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State of the Shared Services & Outsourcing Industry

Global Market Report 2024

Navigating a Tidal Wave:

The Global Shared Services Industry
at a Watershed Moment

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This report is published by SSON Research & Analytics. It is based on an extensive annual survey of global shared services and GBS leaders. All data from this report – and other surveys carried out throughout the year – is available to subscribers in the form of downloadable charts.



For information on how to become a subscriber, please contact Josh Matthews at Josh.Matthews@sson-analytics.com



Introduction

GBS Remains Strong

The real question to address in a state of the industry survey on GBS is the future outlook of the model. The shared services model (of which GBS is a sophisticated version) has been around for more than thirty years, so people might be forgiven for considering it a little hum-drum at this stage.

However, in today's volatile world, stability is an asset, not a bore!

Yes, doomsday headlines proclaiming the “death” of GBS drive traffic, and there is a constant buzz around the GBS model's sustainability and whether it is fit for future. This research, however, shows no signs of weakness in the constitution of the GBS ecosystem.

On the contrary: it seems to be going from strength to strength.



Tom Bangemann

Head of Data Development & Research

SSON Research & Analytics



Barbara Hodge

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SSON Research & Analytics

Here are the simple facts:

● **Center numbers keep growing year over year:**

There are 8,000 captive centers and over 3,000 outsourced centers globally (according to SSON Research & Analytics’ Shared Services & BPO Atlas)

● **The GBS model is operated, accepted, and sought after by an increasing majority of global shared services operations:**

68% already operate as a GBS (typically multi-functional and multi-regional) and an additional 16% are committed to moving towards GBS; so together, 84% are “committed to GBS” (compared to 65% in 2019).

● **SSO/GBS scope is expanding:**

We now see 26 processes in scope for at least 10% of enterprises. Compared to the initial, few Finance transactional processes we started with, this marks a huge increase. In total, our research measures 42 processes currently in scope of SSO/GBS, and 85% of SSO/GBS are planning to expand their scope of work next year.

● **The SSO/GBS reporting line is very high, reflecting the relevance of GBS:**

66% report to the C-level, and an additional 13% report to a “C-title” (e.g. Chief Accounting Officer). Only 11% report to someone below Managing Director level.

● **GBS is a key player in the “Enterprise Digital Agenda” and represents a core component in the digital transformation journey:**

83% of SSO/GBS are supporting the enterprise’s digital agenda, and 27% are in the driver’s seat.

● **SSO/GBS targets exhibit a broad approach, increasingly focused on core business support:**

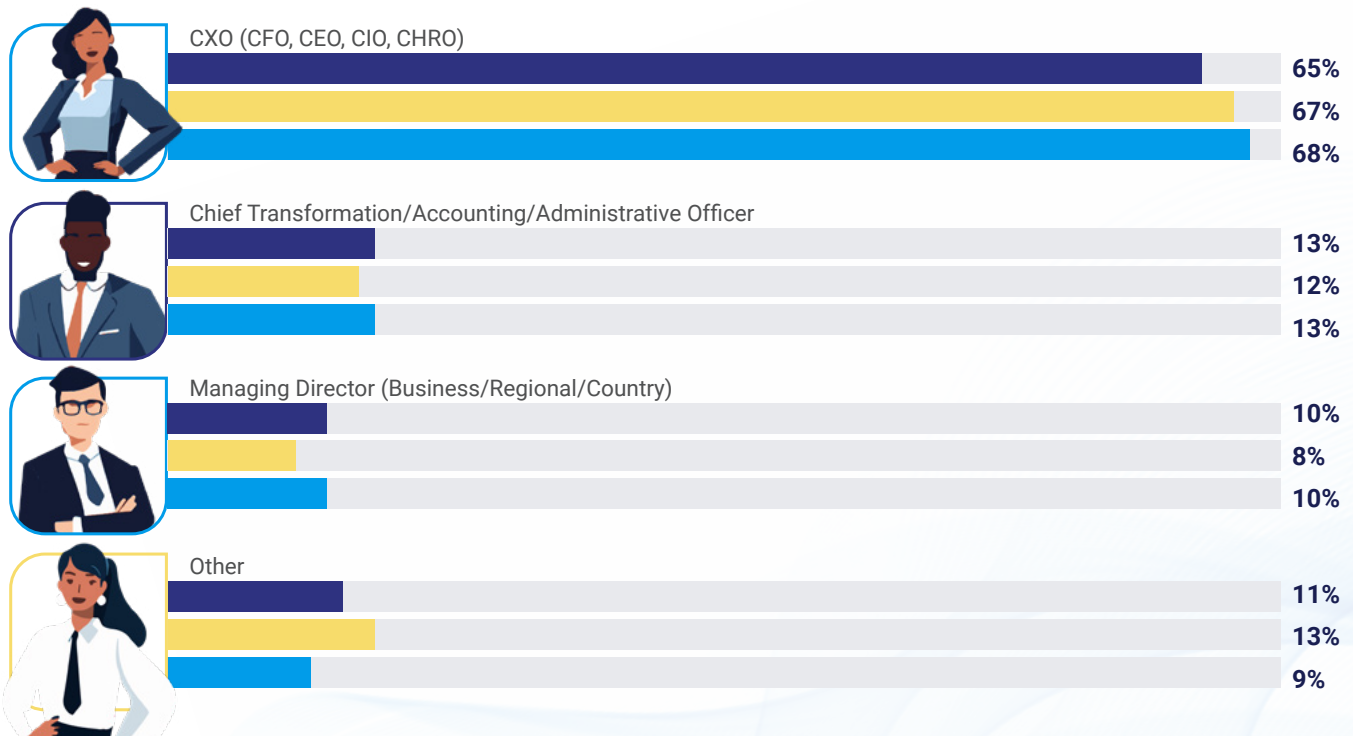
The “move up the value chain” is working: While cost is still the number one target (at 87%), a third or more organizations have a collection of 10 different targets. Customer focus and business support are two of the growth areas.

● **As of today, the target of “seat at the table” is entirely within reach:**

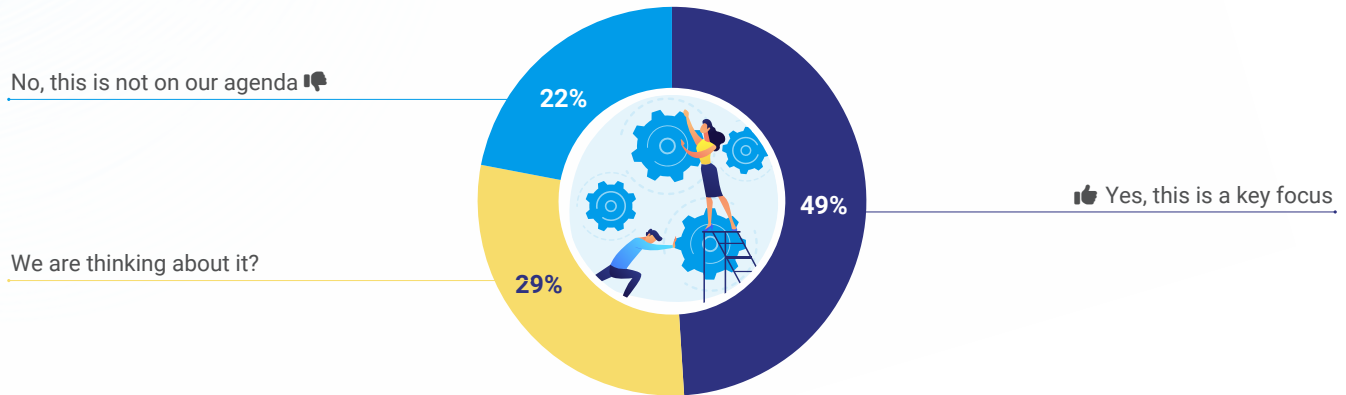
“True business partner” or “trusted advisor” roles can be achieved by GBS: Nearly 80% of global SSO/GBS recognize their capabilities position them for core business support – rather than traditional “back office.”

WHOM DOES THE SHARED SERVICES/GBS OPERATION REPORT TO?

● 2023 ● 2022 ● 2021



ARE YOU MOVING FROM TRANSACTIONAL BACK OFFICE WORK TOWARDS CORE BUSINESS SUPPORT?



This highlights an impressive track record and history of growth with, for now, no sign of weakness or of shifting to other models (even the “landlord” option dropped from 18% in 2022 to 12% in 2023).

In addition, our research on [outsourcing](#) indicates future growth in outsourcing activity, despite the captive model being rated as delivering greater benefits; and our [location](#) research confirms an active location selection market and a trend towards *more* locations in future.

None of our research points to the dissolution of the SSO/GBS model. Rather, we see a shift towards utilizing **alternative labor pools to access required skills and capabilities for future expansion**. Based on ever more location alternatives and the remote model continuing, the supply of talent looks to be relatively sufficient, despite the global talent crunch.

So, does that mean everything is great in “GBS paradise?” Let’s not go that far. Next year, many SSO/GBS leaders indicate they are “rethinking the operating model” (this ranks as the third key objective). Clearly, strategic assessments are underway and there are a list of questions and improvement requirements leaders need to consider. For those wondering what the *future model* might look like – we should be considering our options.

Regarding a possible naming reboot, for example, to “Generative Business Services” ... again, not so fast. We should consider that, historically, every *additional* capability did not lead to a name change like eGBS, iGBS, Robotic Business Services, Digital Business Services, Transformation Business Services, etc. The focus, of course, should be on the content and the model, not the name. The impact of generative AI on GBS is certainly exciting, and potentially a game-changer. *But it is still early days.*

Our recent GenAI research suggests that most SSO/GBS leaders believe, that while there is a lot of hype, there is also the promise of the *next big thing*. For now, we are still facing significant limitations, obstacles, and regulations, which will likely delay development. Until we know more, discussions around “Generative Business Services” will have to wait.



Navigating a Tidal Wave: The Global Shared Services Industry at a Watershed Moment

The global shared services industry is experiencing a period of seismic change. The traditional model, built upon standardization and cost-efficiency, is being swept away by a powerful confluence of technological advancements and an ever-evolving business landscape. We stand at a pivotal juncture, where the tide of digital transformation is rising rapidly, forcing shared services leaders to reimagine their operating models and embrace new capabilities.

This report reflects the results of SSON Research & Analytics' annual "State of the Industry" survey that delves into the heart of this transformation, exploring the key trends shaping the future of this industry. It examines the evolving shared services operating model, the growing impact of digitization, and the crucial role of process improvement, automation, and emerging technologies like generative AI.

While these forces hold immense promise for efficiency, cost savings, and customer experience, the journey ahead will not be without its challenges. Bottlenecks and pain points are inevitable, requiring shared services leaders to navigate a complex landscape with agility and foresight. This report identifies some of those hurdles, offering insights and strategies for overcoming them.

By understanding the forces shaping the industry and anticipating the challenges that lie ahead, shared services leaders can equip themselves to navigate the tidal wave of change and emerge stronger, more resilient, and better positioned for future success. This report serves as a compass to guide you through this transformative journey and help you chart a course to thriving in the digital age.

Reimagining the Shared Services Operating Model for Enhanced Technology, People and Process

Reimagining the Shared Services Operating Model for Enhanced Technology, People and Process

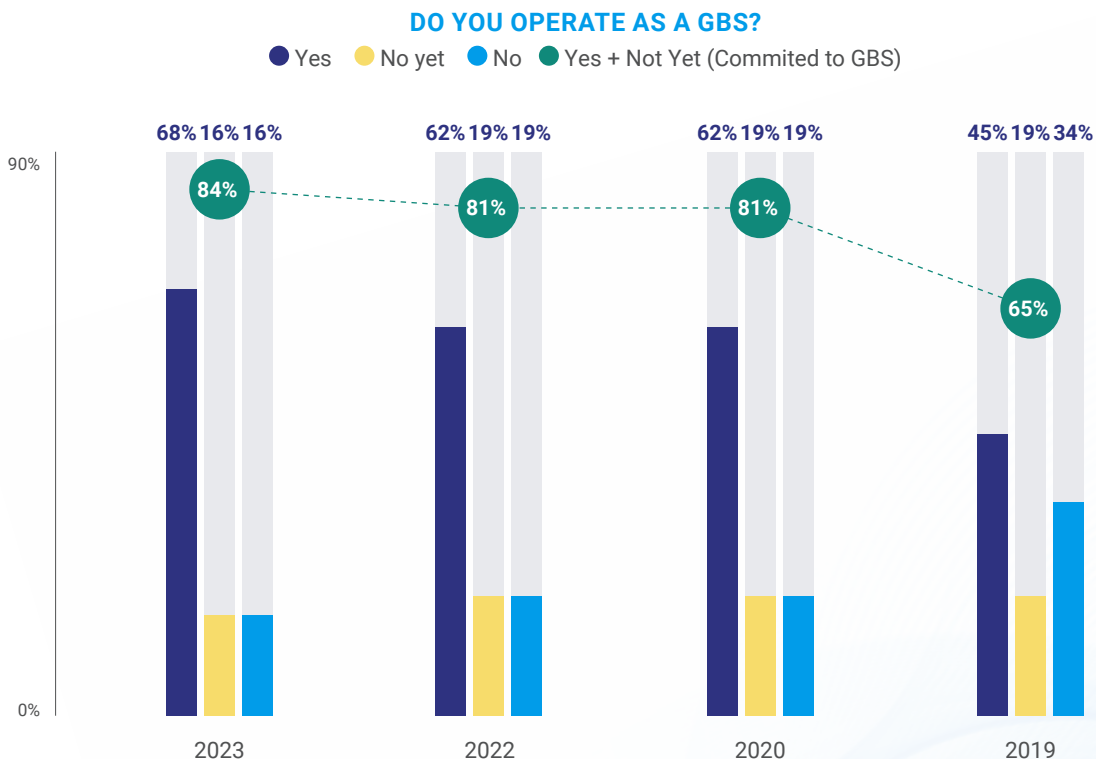
The traditional GBS/SSO model is undergoing a significant transformation, driven in part by the demand for increased agility and responsiveness promised by automation. Organizations are, therefore, reimagining their operating models to leverage the power of advanced technologies, build a future-proof workforce, and optimize activities for maximum effectiveness. Solutions include adopting a cloud-based architecture, banking on automation and AI, and developing a culture of continuous learning and improvement.

GBS is the Model of Choice

Over the past five years we have seen steady, consistent growth of the GBS model, with 68% of survey respondents already operating as GBS, and another 16% planning to adopt GBS soon. As the data shows, the *overall commitment* to global business services (illustrated by the yellow line) has risen from 65% in 2020 to 84% today.

The reason GBS has become the *de facto* model of choice is not hard to understand. Through its centralized

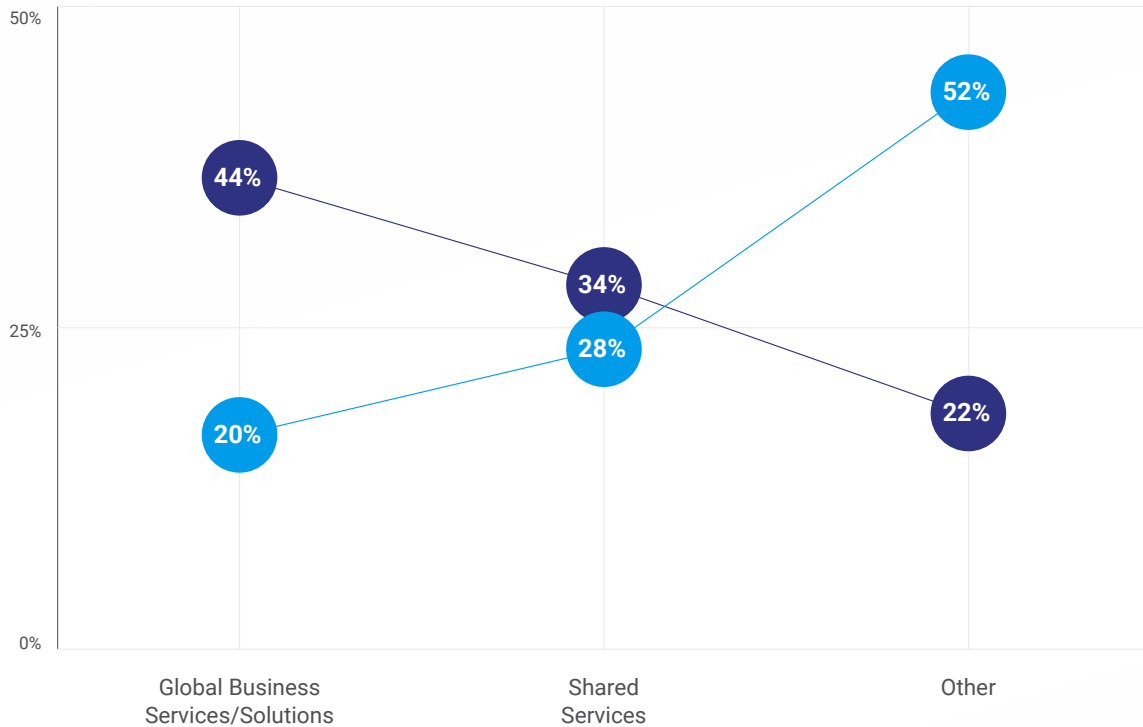
leadership and global scope, GBS offers a more comprehensive solution to multinational enterprises, leveraging knowledge, capabilities and expertise across global operations. The model also distinguishes itself by shifting the focus from transactional efficiency, which has defined shared services to date, to supporting business success in a far more strategic way: contributing to core value in terms of cash, impact on working capital, margin and market growth.



We also see this trend reflected in naming strategies, as the market aligns on “global business services.” In recognition of the accelerated adoption of GBS and the need for greater understanding of the model’s foundation, SSON Research & Analytics sponsored a new award in 2023 to identify the “World’s Best GBS,” and developed a GBS Model reflecting the three levers, four enablers, and eight dimensions we consider core to GBS value. The result is a visual model with value at its core. (You can read more about the [Award](#) and the [GBS model](#) online.)

WHAT BEST REFLECTS YOUR “NAMING” STRATEGY?

● 2023 ● 2021



SSON Research & Analytics subscribers can download a comprehensive review of GBS performance drivers here: “The World’s Best GBS”

An analysis of high-performance GBS based on SSON’s 2023 The World’s Best GBS Award Applications



DOWNLOAD HERE

Hybrid Ownership Defines Structure

First, a quick recap. The Landlord model is generally defined as centrally provided facilities management, administrative services, HR services, metrics reporting, infrastructure, and capabilities like cross-functional collaboration, continuous improvement, or program and change management, in an offshore location while the business takes the delivery risk. What is missing in this scenario is the ownership of people, process (i.e., GPOs) and sometimes even technology.

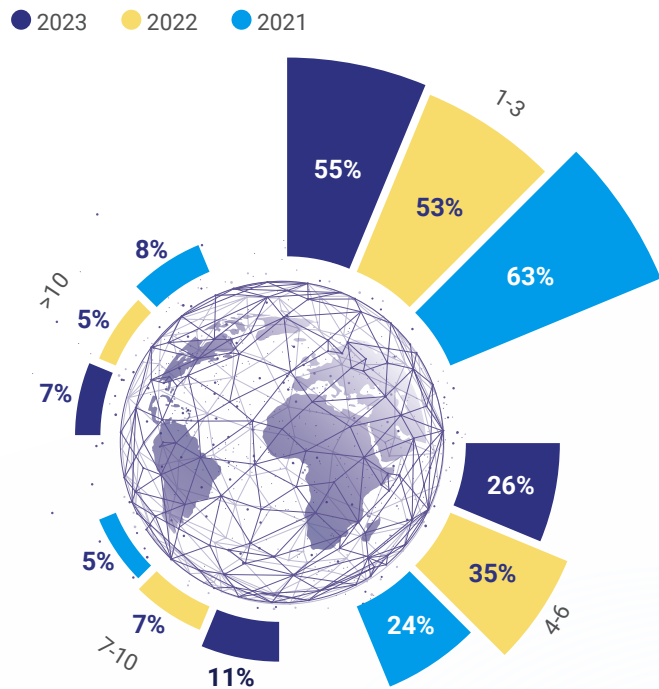
If we compare the past two years’ data, we see more than 50% of the market reflecting a “mixed” landlord/ownership-based service delivery model with a slight uptick, however, in *pure* ownership of about 5% year-on-year. While a landlord model is an “easy” approach, it’s not one that could take the initiative to realigning the enterprise or spearheading a new approach. It’s true that during the unsettled times of the pandemic the landlord model provided reassuring stability, but the greater power vested in the ownership model may drive more value add for the organization. (For more details read [this article](#)).

Scope Expansion

We also see a shift towards *more* global centers, not less, as SSO/GBS expand into tailored offerings for specific markets and offer more customized local solutions to complement standardized global processes. While the sweet spot is three centers, roughly 40% of the SSO/GBS surveyed have more than four centers, and some leading GBS run more than seven centers around the world. These are frequently “spokes” radiating out from centralized “hubs,” and provide better access to alternate labor markets. They also distribute risk across various teams. Today, of course, it’s much easier to support such small centers as scalability is vastly improved and the concept of a “minimum size” hardly exists anymore. (In the past, 300 FTEs were considered the smallest viable center size but today even 50 FTEs can work.)

We see a similar growth trend in scope, with 85% of SSO/GBS planning to expand their scope of service and geography in 2024. Our research covers 42 service lines this year, with continued growth in new offerings, including more around ‘core’ business. While financial processes still define most shared services activity, nearly half of the SSO/GBS surveyed are now offering master data management and nearly 40% offer talent management, tax support, and data analytics. In addition, a quarter provide front office support through customer contact centers, and nearly 20% provide risk management as a service.

HOW MANY SHARED SERVICES / GBS CENTERS DOES YOUR ORGANIZATION RUN GLOBALLY?

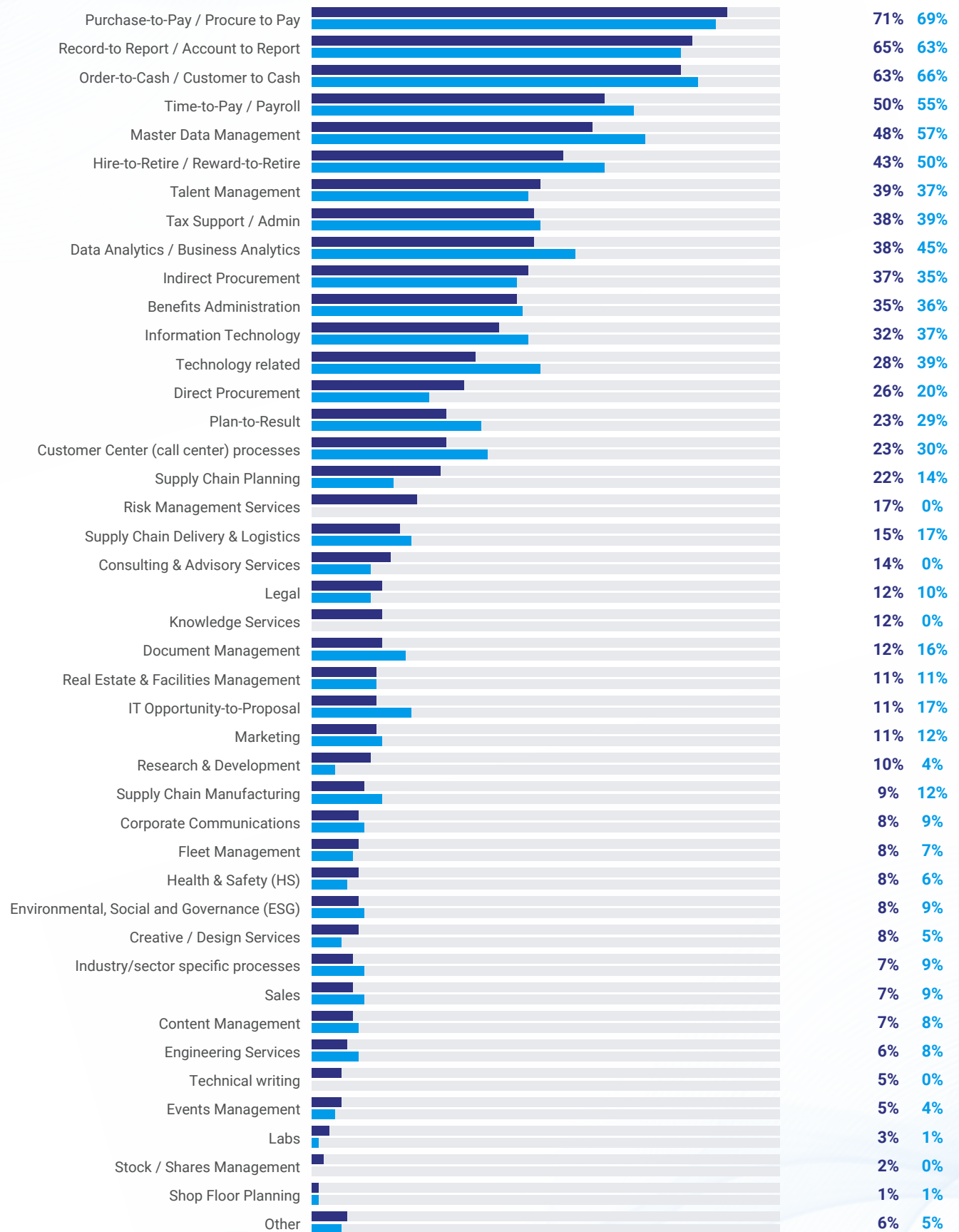


Another notable area of development is that of consulting and advisory services (14%), with many SSO/GBS adding this capability in order to reduce corporate spend on third party consultants.

On the other hand, it’s perhaps surprising to note that only 12% are offering document management, and only 8% ESG services, based on survey results.

WHICH OF THE BELOW LISTED SERVICES/FUNCTIONS DOES YOUR SSO/GBS PROVIDE?

● 2023 ● 2021



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Workforce Optimization, Staffing and Talent Management



Revolutionizing Workforce Optimization Through Analytics

In today's dynamic and fast-paced business landscape, organizations are constantly seeking ways to improve efficiency, productivity, and overall performance. Workforce optimization has emerged as a critical strategy for achieving these goals, and technology plays a pivotal role in this process, specifically workforce analytics.

Analytics-based workforce optimization platforms are designed to provide organizations with valuable insights into workforce productivity and operational processes, enabling data-driven decision-making that unlocks the full potential of their workforce.

ProHance is approaching workforce optimization from the first principles of productivity, i.e. understanding how the workforce spends its time and whether there are ways to improve work and activity patterns. This helps SSO/GBS understand work patterns, gaps, shrinkages, and leakage in their operations, which, when fixed, can deliver over 20% improvement in productivity.

The conventional journey of process mining, optimization, and automation is both time-consuming and costly. Workforce analytics take a different approach, by focusing on often-overlooked low-hanging fruit identified through real-time work patterns. This unique perspective on workforce dynamics identifies key transformation levers that significantly impacts operational efficiency:



Optimized Staffing - organizations can understand the actual staffing requirements necessary to meet expected deliverables or desired outcomes, ensuring resource allocation aligns with business needs.



Optimizing Utilization Patterns and Workload Distribution - By scrutinizing workload distribution and identifying peak productivity periods, SSO/GBS can make informed decisions about staffing levels and task assignments. The result is a more efficiently utilized workforce, reduced burnout, and heightened overall job satisfaction.



Improving Application and Technology Landscape - Understanding how the current application and technology landscape is being used reveals potential challenges or inefficiencies in workflows and offers a strategic viewpoint for optimization.



Reducing Process Bottlenecks - Focusing on context switching and task processing times is an efficient way of identifying bottlenecks without expensive process mining projects.



Optimized Outsourcing – Workforce productivity analytics allow organizations to optimize their BPO partnerships by reducing bottlenecks and right-sizing teams. This also contributes to cost optimization.



Talent and Location Strategy - Comparative analysis of workforce productivity, efficiency and utilization patterns across different locations facilitates informed decisions regarding location strategy, identifying the most cost-effective productivity across different geographical locations.

ProHance goes beyond traditional time-tracking tools and is a platform that helps drive workforce optimization. The platform equips managers and decision-makers with intuitive dashboards, providing a holistic overview of workforce performance metrics and ensuring the global talent pool is optimized in terms of its measurable productivity – aligning the workforce with overarching business objectives.

ProHance is a game-changer in the realm of workforce optimization. Its real-time monitoring, in-depth analytics, and visualization capabilities empower organizations to boost productivity and enhance employee satisfaction. As businesses continue to navigate the complexities of the modern workplace, ProHance Analytics emerges as a strategic ally in achieving operational excellence and staying ahead of the competition.



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PROHANCE



Workforce Optimization, Staffing and Talent Management

Digital workflows are replacing paper-based processes, streamlining operations and improving efficiency. This trend is driving SSO/GBS to equip their workforce with the necessary digital skills to operate and excel in the new technology-driven ecosystem. As a result, talent capabilities are under the spotlight, with organizations focused on upskilling and reskilling employees, developing new talent models, and embracing flexible work arrangements to attract and retain the really key talent they so desperately need to meet their objectives.

Workforce Analytics

People are at the core of any business, so it is imperative to continuously look for ways to engage, train, and retain talent in today's challenging and ever evolving talent environment. One way that is proving effective is to replace traditional, gut-based management with innovative technology that supports data-based decision making across the dynamic and distributed workforce of today. These technologies can provide deep analytical understanding regarding work patterns, talent gaps, shrinkages, and leakage – all of which can impact up to 20% productivity – to drive continuous improvement.

There is significant low-hanging fruit to be mined in the form of studying and improving work patterns. Such tech-driven insights can help organizations solve the overstaffing issue, for example, by identifying the optimum staffing requirements necessary to meet desired outcomes. Resource allocation can be brought in line with business needs, aligning staffing with overall objectives. Additionally, it is easier to retain the right talent with smart analytics on workload at

both team and individual level. Employees leave when they're overworked (usually, the most valuable ones) or when they do not feel well-utilized. Real time views into workload patterns help balance the workload quickly with a clear impact on employee well-being and, therefore, retention.

Technology also targets process issues by identifying potential challenges and inefficiencies in current workflows. Understanding leakage as a result of distractions or context switching also leads to better understanding of bottlenecks like non-core work, emails and meetings.

Workforce analytics can be significant in managing outsourcing partners. Organizations can set benchmarks for productivity and efficiency and make data-driven decisions on right-sizing, to ensure value for cost. At the same time, a comparative analysis of work patterns, efficiency, and utilization of resources facilitates informed decisions regarding location strategy.



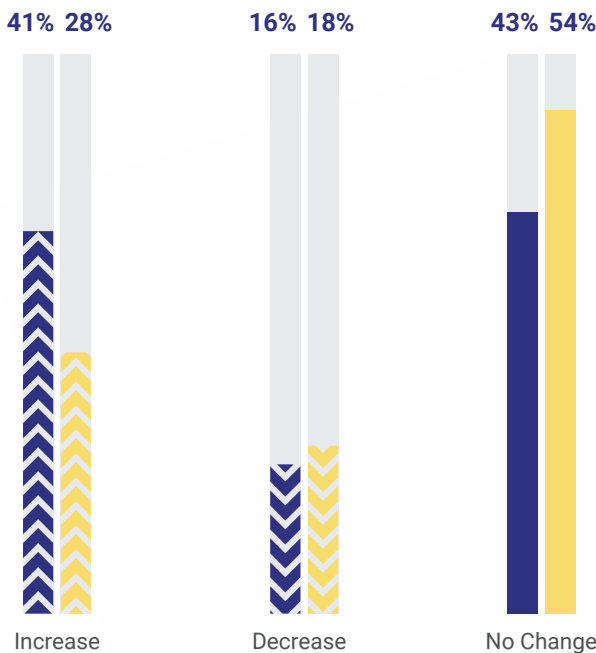
Workforce Outsourcing Expands

Year over year, our surveys confirm a relatively constant 50% of the SSO/GBS market relies on outsourcing, in some shape or form, to meet its targets. This year’s survey also points to a planned growth in outsourcing activity among those who already outsource.

Our research indicates that the main reasons for outsourcing, beyond cost, are to access labor markets (talent), skills, and technologies, all of which might be more elusive inhouse where shared services compete with other more *front-of-house* segments that tend to be prioritized.

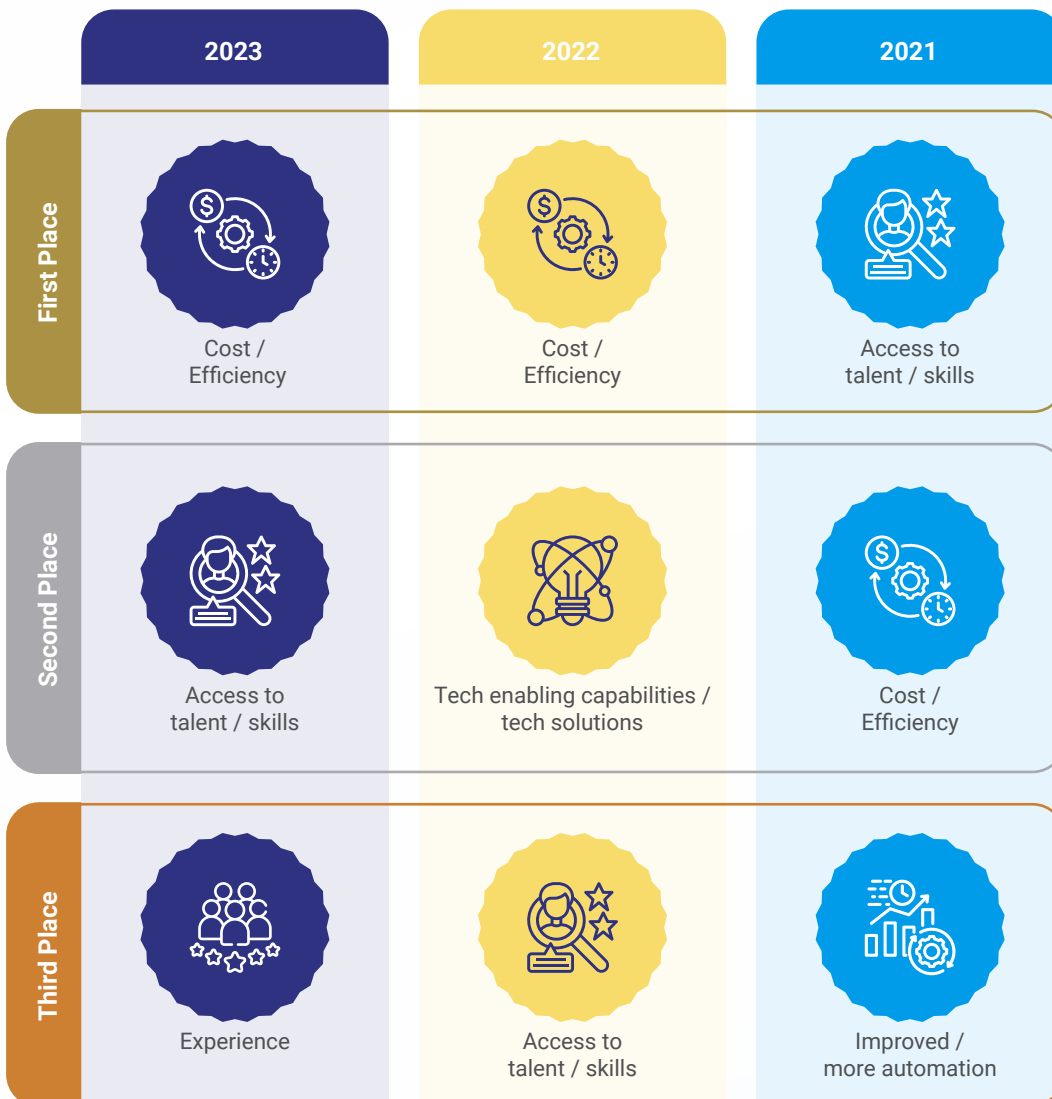
IF YOU OUTSOURCE, WILL YOUR USE OF OUTSOURCING INCREASE OR DECREASE IN THE NEXT YEAR?

● 2023 ● 2022



If we consider the top three perceived benefits of outsourcing over the past three years, we see cost ranked fairly consistently in first place – apart from the pandemic years, where access to talent was suddenly most important. What’s interesting this year is that we see *experience* suddenly emerging in the top three rankings. This aligns with the overall prioritization of both customer and employee experience as both driver and determinant of shared services success, and as an objective in its own right. Outsourcing is thus now recognized as a viable channel to deliver improved experience.

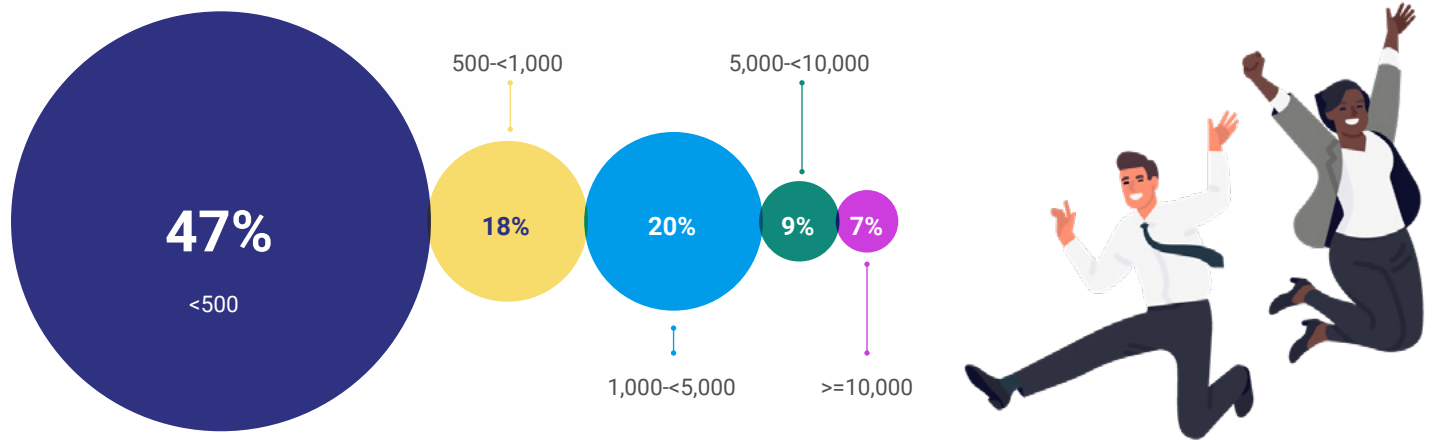
WHAT ARE THE TOP 3 BENEFITS OF OUTSOURCING?



Center Size Reducing

The survey shows two-thirds of shared services falling into the “less than 1000 FTEs” category. Comparing the data over previous years, we see a trend for center size to reduce, with nearly half of the centers now falling below 500 FTEs (including both captive as well as outsourced staff). This may correlate with the increased number of centers referenced earlier. On the other hand, existing metacenters (more than 10,000 FTEs) do work for certain organizations, though our data shows a reduction in these very large centers overall. The trend is for the workforce to become more efficient and productive and be able to do more with less. These improvements appear to be translating into lower numbers of center FTEs over time.

WHAT IS THE TOTAL NUMBER OF SSO/GBS STAFF (CAPTIVE & OUTSOURCED) ACROSS YOUR ENTIRE SSO/GBS ORGANIZATION (ALL GLOBAL LOCATIONS)?



Chasing Talent

These FTEs, however, are more important than ever in terms of the skills and capabilities they bring to the table. The pandemic unleashed a frenetic period of chasing talent that was in sparse supply, at least as far as key skills were concerned. This may be one of the reasons we see an expansion of locations or organizations running more centers – the ability to tap into localized talent strengthens the overall sustainability of the SSO/GBS organization.

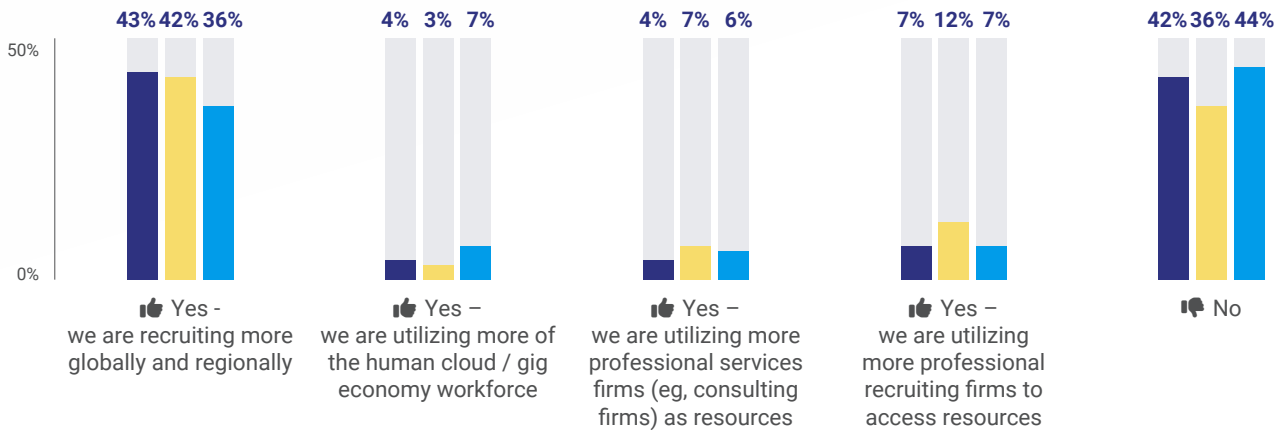
WHAT EFFORTS ARE YOU MAKING TO ATTRACT TALENT IN GENERAL?



In terms of attracting talent, therefore, organizations are deploying the same strategies they did last year, leading with a revised employee value proposition which takes employees’ desires and expectations into account. Companies with a strong or recognizable brand are leaning heavily into this to attract the attention of potential recruits, and nearly half of the SSO/GBS surveyed are broadening their talent acquisition channels to include new digital opportunities, for example. Compensation & benefits are listed only in 5th place – in other words, not even in the top three levers organizations are deploying to attract talent. One trend that is emerging is the targeting of non-traditional capabilities – so not typical functional or language-based capabilities but new digital and technology specific skills, to which we might add empathy (see chart).

HAS YOUR RECRUITING STRATEGY CHANGED AS A RESULT OF FUTURE OF WORK (FOW) TRENDS OVER RECENT YEARS?

● 2023 ● 2022 ● 2021

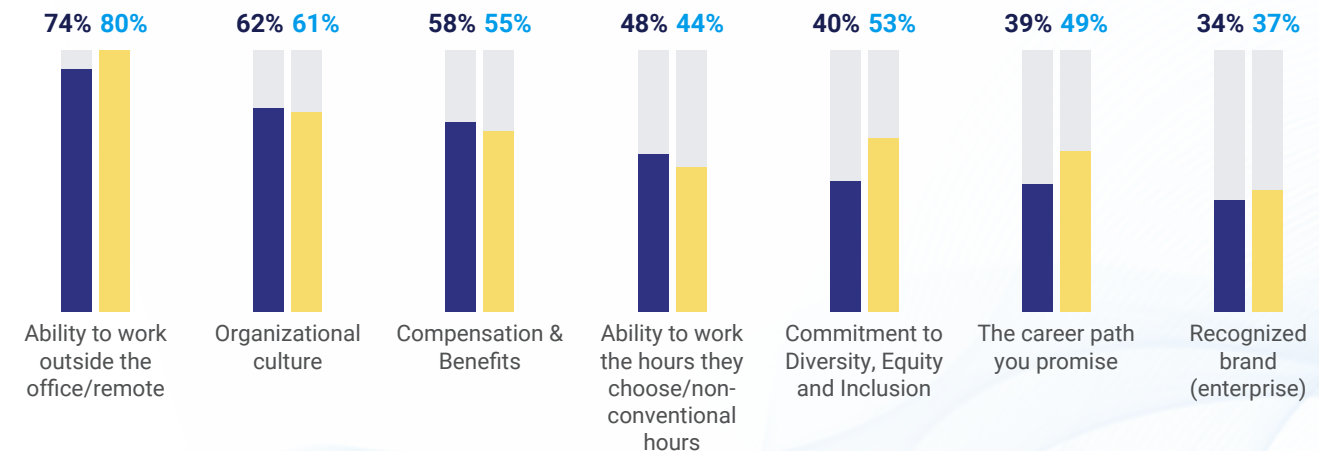


As far as recruiting itself goes, the trend towards location agnostic hiring continues, meaning less focus on a potential recruit being in a specific location. Over the past three years we’ve seen more global and regional hiring, as a result – jumping from 36% to 43%.

At the same time, shifts that seemed to indicate a new strategy (for example, the gig economy) experienced a momentary blip during the pandemic but have since declined; and we are seeing more organizations bringing recruiting and consulting in house to save money, rather than spend on third parties.

WHAT ARE THE KEY ELEMENTS GEN Z ARE LOOKING FOR? WHAT MOTIVATES THIS DEMOGRAPHIC?

● 2023 ● 2022



We already referenced the challenges in recruiting talent that’s needed to operate successfully in today’s shared services ecosystem. Specifically where the incoming workforce demographic is concerned, shared services recognize their desire to work remotely, which is the leading factor in attracting Gen Z. Other factors influencing Gen Z’s choices (according to SSO/GBS leaders’ perceptions) include organizational culture (more important and more transparent than ever thanks to social media channels), and compensation and benefits, here listed in third place.

Year on year data shows a slight dip in some of these elements,

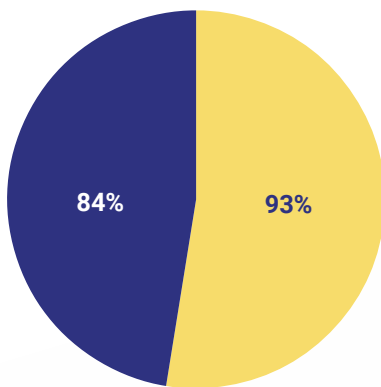
perhaps because they have become commonplace (remote work is *expected* today), but at the same time we see Gen Z placing slightly more emphasis on financial compensation and the flexibility of being able to choose their own working hours. This might translate into a more self-assured demographic that recognizes its worth and demands to be rewarded appropriately. In short: things are not getting easier for employers as this demographic continues to hop from place to place.

The short termism of Gen Z is confirmed by the fact that career pathing appears to be less of a priority, and while they value training

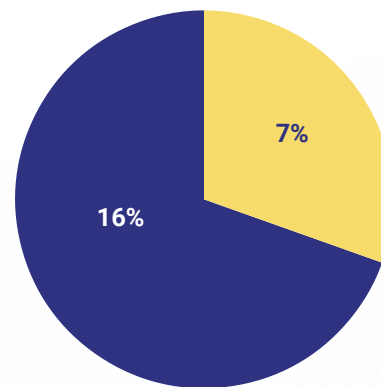
they don’t appear to connect this training with career progression. This could mean less loyalty to employers (which many shared services have already witnessed) and more focus on building specific capabilities that can be carried from one employer to the next. So, while the gig economy doesn’t appear to feature from an employer’s perspective, employers may be forced to adopt gig type behaviors in the face of roving employees. And while no one expects this demographic to stay in a job for a lengthy period, this year’s data shows more optimism: compared to a year ago, twice as many SSO/GBS believe incoming Gen Z’s will stay beyond three years (16% compared to 7%).

RETAINING THIS YOUNGER DEMOGRAPHIC IS PROVING CHALLENGING. REALISTICALLY, BASED ON YOUR EXPERIENCE, HOW LONG DO YOU THINK THEY WILL STAY?

● 2023 ● 2022



3 years or less



>3 years





Optimizing Process Performance



The Tools and Skills Needed to Optimize Process Performance

If Shared Services are facing a tidal wave of change, optimized process performance is the port in the storm. By improving the fundamentals of how business gets done, Shared Services can deftly navigate challenges, while creating value and expanding their remit.

Last year I wrote here about the growing remit of Shared Services and expansion into controlling cost exposure, accelerating digital capabilities, and increasing purchasing power. This year's report reveals that expansion continues, with a sharp focus on customer-centricity.

Safe to say, gone are the days of Shared Services solely focused on cost-cutting efficiency drives. Instead, today's top teams are called on to create value and exceed customer expectations with everything they do.

A tall task. Especially when the processes behind everything they do are not working as well as they should. So, what's getting in the way of process optimization? It's not awareness of the need to do it, it's the ability to take action.

This *inability* is caused by a big *disconnect* at the heart of most enterprises. Departments speak their own languages, systems don't play well together, and processes are hard to see and harder to improve. The fallout: SLAs are missed, efficiency stagnates, and customer needs go unfulfilled.

As you'll read in this chapter, here is where technologies like process mining come into play. Process mining creates a *living, moving digital twin of a business's processes*.

In doing so, users get end-to-end visibility of how their processes run and insight into how to improve performance.

The other technology now firmly in play is AI, which holds nearly limitless potential for improving processes. However, it's important to take a flexible approach to AI that can move and grow with the business – and the underlying processes. Otherwise leaders risk making an expensive, underwhelming tech investment rather than achieving the big, impactful performance improvements they're after.

Blending the right tools with the right skills is key. I've seen how putting process mining into the hands of problem solvers takes it to the next level. That's because there are often two challenges to overcome when it comes to improving enterprise performance: the first is the tangible change, like understanding what prevents optimal payment behavior. The second is the change management needed to get out there

to proactively rectify the issue and refuse to slide back into old ways of working.

Shared Services pros tend to be natural-born problem solvers so it comes as no surprise that employers want more of the same. Indeed, the survey finds problem solving to be the top priority skill for recruitment and training.

While it can be tempting to approach process performance optimization with a vision of making massive leaps forward, it's more realistic to view it as a game of inches. Methodically cutting costs, dedication to exceeding customer expectations, and always looking for ways to grow the remit. Shared Services that push the optimization agenda forward every day stand to outperform their competition over the years to come.



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Product Marketing Manager





Optimizing Process Performance

Process excellence lies at the heart of the shared services model. Organizations are continuously seeking ways to improve process performance by identifying bottlenecks, eliminating redundancies, and standardizing procedures. This involves leveraging process mining tools, data analytics, and automation to gain insights into process performance and identify areas for improvement.

Three areas define success in process optimization: having the right people with the right skills and capabilities; having the right tools and solutions that drive optimization; and overcoming internal silos – in other words, more effectively managing a process end-to-end

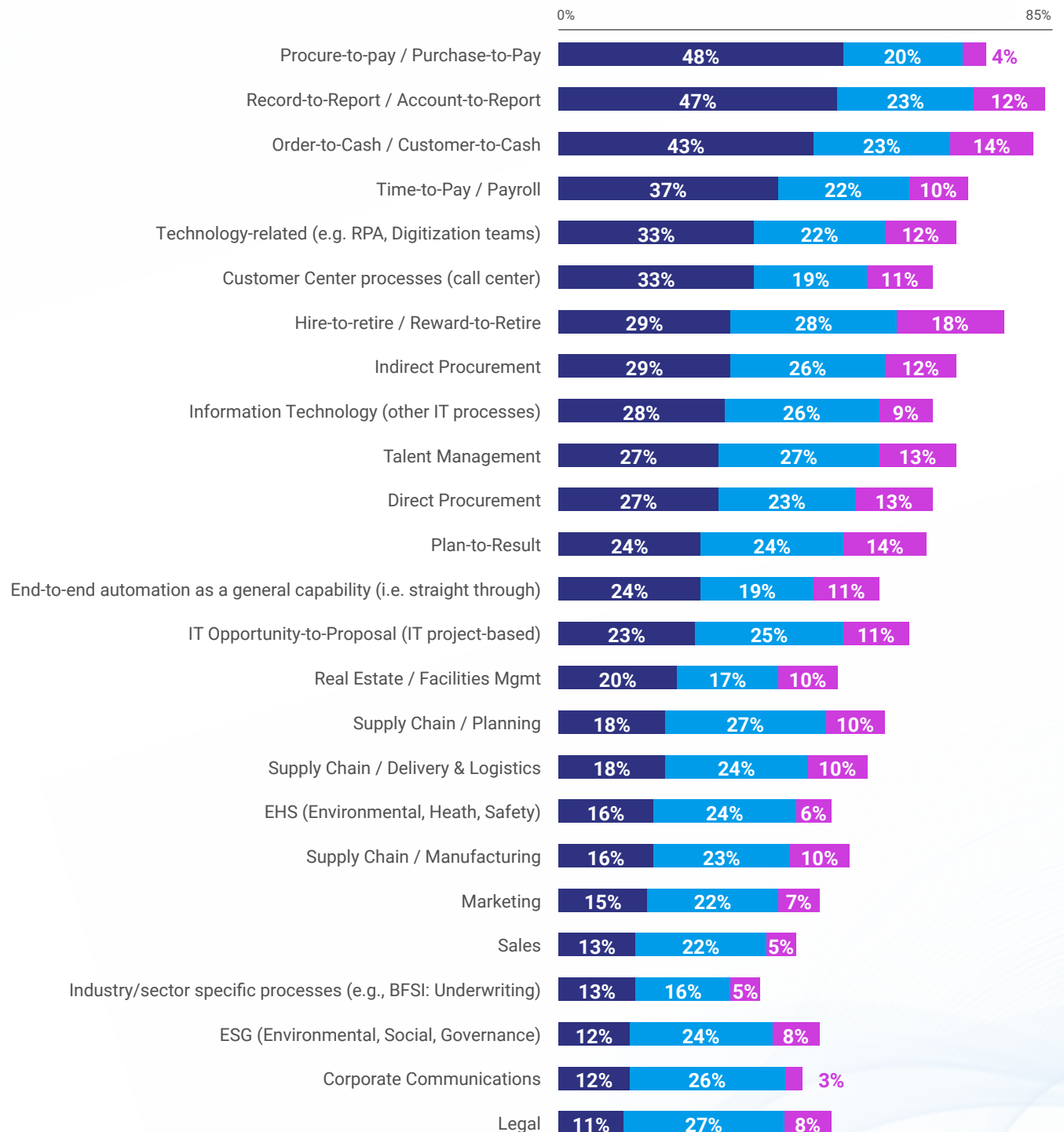
WHAT APPROACHES HAVE BEEN MOST EFFECTIVE IN ACHIEVING PROCESS OPTIMIZATION?



The end-to-end approach is significantly aided by Global Process Owners, who have the visibility and influence to drive improvements. Unsurprisingly, we see GPOs most represented in core end-to-end finance processes, but half of the SSO/GBS surveyed have introduced GPOs in hire-to-retain, and we also see strong inroads in talent management and technology related services as well as in procurement.

FOR WHICH OF THESE PROCESSES DO YOU HAVE A PROCESS OWNER (GPO OR SIMILAR), WHETHER FULLY OR PARTIALLY IMPLEMENTED?

- Yes it exists, and the GPO sits in SSO/GBS
- Yes it exists, and the GPO sits in the business (outside SSO/GBS)
- Not yet but planning to



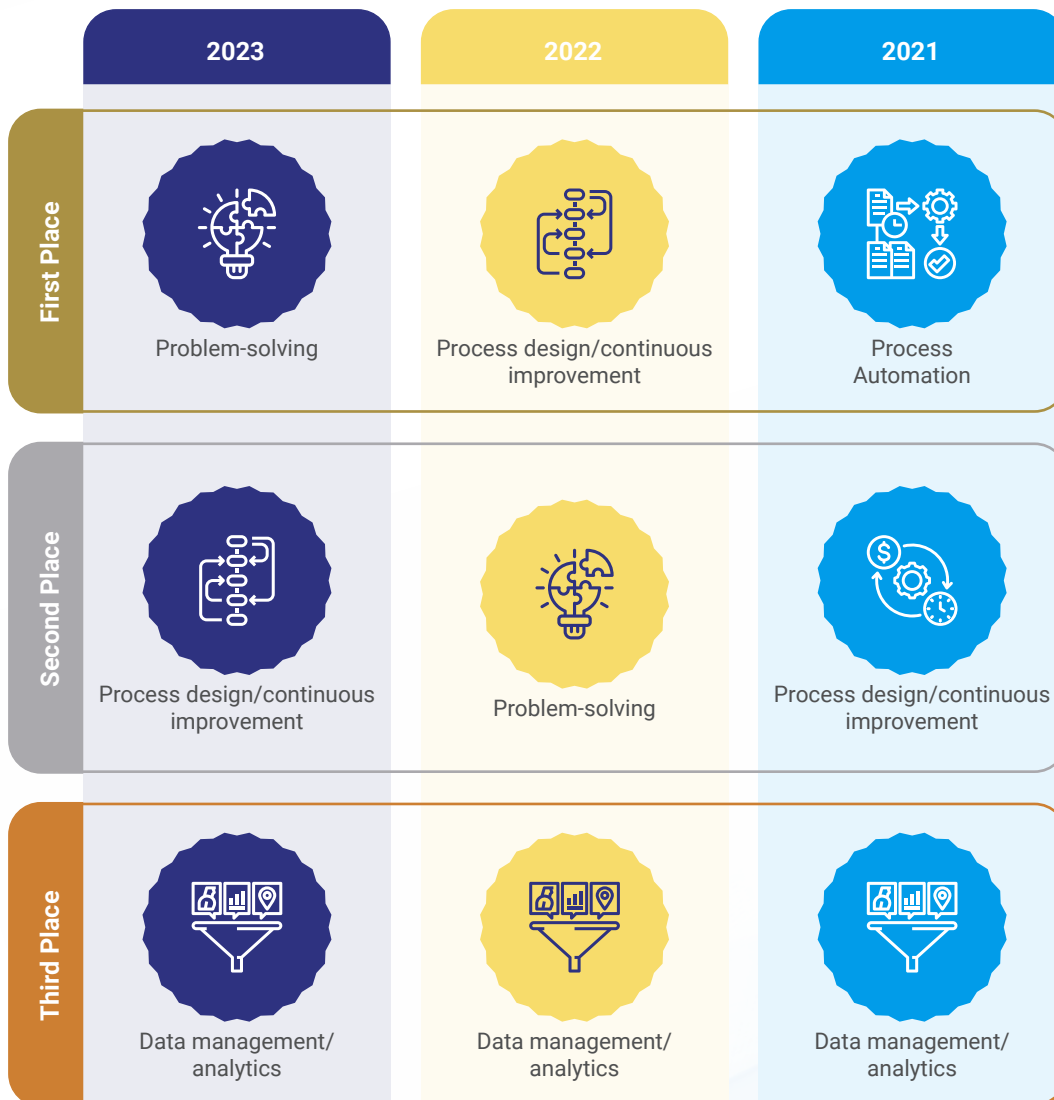
Additionally, organizations are embracing agile methodologies and adopting a data-driven approach to decision-making to optimize process performance and business success. Our survey highlights Process Design/Continuous Improvement as still ranking among the top skills for next year (they led the list a year ago). What the data indicates is a shift from pure process design and automation towards more tailored solution provision, reflecting a more holistic approach towards customers. The more capable the shared services teams, as opposed to purely transactional, the more shared services move up the value chain.

The leading skill or capability sought is Problem Solving, which relies on data analytics to offer solutions. The

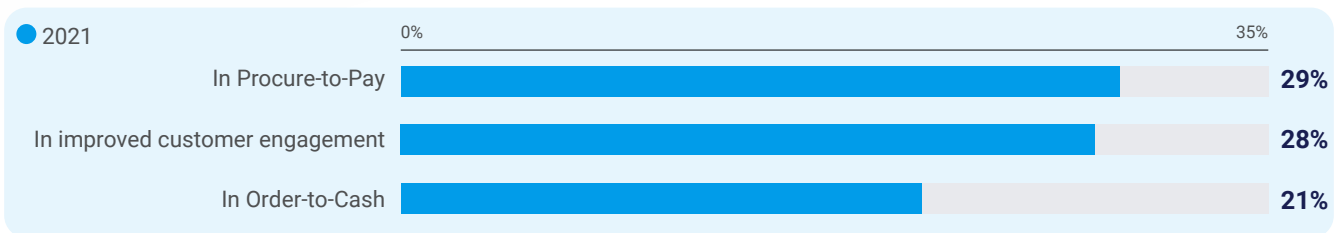
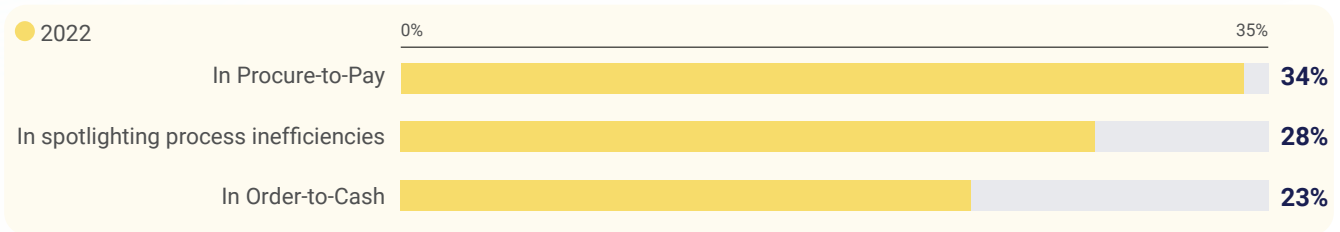
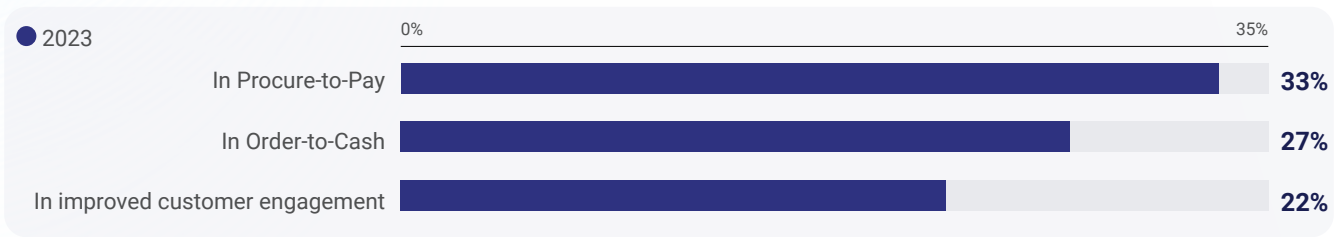
greatest opportunities to leverage analytics are still in finance, whereby a focus on end-to-end is a common denominator: procure-to-pay, order-to-cash, and record-to-report are all positively impacted by data analytics-based insights. Customer Engagement ranks among the top three and Identifying Process Inefficiencies among the top five areas most positively impacted by data analytics – i.e., reaping the biggest rewards.

It’s worth pointing out that empathy has been continuously increasing as a *skill in demand* over the past few years. The ability to empathize with customers is foundational to good service and it’s encouraging to see this “skill” rising at a time when diversity, equity, and inclusion are under the spotlight.

WHAT ARE THE TOP 3 SKILLS YOU ARE PRIORITIZING RIGHT NOW, IN TERMS OF RECRUITMENT AND TRAINING?



REGARDING DATA ANALYTICS, WHERE HAVE YOUR BIGGEST WINS BEEN TO DATE?



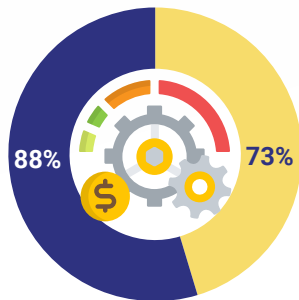
Customer Experience Reigns Supreme ★

In today’s competitive landscape, shared services are increasingly recognizing customer experience (CX) as the North Star of service delivery. This fundamental shift in focus is having a profound impact on how shared services approach process optimization. While the overarching strategic targets remain cost reduction, service excellence, and service effectiveness, each of these targets is now inextricably linked to the ultimate goal of delivering an exceptional customer experience.

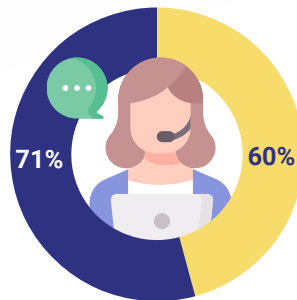


WHAT ARE YOUR SSO/GBS STRATEGIC TARGETS IN GENERAL?

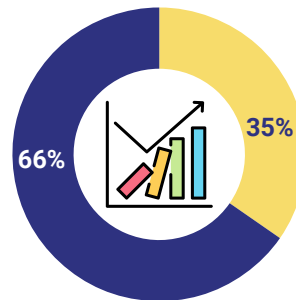
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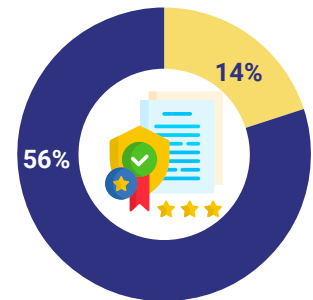
Cost/efficiency



Service excellence



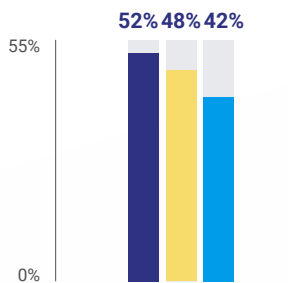
Effectiveness



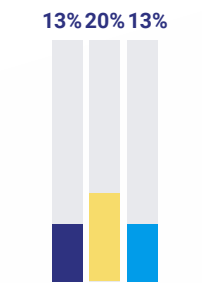
Compliance

WHAT DOES ‘CUSTOMER CENTRICITY’ (FROM THE PERSPECTIVE OF YOUR BUSINESS CUSTOMER) LOOK LIKE FOR YOUR OPERATION?

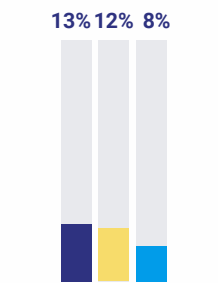
● 2023 ● 2022 ● 2021



Customer experience



Solving specific business problems for customers



Meeting SLAs / KPIs



Cost savings

The data shows Cost Savings as becoming increasingly less relevant as a measure of customer-centric service. Customer Experience is, in fact, more significant than the next three factors added together. It is the overriding feature that defines customer centricity. The others are generally about solving business problems and meeting SLAs.

Optimizing for Cost Reduction



Cost reduction is a long-standing objective for shared services. However, this is no longer solely about minimizing expenses.

Instead, it's about strategically identifying and eliminating process inefficiencies that detract from the customer experience. This involves analyzing every step of a process to identify redundancies and delays that frustrate customers and add cost.

Here is where technology can have a big impact: process mining, data analytics, and automation are a powerful trio driving insights into process performance, identifying areas for improvement, and executing these improvements.

Optimizing for Service Excellence



Service excellence encompasses understanding customers' needs, anticipating their expectations, and exceeding them at every touchpoint. This requires a deep understanding of the customer journey. Service excellence is supported by initiatives such as:

- Proactive communication: Keeping customers informed throughout the process and providing updates on the status of their request.
- Personalization: Tailoring interactions to individual customer needs and preferences.
- Self-service options: Empowering customers to resolve issues independently online.
- Omnichannel support: Providing seamless and consistent customer service across all channels (phone, email, chat, social media).

Optimizing for Service Effectiveness



Service effectiveness is measured by the ability to deliver the right outcomes for customers. This involves processes that have the greatest impact on customer satisfaction and business objectives, for example:

- Identifying and aligning with key performance indicators (KPIs) that directly impact customer satisfaction and business goals.
- Utilizing data analytics to measure the effectiveness of processes and identify areas for improvement.
- Implementing process automation and other technologies to improve accuracy, consistency, and speed of service delivery.
- Establishing clear service level agreements (SLAs) and holding themselves accountable for meeting them.

Optimizing through a CX-Centric Culture



Optimizing processes for CX requires a cultural shift within shared services and a commitment to:

- Understanding customer needs and expectations: This starts with gathering customer feedback through surveys, interviews, and focus groups.
- Empowering employees: Equip employees with the necessary training, tools, and resources to deliver excellent service.
- Breaking down silos: Foster collaboration across different departments to ensure a seamless customer experience.
- Adopting a continuous improvement mindset: Regularly evaluate and refine processes based on customer feedback and data insights.



Automation and Digitization



A Reminder on Why Automation (Still) Matters

As we step into a world of technological advances that include generative AI and AI-powered automation, promises of greater efficiency and more scalable results abound. But it's important to reflect on *why* automation is critical to the future of business processes, especially in the SSO/GBS environment.

Many teams have first-hand experience of automation reducing time spent on repetitive processes and improving team productivity and efficiency. But the benefits extend deeper into our business-as-usual activities and form the basis of why we automate our day-to-day activities.

Fewer errors

Today's complex organizations can't escape human error. It's impossible to anticipate, and costs time and money to fix when it happens. Embedded business rules within workflows can provide guardrails, effectively preventing a process from progressing until, for example, the correct answer is provided or a form is completed accurately.

Less risk

Automation allows organizations to ensure compliance with corporate policies or industry & government regulations. Risk is minimized when employees have a documented and automated process to follow and ensures all regulations are followed by every team member, every time.

Time savings

Repetitive processes take time, yet they also form a critical part of business-as-usual. Many processes run 24/7, and no downtime means there's a huge uplift in the work that is executed. Other tasks only need human interaction at certain check points to ensure governance before automation runs to completion. Faster processes and quality gates ensure a significant reduction in rework and result in positive time savings.

Cost reduction

Minimizing the time it takes to complete a task reduces cost, which can impact organizations in different ways. In some cases, throughput for existing teams is higher, allowing an

increase in productivity that leads to a lower cost-per-work item. In other cases, reducing cost may save on additional headcount, as expensive resources can be reallocated from repetitive work to higher-value activities.

Workflow

Workflow automation impacts both the short and the long term. It's become part of day-to-day business practices and is here to stay. The automation of workflows reduces errors and risks, saves time and cost, provides employees with guidance and guardrails, and is easy to scale across organizations.



Businesses strive to achieve these results. But, with generative AI and AI-powered process automation making a strong entry into the business landscape, to build for the long term we should build on the success already achieved and make sure automation continues to improve over time.



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 Manager, Sales – Northern Europe





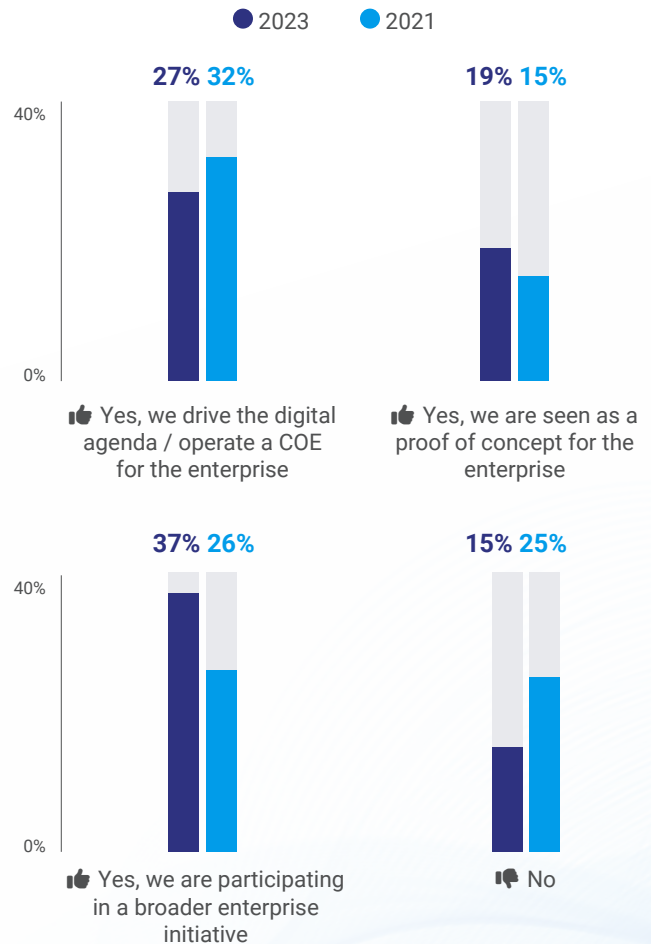
Automation and Digitization

Automation and digitization are transforming the way shared services operate. For roughly a decade now, shared services have used robotic process automation (RPA) to take the human out of the loop by automating routine tasks and digitizing documents, and thus free up human resources for more strategic initiatives. This trend has paved the way for new capabilities involving intelligent automation and now even AI-based automation, which are driving even greater, and more scalable, results.

Supporting the Digital Agenda

Shared services continue to play a role in supporting the enterprise’s digital ambitions. While the data shows an uptick in SSO/GBS acting as proof of concept or supporting broader initiatives (and we see a reduction in absolute “no’s”), there is a drop in terms of SSO/GBS actually *driving* the digital agenda or operating as a center of excellence for the enterprise. Although shared services may have played a key role to start with, many organizations have now evolved in terms of establishing IT digital teams or digital capabilities, and as a result have set up specific teams with accountability for digital transformation that are outside the SSO/GBS. The capabilities are still in play, but responsibility is tending to sit elsewhere.

IS SHARED SERVICES/GBS PLAYING A ROLE IN SUPPORTING THE ENTERPRISE’S DIGITAL AGENDA?



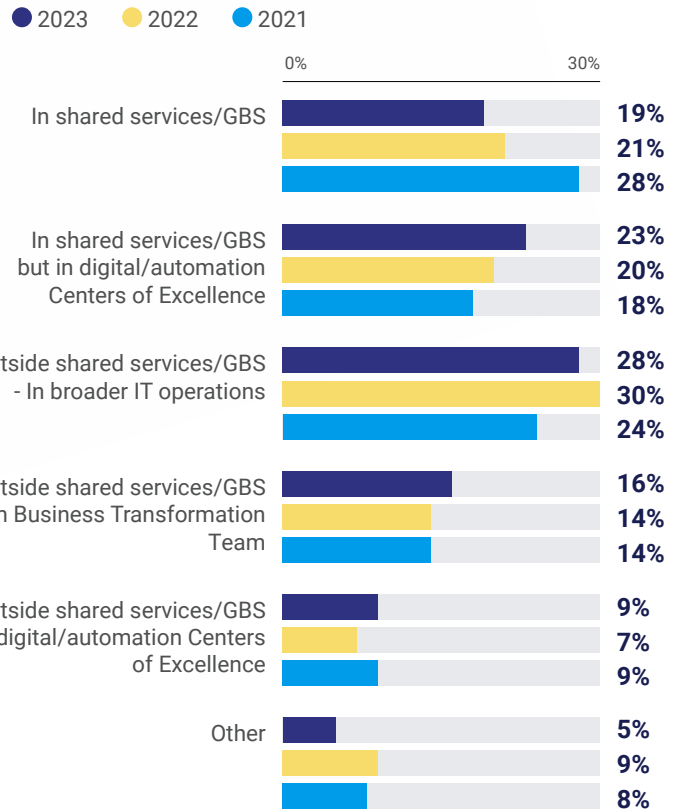
We see this trend illustrated in the chart “Where do enterprise digitization projects reside?” which confirms that the rest of the enterprise has caught up by establishing digital teams, whether in IT specifically or via business transformation initiatives, and thus increasingly shifting digitization out of the SSO/GBS environment.

Automation, however, remains a primary tool in driving process improvement and overall efficiency. The sheer number of tools and solutions has multiplied since the early days of RPA, and companies now have access to a long list of technologies to lean on. Some have proven their use and are maintained; others have been dropped. The overall trend is a continued reliance on data analytics in the year ahead, as well as automation and cloud. Artificial intelligence driven automation, while ranking lower on the list of priorities compared to other solutions, is coming on strong as of Q4 2023, driven by increasingly “generative” capabilities and widespread adoption of ChatGPT.

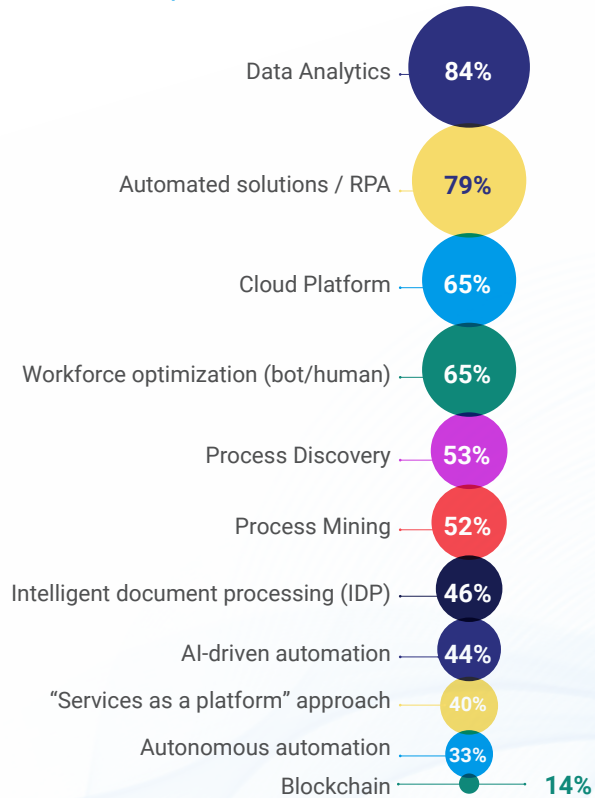
Organizations continue to focus on identifying opportunities to deploy automation through process discovery/process mining, and intelligent document processing (IDP) reflects the significant opportunities remaining to move from unstructured or semi structured data into structured data. Note that the chart reflects how tools are prioritized, not whether they are in play, and it’s important to recognize, therefore, that analytics and automation top the “to do” list in the year ahead

Automation’s impact is unrefuted. We see savings or improvements in cost, quality, and time across a variety of both end-to-end as well as specific processes. The data illustrates these successes over recent years. While finance processes have always led the list of use cases and procure-to-pay continues to top this list, there are new projects that are delivering value through automation, for example, in talent management or procurement. Other areas, like order-to-cash, may be expected to show more impact in future because of the link to working capital (see also, [How to support working capital through a best practice utilization in your order-to-cash process](#)).

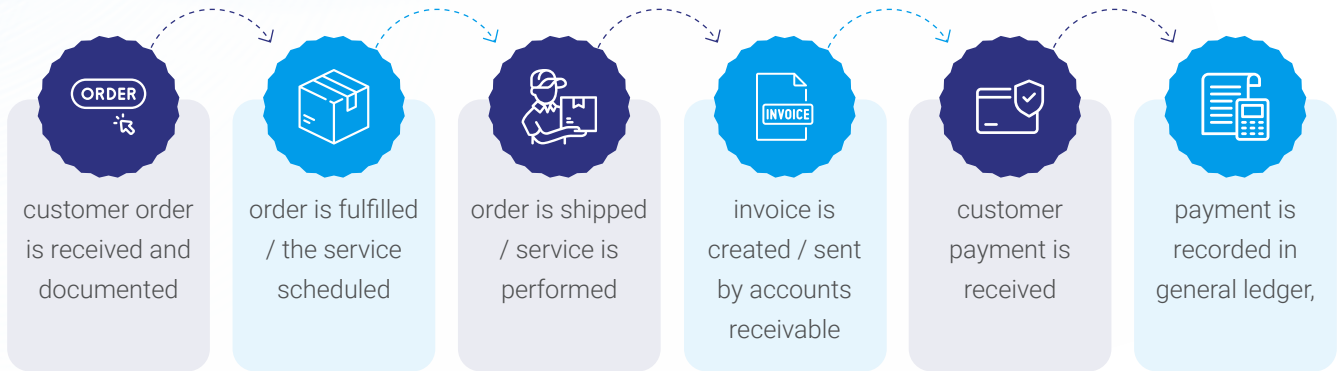
WHERE DO ENTERPRISE DIGITIZATION PROJECTS SIT?



HOW ARE THE BELOW TOOLS PRIORITIZED IN YOUR SSO/GBS?

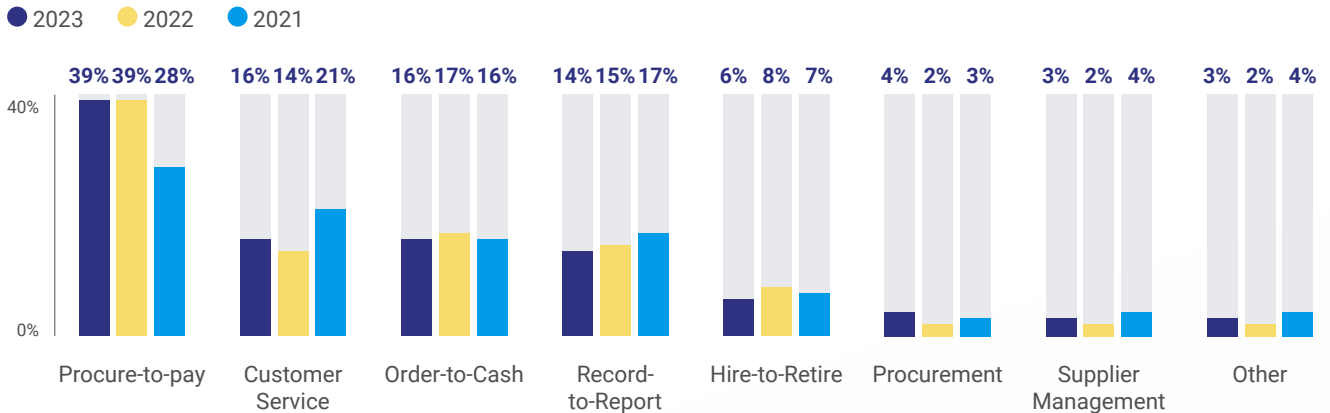


For example, let's dissect the order to cash process as follows:



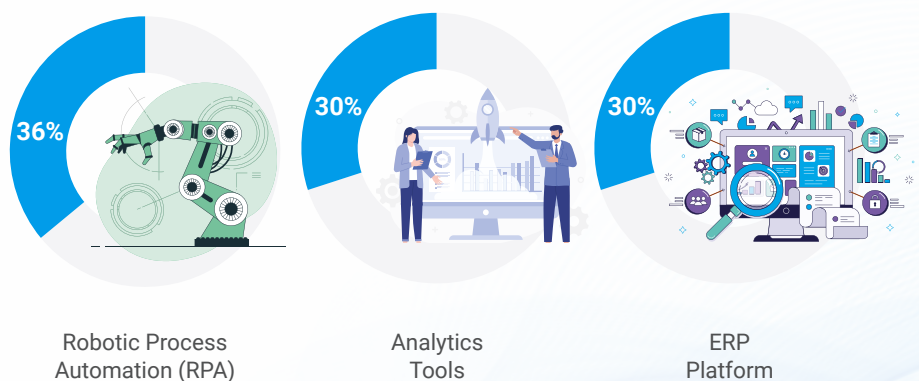
It's immediately clear just how much opportunity remains, given the importance of cash in increasingly unstable and uncertain economic environments. Analyzing process data to determine where and how automation can improve both execution and outcome will be key.

WHERE HAVE YOU SEEN THE MOST SUCCESSFUL USE CASE FOR INTELLIGENT AUTOMATION TO DATE?



Similar to the trend identified in the “tools prioritized” chart, SSO/GBS are planning to invest primarily in automation, analytics, and AI in the coming year. And while, overall, some investments appear to be falling in comparison to previous years (like RPA, IDP or chatbots), this may simply reflect the fact that they have already been heavily invested in. At the same time, we also see the industry shifting into new areas, like generative AI, that did not exist in the past.

WHAT ARE THE TOP 3 TECHNOLOGY INVESTMENT PRIORITIES IN THE NEXT YEAR?



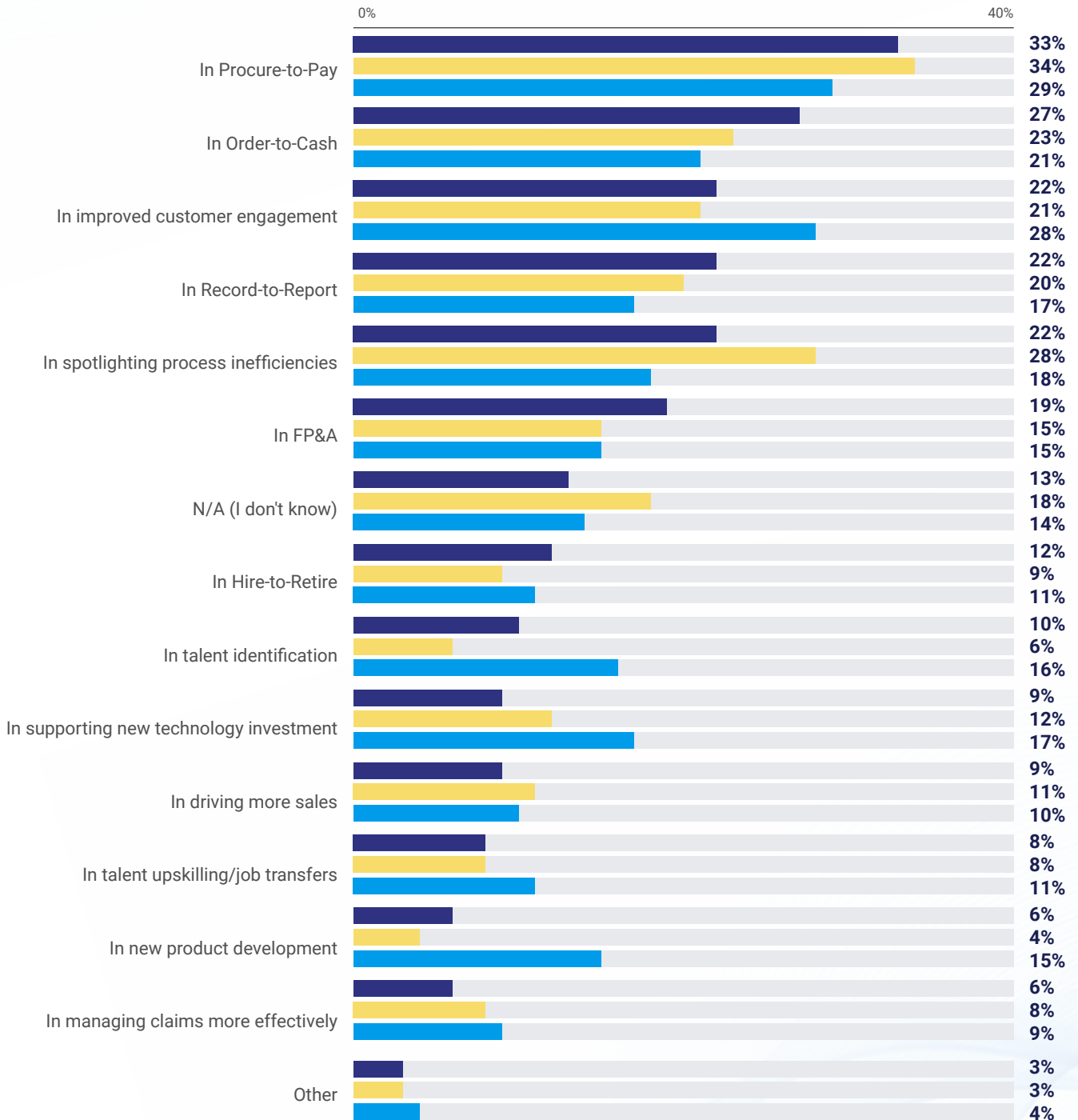
Given data analytics' high profile in 2024, the data confirms that its successes are still on the rise, especially in areas where it is important to *know your customer* like Sales & Marketing or Customer Engagement.

Despite its potential, however, the applications and wins in talent identification or talent management are still surprisingly low, perhaps because companies don't yet have the systems in place. Learning how to use analytics to identify talent that is so sorely needed, and apparently so scarce, would prove a big benefit.

More conventional areas like transactional finance, which were early proof of concepts for data analytics, continue to reap rewards from its application.

REGARDING DATA ANALYTICS, WHERE HAVE YOUR BIGGEST WINS BEEN TO DATE?

● 2023 ● 2022 ● 2021



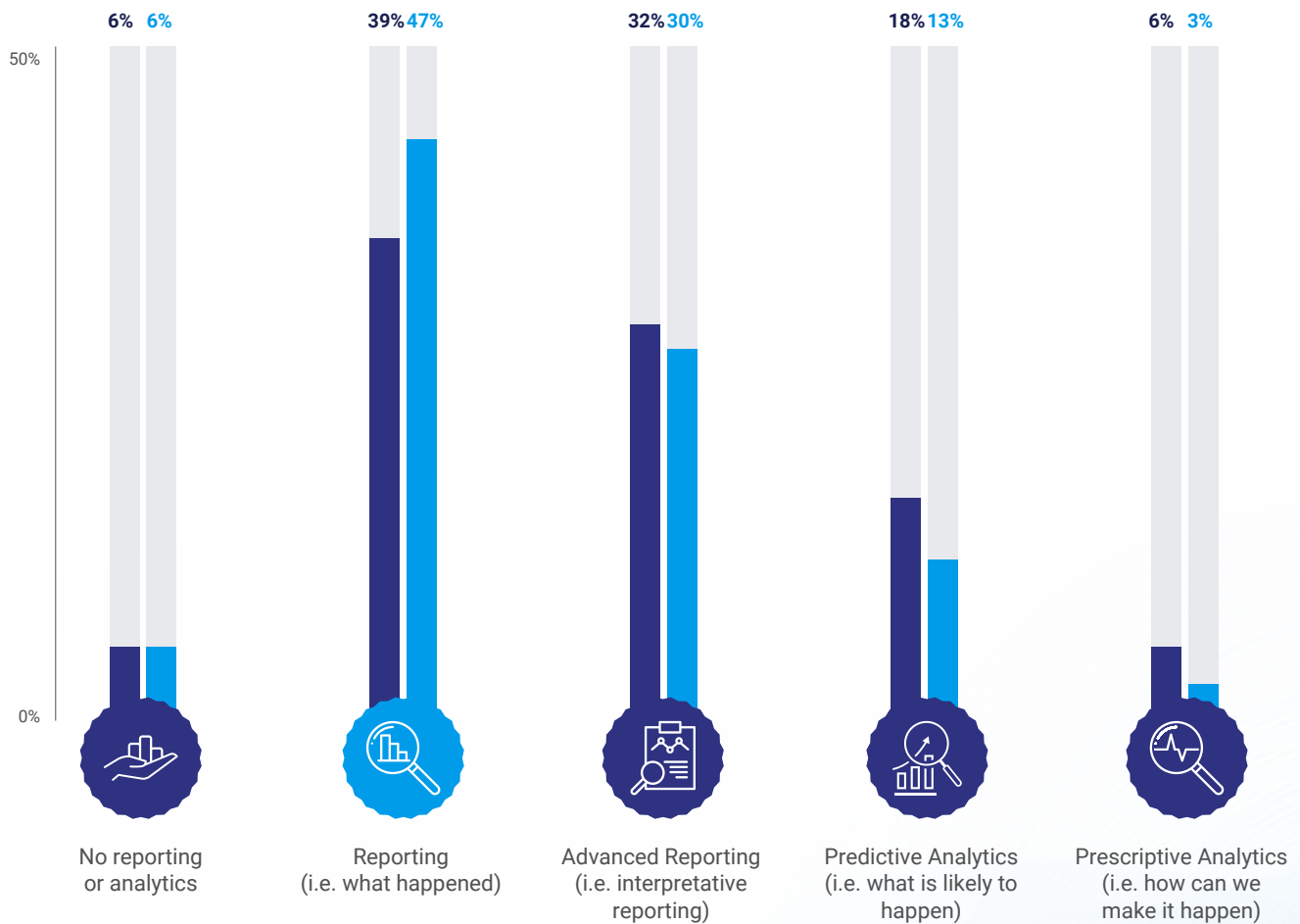
We also see a shift towards more value-adding analytics – away from historic reporting towards future-leaning predictive or prescriptive insights that help determine an optimal course of action.

This is where the real impact lies.



WHAT BEST DESCRIBES THE ANALYTICS MATURITY OF YOUR SSO/GBS?

● 2023 ● 2021



Generative AI as Gamechanger



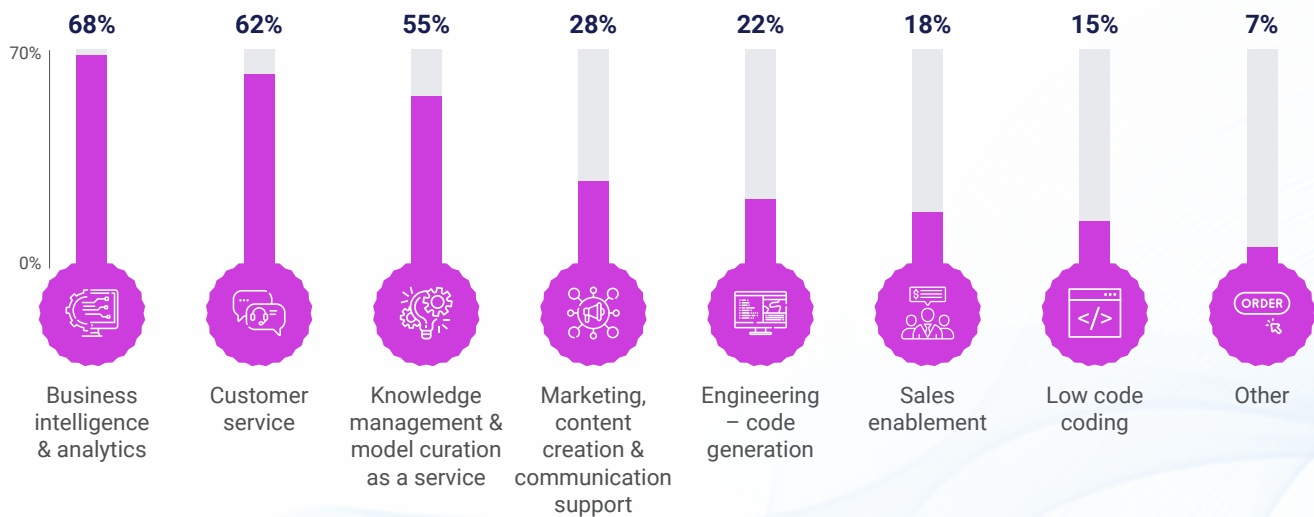


Generative AI as Gamechanger

Generative AI burst upon the scene in 2023, poised to revolutionize the SSO/GBS landscape. This technology can generate creative text formats, translate languages, write different kinds of creative content, and answer questions. By leveraging generative AI, organizations can automate content creation, personalize customer interactions, and develop innovative solutions to business challenges. As generative AI continues to evolve, its impact on the SSO/GBS industry promises to be significant. And yet, despite all the headlines, we are still at an early stage of adoption.

SSON Research & Analytics’ data indicates only 10% of SSO/ GBS are currently deploying several GenAI use cases. Roughly 30% are piloting implementations and more than half are still in the evaluation phase, awaiting more hard data before committing themselves. The main focus areas for implementation are business insights/analytics, customer service and knowledge management/curation.

WHAT TYPE OF NEW SSO / GBS SERVICES DO YOU PLAN TO OFFER SUPPORTED BY GENERATIVE AI?

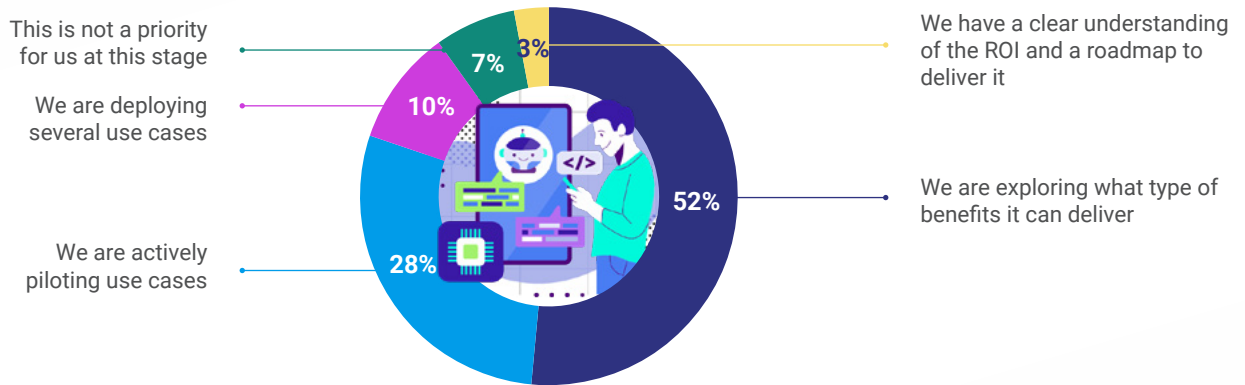


The SSO/ GBS team is playing a leading role in testing and potentially implementing GenAI solutions. According to our research, 70% of SSO/GBS confirm that they, generally in collaboration with IT, are responsible for exploring the potential of GenAI solutions for the enterprise. What’s standing in the way of progress at present is the absence of experience or skills as well as the quality, accuracy, and availability of relevant data – a crucial input.

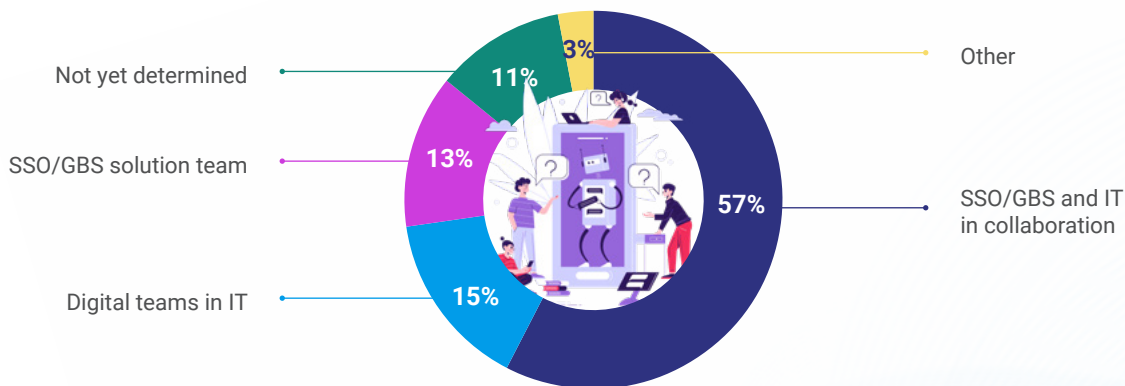
As was the case for robotic process automation, we find that requisite skills are currently in short supply. The general strategy seems to be to upskill staff accordingly or rely on a vendor/consultant to help with the implementation. Again, a typical approach for advanced IA or AI based solutions.

Current use cases are predominantly focused on improved analytics insight as well as customer focused solutions, where AI is able to significantly improve accuracy and relevancy based on tailored outputs.

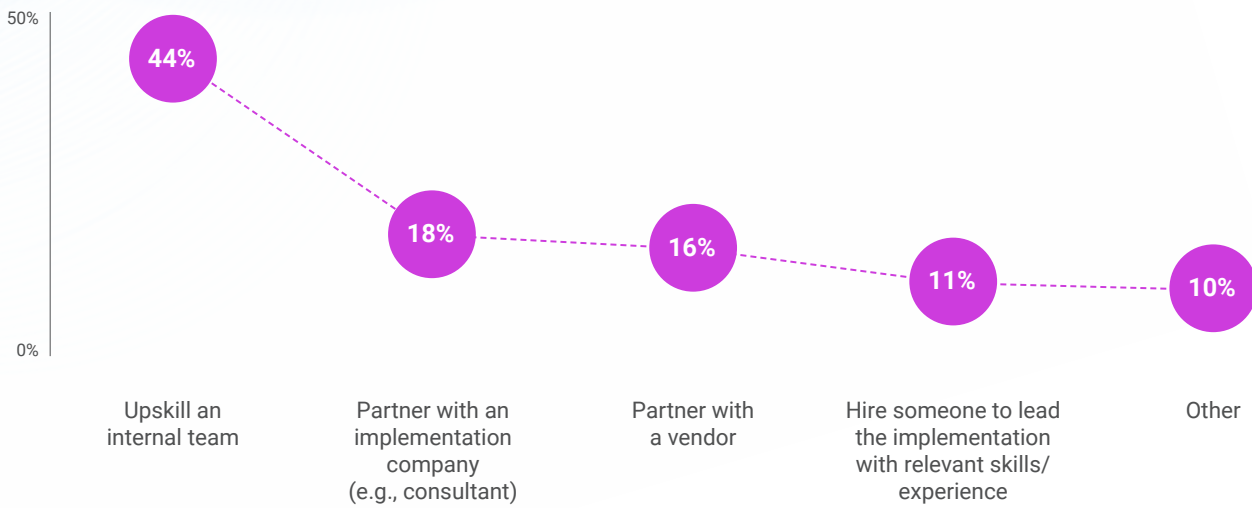
WHICH STATEMENT BEST SUMS UP YOUR CURRENT APPROACH TO GENERATIVE AI / CHAT GPT SOLUTIONS?



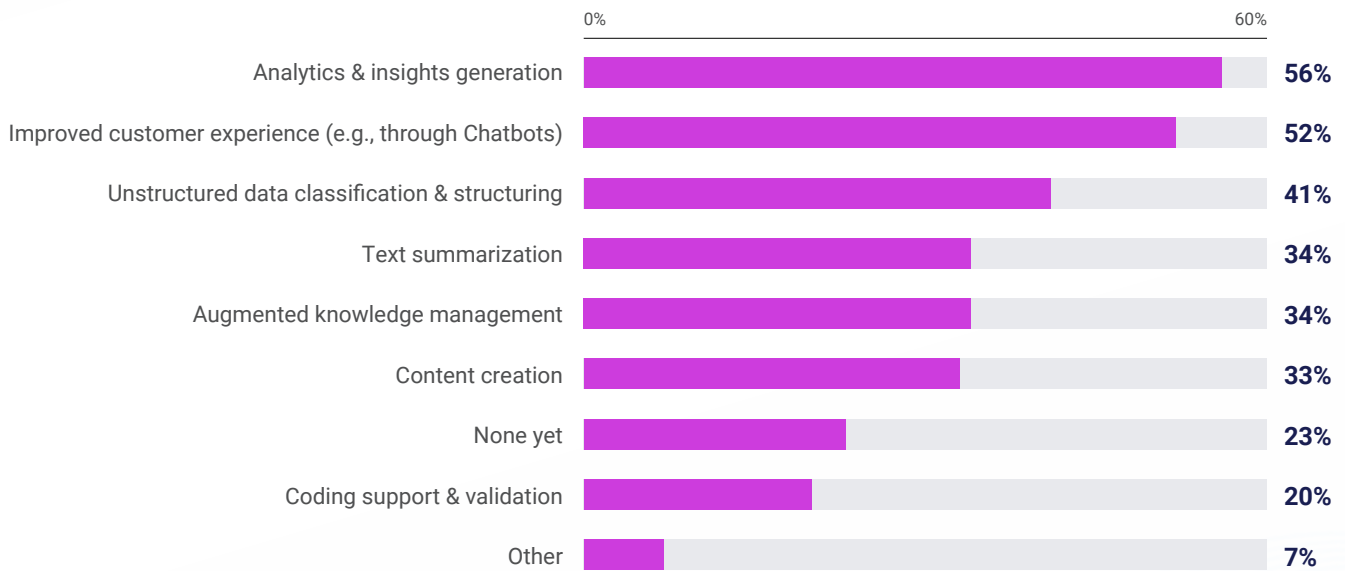
WHO IS RESPONSIBLE FOR GENERATIVE AI EXPLORATION & DEPLOYMENT?



HOW ARE YOU ADOPTING/ PLANNING TO ADOPT GENERATIVE AI?



WHAT TYPE OF USE CASES ARE YOU CURRENTLY PURSUING WITH GENERATIVE AI?



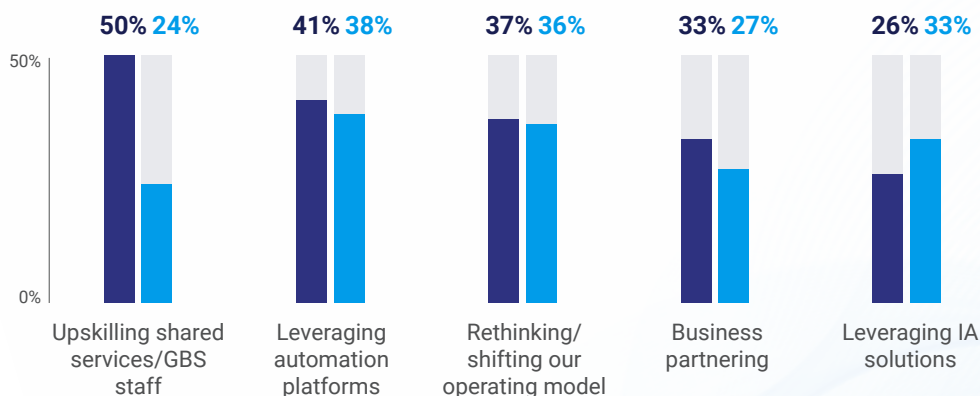


Summary

As organizations focus more on the competitive edge and maintaining margins in today’s business landscape, the efficiency and effectiveness of robust shared services have become a best practice. Beyond that, however, the evolved global business services model is delivering more value-add in terms of insights, analytics, and capabilities. To further the impact of this model, we see leaders focused on upskilling their staff to get more impact through the human touch; leveraging automation platforms for a more seamless execution beyond the simple process automation of the past; and rethinking the operating model considering the shape-shifting changes being wrought by technology and now also artificial intelligence. What this amounts to is that redefining the workforce through new skills is recognized as having enormous impact on the value-add of the model by half the survey’s respondents. And two-thirds are focused on getting the most out of new technology to drive its capabilities forward. The primary drivers of shared services, therefore, remain technology and talent. The third element here is a reconfigured operating model based on the shifting parameters defining technology and talent, with a strong focus on partnering with the business.

WHAT ARE YOUR TOP OBJECTIVES IN THE NEXT YEAR?

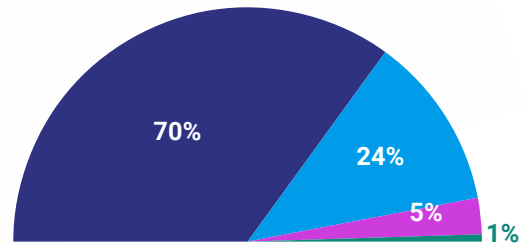
● 2023 ● 2021



The SSO/GBS model has survived four-plus decades and looks to survive the future, too, albeit constantly adjusting to changing environments and ecosystems. Seven out of 10 respondents believe the model's significance will increase in future with only a fraction considering some sort of reabsorption of work into the business.

Might these answers be biased, considering whom we are asking? Not necessarily. The leadership of GBS is quite fluent in terms of its integration with functional or business leadership and can be considered as having broad perspective regarding its value add. The truth is, as was always the case, the business needs to focus on producing the goods and services that drive market penetration. All that is considered *non-core* is still best served through a centralized and standardized model. What differentiates today's SSO/GBS is the significant investment in skills, tools, and capabilities that allow it to do so much more.

DO YOU THINK THE SSO/GBS MODEL IS SUSTAINABLE - I.E., WILL IT PREVAIL IN FUTURE TO OFFER BUSINESS SERVICES?



- Yes it will increase in scope and impact
- Yes it works
- No, we will likely move towards full automation (disband)
- No, we will likely move operations back to countries/Business Units/regions (disband)



What is SSON Research & Analytics

SSON R&A is SSON's global data center, now in its 7th year of operation. Thousands of practitioners and consultants recognize SSON R&A as their premier resource for shared services related metrics, benchmarks, trends, market analytics and advisory services. With a user-friendly interface, easily downloadable benchmarks and topic-based charts, SSON R&A adds valuable ammunition to your inhouse or client presentations, strengthening your business case and your credibility. SSON regularly canvases its membership for updated metrics and analytics, allowing us to highlight even minor shifts. SSON R&A distinguishes itself from other associations by offering subscribers direct access to relevant metric data at a highly competitive cost.

"The C-suite expects to see market metrics to evaluate shared services' performance. I have explored various opportunities available in the market. SSON Research & Analytics offers reliable benchmark data, at a highly competitive cost. Given access to this data, by region or industry, I can draw my own conclusions. I don't need to source expensive third-party analysts, as we can interpret the data ourselves."

Edoardo Peniche, Vice President, Global Business Services - Aptiv

What Tools & Services Are On Offer?



City Cube

Compare 3000+ shared services locations around the world, across 20+ variables such as: cost of labor, talent availability, number of shared services centers, average salaries, and much more.



Intelligent Automation Universe

A one-stop platform for all things RPA, cognitive and AI related that allows users to learn about dozens of IA software vendors, compare their product capabilities, understand the differentiators, and see their customer footprint.



Shared Services Atlas

Locate and evaluate shared services hotspots at country, state, or city level from our global database of 10,000+ global delivery centers. Filter by industry, function, and organization size.



Research Insight Reports

Our monthly RIR's are guided by industry insiders with at least 10 years' experience, and are underpinned by real-time market data to address not just the trends, but the solutions you need to implement.



Visual Analytics Workbooks

Curated charts under core topic headings that summarize the biggest trends and shifts across SSO/GBS.



Advisory Service

As a Premium subscriber you can access our industry experts for 1:1 guidance and actionable steps to propel your GBS journey. We also offer bespoke research services to support your projects with analytics, experience and knowledge.



Metric Benchmarker

Benchmark your SSO across 130+ different metrics, choosing either a conglomerate of industry/country benchmarks; or the Top 20 Most Admired SSOs' benchmarks in the Metrics Intelligence Hub.

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Josh Matthews at
Josh.matthews@sson-analytics.com

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Since 2011, Celonis has helped thousands of the world's largest and most esteemed companies yield immediate cash impact, radically improve customer experience, and reduce carbon emissions.

Its Process Intelligence platform uses industry-leading process mining technology and AI to present companies with a living digital twin of their end-to-end processes. For the first time, everyone in an organization has a common language for how the business runs, visibility into where value is hiding, and the ability to capture it. Celonis is headquartered in Munich, Germany and New York City, USA with more than 20 offices worldwide.

ABOUT PROHANCE



ProHance is a New Age Workplace Analytics & Operations Management platform that provides insights for smarter decisions in complex, distributed, and hybrid workforces.

Top Fortune companies are using ProHance to improve work-life balance and productivity within their organizations to unlock the true potential of their Human Capital. The modular platform allows enterprises to get visibility into

various aspects of work and productivity through 100+ customizable reports.

Over 200 organizations across 24+ Countries trust ProHance to optimize their workforce.

ABOUT NINTEX



Nintex is the global standard for process intelligence and automation. Today more than 8,000 public and private sector organizations across 90 countries turn to the Nintex Process Platform to accelerate progress on their digital transformation journeys by quickly and easily managing, automating and optimizing business processes. Learn more by visiting www.nintex.com and experience how Nintex and its global partner network are shaping the future of Intelligent Process Automation (IPA).

ABOUT SSON RESEARCH & ANALYTICS



SSON R&A offers expert advisory and bespoke research services to support your projects with analytics, experience and industry insight. With a Practitioner Premium Subscription, you can book one-on-one time with one of our advisors (four hours included in the package, to be delivered in a series of one-hour sessions; more time can be added as needed). Our experts bring 10+ years of in-house experience and our portfolio of expertise includes: KPI Models, E2E Process Performance, Location Assessment and Feasibility, Change Management, Service and Operations Management, Digital Transformation, Finance, HR, Procurement and Supply Chain Expertise, as well as SSO/GBS Set-Up & Expansion.