

Global Business Services

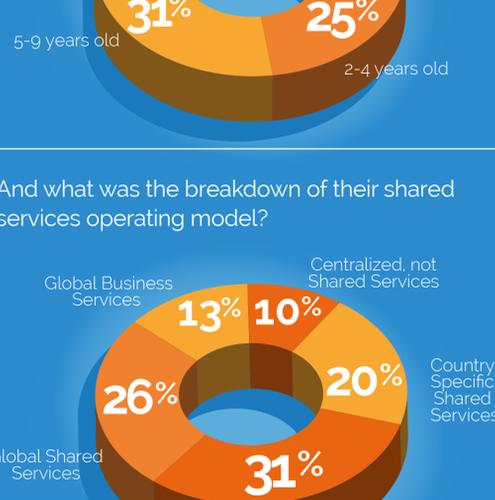
What are they and is the change worth it?



An infographic brought to you by: **EXL** look deeper. and **sharedserviceslink**

Shared services in some cases have developed into a new form, commonly referred to as global business services. However, out of the 6000 or so shared services organizations globally, only a few hundred of GBS operations are thought to exist. EXL and sharedserviceslink have joined forces and conducted a study to ask: what is the difference between a global shared services operation and a GBS? And: is the change worth it?

Over **100** shared services professionals responded to the study. Firstly, you'll want to know where they are from:



53% of respondents were classified as 'mature', having had a shared services operation for 5 years or longer.



And what was the breakdown of their shared services operating model?



Before we examine the appetite for GBS, let's first define what the term 'global business services' means:

We asked our respondents what they thought the differences were between shared services and global business services. With over 100 responses, we crowdsourced the following definition:

"Global business services (GBS) is a more integrated and mature evolution of the shared services model. GBS provides services beyond transactional functions and has a wider remit and expertise to deliver higher value functions, such as consulting and business analytics. GBS deploys advanced tools and technology to deliver scalability to the business. GBS incorporates multiple functions and leverages business service delivery across all international operations, thinking and acting globally. GBS runs activities as a business, fully in control of the process, the budget, and the reporting lines."

Based on this definition, how many of our respondents are actually DOING GBS?



13% have already become a GBS organization **45%** are considering moving to a GBS or are in the process of becoming a GBS.

Interestingly, the study illustrated that shared services which are 5 years old, or older are more likely to have started the GBS journey. But what does this mean for their service delivery?

Looking at the respondents already running a GBS, versus respondents running shared services, we wanted to examine the similarities and differences. When it comes to strategic objectives, there seems to be an overlap between the two groups. Shared services and GBS organizations agreed that their top three priorities are:

- 1 Improving processes
- 2 Reducing costs
- 3 Improving service quality

However we identified 4 significant areas in which shared services and GBS differ.

4 Global business services are more likely to embrace a hybrid model and take advantage of the tools and technologies of third parties.

58% of GBS agreed with the statement: "Third parties would bring scale, experience tools and enablers to deliver the best possible service", compared with **39%** of shared services.

3 Global business services are more customer focused.

There were some striking differences in how the different types of organizations defined their purpose.

83% of GBS said being a **customer focused** organization was key to their purpose, compared with **64%** of shared services.



Our respondents told us that being customer focused is more of a priority for global business services than it is for shared services.

2 **58%** of GBS said delivering **higher value functions** was key to the purpose of their organization, compared with **33%** of shared services.



1 When looking at certain characteristics, there is a striking disparity between those of a GBS and characteristics of a shared services organization

Which characteristics are essential to the definition of shared services or global business services?



This difference begins to be more acutely depicted when looking at activities managed by the GBS and shared services:



GBS are associated much more with incorporating multiple functions, and are perceived as more service oriented, with one global lead and board level representation.

The **6** guiding principles to graduate to global business services

Now that we have begun to define what a global business services organization is, and what the difference is between shared services and GBS, let's conclude this report with the six guiding principles for you to take to graduate from a shared services organization to a GBS.

These **6** guiding principles can guide you on your path to becoming a global business services organization or help you improve your existing operation.

So is the GBS model worth the effort? Looking at the differences in this report between the qualities of the two models, it either suggests more sophisticated SSOs become GBSs, or that the GBS model really does make your operation more sophisticated.

What we can determine however, is that GBS is not just a multifunctional shared services with a fancy name. It's more than that, and a model that is clearly having an impact now, and likely to have that impact deepen, with experience and lessons learned, over the coming months and years.

In the short term, is it worth it? Based on this report our conclusion would be yes.

Now click [here](#) to see a GBS in action. This short film goes deeper into the results of this study and looks at the Cargill GBS story.

If you would like further insights into the potential to of adopting a global business services model, or to get more out of your existing service and operations platform then please contact:

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