



The Global Business Services- Commercial partnership

The engine room for driving growth

Growth is the only game in town for sustainable business performance and Global Business Services is at the heart of delivering it with Commercial

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What's inside...



The key drivers for change **02**



Creating integrated and consumer focused Commercial teams. . . . **05**



Reorganising Commercial teams for growth. **08**



GBS as the engine room for this growth **10**



A sustainable Commercial and GBS partnership. **12**



Establishing the right conditions for success **15**



Context

Consumer businesses are constantly being challenged to deliver top and bottom line performance irrespective of the market conditions; inflationary pressures, a tough economic outlook or evolving and rising customer expectations. The Commercial function provides the fuel for delivering these ambitions so it needs to stay laser focused on driving enterprise growth.

Despite this clear and critical role, all too often, Commercial is distracted by time consuming and disparate transactional activities; this is a massive missed opportunity. Like many other functions (Finance, HR, IT), we believe Commercial needs to reorganise and refocus the way it works by partnering with Global Business Services (GBS) to deliver non-core activities and enable its primary value proposition.

We can't profess that this is a new concept so why are we highlighting this now? The maturing of the GBS organisations has meant that the stars have aligned on Commercial getting the right partner to become the most impactful team it can be. GBS organisations have evolved and grown beyond a home of transactional activities with a focus only on cost optimisation to a capable integrated services organisation that deliver enabling capabilities and services to the business; often providing insights that can't be identified in functional siloes.

For a long time GBS has felt like it can do more to enable the broader business but not been seen as ready. Now with leading Shared Services organisations having set all the right foundations (core service optimisation, technology transformation, experience focus and capability build), GBS is now primed to shine and fulfil its potential.



Commercial teams are spending upwards of 50% of their time on non-core, transactional activities.¹



It is a disservice to see GBS as only support services; instead we see it as a key component of our business strategy – it belongs at the top table.

– FTSE 100 CFO



¹ Based on Deloitte engagement with a consumer multinational organisation

Note: Use of the term 'Commercial' in this white paper refers to all front office functions that are consumer or customer facing/focused e.g. sales, marketing, trade marketing etc.

The key drivers for change

Today Commercial teams are experiencing the same challenges other functions such as Finance experienced 20 years ago before the shared services revolution.



We have observed 5 key symptoms:

- 01. Front-line teams are spending too much time on transactional, administrative activities
- 02. Sales & Marketing processes contain high levels of inefficiency and inconsistency
- 03. Commercial teams are performing tasks that can be better executed elsewhere in the organisation
- 04. Significant time is spent analysing data and reporting performance
- 05. Analysis and insight generation focuses on "what happened?" rather than "what next?"

I'm still seeing far too many commercial organisations getting bogged down in day to day transactional activities which constrains their ability to be market facing and drive growth.

– Claire Wright, Deloitte CPG Lead

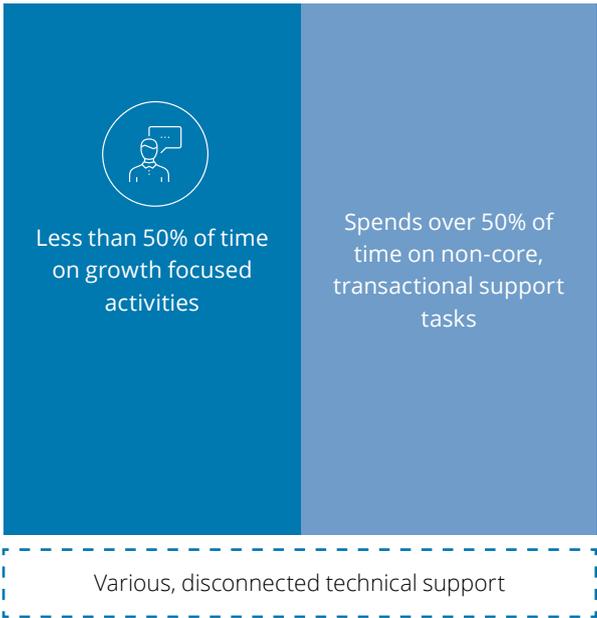
Instead, Commercial teams need to focus their time on growth through integrated Customer and Consumer Experience. Organisations that achieve this demonstrate 6 key priorities:

- Re-defining the role of the Commercial & the Capabilities that will drive growth
- Engaging directly with Consumers & Shoppers
- Building brand propositions that optimise Consumer journeys, build equity and fuel growth
- Collaborative Customer engagement to enable joint value creation
- Account teams & Representatives focused on growth generating activities within high value Customers
- Leadership teams focused on aligned KPIs and interventions to optimise growth

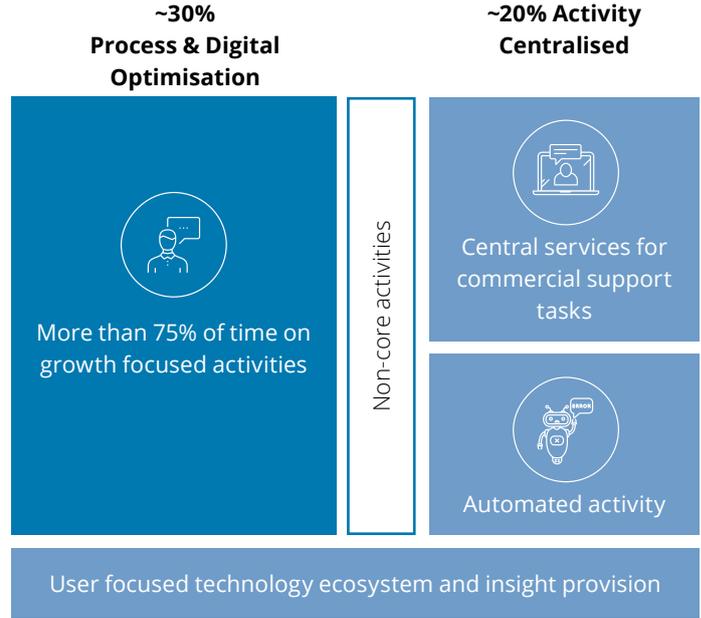




Commercial Today

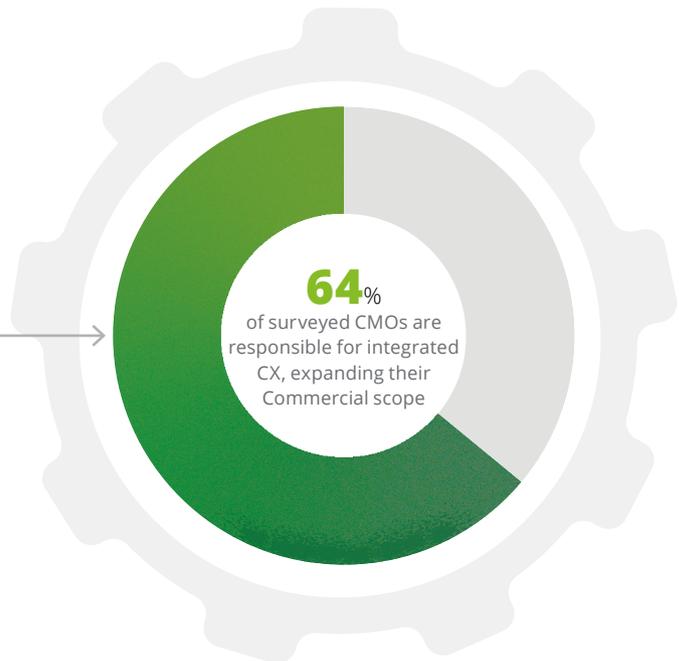


The Future - up to 50% capacity unlocked



Indicative figures based on Deloitte's extensive experience in Commercial operating model transformation

Furthermore, as we enter the world of convergence, the Consumer industry is designing for tighter integration between marketing, sales and service



Creating integrated and consumer focused Commercial teams

Commercial of the future needs to encompass integrated functions enabled by centralised services.



Key principles to build an integrated Commercial organisation:

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Shared ambition across the entire organisation, with all teams (including GBS) clear on their responsibility in contributing to this
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The Commercial structure is designed to support seamless Customer and Consumer Experiences
- 

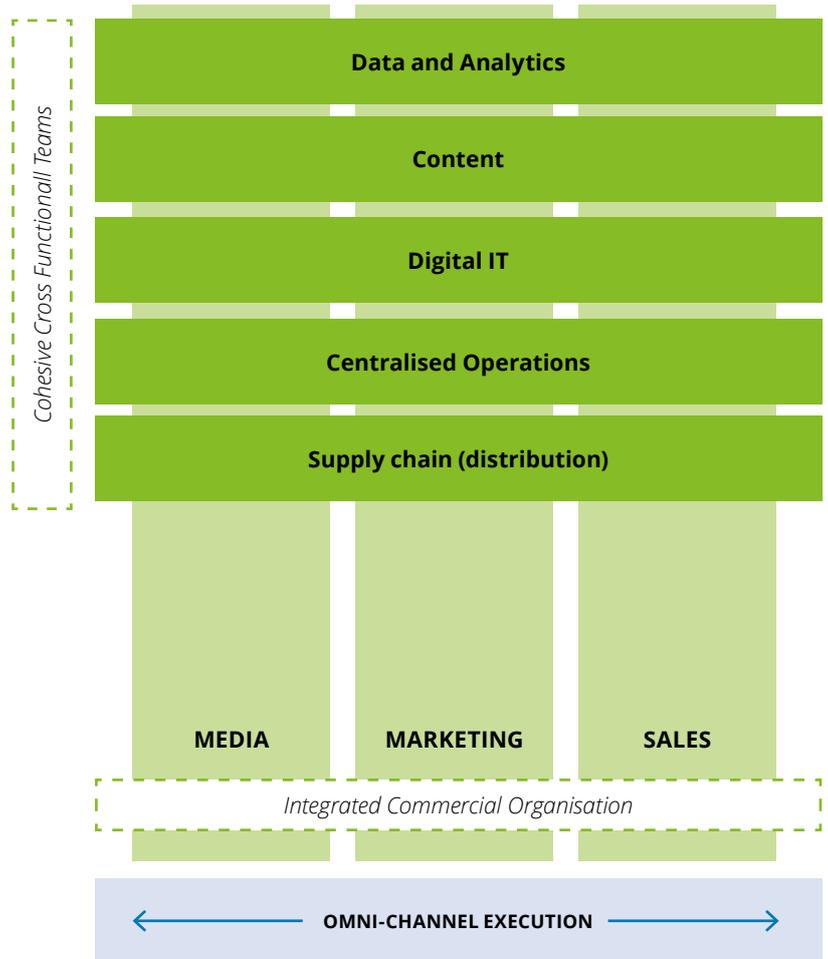
Marketing and Sales teams consist of specialists who execute growth focused activities enabled by insights from GBS
- 

Commercial teams are clear on how to exploit technology, data and insight for data driven decision making to deliver competitive advantage
- 

GBS plays a key role in orchestrating high quality data delivering one version of the truth
- 

Processes and forums bring teams together to enable cross functional performance management and decision making
- 

GBS performance effectiveness measures directly align to Commercial value drivers



Commercial teams will be more equipped to innovate & engage with consumers and customers!





Working in commercial functions, I spend my time focusing on growth and the decisions that matter. Manual activities and tasks are completed for me. The tools and services I need are accessible in one place and the insight and information I need to make decisions is made available to me when I need it.

Liberated Front Line Teams

- Consumer/ Shopper Engagement
- Brand Experience and Campaign Execution
- Customer Collaboration
- Sales Excellence
- Performance Management

Seamless Interaction Model

Integrated operational services

Fit for Future Commercial Operations

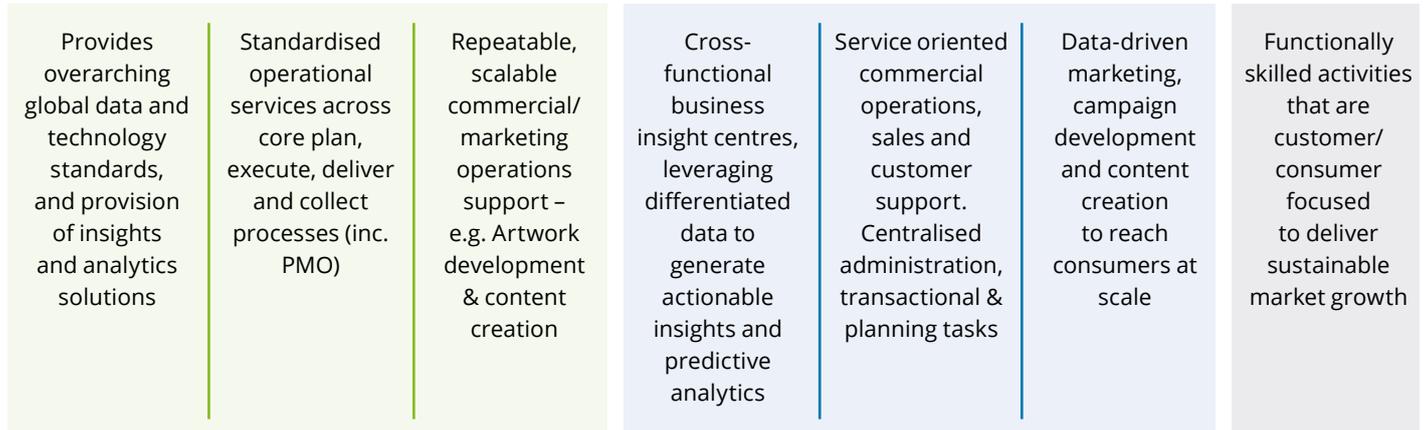
- Consumer/ Shopper Insights
- Digital Enablement
- Category Story
- Right Store/ Perfect Store
- Revenue Growth

- Process automation
- Insight & analytics
- Low cost delivery & outsourcing

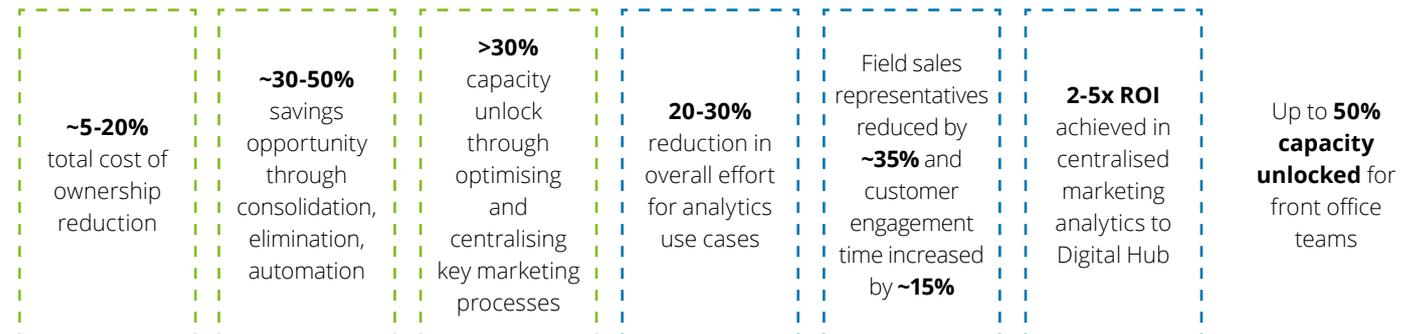
Reorganising Commercial teams for growth

The 'Run, Power, Grow' model helps organisations design an efficient distribution of activities to reorganise and refocus the Commercial organisation for growth and efficiency.





Example benefits unlocked*:



Indicative figures based on Deloitte's extensive experience in Commercial operating model transformation

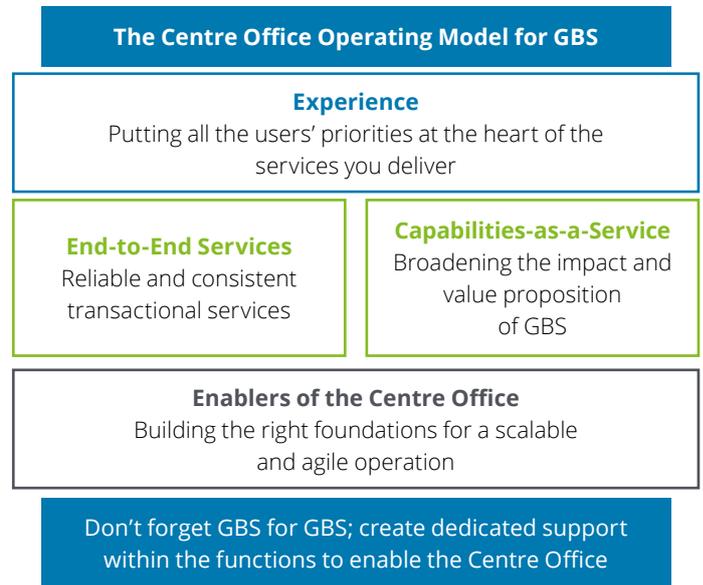
GBS as the engine room for this growth



Leading Shared Services organisations have evolved away from their traditional cost optimisation value proposition to focussing on taking ownership for delivering specific business outcomes and providing enterprise services to enable the broader business strategy; putting GBS at the heart of the business – The Centre Office.

The most successful and sophisticated GBS organisations are no longer considered independent of the business strategy but instead a key component of enabling it.

Furthermore the functions (e.g. Commercial) that best partner with GBS and the unique insights/capabilities it can bring are the most impactful in achieving their own priorities.



Applying the 'Run, Power, Grow' model for Commercial services to the leading view on what GBS can provide shows that a large proportion of current activities should be delivered as a service back to the function:



Example use cases:



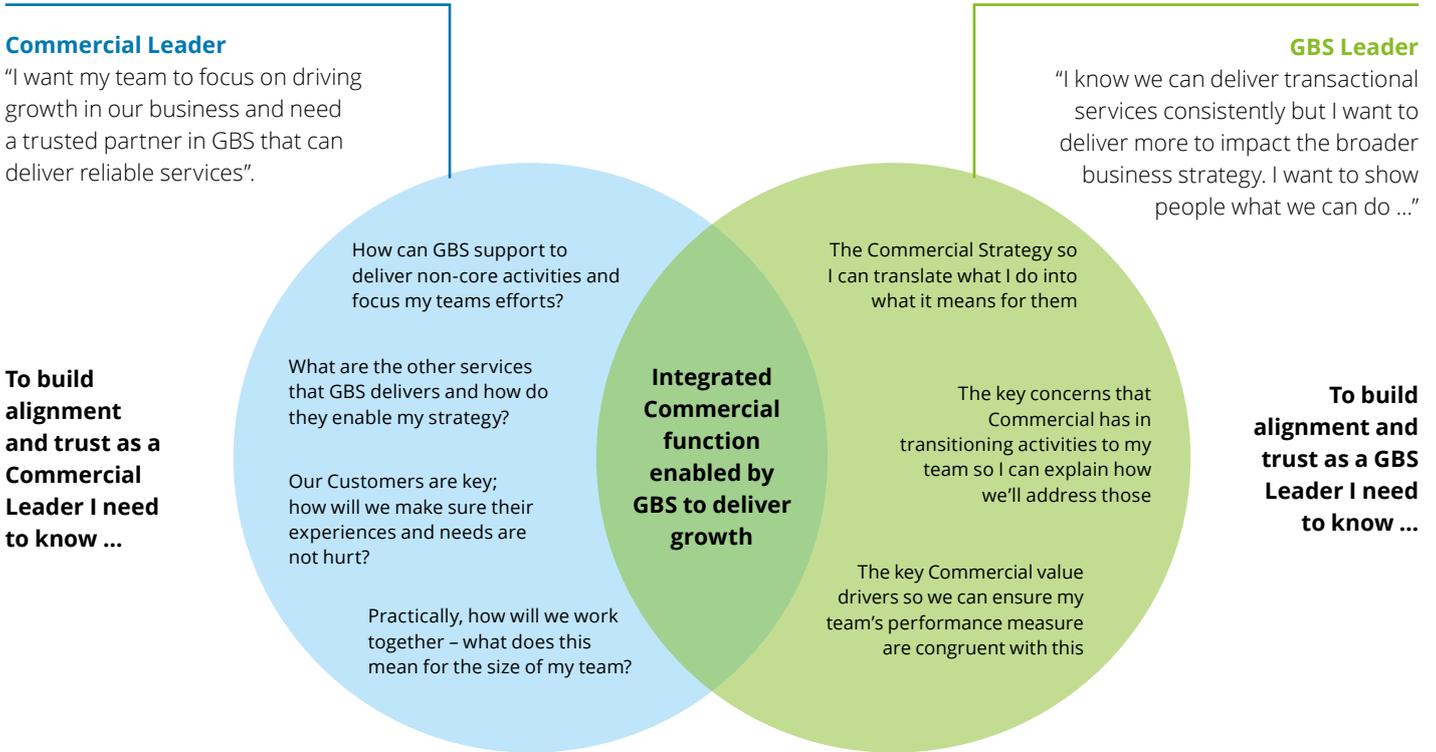
Key considerations:

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> Scale is essential Consolidate, eliminate and automate Transactional activity vs end to end process Location; labour costs, skills and language Invest in enterprise data & tech foundations In-house vs traditional BPOs vs agencies | <ul style="list-style-type: none"> Capability as a service rather than process execution Location – language, skills and local knowledge vs. labour cost Largely in-house – need attractive talent proposition Branding is important Scope of services – demand driven Market archetypes Business case – long term rather than short term Data and tech are critical enablers | <ul style="list-style-type: none"> Growth focused New skills and capabilities One team mentality Prevent shadow teams forming |
|--|---|---|

A sustainable Commercial and GBS Partnership

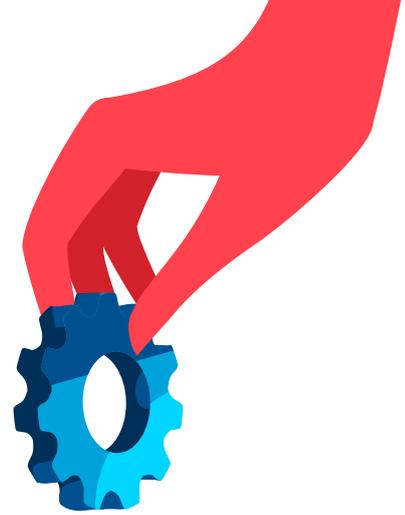
We know bringing together Commercial and GBS to a common understanding of priorities and expectations is critical to the partnership. Asking the right questions and describing your perspective in jargon free language sounds simple but in our experience is often a key area where opportunities to collaborate are missed...





GBS can do so much more than people give it credit for and often connect the dots across your own business to give you insights you've never had before.

– Candice Sieg, Deloitte GBS Lead



A practical example of this partnership: How a Commercial function was enabled through enhanced analytics and insight operating model

Key business issues:

- **Missed growth opportunities:** Not exploiting the full use of data across the business.
- **Poor quality and speed of decisions:** Too focused on “what happened”, insights are not timely, culture is not “data-driven”.
- **Trapped capacity:** Too much time spent on data analysis in the Markets, over 50% of time of front line teams spent on data & insight activities.*
- **Misaligned/missing skills:** Data is a competitive battleground but lacking talent in key skill areas.
- **Un-necessary complexity:** Fragmented data & insight teams, frequent duplication & overlaps in areas of work & lack of clarity on roles & responsibilities.

Global insight & analytics services (GBS):

- Execution of global data standards and policies
- Maintenance of global data platforms
- Production of routine, globally standard performance reporting
- Capability centre for solution development (e.g. new dashboards)

Region/Cluster Insight Hubs:

- Data ingestion, structuring and maintenance for internal market cluster-level data and external data sources
- Routine and bespoke L1-L3 data analysis and insight generation
- Development, test and scale of tools and analytics solutions

Individual Market Spokes:

- Developing ‘so what’ or action recommendations based on insights produced by insight hubs with market specific context
- Provide real-time recommendations/analysis to support live decision-making
- Identifying requirements for bespoke market analytics, briefing hub data scientists and interpreting outputs

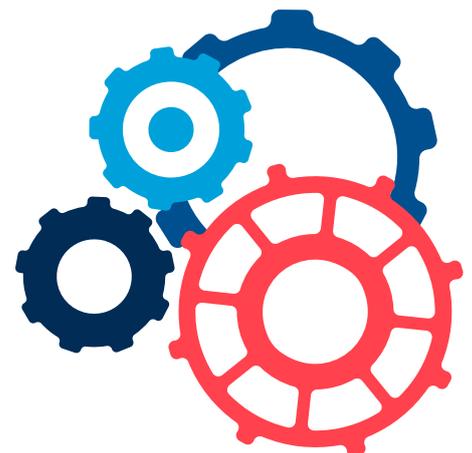
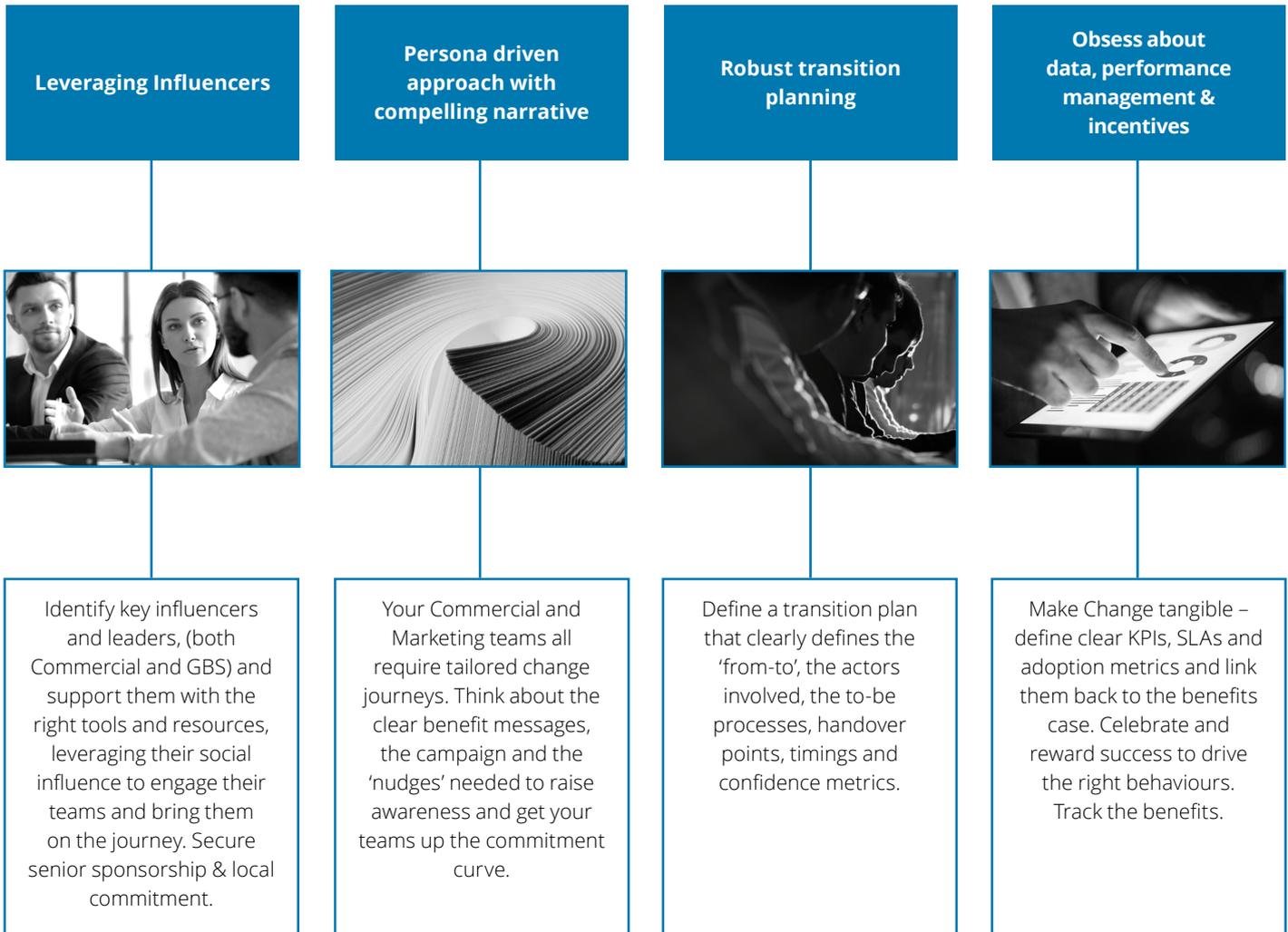
>30% capacity unlocked in front-line teams to focus on growth*

*Based on Deloitte engagement with a consumer multinational organisation

Establishing the right conditions for success



To make change happen in the front-office, you need to adopt a number of the techniques that you would use with your consumers; understanding the 'activation drivers' of different colleagues and delivering a set of interventions that are tailored to the needs of different persona groups.



We understand that driving change at the core of your business is challenging. Get in touch with us to hear more about our real world experiences...



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