



Access to the right talent at the right time

How the alternative workforce can disrupt traditional global business services (GBS) and shared services delivery models



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During this time of pandemic, an update to the traditional global business services (GBS) and shared services delivery model is no longer imminent—it is already here. The alternative workforce of gig workers, freelancers, independent workers, and crowd workers presents GBS and shared services organizations with the opportunity to challenge the traditional profile of only full-time employees performing just transactional work.











What does the alternative workforce mean for GBS and shared services organizations in the face of COVID-19?

- The COVID-19 pandemic has highlighted the importance of the alternative workforce in helping to keep a disrupted economy afloat
- GBS and shared services organizations may be able to help protect themselves from unpredictable demand, triggered by external factors, by proactively integrating the adaptable and available alternative workforce into their operating model to quickly shore up resource capacity where it is most needed
- Integrating the alternative workforce also offers optionality for future business continuity planning

There are currently 57 million workers participating in the American gig economy, accounting for 36 percent of the US workforce, and this proportion is expected to increase. By 2027, this “alternative workforce” of freelancers, gig workers, and crowd workers is expected to become the majority of the US workforce. Since 2014, the alternative workforce has grown 8.1 percent, more than three times the rate at which the traditional workforce has grown in the same time period at 2.6 percent.¹

The rapid emergence of the alternative workforce presents a new opportunity to GBS and shared services organizations by providing access to a niche set of skills and burst processing capacity while reducing excess resource capacity. By integrating the alternative workforce into their operations, GBS and shared services organizations may have an opportunity to increase the return on their human capital by engaging the right resources at the right time for the right job.

Figure 1. The who, when, and how of the alternative workforce

The who	The when	The how
This “alternative workforce” ² consists of the following types of workers:	The alternative workforce is an asset that can be deployed when an organization requires:	GBS and shared services organizations should first address the following:
 Freelance and independent workers: Workers who support the core employee workforce and are typically paid by the hour, day, or other unit of time	 On-demand capacity to address volume spikes or drops driven by seasonal demand, periodic demand related to financial closing cycles, or unpredictable external events	 Define criteria specific to their organization to determine which tasks are most appropriate for the alternative workforce
 Gig workers: Workers paid by the task (or microtask) to complete a specified piece of work	 Specialized or obscure knowledge, such as unique tax or regulatory expertise	 Break down processes into specific tasks or “gigs,” thereby updating the traditional activity splits
 Crowd workers: Workers who compete to participate in a project and are often only paid if they are among the top participants in a competition	 Resources familiar with new market dynamics, languages, or cultures for entry into new markets	 Specify role requirements for each type of task  Reorient the retained workforce to capture the freed-up capacity and train it to interact with the new alternative workforce

Among Deloitte engagements in setting up and enhancing GBS and shared services organizations, delivery models integrating the alternative workforce are few and to date, untested. However, the alternative workforce is here, and organizations that can identify activities to leverage it may be able to see significant gains in their return on human capital.

What does the alternative workforce mean for global business services and shared services?

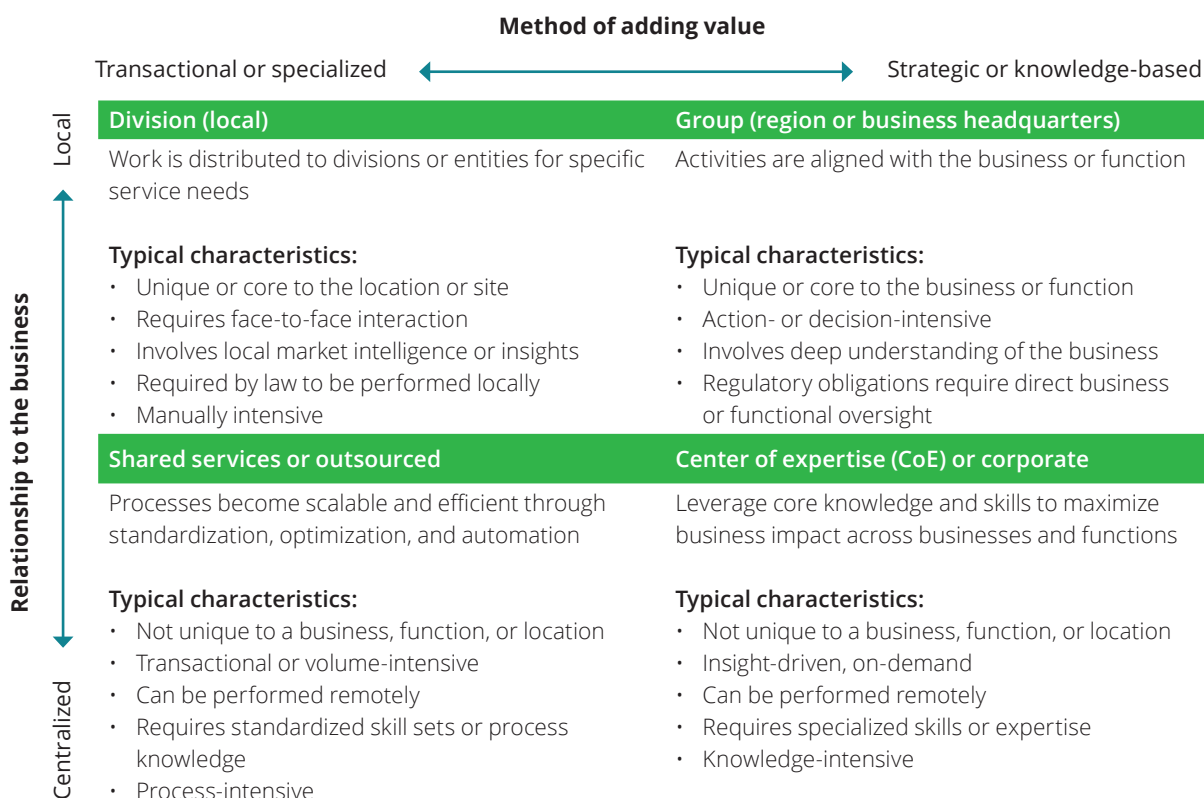
Traditional GBS and shared services framework

Organizations evaluating service delivery models along the GBS and shared services spectrum have typically relied on a traditional 2x2 framework with the following axes:

- Relationship to the business, ranging from centralized to local
- Method of adding value, ranging from transactional and specialized to strategic and knowledge-based

For each function in scope for evaluation (such as Finance), these organizations would allocate processes (such as cash applications) into each quadrant of the 2x2 framework (figure 2). Processes identified as transactional or specialized with high potential for centralization would be lead candidates for migration to an outsourcing, shared services, or GBS service delivery model.

Figure 2. Traditional GBS and shared services 2x2 framework

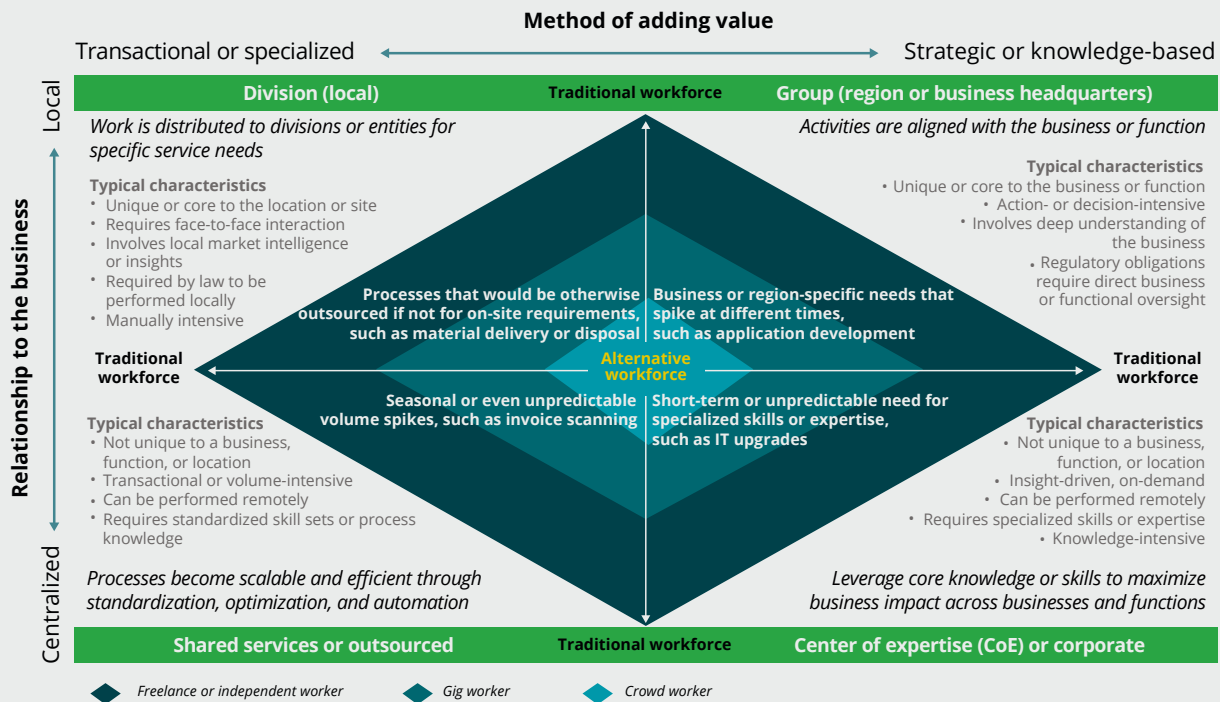


Source: Deloitte Consulting LLP, 2020

Updated GBS and shared services framework

Until now, the 2x2 has been used to primarily answer the questions of “where” and “what” of a GBS or shared services center, but now it is important to also answer the question of “who.” As the alternative workforce enters in greater numbers into the labor market, the traditional 2x2 will likely require an additional dimension to account for different types of workers (figure 3).

Figure 3. Updated GBS and shared services 2x2 framework with workforce dimension



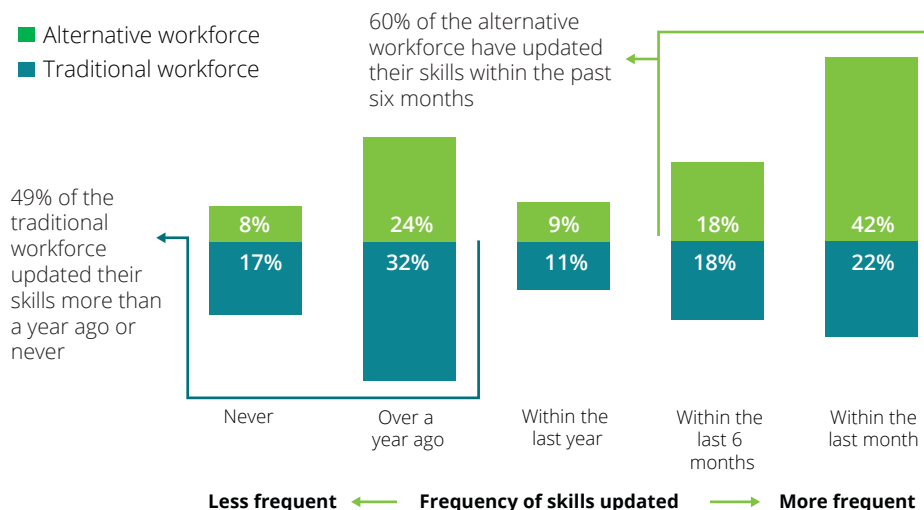
Source: Deloitte Consulting LLP, 2020



The alternative workforce tends to update their skills more frequently and can typically ramp up within days rather than weeks, because their long-term success is dependent on staying up-to-date and minimizing time to delivery. In 2019, 60 percent of the alternative workforce reportedly participated in a skills or education related training in the last six months, compared with 40 percent of the traditional workforce (figure 4).³ By leveraging this new workforce, GBS and shared services centers can achieve new economies of scale while reinventing their operating models to account for an adaptable workforce that continues to grow rapidly in the United States.

The majority of alternative workers looking for projects online are starting those projects within the week (figure 5).⁴ Due to the rapidly changing needs of the environment, alternative workers tend to be more available, as they are dependent on these projects for their primary source of means. Organizations can leverage this adaptable and available workforce as a flexible source of talent to meet ongoing demands.

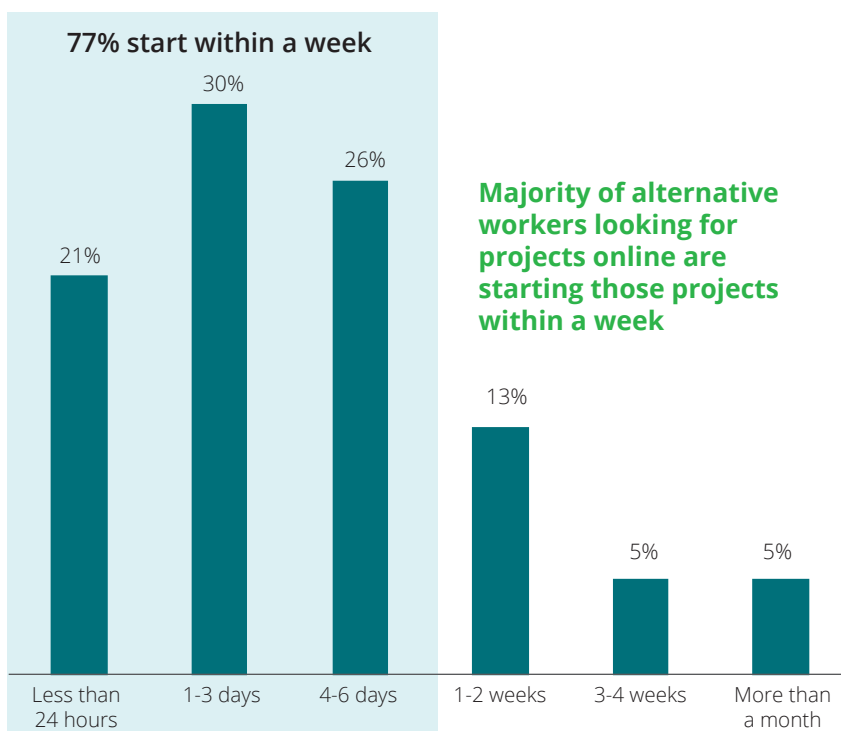
Figure 4. The alternative workforce is more likely to keep their skills updated



Graph source: Deloitte Consulting LLP, 2020

Data source: Edelman Intelligence, Upwork, and Freelancers Union (2019)

Figure 5. The alternative workforce is more available for project engagement



Graph source: Deloitte Consulting LLP, 2020

Data source: Edelman Intelligence, Upwork, and Freelancers Union (2019)

Flexible talent pool: Adaptable and available

With the rise of the alternative workforce, GBS and shared services organizations now have increased access to a mostly untapped and growing pool of workers who offer a flexible supply of transactional and knowledge-based work to help better meet the varying demands of GBS and shared services organizations.



How can organizations integrate the alternative workforce into their GBS and shared services centers, and the broader enterprise?

Integrating the alternative workforce into GBS and shared services centers

GBS and shared services organizations looking to integrate the alternative workforce will likely need to build new muscle in:

- Identifying the right activities (or “gigs”) to parse out to the alternative workforce
- Developing a new talent model that can effectively source individuals from different hiring pools for the right gig at the right time
- Managing the alternative workforce effectively within the broader GBS organization.

Identifying levers, functions, and activities for the alternative workforce

As the alternative workforce deviates from a traditional hiring model,

these workers can be leveraged for both transactional and specialized functions. Service delivery within GBS and shared services organizations can be optimized to engage and disengage resources depending on certain levers.

The list of “fit and ready” criteria used to evaluate a function or process’s fit for migration to a GBS or shared services model should be refreshed to account for alternative workforce options.

Levers that drive the use of the alternative workforce include volume spikes or industries that have high volume seasonality, resources with specialized knowledge for specific projects, and entry into new markets.

Levers that drive the use of the alternative workforce



Volume seasonality

Organizations should identify activities that are driven by seasonal spikes in volume. The alternative workforce can be leveraged to manage surges in demand in those tasks.



Specialized knowledge

Activities that require a specialized knowledge set and are more short-term in nature for either development and/or sustainment may be ripe for an alternative worker.








Entry into markets

Activities that involve an organization either curating a new market strategy or testing a new market entry done through an alternative worker or workforce solution.

Through the use of the identified levers, next steps involve identifying activities within a function that are most appropriate for the alternative workforce. Some activities will still be best performed by a traditional full-time worker. For example, a longstanding customer relationship could be put at risk with a string of contacts varying from one “gig” to the next, compared to a steady point of contact. However, other activities, such as those without a high number of touchpoints and background knowledge, could be candidates for an alternative worker.

Some specific examples of potential activities, organized by function, are:

 IT	 Finance	 Direct procurement	 HR	 Marketing
Application development (S)	Invoice scanning (V)	Supplier audit (S)	Talent recruitment (S)	Rebranding (S)
Helpdesk (V)	Collections (V)	Material delivery and disposal (V)		
IT strategy (E)	Tax (S)			
Maintenance (S)				

Legend: Volume seasonality (V) Specialized knowledge (S) Entry into markets (E)

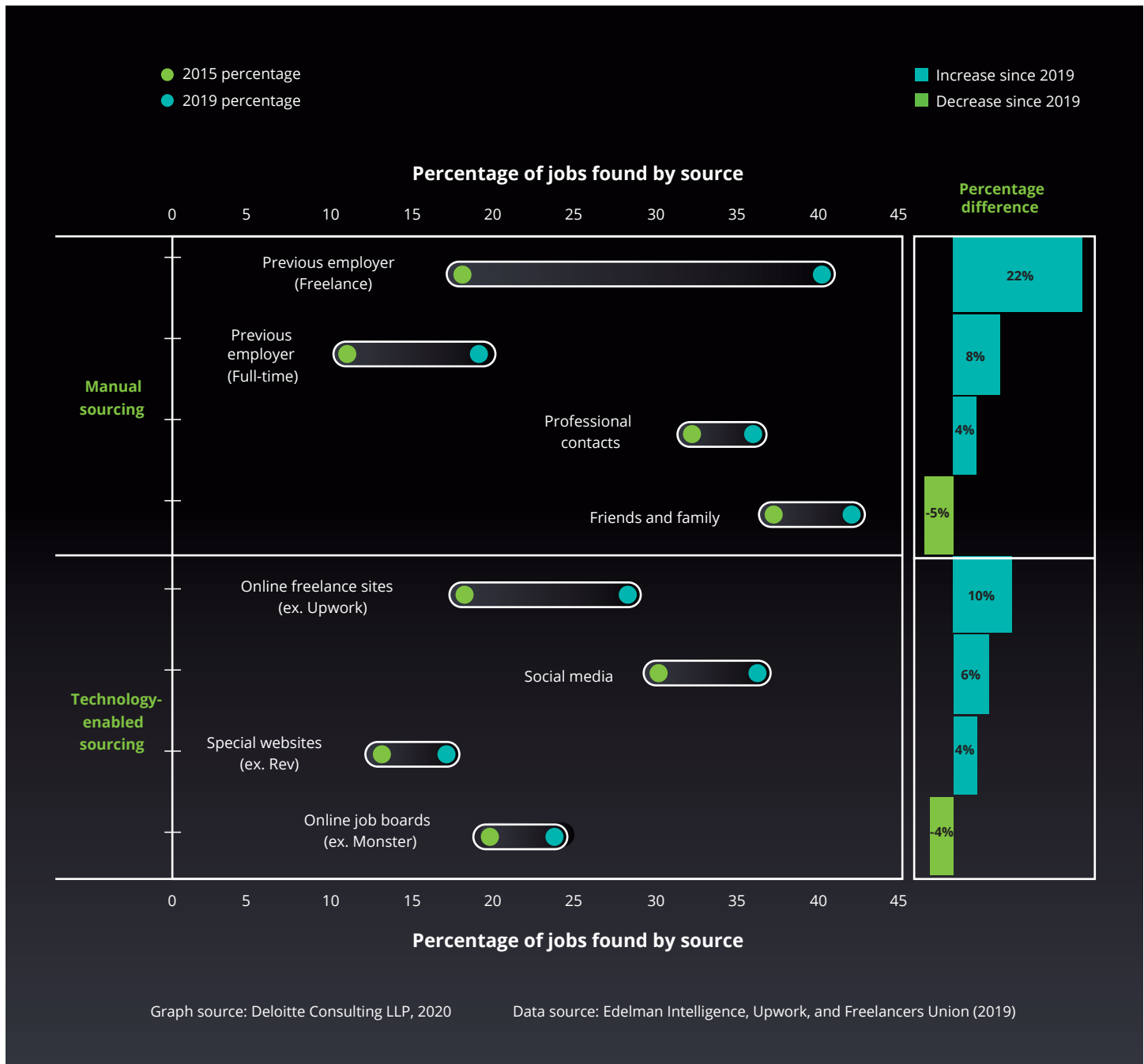
Sourcing the right talent at the right time

It is especially important that GBS and shared services organizations project out their resourcing needs and proactively develop resource pipelines for the alternative workforce. While these workers can often join an organization much faster than a traditional worker, predicting the organization’s needs in advance still helps with procuring the exact worker and skill set that the organization needs.

Today, alternative workers can already be sourced through existing online freelancing platforms. However, in reality, many alternative workers still find their next projects through previous clients (word of mouth) and professional contacts (figure 6). GBS and shared services organizations can develop a robust sourcing system that leverages both their existing network of alternative workers, as well as platforms growing in popularity.



Figure 6. Sourcing pipelines for the alternative workforce



It is integral for organizations to understand how the alternative workforce are sought for identified activities. While there has been tremendous growth in the online presence, especially within online freelance sites (10 percent growth) and social media (6 percent growth), the alternative workforce mainly utilizes existing

relationships to find the next project. These relationships come primarily in the form of previous employers, both as an alternative worker (22 percent growth) and as a full-time employee (8 percent growth).⁵ If more of the traditional workforce participates in the gig economy, these figures are likely to further increase.

Integrating the alternative workforce into the broader enterprise

Organizations should also prepare adjacent enterprise functions to provide infrastructural support for a new workforce with different needs from those of a traditional workforce.

Example consideration	Potential implementation
Rapidly scalable IT access setup for a greater number of short-term workers who may join at unexpected times	A common benefit of utilizing the alternative workforce is that they can join your organization when you need them. But does that mean your IT organization is ready to get them up and running just because the alternative workers are? GBS and shared services organizations will need to work with their enterprise IT function to set expectations and even design an onboarding process that rapidly gets the alternative worker on the network with the right access, including remote access requirements. An equally rapid offboarding process will be important as well.
Rapidly scalable facility space	For each activity to be sourced to an alternative worker, determine whether that worker will be on-site or remote. If on-site, then ensure you have open lines of communication with your facilities management and real estate functions so that they can accommodate these workers as soon as they join.
Quality and increased fraud risk control as a result of incremental workers	As the workforce size increases with the addition of shorter-term, higher-quantity unique workers, the oversight responsibilities of the organization also increase dramatically. To help keep quality up and fraud risk levels down, risk and compliance functions will need to update their controls to account for the changing workforce structure in their GBS and shared services organization.
Coemployment risk	Freelancing continues to be a hot topic among state governments, some of whom are actively introducing or tightening laws around coemployment and worker classification. While the legislative landscape continues to shift, GBS and shared services organizations should proactively consider, among other things, the appropriateness of the role for an alternative worker and how to best structure any relationship in order to provide valuable experiences and draw high-quality work, while also mitigating the risk of coemployment.
Integration between alternative and traditional workers	Detailed process mapping emphasizing handoffs between specific roles will continue to be a critical component of transition success. This is no different from the typical prerequisite transition activities in traditional process centralizations. Learning and development opportunities that extend to the alternative workforce can contribute to their integration into the organization and interest in subsequent projects in the same organization. ⁶
Business case	If the aggregate cost of these infrastructural requirements to support an alternative workforce exceeds the identified benefit of shifting work to an alternative workforce, then consider how to decrease those costs or ultimately decide whether the traditional workforce is still the optimal workforce type for your organization.

For the new workforce to be able to succeed, GBS and shared services organizations should expand their infrastructural support to set up alternative workers for success. Proactive updates to enterprise scalability and risk assessment can provide a more integrated and effective experience for both alternative and traditional workers.



Interested in finding out more?

If your GBS or shared services organization is interested in a pilot to integrate the alternative workforce, please reach out to one of us here for more information:

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Explore additional perspectives on GBS and shared services by visiting www.deloitte.com/us/gbs.

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