative approach to showcase and experiment – which instead would help create long-term relationships with selected third-party providers. At the same time, the wider ecosystem could be encouraged to bring you new ideas about additional process areas or improvements on your previous innovations.

Whichever route you choose, a successful ecosystem must be based on mutually beneficial relationships that align your long-term goal with the capabilities of your ecosystem. Identify the USPs and key differentiators in your ecosystem, define a common understanding of what you want to achieve, and establish the right mechanism to incentivize the parties you have gathered around your digital transformation engine. The key word is partnership.

Establishing an ecosystem doesn't have to be difficult. Your digital transformation team will explore developments and available technologies and techniques for their respective process areas in step two, and you will find that every GBS event and technology summit is crowded with potential additions to your ecosystem. It is more a matter of selecting partners that are at the right stage of maturity and that are committed to your

goals. Your company logo and a willingness to act as a reference will be an asset in attracting partners, as most technology start-ups need use-cases and credentials to scale up.

To fast-track your digital transformation ecosystem, a trusted consulting firm can provide their view on the art of the possible, share what they see other GBS organizations achieving, and give you an overview of emerging and established digital transformation solutions. But it is critically important that you have skin in the game and have a rejuvenation mechanism in place too, otherwise you will find yourself on the wrong side of the innovation curve in no time.

With a dedicated digital transformation team in place, collaborating with an ecosystem of partners, innovative ideas will come. Your GBS organization won't have unlimited budgets, so you will not be able to pursue everything. Even if budget wasn't an issue, you would need to focus your efforts where you can have the biggest impact for your stakeholders.

You will however need to have a mechanism in place to funnel and channel the innovative ideas from your digital transformation team.

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Porsche Holding has established a digital universe of best-of-breed third-party providers that are leveraged to drive digitization across finance processes. In some areas our internal IT is treated like a third-party provider and is competing with external providers for solutioning. Customer experience and process optimization are the centerpiece of our process digitalization.

Sven Westeppe

Head of Service Center & Digital Finance, Porsche Holding



4
Foster innovation
through governance

For GBS organizations and the companies they serve, identifying improvement opportunities is often easier than turning ideas into action. There may be no process for determining which idea to pursue, nor any organizational capacity to capitalize on returns quickly enough. As a result, GBS organizations can end up driving digital transformation in lower-priority and less impactful process areas. In addition, it could mean that by the time a new automation solution or digital enabler has been implemented, there is already a new and possibly more effective solution in the marketplace.

To get around this, you need to have the governance in place to identify and prioritize your best digital transformation bets.

Two approaches to foster automation and digitization are top-down, driven by leadership, and bottom-up, where innovation ideas are identified by experts involved in the day-to-day execution of the work. Both approaches should follow a structured process with clear roles and responsibilities and well-defined cadences. And both aim to continuously identify opportunities to improve current business processes, with technologies within or outside the current ecosystem. Utilizing a combination of both approaches will increase the number

of identified improvement opportunities – but this also requires stronger governance to ensure that potential improvement opportunities go beyond being just ideas and are also successfully implemented.

GBS organizations that successfully leverage a top-down as well as a bottom-up approach to drive digital transformation across the enterprise typically follow a three-tier governance structure.

Top tier

At the top of this model is usually an innovation steering committee that oversees the technology ecosystem, and ultimately makes the decision about which digital and automation initiatives will be funded. A member of the innovation steering committee should also make the final decision on whether the existing technology ecosystem can be leveraged, or if the ecosystem should be expanded through new technologies. A representative from the IT department (who is ideally also a permanent member of the innovation steering committee) should be involved in this process to ensure technologies are leveraged consistently across the organization, and to support the implementation once the green light has been given. In addition, an IT representative

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We have a central RPA team with clearly defined processes from business case development through implementation and a well-defined governance structure. We find that this allows us to realize value more consistently across the organization than some other technology initiatives where we lack this kind of structure. It also helps us to sustain value more easily once consulting teams are gone.

Noel Rivenes

Vice President/Controller, North America Shared Services, McKesson Corporation

can advise if the business challenge that the initiative is trying to solve could be addressed with already implemented technologies.

Middle tier

The middle tier – or innovation advisory tier – is the center of the governance model. GBS leadership and Global Process Owners (GPOs) are at the heart of this tier since no one knows processes better than them. Whether you follow a top-down approach, where leadership is pushing innovation into the business, or a bottom-up model where process experts have the mandate to drive innovation, the GPO must be empowered to influence decisions. They maintain the overall process view and will understand best which transformation opportunities promise sustainable value and should be prioritized.

Bottom tier

At the foundation of the governance model sits the innovation customer board. This tier typically consists of selected process experts that are responsible for performing the end-to-end processes and ensuring

customer-centricity in all innovation ideas. Your dedicated digital transformation team will be part of this layer too. In a bottom-up innovation framework, the innovative ideas and digital transformation opportunities are originated in this layer, which are then presented to the innovation advisory tier and innovation steering committee. In a pure top-down model, these experts should be used to further detail out the digital transformation potential and test potential improvements to understand their true value in the day-to-day execution of the process.

GBS leaders have an important role to play in the entire process and in all layers of the governance model. It starts by encouraging your digital transformation engine to bring promising ideas forward, then stewarding the decision-making process in the two top layers, and finally moving approved and prioritized ideas to implementation. If digital transformation opportunities are not acted upon, it is up to the GBS leader to communicate this to the digital transformation engine and ensure the result does not impede creativity, motivation and future innovations.

Harnessing the “failure is not an issue” culture is essential for the long-term success of the digital transformation engine.

We are now at a point where promising ideas have been presented to key stakeholders and will need to be brought to life. In order for the GBS organization to successfully adopt innovations in the future, you will also need to prepare – and potentially change – your GBS organization today.

A woman and a man in a lab setting are examining a prosthetic hand. The woman is standing and looking at the hand, while the man is sitting and holding it. They are both wearing blue lab coats. The background shows a laboratory with various equipment and a computer monitor. The scene is lit with a cool blue light, creating a futuristic atmosphere. A large, semi-transparent number '5' is overlaid on the left side of the image.

5
Build a future-proof
organization

In the space between having ideas and implementing them, a pivotal organizational effort is required. To sustain the innovations and process improvements from your digital transformation team, and to maintain the momentum of the digital transformation engine, you will need to build a future-proof organization structure. This has implications on the structure of the GBS organization, governance mechanics, talent management, and even the geographic footprint.

On a GBS staff level, different skills are required to support the development and the operations of digital innovations. Design thinking, advanced analytics, data science, coding and programming skills are a necessity, not a novelty. GBS's recruitment and learning and development teams will need to shift their focus towards such skills, while HR business partners should help build a company culture where new talent thrives and wants to stay.

GBS leaders can conduct skill assessments across GBS teams now to assess if the right capabilities are in place for when daily life in GBS becomes increasingly digital. Subsequently designing and promoting relevant training programs allows you to bridge part of the skills gap.

At the team level there will be an impact too, as the development of digital innovations can only be enabled by dedicating resources. As the identified opportunities are still in a volatile state, flexible squads – even possibly on a voluntary basis – around each digital transformation opportunity are better suited than formally restructured teams and departments.

By bringing talent from different functional areas, expertise domains, regions or business units and GBS centers together, scale and momentum can be built up fast. Ideally, these squads will be supported by central coordination – for consistency and appropriate resource allocation – and an Agile coach.

Looking across teams, you will find that when successful digital innovations are being rolled out, the departmental set-up and team structures need to be reconfigured. Chances are that new digital process platforms will cover a larger portion of end-to-end processes, which should encourage GBS organizations to deploy teams that can operate the entire chain. In addition, as these process platforms are an orchestration of technologies rather than a new sequence of manual process steps, end-to-end process teams will in part be made up of individuals or small groups fully

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Our digital transformation team is structured in tribes, which include people coming from operations – for deep knowledge of the business – as well as people we attracted from the market – for specific skills or experience. Each process area has a dedicated squad, which in turn is made up out of different pods covering parts of the process. Squads are led by a program manager, connecting the different pods. The tribes, squads and pods are strengthened by dedicated resources on data and analytics, functioning as a horizontal.

Ronan Gaeti

Global Director Global Capability Center: New Capabilities, ABInBev

dedicated to keeping technology solutions (e.g., chatbots, supplier portals, natural language processing applications) and data models up and running. Both operating an end-to-end process as well as integrating solution owners in day-to-day operations will impact how GBS organizations are structured.

Looking across GBS sites, an important step towards a future-proof organization is ensuring your network of global and regional centers is connected through a harmonized structure. Having grown organically and opportunistically, many GBS organizations struggle to connect their GBS hubs under one roof, which is a necessity if you strive to deploy renewed digital processes across all geographies and truly break down legacy complexities. Furthermore, a connected network allows for better (global) resource allocation and mirroring end-to-end team structures – in addition to the obvious operational advantages.

Looking at the GBS organization as a whole, the optimal footprint of geographic GBS locations will eventually change too. Perhaps not in the short term, but certainly in the “next” and “beyond” timeframe, GBS leaders will choose locations that supply the talent to keep the growing digital transformation engine going, rather than those with the lowest possible labor rates.

In addition to restructuring the GBS organization, it is essential to create a formal process ownership structure – as if it were a distribution network – for the process areas included in the digital transformation grid in step one. As soon as digital transformations are in a business-viable state, you will need this distribution network to introduce the renewed processes across the organization (in step seven) and sustainably operate them in the future (step eight).

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Companies have entered a post-COVID-19 era and early adopters have already begun revisiting their GBS footprint. The degree of virtualization is a key element of scenario development. Some companies are already testing a 20%, 50%, or even 80% virtual GBS approach.

Fabrice Reynaud

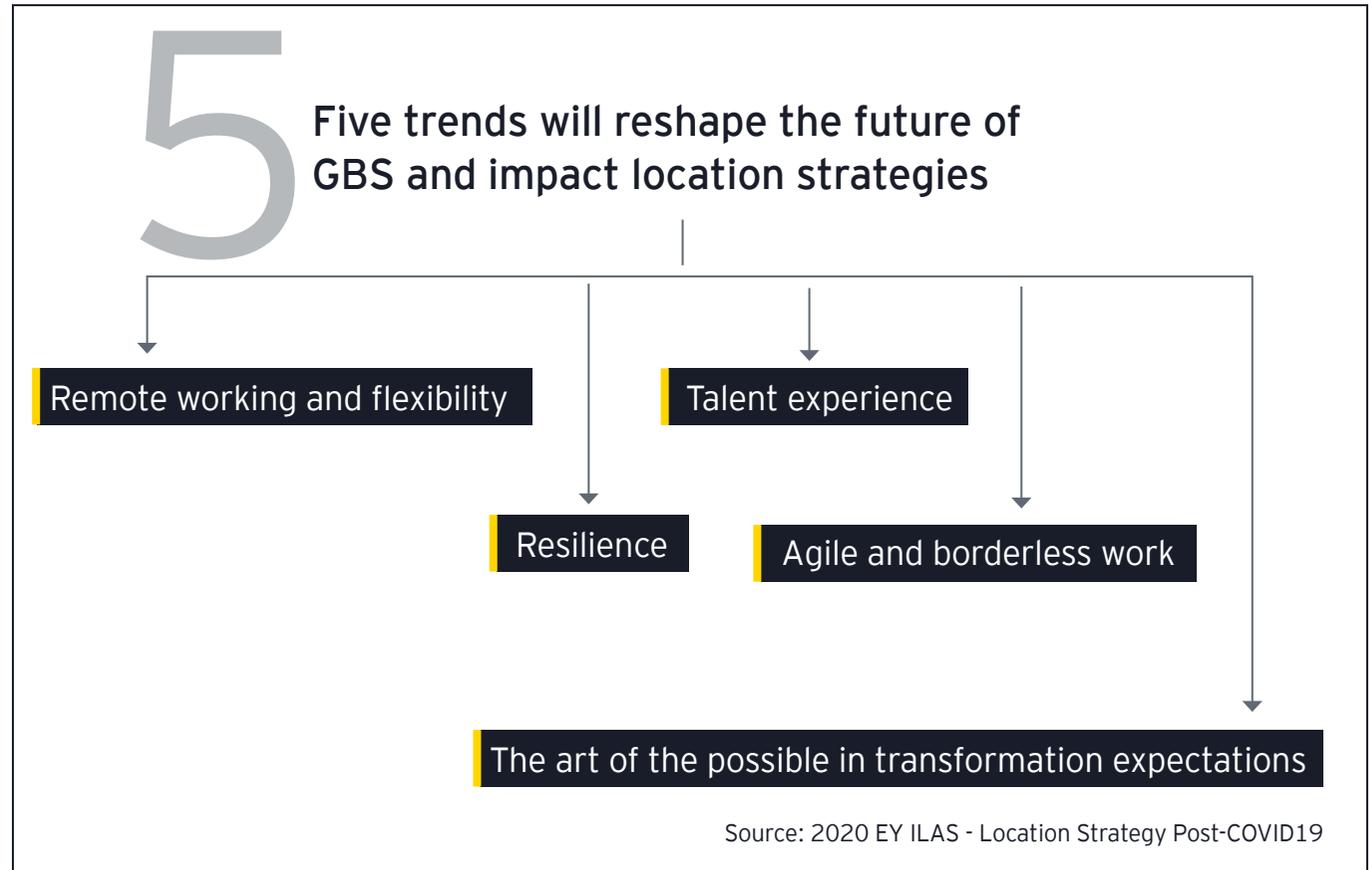
International Location Advisory
Services (ILAS) EMEA Lead, EY

At the heart of this governance structure is the product owner of the digital innovation, which could be the existing process owner simply adopting the new process, or someone from GBS operations or the digital transformation engine team. Most likely, the people who took the initiative to transform a process are the appropriate candidates for the process ownership role, too.

Outside of GBS, the GBS leader has work to do to in prepare the existing process ownership structure for the innovations coming from the digital transformation engine. If there is no process ownership in place, the exact same job awaits with the business, region and function leaders.

Even though it is not a prerequisite, it can be expected that the deployment of digital transformations is faster, more straightforward and more successful in companies which have a process ownership structure in place.

Having secured the ability to scale up squads from the GBS teams, we have enabled the digital transformation engine to move ideas and initiatives into successful innovations.



The ground work on teams, departments and organization structures allows GBS to successfully operate the transformed processes in the future. The only remaining

requirement to bring the identified potential into reality is a structured approach to digital transformation.



Determine the
implementation approach

With all the key components needed (a playing field, appropriate capacity with the right skills, alliances across your ecosystem, a future-proof organization) to assemble your digital transformation engine, you now need to determine how to put it to work.

At first you can expect your disruptive and innovative ideas to run into cynicism and pushback from the organization, regardless of how mature your GBS is. But applying a customer-led transformation approach can help you flatten this speedbump, if not jump over it.

Unlike the traditional waterfall approach – which is not particularly geared towards meeting customer and end-user expectations – the customer-led transformation approach is anchored in customer-centricity and agility. It will allow your digital transformation engine to get closer to customers, involve them at every step, and allow for much more flexibility, which is essential to overcome organizational, technological and cultural challenges. In this approach, there are a few important aspects to consider.

The key to the success of any transformation is collaboration. To overcome organizational resistance, design thinking will be an accelerator, bringing together all stakeholders

and creating customer centricity by designing solutions based on their needs from the start. The end users should be part of the decision-making process in defining the scope and setting service level expectations that your GBS will deliver. You may also want to bring in research, insights and potential parts of the solution from your ecosystem to define the art of possible, quickly on-board the team, and activate the change.

A future-back design approach will prove invaluable in defining lean supporting processes and inputs needed for the implementation. Start with the end state in mind, preferably using SIPOC as a methodology, to examine each future process component from right to left and ensure each output is actually needed and meets the customers' requirements without wasting effort and cost.

In a digital age, internal and external customers expect intuitive technology that customizes user experience based on previous interactions, with minimal clicks and data inputs. User/Customer experience (UX/CX) is a customer-centric concept which fully centers customer and user input, and leverages technology to optimally deliver the experience your customers want. In the GBS context,

this means including your suppliers, company technology end users, customers, business counterparts, applicants, or even government agencies in the design and deployment of your digital transformations.

Adopting a customer-led approach, or at least customer-centric principles, can help generate buy-in, increase business adoption, and lower the occurrence of failed innovations in the digital transformation engine's pipeline. In addition, it will benefit the way you make renewed digital process platforms accessible and available to your customers in the future (step nine). But even with the best possible approach you will still need to deliver with rigor.

7 Deliver with rigor

```
#!/usr/bin/env python
# tag is an utility to rename files according to a set of given tags.
# Copyright 2012 calvinox

# LICENSE
# This program is free software: you can redistribute it and/or modify
# it under the terms of the GNU General Public License as published by
# the Free Software Foundation, either version 3 of the License, or
# (at your option) any later version.
# This program is distributed in the hope that it will be useful,
# but WITHOUT ANY WARRANTY, without even the implied warranty of
# MERCHANTABILITY or FITNESS FOR A PARTICULAR PURPOSE. See the
# GNU General Public License for more details.
# You should have received a copy of the GNU General Public License
# along with this program. If not, see http://www.gnu.org/licenses/.

import sys
import re
import os
import argparse

import utiltest

# Return a list containing tuples where key is a filename and value is the
# list of tags for this file.
def parse_filenames(filename):
    ret = []
    regex = re.compile(r'^(.*)\.(.*)$')
    for tag in parse_filenames(filename):
        filename = re.sub(regex, '%s.%s', filename)
        tag = re.sub(regex, '%s.%s', tag)
        if not tag.endswith('.tag'):
            raise ValueError('tag must end with .tag')
        tag = tag[:-4]
        for tag in str.split(tag, ','):
            if tag in ret:
                continue
            tag = tag.strip()
            ret.append(tag)
    return ret

# Return a list containing tuples (filename, tag_list)
# where filename is list of complex type filenames
def add_tag(filename, tag):
    return [(filename, tag)]

# Return a list containing tuples (filename, tag_list)
# where filename is list of complex type filenames
def del_tag(filename, tag):
    return [(filename, tag)]
```

Making the move from a service-based GBS to a value-based organization leading key digital initiatives is a big step and is not without its challenges:

- ▶ How does a GBS organization maintain focus on operations whilst delivering large programs?
- ▶ What is the best way to organize and deliver projects?
- ▶ How do employees find the balance between operations and projects?
- ▶ Do the employees have the skills needed to deliver transformative projects?
- ▶ How do you get buy-in from business stakeholders?

The transformation team will have to manage all this while dealing with cynicism from within the business in the early days of its transition to becoming a transformation engine. But knowing the answers to these questions will provide the transformation team with the agility to react to the environment around them. It will also create the environment required to deliver innovative products and services.

There is no one-size-fits-all-approach, but there are consistent truths: resources are finite, ROI is expected and quality is king if a GBS organization is to remain relevant. Additionally, there are five lessons we've learnt from delivering high-quality products:

Avoid being AINO

Agile has clearly surpassed other project management methodologies as the way to deliver. It provides a way for the team to learn fast and consistently deliver benefits. Teams can also make quick course corrections based on stakeholder feedback. However, there are countless organizations who just adopt the buzzwords without truly embracing the agile principles, effectively becoming AINO – Agile In Name Only. Those who do this are destined to fail in their transformation programs.

So it's important to understand the substance of Agile: a focus on delivering value, working in small teams in short cycles, and networked organizational arrangements rather than top-down bureaucracy and silos. Another core Agile principle is empowering team members to make decisions. Achieving fast value delivery requires decentralized decision-making. This reduces delays, improves product development flow, enables faster feedback, and creates more innovative

solutions designed by those closest to the process. To enable this in the transformation team, and later more broadly to the overall GBS organization, requires all members to be trained in the Agile way of working, so an Agile coach is a critical role in the team.

Maintain focus and organize for scalability

The core purpose of GBS is to provide stable, consistent processes to the business. One of the frequent failures we have seen is an underequipped GBS employee trying to balance a "reduced" (read "full time") operations workload while trying to provide support on a large-scale project or program. This leads to operations suffering with increased backlogs, lower quality and ultimately an unsatisfied Business and Operations Lead with a failed project. A lack of resources leads to unsatisfied Business and Project Leads and Sponsors as well.

To enhance the engine that is operations, a team of mechanics needs to be created to focus on making the machine more efficient and effective, with operational users providing consistent feedback.

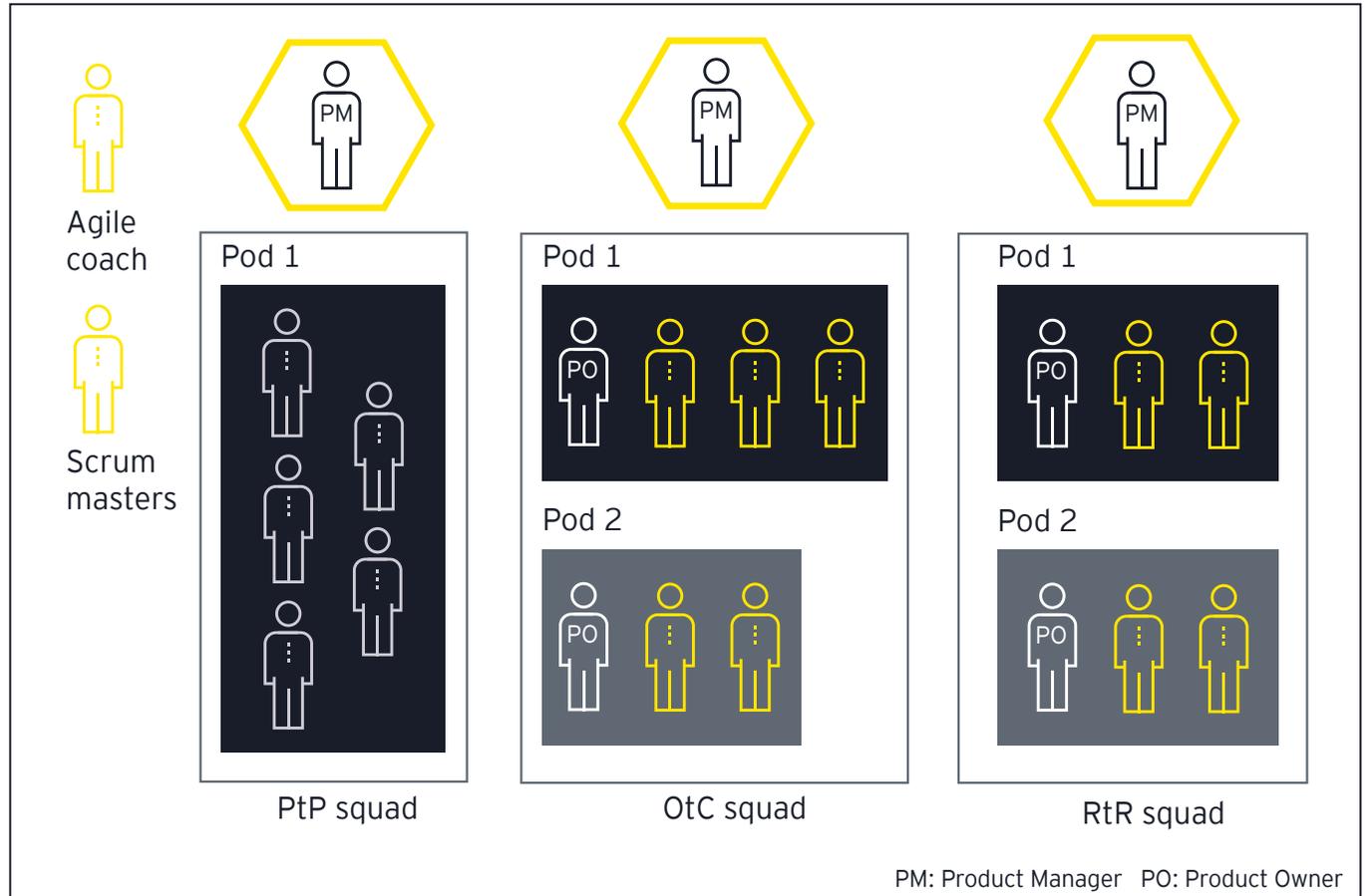
The team should be broken down into squads with a specific area of specialty, and each squad broken down into pods with a focus of delivering a value-adding product (Figure 2.1). Pods should be no larger than seven people, as you want to be able to move fast and stay coordinated. Having these squads provides focus and stability to the areas within GBS that can create value on an ongoing basis, plus the agility to scale up and down to respond to the demands of the business.

Use the BDT (business, design and technology) approach to build high-performing squads and pods. Each squad should at least consist of:

- ▶ A business expert who understands the internal process, culture and pain points
- ▶ A design thinking strategist to bring an outside-in perspective and challenge the norm
- ▶ Technology experts: the data scientists, developers and architects to bring everything to life.

Squads should be self-sufficient units that can also speed up the integration of new people into the pods. Newbies will quickly pick up the flow of Agile and reduce the usual long onboarding time.

Figure 2.1: Transformation Team Structure



User centricity is key

The key question to ask before starting any project is, "does this solution address the needs of the user?" If a solution does not

address the needs of a user, whether internal or external, they will not use it, no matter what benefits it may promise.

Users should be involved early on in the design process and maintain that involvement throughout development and testing. Users' needs change, so having this strong connection with the key stakeholders allows the squad to steer the project to deliver maximum value to the business.

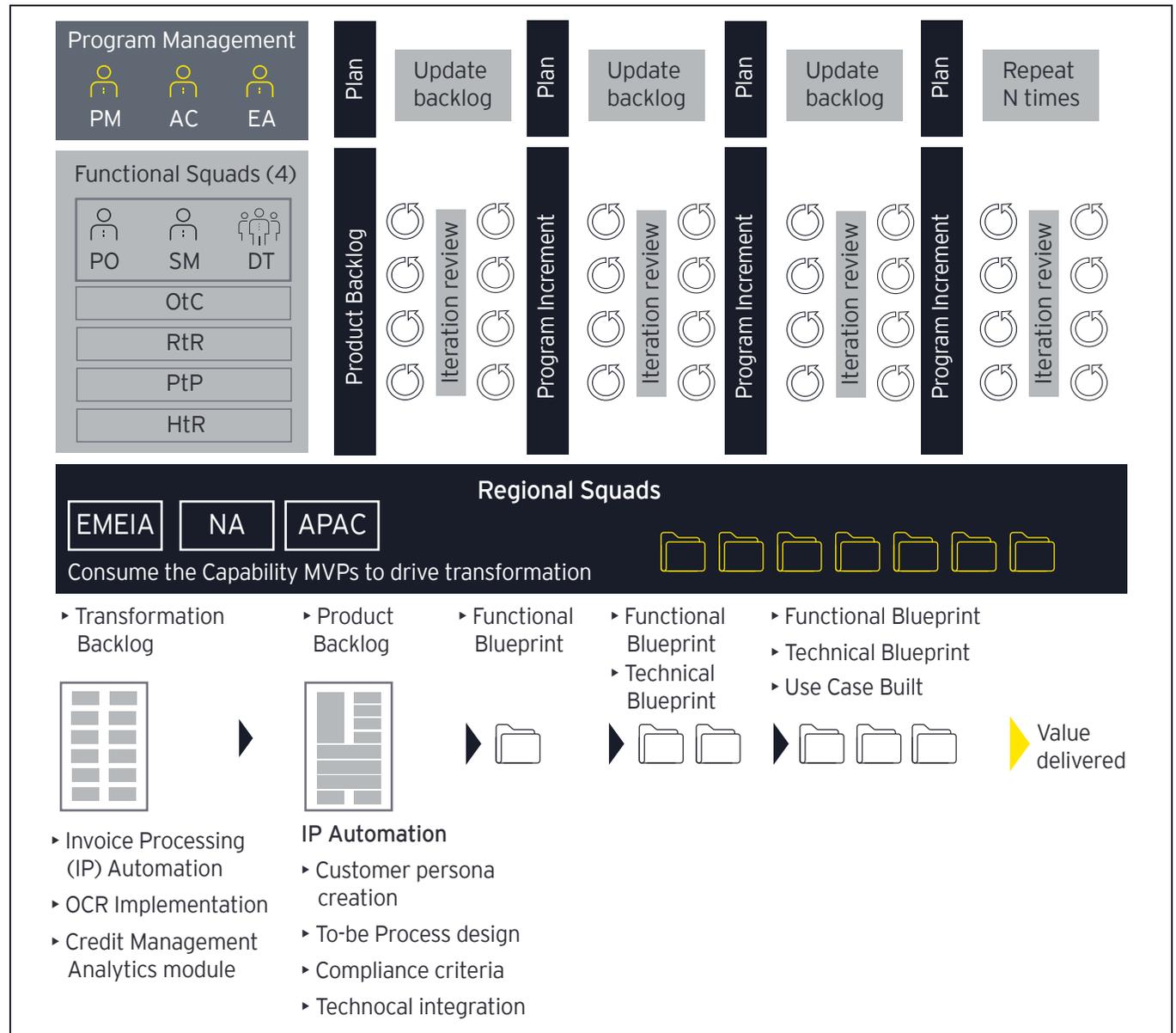
Design thinking offers a way to connect with GBS customers and involve them in the design journey. Putting customer problems at the center of what is being developed is what drives value creation, by challenging assumptions and redefining problems to identify alternative strategies and solutions that might not be immediately apparent.

Create a continuous delivery pipeline and controlled deployment

Having a consistent pipeline of business challenges to resolve allows the squads and the business flexibility to deliver based on availability of the users, priority of operations, and strategy of the organization.

Three elements of the pipeline work together to deliver value to the business (Figure 2.2):

Figure 2.2: Creating a continuous delivery pipeline



Continuous discovery: work with the business to build alignment on their needs. Prioritize the opportunities according to the value and size of the opportunities to ensure that there is a good mix of opportunities, from smaller improvements to larger projects.

Continuous delivery: ongoing build and delivery of solutions will maximize the efficiency of the squads and involvement of the business users. To enable the delivery to be continuous, it is critical to ensure:

- ▶ Process SMEs are available to support the track
- ▶ Stakeholders have bought in and agreed
- ▶ The value and job size have been accurately measured.

By having these topics covered the squad can easily move between projects and improvements and will encounter fewer impediments during the project.

Continuous deployment: the major benefit of Agile is the ability to continually deploy solutions to the business through a sequence of releases, so that users (and the business) start achieving benefits as early as possible. Deployment includes monitoring to provide flexibility in controlling releases, rolling back

a release, or deploying incremental updates and patches. This again highlights the strong connection needed between squads and users.

Align the teams to a shared mission and vision

All transformation programs need a north star, giving direction for the team. And along the way, the team needs to check it's still going in the right direction – this is where a program increment (PI) planning event of utmost importance.

The PI planning event is a focused planning session with all the teams, stakeholders, and product owners/managers in one place to review the program backlog and determine the direction of the business. Generally occurring on a quarterly basis, the event is aimed at calibrating the plan and coordinating the teams to ensure maximum value is delivered within each 13-week period, as well as identifying and presenting risks.

PI planning will ensure the GBS organization is building the social network a transformation program depends on – identifying dependencies and fostering cross-team and cross-functional collaboration, and aligning development to business goals.

PI planning events are typically two days long, and one of the key moments is a confidence vote at the end of day two, with anybody unsatisfied with the planning given an opportunity to voice their concerns. This discussion might add to the list of risks, require some re-planning, or simply be informative, but it ensures there is consensus that everybody has bought into the plan, the value to be delivered on and the vision. All the cards are on the table.

Now with the program implementation running smoothly and the teams delivering value with every iteration, your flexible model can adjust to any hiccup or COVID-19-size disruption and quickly pivot to where you need it most. Your digital platforms will be coming to life and users will be experiencing the benefits from this with every passing sprint. But, as always, you must maintain focus on the customer and the stakeholders and continue to involve them in your process.



Sustain innovations
like a product

Opportunities have turned into creative ideas, and your digital transformation engine – together with its ecosystem – has implemented process innovations that delight your business counterparts. As you want to be your organization's digital transformation engine for the long term, and your successful digital transformations are stacking up, you will need take a product view and have a corresponding governance structure to make your innovations stick.

The process of introducing renewed aspects (i.e. process improvements) or complete process transformations to the organization, and embedding these into its operations, is essential in the innovation cycle. A product-owner view on innovations is vitally important considering the recurring nature of process innovations in GBS, and handing innovative ideas over to the business should become a habit within the corporate DNA.

The success of this handover depends on the legwork you've done in step five. When your team structures – and ideally structures across teams – have been redesigned to adopt and operate highly automated end-to-end process platforms, the handover from the digital transformation engine and your GBS

operations teams will be smoother. You will also find that operations will adopt solutions more naturally when future business owners and end users have been highly involved in the discovery, delivery and deployment stages of an innovation. If people have been part of the solution, they are more likely to champion it.

Companies who have installed a GPO structure will find it easier to introduce process improvements or transformations because GPOs can mediate the adoption of new process changes with operations and end users. A clear ownership structure is especially important at the handover to operations, and like regular process or system handovers, future responsibilities must be clearly defined to successfully embed innovations.

The digital transformation engine has a role to play in this too. As soon as an impactful process innovation is successfully deployed in the organization, it will need to be maintained and continuously improved for it to become future-proof. The people in your squads who have built up deep knowledge of the process, the enabling technologies and the network of end users in your organization are all ideal additions to the global process ownership structure, either as GPOs or in supporting

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Innovation has to be part of the business DNA. Only 1 in 10 innovations may commercialize and not every innovation will lead to a breakthrough success, but failure needs to be possible and all learnings are instrumental for future innovation success.

Reto Sahli

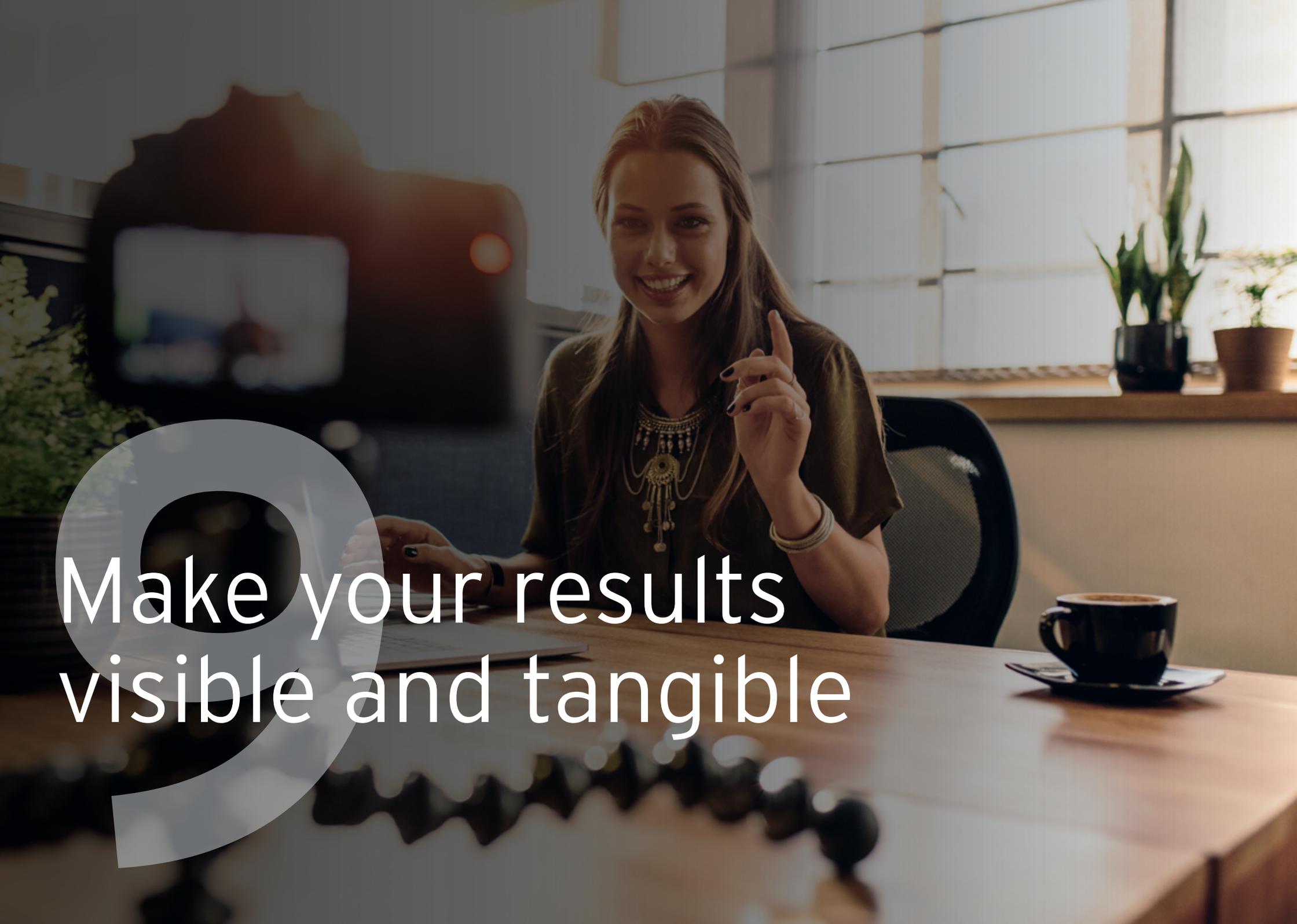
Chief Information Officer, Asahi
Europe and International

roles. Regardless of the title, the GPO role is important in the success and sustainability of process innovations: GPOs tie the digital transformation engine together with (GBS) operations, continuous improvement teams and end users, thereby maintaining, improving and championing the innovation like a product.

Even the most sophisticated governance structures are no substitute for the cornerstones of process governance. Your GPO or innovation product owner will still need to keep a close eye on all process documentation (i.e., Desktop Procedures (DTPs) or Standard Operating Procedures (SOPs)) to track process changes and provide transparent process guidance to operations and end users.

As the number of process improvements, innovations or transformations increases, you will also see members of the digital transformation team take on process or product ownership roles. Considering the digitized, end-to-end and more complex nature

of the renewed process platforms, this move should only be encouraged. In fact, you may find that your digital transformation engine is the best suited team of all, as they are best qualified to demystify process innovations for your end users.



Make your results
visible and tangible

At this point in time, you have built a digital transformation engine (team, ecosystem, organization) on top of GBS operations and continuous improvement (CI) teams, settled on an approach to prioritize and deliver on process innovations, and are successfully maintaining renewed process platforms through solid governance. Now that everything in the back is working as it should, let's now work on the front end and do some vital stakeholder management.

In order to credibly communicate success, GBS organizations have to initially define for themselves and their key stakeholders what success looks like. The traditional approach would have been a detailed business case including cost reduction, quality improvement, growth enablement with P&L impact, and compliance enhancement KPIs.

While these basic value calculations still remain a common basis to assess a new GBS innovation prior to the implementation stage, non-financial components have risen in importance – for example optimized user experience, net promoter score or routine time saved. In some GBS organizations, for example at a leading sportscar manufacturer, these figures form the basis on which business units decide to adopt a specific innovative solution.

With this approach, accountability clearly lies with the digital transformation engine to deliver on the promised optimizations. And in general, GBS organizations increasingly report on customer- and solution-focused metrics rather than pure internal performance and continuous improvement.

If you have established what to measure, now you need to decide how and where to make your achievements more widely known.

Whether your playing field of process areas originated from an internal push or a pull from your stakeholders, the results from your digital transformations should all land in the same place. Many GBS organizations have benefited greatly from relatively mundane solutions like a GBS landing page, customer portal, traditional intranet sites or knowledge-sharing databases, to easily communicate what their performance is, what they are currently working on, and how communications from and to GBS work best.

Sufficient workflow, communication and collaboration tools are available to easily connect these platforms, and provide easy access to the right people in GBS, such as operations leads or members of the digital transformation engine. Whether you use established workflow or ticketing platforms,

or customized user portals, it is important to start with the customer experience in mind (as in step six).

Additionally, with regards to an innovation pull from the business, leading innovative organizations try to bank on the innovation DNA of their GBS employees by regularly hosting “art of the possible” sessions for business counterparts to present latest internal and external insights on innovation possibilities and technologies. Common examples are hosting regular robotic process automation (RPA) and AI training sessions facilitated by GBS teams, ultimately leading to colleagues from the business to identify and send in requests for new possibilities. Another example of these “pull generating” events initiated by GBS are Hackathons, in which business leaders can introduce pressing issues for combined teams (GBS and business counterparts) to solve.

At the end of the day, results from previous innovations are the best way to communicate success and generate new or more buy-in from business counterparts. Traditional methods of communicating to management functions include monthly one-pagers with innovation heatmaps or simplified charts illustrating realized synergies. These are increasingly complemented, or replaced, by interactive newsletters and communication channels highlighting the most recent innovations. You could, for instance, use internal social media and community channels as a distribution network to celebrate success. In this way, communication is consciously decentralized, enabling a wider variety of adaptive two-way communication channels, and allowing proud adopters of the new innovation to share their experiences across the organization.

Ideally, communication shouldn't end within your own organization. Sharing success stories and experiences is a valuable way of giving back to your ecosystem or a wider GBS practitioners community. Next to strengthening ties, it might result in additional innovative ideas or propositions to team up with parties in the ecosystem.

Making your results visible and tangible is a small step and typically a small investment, yet with notable returns for the digital transformation engine as well as your GBS organization at large. A simple landing page with indicators of performance, improvements and achievements goes a long way in creating transparency for your business counterparts. Collaboration platforms, advanced ticketing systems or emotion-sensing chatbots can greatly benefit the GBS customer experience, and simple innovation pull mechanisms like trainings or solutions like CogniStreamer can bring your end users closer to GBS as well as bring in new ideas.

Both the front-end as well as the back-end of the digital transformation engine are now successfully in place.

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For us, everything is connected to 'the benefit of a patient' and every cent saved through efficiencies is given back to additional capacities within our business and our value proposition, i.e. research teams.

We moved away from traditional monthly newsletters towards internal social media and communities. For us it is not about glossy publications. We rather want to encourage everyone to share what they are working on and the successes they create.

Philippe Bonhôte
Head of RSS Business
Development, Roche



10
Keep on going

You've obtained sustainable, visible and meaningful results for your organization, and you were smart in communicating successes. The digital transformation engine is now at cruising altitude, and:

- ▶ Opportunities are being brought to the digital transformation engine, instead of being dependent on having to perform roadshows all the time
- ▶ The digital transformation team is a recognized entity within the wider organization, and seen as an essential component, not as a temporary thing
- ▶ The team members who joined the digital transformation team at the start are moving into great leadership positions
- ▶ Technology start-ups, venture capitalists and software developers are on your doorstep for collaboration opportunities, as they are eager to have you as a credential
- ▶ Your ecosystem is expanding and rejuvenating with exciting new companies, delivering insights into what's beyond, before issues within current processes present themselves

- ▶ Your digital transformation team is able to continuously re-invent (parts of) of their digital process platforms, working together with GPOs and satisfied end users
- ▶ At GBS events or technology summits, you're no longer presenting the results of a handful of projects but rather the struggles and joys of managing a transformation engine.

It might be tempting to sit back and enjoy the flight, however it is crucial to keep going and make sure digital transformation wasn't just a surge but becomes the new normal. Looking into what could be next, you might want to consider that team members will ultimately move on, new technologies will make parts of your ecosystem obsolete and your digital transformation engine is only as good as its last transformation.

To maintain the engine you've built, and add new engine blocks and cylinders to keep stakeholders happy, simply revisit steps one through nine:

- ▶ Together with your counterparts you will always find new digital transformation opportunities
- ▶ Your GBS organization will continue to provide plentiful recruitment opportunities for the digital transformation engine

- ▶ Technological advancements will inevitably lead to new start-ups and other great additions to your ecosystem
- ▶ With your innovation funnel, methodology and implementation track record you have constructed an assembly line for future opportunities
- ▶ Your GBS organization and teams might need to grow, restructure or move in order to successfully operate in the future
- ▶ With a growing number of innovations successfully put in production, to sustain the solutions your team will have grown and might in the future need a new set-up

Most importantly, the digital transformation engine should continue to build a track record of undisputed success for your organization. GBS and the digital transformation engine should be transparent about the process areas it has picked up, which digital process platform it has transformed into, how it benefits the wider organization, and how it works for its end users.

Only then will your digital transformation engine become the catalyst in driving change and an instrumental part of your company's future plans.

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