



The Future of GBS Will Be Driven by Digital

JUNE 04, 2021

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The pandemic has massively disrupted the working norms, output, and performance of virtually every organization in the world. But global business services (GBS) units have come through it in surprisingly good shape—in many cases, even better than they were before. A joint survey of 140 global companies by BCG, Ernst & Young, and the Shared Services and Outsourcing Network (SSON) found that for nearly 50% of respondents, GBS productivity was unaffected. And for 38%, productivity actually increased.

There are a couple of likely reasons why GBS units have fared so well under remote-working conditions. Historically, their activities have been relatively

uniform and transactional, refined over time and integrated into business continuity plans that are specifically designed to maintain operations during disasters that upend normal routines. Also, organizations that had already established GBS teams could move responsibilities from sites that were more seriously impacted by COVID-19 to locations that were less heavily affected.

But there is little time for GBS units to rest on their laurels. Even without considering the pandemic, the world is changing fast: global value chains, increasingly demanding **customer expectations**, accelerated advances in new technologies, and distributed working models are putting pressure on companies. And as resilient as they may be, GBS teams are not totally equipped for these rapidly spreading trends. Consequently, like all the other parts of a global organization, they will have to change their operating models to excel in this environment.

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As resilient as GBS units have been during the pandemic, they are not necessarily equipped for rapidly spreading trends.

In our study, we asked respondents to identify the capabilities GBS organizations most need to focus on to continue to be successful in the face of the significant challenges. Five areas stood out:

- 1. Technology Enablers.** About 90% of respondents foresaw an increasing demand for sophisticated digital tools and solutions—facilitated by better data consistency and transparency and more harmonized end-to-end processes.
- 2. Advanced Service Offering.** While typical GBS transactional services, like payroll or accounts payable, will continue to be essential, survey respondents

overwhelmingly said that GBS will also have to develop the skillsets to deliver more value-added services. This includes playing a bigger role in business partnering, steering [digital initiatives](#), and—most significantly—broadening organizational insights from data analytics.

- 3. Future-Oriented Setup.** Another important piece of the GBS operating model will be building and orchestrating global collaborative networks comprising Innovation Centers of Excellence and regionally clustered hubs to handle global operations, such as traditional accounts payable or, more recently, advanced analytics.
- 4. New Ways of Working.** The [resilience of GBS teams](#) during the pandemic indicates that many organizations can confidently continue to use remote-working practices in the coming years—and that GBS teams are poised to help implement these practices across their organizations. However, as these activities become more commonplace, GBS will have to simultaneously expand its capabilities in managing agile ways of working and leading people in virtual, digital-focused environments.
- 5. Responding to Cost Challenges.** Survey respondents were largely in agreement that GBS units must continue to focus on cost consciousness in a volatile environment and that cost efficiency will remain an essential rationale for GBS's role in their organizations.

Among these five focus areas, digitization and advancing technologies are a recurring component—and these are also the spheres where, according to the survey, GBS teams needed to most improve their capabilities. As the future unfolds, GBS leaders should have two primary goals: first, to drive digitization to find further efficiency and support the overall corporate transformation; and second, to continue to build a flexible, resilient GBS network to keep pace with changing demands.

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