GBS on Now
Make work flow across the silos
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Global Business Services (GBS) at a new frontier

The multi-functional Shared Services operating model has been in play for more than three decades and has been transforming itself from a back office, low-cost service to an integrated Global Business Services (GBS) model. It has evolved to drive business value for the organization, meeting both external and internal customer demands as well as elevating the user experience.

While the maturity of the GBS function has increased, it also led to complexity within the GBS operating model:

- **Missing the end to end perspective**, in process, scope and range of support within GBS, reducing the full potential to deliver a broader, more holistic value for the organization
- **Lack of global process ownership**, hinders the accountability of the end to end process resulting in limited sharing of insights towards upstream business processes
- **Fragmented systems landscape**, operating with legacy applications and using multiple systems to support the processes, breaks the end to end flow. Digital transformation, primarily revolving around automation, results in system patch ups rather than a change agent
- **Limited operational efficiencies**, with real-time progress tracking not being available, it fails to provide GBS leaders with insights to steer on real issues or be proactive with operational management. On top of this, not having a single source of truth for data hinders the insight driven approach
- **War for talent and employee experience**, with an increasingly digital-savvy talent pool, who demand flexibility and agility within the workplace enabled by digital solutions, talent acquisition and retention is becoming challenging for GBS functions. Limited seamless digital experience and self-service capabilities diminish employee experience.

To make the situation even more complex, with an unforeseen event, the global COVID-19 pandemic forced GBS leaders to challenge the conventional wisdom and long-held orthodoxies that require a radical shift in thinking, which for those who embraced new ways of working, they found improved operational resilience and better organization performance.
The tone has continued in 2021 with the need to virtualize operations and have seamless connectivity within organizations. We will travel less, work remotely, meet virtually, and continue to work differently. In doing so, the new normal will simply become…normal. The need and urgency to do so have only increased, given that hybrid working is here to stay.

<table>
<thead>
<tr>
<th>Orthodoxies</th>
<th>New realities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical proximity is required to run effective processes</td>
<td>Work performance, for many processes, is not location-dependent</td>
</tr>
<tr>
<td>Shared services and outsourcing are mainly for back-office operations</td>
<td>Complex processes can be delivered through shared services and outsourcing</td>
</tr>
<tr>
<td>Current business continuity plans (BCP) are sufficient</td>
<td>Addressing risks requires more than BCP—need to develop continuous resiliency</td>
</tr>
<tr>
<td>Legacy systems are good enough, and some manual processes are acceptable</td>
<td>Full automation and agile technology can become a reality with the right technical support infrastructure</td>
</tr>
<tr>
<td>Physical sites (brick-and-mortar) are required to maintain security</td>
<td>Policy, process and technology can provide adequate security for remote work</td>
</tr>
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Service delivery orthodoxies were broken by COVID-19, paving a path to the new normal

Still, many GBS organizations have yet to resolve the pressing employee experience questions related to the new normal. Are the processes optimized to meet their needs? Do they have the right tools and solutions to support these processes? How do we keep employees engaged?

In Deloitte’s point of view, ‘The future of work in a post-pandemic world - From survive to thrive’, it states four key pillars that are essential to becoming an adaptable workplace:

1. Simplify the organizational architecture to remove unintended complexity and drive focus. Create a network of teams, remove silos, flatten the organization, simplify the collaboration and decision-making processes to allow agile responses to external and internal forces.

2. Design everything around “experience”, from the organizational structure to the physical workplace, as well as around a clear sense of the outcomes you are driving. This will enable you to focus the design of both the organization and the workplace to support that shared work.

3. Be human-centered by treating employees as the “customer” of the operating model and working environment, emphasizing employee needs and preferences in both the physical and digital realm.

4. Transcend organizational boundaries to better sense what is around the corner. The workplace no longer ends at the exit of the office; it is infused into the physical and digital fabric of the current and potential workforce, customers, and ecosystem. By being open to the new possibilities and taking their heads off the page, organizations can anticipate future needs and opportunities.

Source: ‘The future of work in a post-pandemic world - From survive to thrive’
GBS leaders are at a constant tug of war about how to adapt to the phase of change in this rapidly evolving environment; driven by digital tools, the need for speed and agility, demand for proactive insights and personalized User experiences. Traditional shared services with a back-office mindset are becoming irrelevant as the role of digital expands, with a unified system landscape and automated workflows redefining work and its delivery.

A new GBS delivery model is emerging in response to the need to reimagine the role of service delivery structures within the enterprise with a view to improving agility, quality and speed—the Center Office (Figure 1).

This new operating model, not only leverages enterprise-wide data and brings together cross-functional teams to deliver end to end services, but also delivers cross-functional capabilities such as automation, analytics and continuous improvements as a service while being hyperfocused on employee experience.

"This back-office to center office shift is the next evolution of Global Business Services (GBS) and Shared Services organizations and can help build the resilient and adaptable delivery models that are increasingly in demand."

The back office
✓ Processes transactions
✓ Supports individual functions/businesses
✓ Cost focused
✓ Responds to issues

The center office
✓ Generates proactive insights
✓ Strategic asset to the ecosystem
✓ Innovation and integration focused
✓ Rich career paths

Figure 1 – The Center Office
Adopting the Center Office mindset enables the service delivery organizations to become the central nervous system of the enterprise.

**Three key characteristics embody the shift to the Center Office:**

1. **Deliver specialized cross-functional capabilities-as-a-service to the enterprise**

2. **Hyper-focus on customer and user experience, not just on efficiency**

3. **Overcome a distributed technology landscape with cross-functional scale and digital capabilities and tools**

**How a mature Center Office model drives value for the enterprise**

<table>
<thead>
<tr>
<th>Customers of the Center Office (internal and external)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business units (e.g. LoB 1, LoB 2)</td>
</tr>
<tr>
<td>Geographies (e.g. NA, APAC)</td>
</tr>
<tr>
<td>Functions (e.g. Finance, IT)</td>
</tr>
<tr>
<td>External users (e.g. customers, vendors)</td>
</tr>
</tbody>
</table>

The Customer experience layer manages operational and capability-based services through element such as:

- Customer experience strategy
- Brand and talent strategy
- Service management, Outsourcing, Portfolio management, and governance
- Customer interaction channel strategy

**Sample end to end services provided by the Center Office to the enterprise**

- Order to Cash
- Record to Report
- Procure to Pay
- Information Technology
- Hire to Retire
- Marketing, research and intelligence services

**Sample capabilities-as-a-service to the enterprise**

- Program management and transition management
- Knowledge & content management
- Reporting, analytics and data quality
- Process excellence and continuous improvement
- Process and automation teams collaborate closely
- Intelligent automation
- Change management and training design
- Customer experience and user-centric design
- M&A integration SWAT team

**Enablers of center office delivery (may be dedicated or shared)**

- Finance
- HR/talent management
- Procurement and vendor management
- IT and infrastructure
- Marketing and branding
- Real estate and facilities
- Legal and risk management

*Figure 2—How a mature Center Office model drives value for the enterprise*
GBS on Now—GBS powered by ServiceNow

One thing is for sure — organizations cannot transform the way they deliver services and the experiences of their employees using tools of the past. Digital transformation has moved further to the power of absorption that requires speed, scale and insight.

Harmonizing and optimizing service delivery is the top priority of GBS organizations

88% respondents*

Service Management and ServiceNow are perceived as key solution enablers by GBS leaders

47% respondents*

Disruption can’t be absorbed in isolation. You need a mastery of how work moves across the enterprise so that you can address change with cross-organizational approach.

Value dissipates the longer it takes to absorb the change. So, it’s important that people and their work change at pace with technology to take full advantage of the moment.

Not all disruptions are worth absorbing. You need data and expertise to give you a real-time view into what’s coming next so that you can contextualize it for your business and take action... or not (intelligently).

Deloitte’s 2021 Global Shared Services and Outsourcing Survey Report respondents said

Harmonizing and optimizing service delivery is the top priority of GBS organizations

88% respondents*

Service Management and ServiceNow are perceived as key solution enablers by GBS leaders

47% respondents*

KEY ENABLERS

54% have implemented single-instance ERP

47% have implemented case management solutions (such as ServiceNow)

59% have implemented global standard processes

51% have implemented cloud (including AWS)

COVID-19 has led to the rethinking of how services should be delivered

87% respondents*

* Data taken from Deloitte’s 2021 Global Shared Services and Outsourcing Survey Report with ~600 respondents—a 58 percent increase from 2019. Survey had responses from leaders in 45 countries, with SSC locations across ~75 different countries.

Figure 3—Embracing a digital mindset - Deloitte’s 2021 Global Shared Services and Outsourcing Survey Report
GBS on Now is the joint Deloitte and ServiceNow proposition that perfectly blends the transformation value of a GBS organization. It merges Deloitte’s market leading GBS strategy and advisory practice, with ServiceNow’s capability for technology orchestration to drive the value seamlessly.

With GBS on Now, we want to help GBS leaders understand how they can improve their current operational transformation by breaking the silos to move towards a new operating model that provides the benefits of the Center Office.

GBS on Now revolves around three themes:

- **Engage**: Unified service experience
- **Act**: Drive the flow of work across the enterprise
- **Perform**: Exploit insight to deliver performance
1. Engage

**UNIFIED SERVICE EXPERIENCE**

Digital experiences fill our everyday lives. Such experiences seem to be seamlessly orchestrated with predictability and are tailored to us. However, GBS experiences are often far from seamless, predictable and personalized. There is a huge experience gap that hinders the engagement with GBS departments.

There are multiple moments that matter that help in gaining the trust of services and providing a unified service experience, where the GBS Users need to have a single point of interface with the organization providing seamless service than to connect with multiple functions for a service.

GBS Engage, one of our assets, acts as the first point of contact for the Users of GBS as an interface to multiple functions within the GBS organization via a universal request or with virtual agent support.

Today, service delivery is rapidly transforming from a siloed service delivery model where employees need to guess where to go for help...

![Moments that matter: Where employees have a seamless support experience](image-url)
2. Act

**DRIVE THE FLOW OF WORK ACROSS THE ENTERPRISE**

Organizations that deliver business services without the help of a unifying platform inevitably encounter a ton of manual interaction and back and forth communication using a variety of disparate tools.

GBS Act, is the core of the GBS on NOW proposition providing the framework to integrated services to manage processes across numerous functions from a unified solution that hides the complexity of working with and across different departments so GBS Users can easily access resources within the GBS organization such as IT, HR, finance, legal, facilities, etc.

GBS Act reduces the complexity of the underlying GBS organization with various functions and scattered technology landscape, thus elevating the User experience.

**GBS Act ensures:**

- **Holistic:** With visibility to manage the entire employee lifecycle
- **Intelligent:** Using automation, machine learning, and AI to eliminate repetitive tasks and boost employee productivity
- **Agile:** Streamlining cross-functional business processes
- **Unified:** Integrating operational and systemic silos
- **Omnichannel:** Delivering consistent experiences for all employees across all channels

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**Figure 5 - GBS Act: Standardizes digital service delivery across the enterprise**
3. Perform

**EXPLOIT INSIGHT TO DELIVER PERFORMANCE**

The world around us is changing so dramatically that real-time customized experiences with predictive insights at unparalleled speed are becoming the norm.

Why data and insights are relevant for GBS:

- GBS leaders are leveraging analytics to measure and demonstrate the value that they provide as strategic partners to the parent organization
- Advanced analytics is used across end to end processes (e.g. O2C, P2P) rather than on select sub-processes/activities to amplify benefits
- Visual analytics is being used across end to end processes to evaluate and identify improvement opportunities
- Analytics is being delivered across multiple channels such as mobiles, tablets etc.
- Digitized data combined with automation technologies is boosting the ability to provide real-time and accurate data for driving faster insights

GBS Perform provides a set of automated insight-driven dashboards which integrate data across multiple applications and bring operational and governance insights to support GBS leaders in making analytics-driven decisions.

GBS Perform emphasizes the need for a business oriented approach to analytics to enhance the quality and trustworthiness of dashboards and insights by focusing on source improvement and advanced algorithms for processing of information.
GBS Perform acts as a nerve center of insights across the key layers of effectiveness parameters for a GBS organization addressing various governance needs of GBS personas.

GBS Perform, includes emphasizing what is measured:

- Making sure the business is focused on a small set of end to end and meaningful KPIs
- Emphasizing the governance points and driving clarity of roles and responsibilities for taking action based on this data
- Customization of these reports for different stakeholders, capability to drill into root cause and real time information to correct
Why move towards GBS on Now—key benefits

There is measurable strategic value and many key benefits that GBS leaders and organizations achieve with transforming their services with GBS on Now, apart from the integration and innovation benefits.

**Performance** is about the user or employee experience. It includes the transparency and speed of the services that are delivered. On the end to end (E2E) service experience, organizations are able to deliver a better experience through a cross-functional customer, employee and/or vendor system of engagement. From a business agility and flexibility point of view, they are able to have a faster time-to-market for digital business workflows and services, and can focus on a more dynamic workforce management as well.

**Quality** is focused on services and processes. The service agents will be more productive, as there will be a reduction of inbound ticket volumes through self-service and a reduced effort through agent assistance, knowledge and automation. The service blueprint will be optimized, with scalable group-wide service standard with local variations when and where required.

**Cost** is about reducing the total cost of ownership (TCO) and becoming more efficient. That means rationalization and decommissioning of tools, portals, workflow-engines, reporting solutions, and knowledge-management solutions. Also, reduced/avoided data and process integration effort and reduced on-premise infrastructure, service and maintenance cost.

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**Figure 7**—The strategic value of the GBS on Now
Is GBS on Now a fact?
Our client speaks

As a future-looking organization in the GBS playing field, our large multinational client have adopted ServiceNow as their most critical solution in their ongoing transformation journey. They have been a client since 2016 and have evolved their service delivery over time, adding different services and functionality along the way.

With a number of different systems to perform vital workflows came a large amount of complexity. Using ServiceNow, this complexity has been replaced by a robust and transparent system. Time spent on repetitive tasks has been reduced, enabling staff to focus on tasks that deliver the highest value, which in turn has resulted in a more engaged workforce.

"Applying an integrated service mentality, a service platform to the journey. Without that, we can’t get a seamless experience. We have started to apply that across different functions, suddenly you can really have impact on a customer level. Global service owners have a mandate to look across our real estate and facilities, procurement, finance, IT, HR and so forth. Just taking that lens, we are seeing KPI improvement opportunities of 30-50 percent, cost included."

– ACCORDING TO CLIENT (CIO OF THE ORGANIZATION)

ServiceNow enabling enterprise transformation for customers using GBS on Now

Learn how Deloitte GBS on Now helps organizations create business value, providing strategic steps toward realizing the vision of streamlined, end-to-end service delivery.

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ServiceNow and Deloitte—
Better Together!

Deloitte has a strong footprint in supporting organizations in their shared service transformation journey and ServiceNow is the recognized innovator, delivering enabling technology in one unique, proven, single enterprise platform that can span a global organization. When combining these capabilities and working side-by-side to support organizations who are focusing on Global Business Services, we believe we deliver a unique service with unique added value—better together!

About the authors

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Shaju Basheer is Director of Technology Strategy & Transformation within Deloitte Consulting B.V., focusing on enterprise services and process management where we drive innovation and integration of IT and business processes enabled by leading digital workflow platforms like ServiceNow. Shaju has over 20 years of extensive experience working for Tier 1 Clients across multiple geographies in setting up a global delivery model with a focus on end to end business and technology transformation.

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