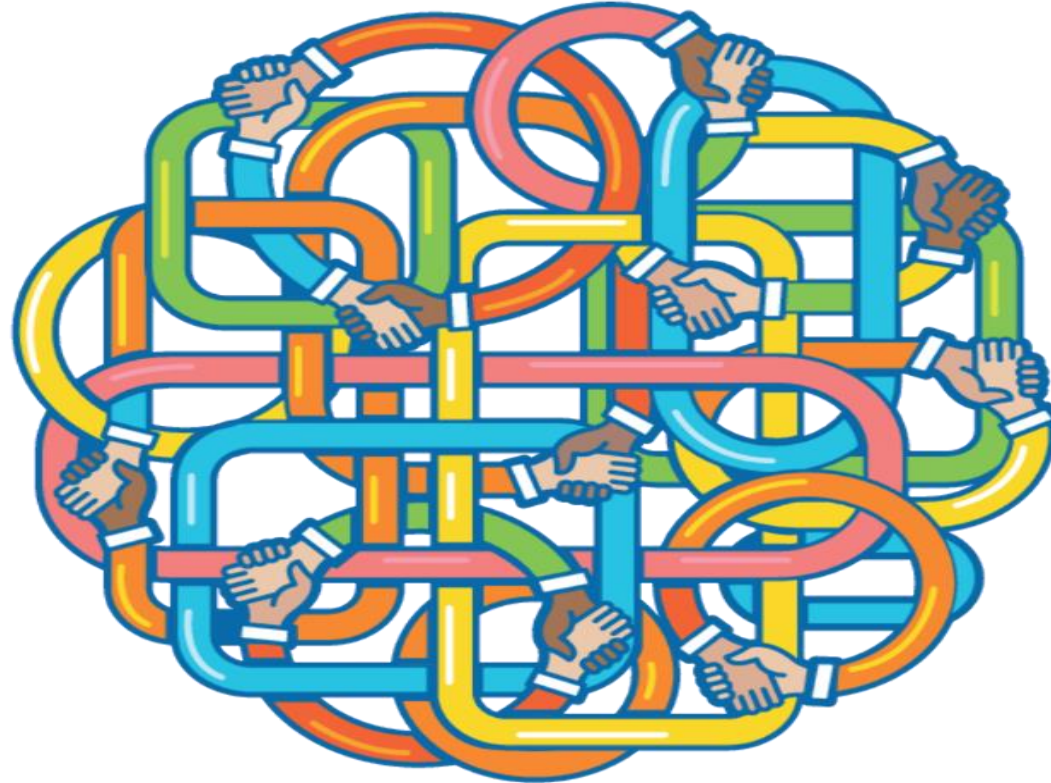




A View from the C-Suite: The Value Proposition of Shared and Global Business Services

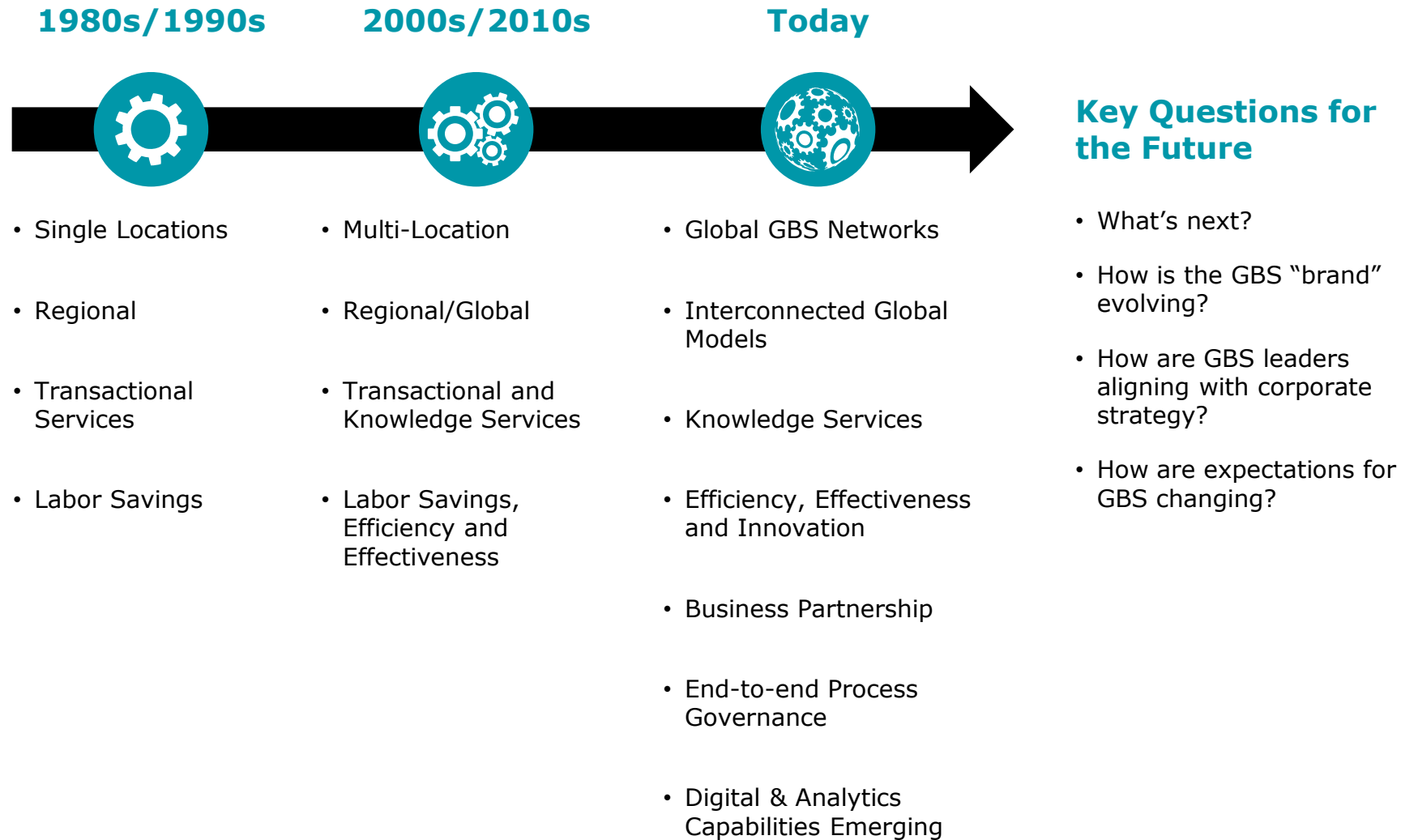
The Conference Board
20th Annual Global Business and Shared Services
November 2016



A View from the C-Suite:
The Value Proposition of Shared and
Global Business Services

The Conference Board
20th Annual Global Business and Shared Services
November 2016

The Evolution of Shared and Global Business Services



A View from the C-Suite—Perceptions of GBS

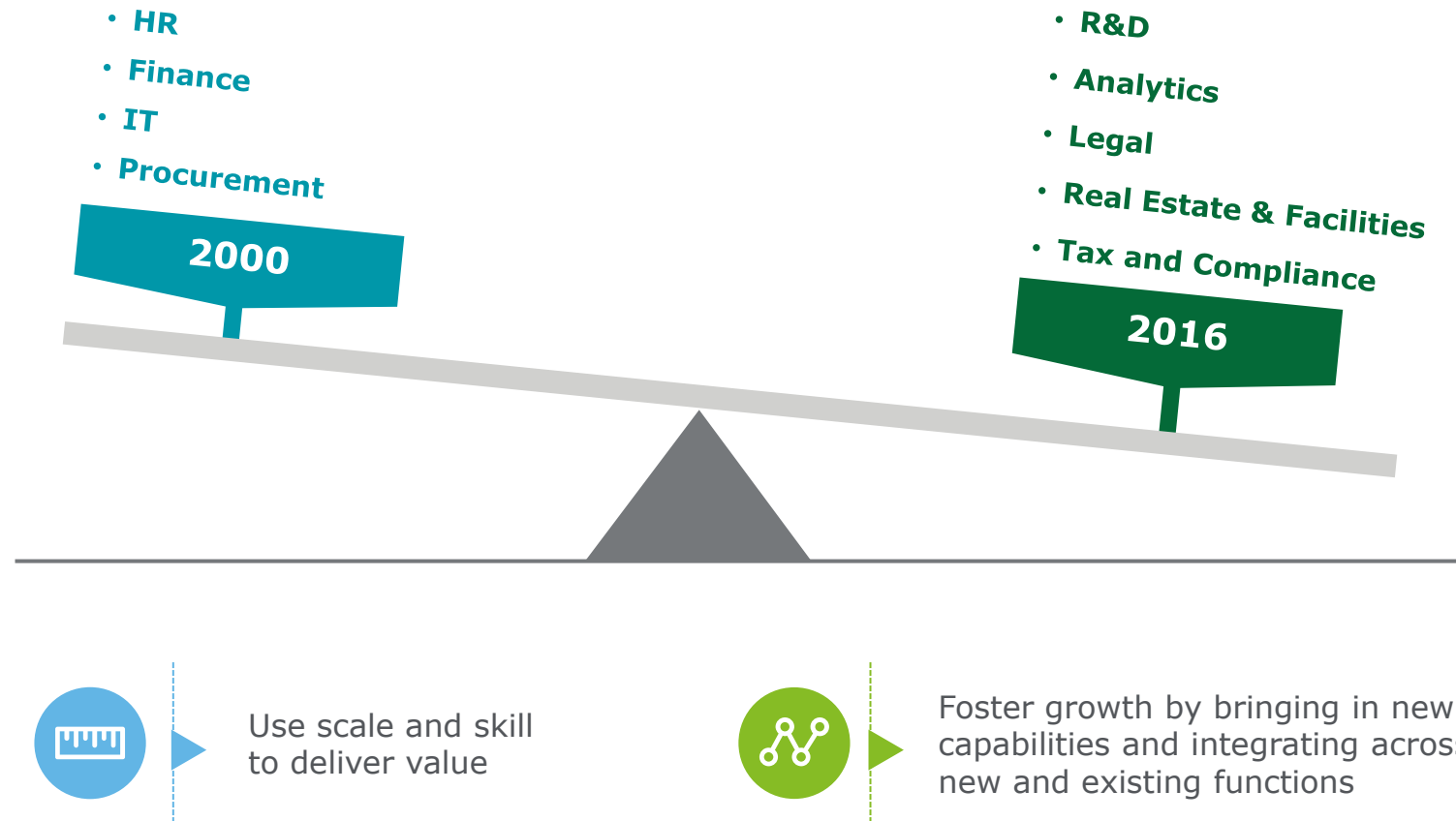


A View from the C-Suite—Perceptions of GBS



GBS as a hub for increasingly complex work

GBS is evolving from a “cost arbitrage” play to a “strategic partner”



EVERY BUSINESS IS UNDER PRESSURE



NEW COMPETITION FROM DIGITAL DISRUPTORS

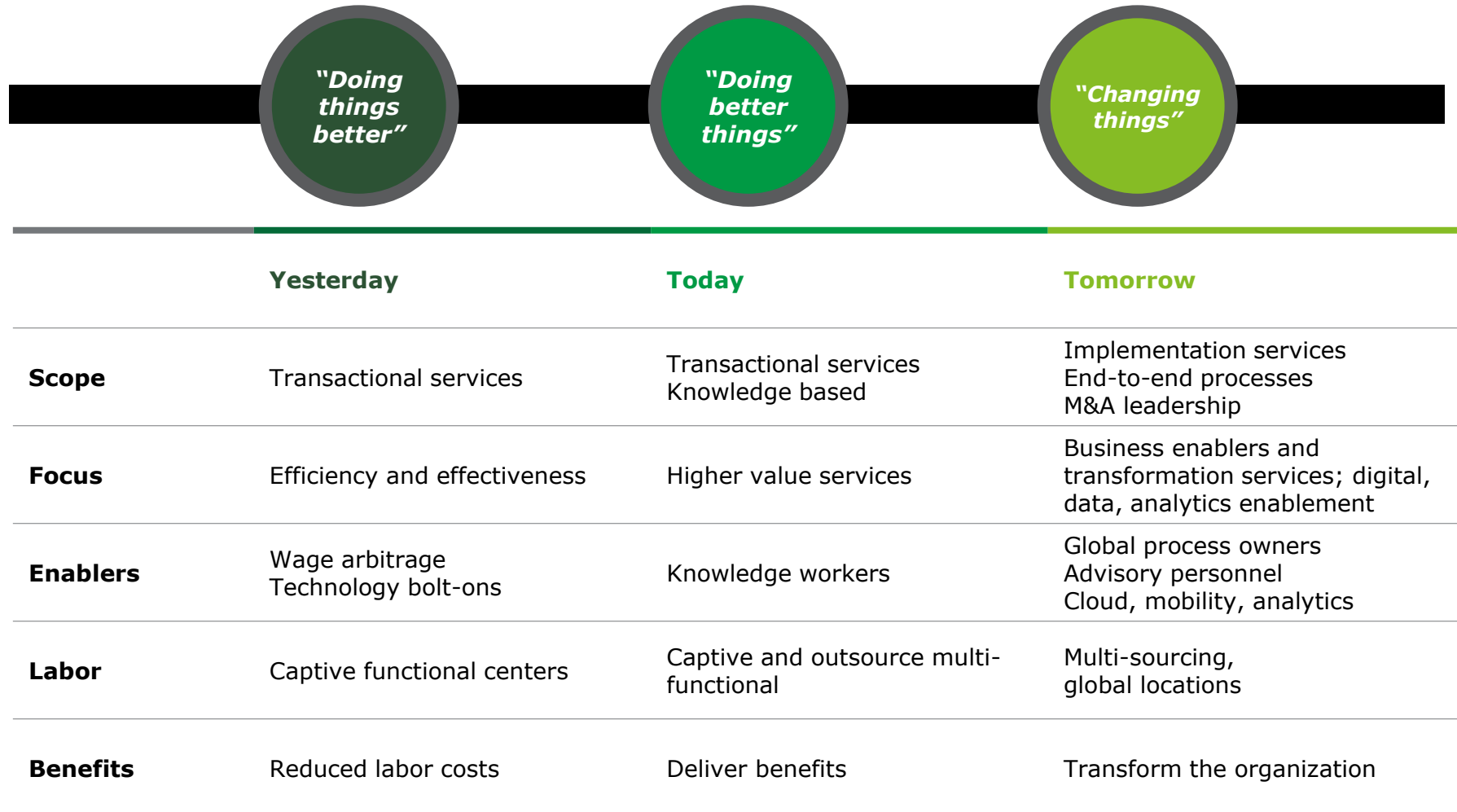
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A View from the C-Suite—Perceptions of GBS



GBS as an M&A and Transformation Leader

GBS is increasingly supporting non-GBS transformations as a service to the larger organization



GBS as an M&A and Transformation Leader

A recent example of M&A and transformation leadership from a world class finance shared services organization

Company and Shared Services Background

>\$40B

Company Revenue

65%

Finance Headcount
in Shared Services

74%

Transaction
Processing/Accounting
in Shared Services

80%

Shared Services
Headcount in Low
Cost Locations

Anatomy of a Recent Integration and Concurrent Transformation

>80

Countries In-
Scope Across
All Enterprise
Divisions

~50%

Of Total Synergy
and Transformation
Savings Directly
Enabled by Shared
Services

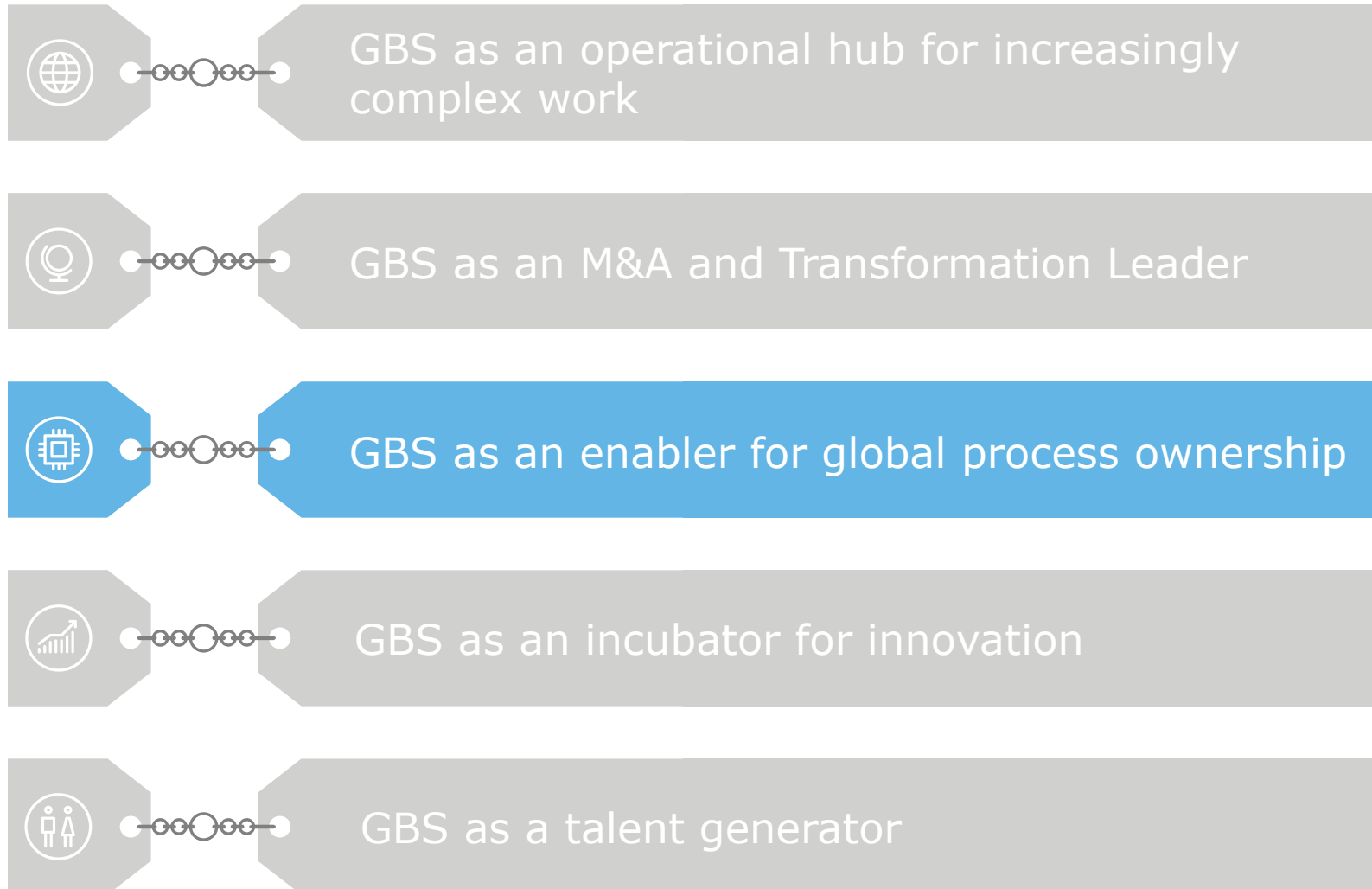
65%

Of Total M&A/
Transformation
Staffing Sourced
From Shared
Services Talent

97%

Sustainable
Benefit
Realization

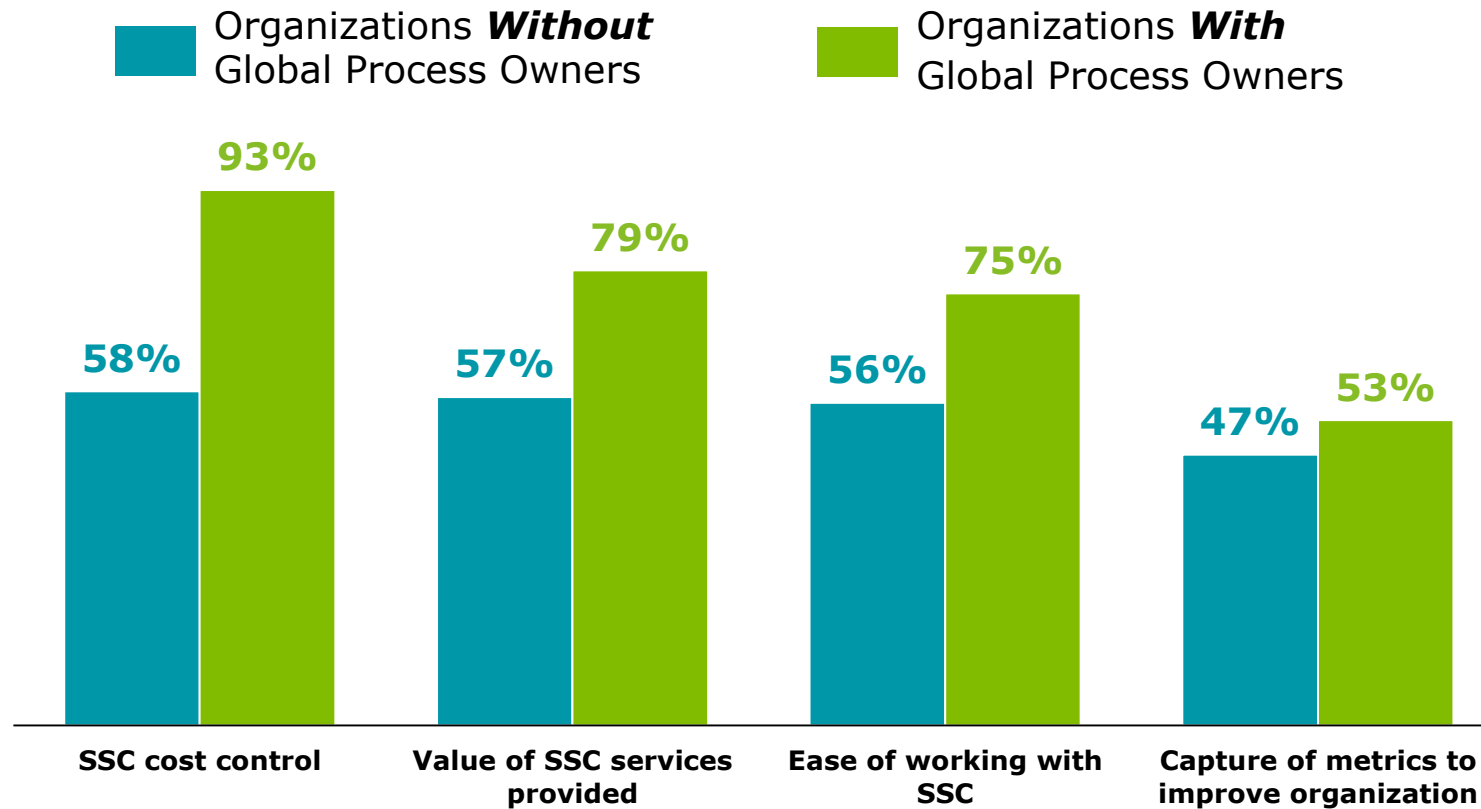
A View from the C-Suite—Perceptions of GBS



GBS as an enabler for global process ownership

Perception is reality—GBS organizations' role as global process owners drive better perceptions among business partners

Perception of Average or Above Average Effectiveness



Source: 2014 Deloitte Voice of the Customer and Voice of the Shared Services Leader Surveys

GBS as an enabler for global process ownership

Ways GBS drives transformational value through global process ownership

1

Setting and managing the strategic agenda

- Owning the vision for how pieces of end-to-end processes come together globally
- Understanding and communicating where integration points are
- Driving process performance improvements over time

2

Aligning the organization

- Understanding customer requirements
- Managing business leader expectations
- Navigating internally within the GBS organization

3

Changing behaviors and enhancing the GBS brand

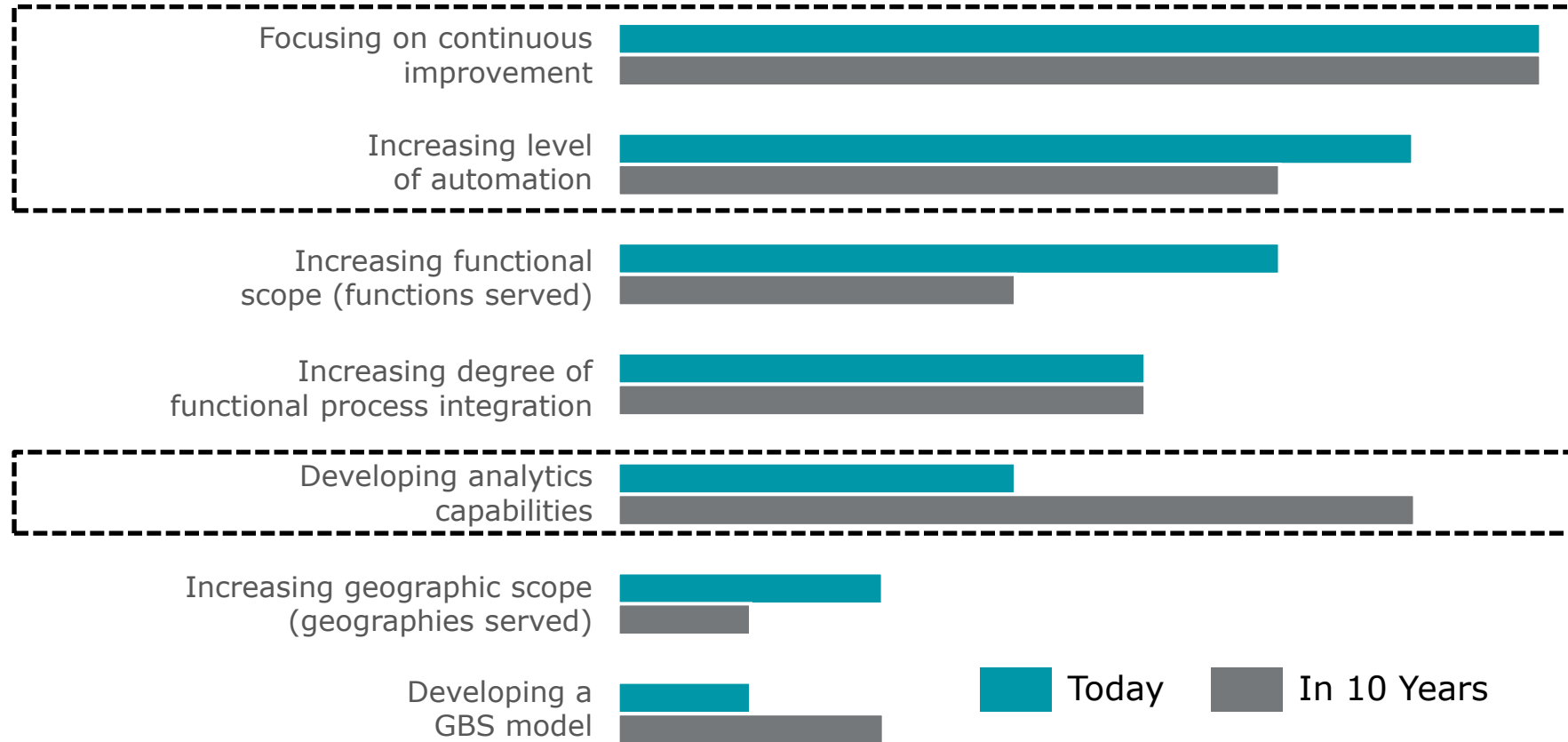
- Driving stakeholder awareness, engagement and buy-in to GBS strategy
- Advocating and leading change within GBS
- Reinforcing brand and culture

A View from the C-Suite—Perceptions of GBS



GBS as an incubator for innovation

How will the strategic priorities of GBS organizations shift over the next 10 years?



Source: Deloitte 2015 Global Shared Services Survey

DIGITAL TRANSFORMATION

Accelerate cost-efficiency and time to market by rethinking
OPERATIONS AND PROCESSES



PROCESS AUTOMATION
WORKFORCE MOBILITY
SUPPLY CHAIN EFFICIENCY

Increase loyalty and grow revenue by improving
CUSTOMER EXPERIENCE



MOBILE COMMERCE
REAL-TIME INFORMATION
PERSONALIZED
ENGAGEMENT

Unlock new revenue streams and reach new markets with
NEW BUSINESS MODELS



DATA-CENTRIC SERVICES
GLOBAL EXPANSION
DIGITAL COMMERCE

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GBS as an incubator for innovation

Understanding the Bimodal Opportunity

SYSTEMS OF RECORD

Typically "Mode 1" IT

The Goal:

**Modernize
the Core**

SYSTEMS OF INNOVATION

Typically "Mode 2" IT

The Goal:

**Establish New
Relevancy**

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GBS as an incubator for innovation

Digital capabilities and enabling technologies are rapidly evolving; GBS organizations are prime enablers for digital transformation



Enhanced Visualization



Mobility



Predictive Analytics



In-Memory Computing



Robotic Process Automation (RPA)



Blockchain



Cognitive Computing

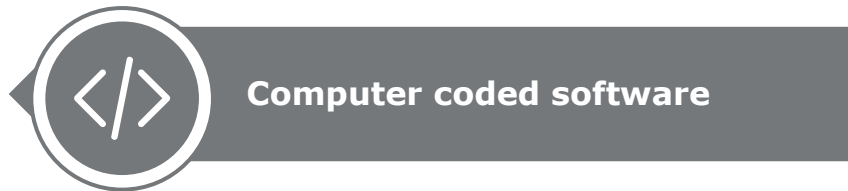


Cloud Computing

GBS as an incubator for innovation

Robotics is being used in GBS organizations today to replace repetitive human processes with software which emulates human actions

Robots are

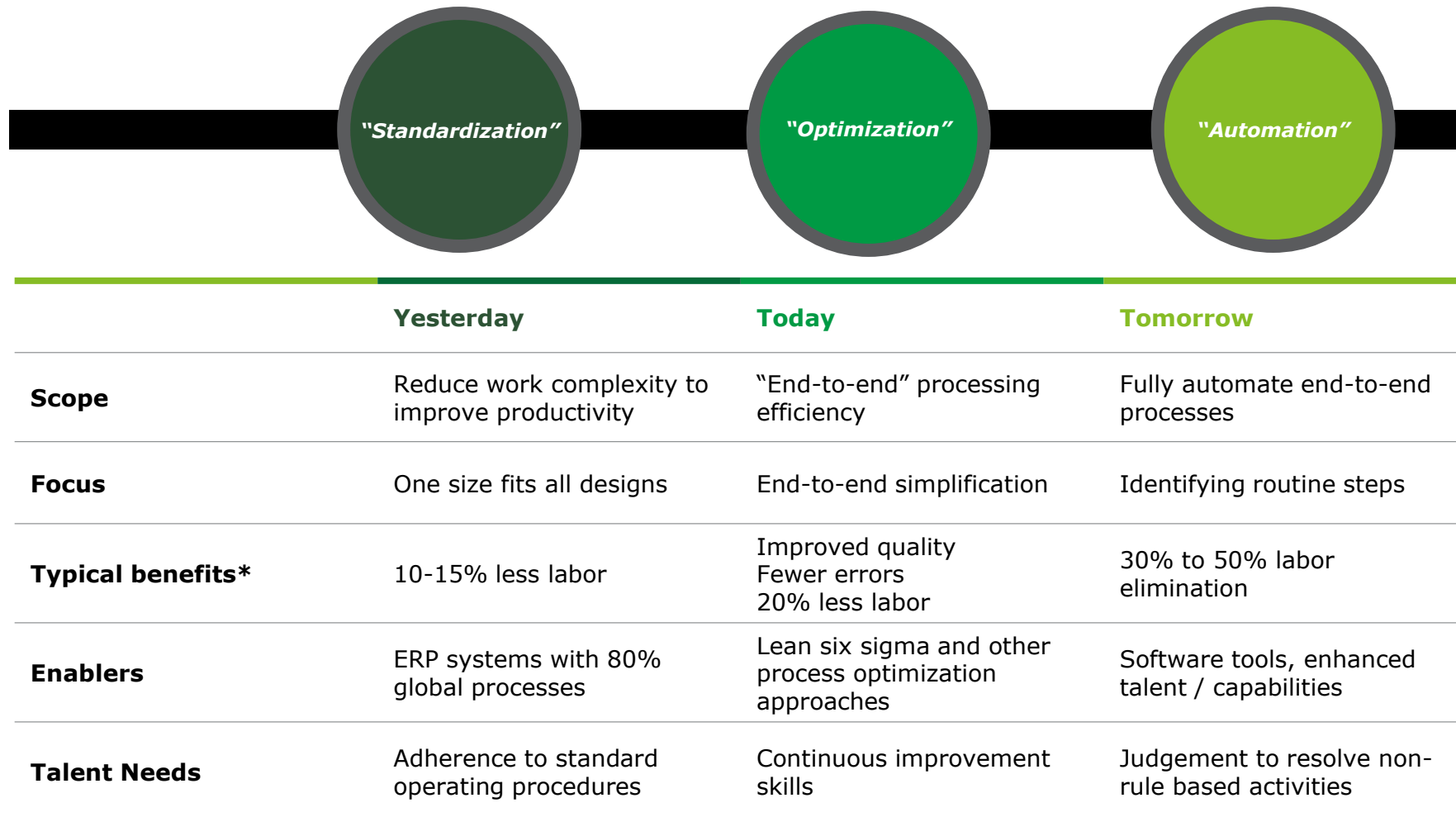


Robots are not



GBS as an incubator for innovation

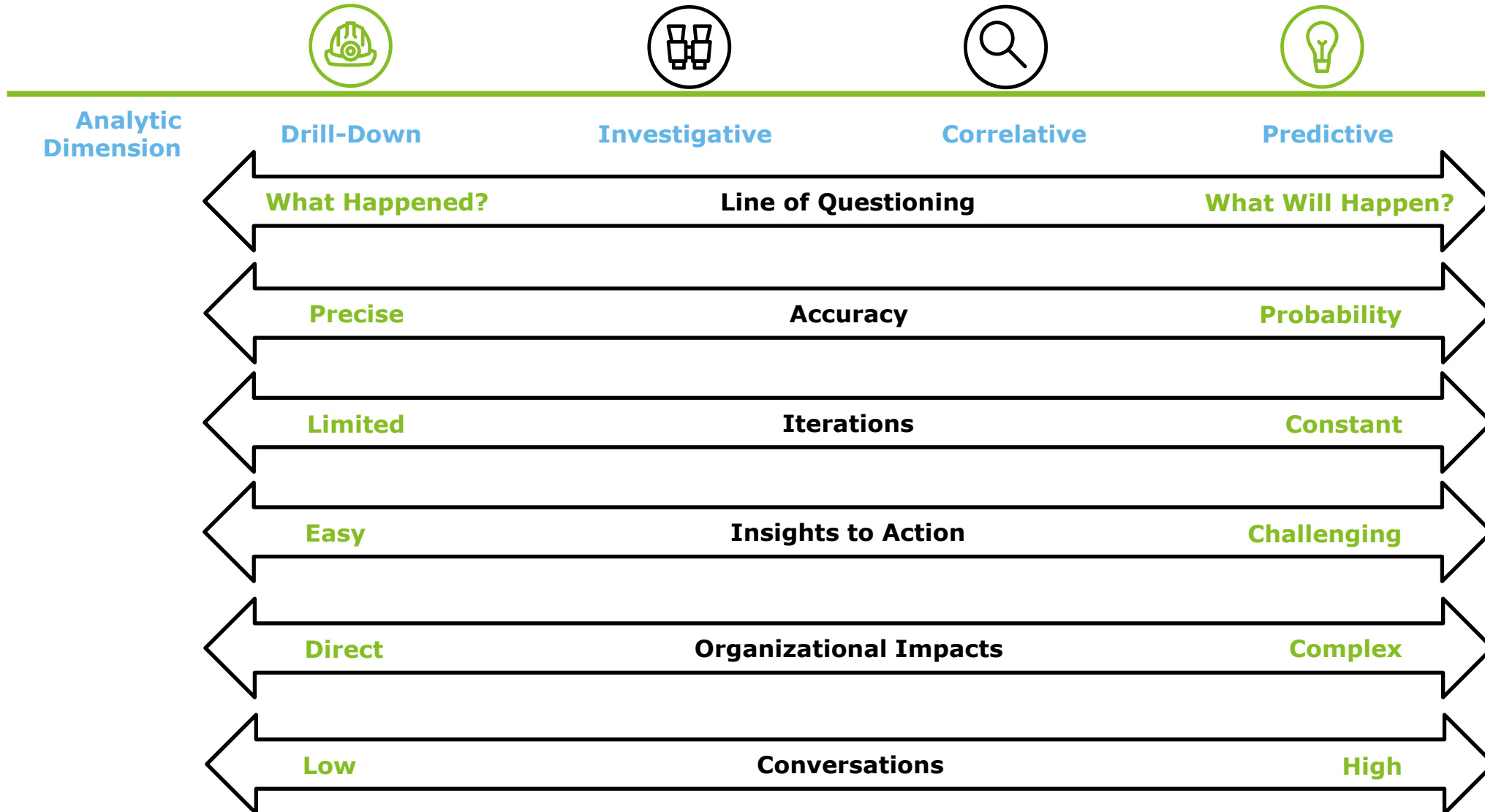
Robotic Process Automation is being utilized as a means of generating greater efficiency



* **Source:** Deloitte 2015 Global Shared Services Survey | Deloitte experience

GBS as an incubator for innovation

Analytics: GBS analytics capabilities are growing more complex...and more insightful

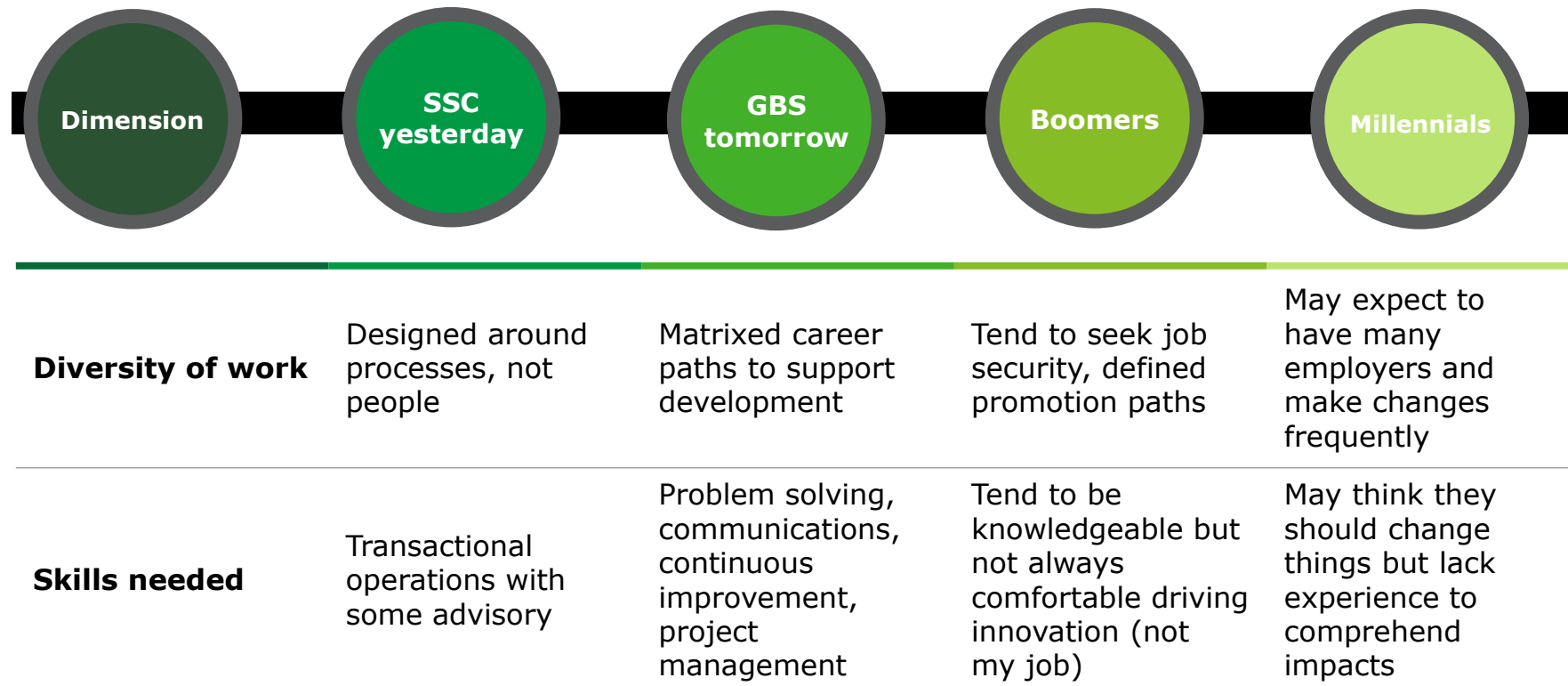


A View from the C-Suite—Perceptions of GBS



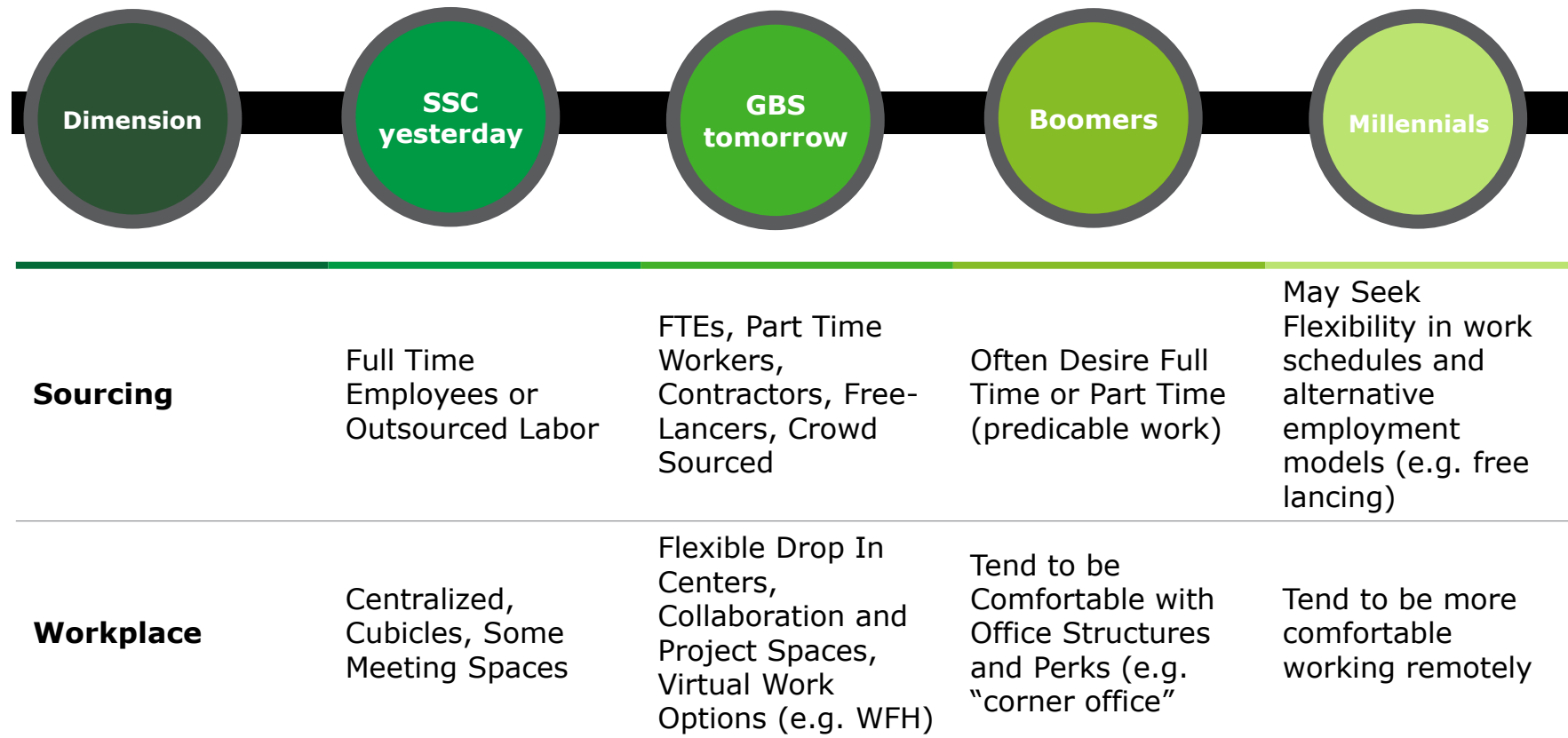
GBS as a Talent Generator

The capabilities needed for GBS tomorrow are less execution oriented and more advisory or outcome oriented



GBS as a Talent Generator





The resources needed for GBS tomorrow may not reside within GBS today and those newer resources are likely to be more temporal





A view from the C-suite—closing thoughts

From Transaction/Automation driven ➡ Relationship/Experience driven

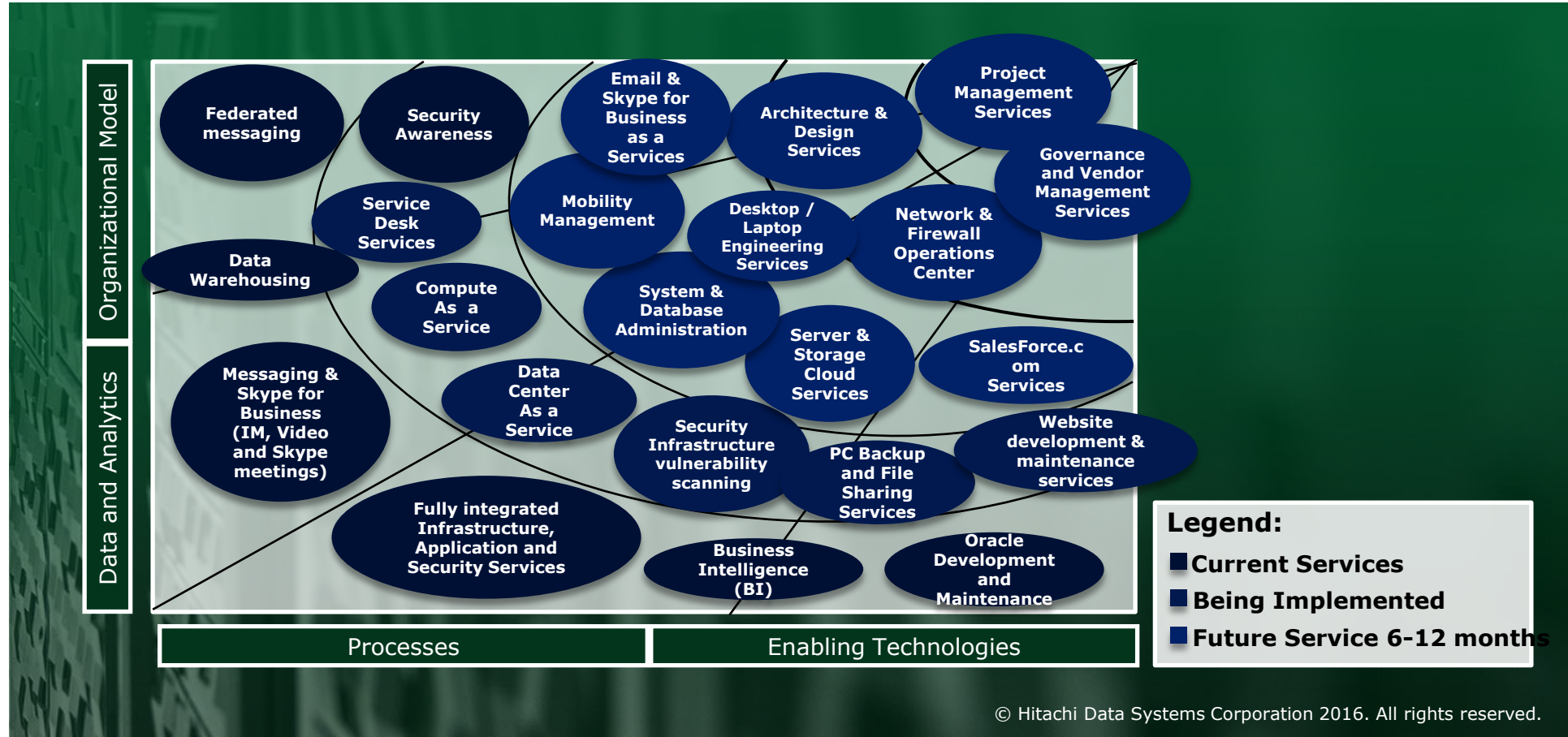
Local ➡	Regional ➡	Global ➡	Digital
Fragmented: Local processes & local solutions for local companies	Consolidated: 1 global ERP, 1 global back office	Archetypes: 1 size does not fit all, but there are common patterns	Interactive: from business process to interaction
			
Transaction/ Automation driven	Back-end package driven	Front-end process & data model driven	Relationship & experience driven

To evolve, GBS needs to shift from being the enabler of efficient/effective process to the enabler of seamless, content-rich interactions with customers, stakeholders, 3rd parties

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A view from the C-suite—closing thoughts

HDS IT SSC Evolution of Capabilities



A view from the C-suite—closing thoughts

GBS as an operational hub for increasingly complex work



- From cost arbitrage to strategic partner
- GBS continues to move up the value chain

GBS as an M&A and Transformation Leader



- “Changing things” vs. “optimizing things”
- GBS as an M&A/Transformation hub

GBS as an enabler for global process ownership



- Setting and managing the strategic agenda
- Aligning around end-to-end processes
- Changing behavior, reinforcing the brand

GBS as an incubator for innovation



- Understand data and its sources
- Embrace technology/digital
- Focus on governance and selective experimentation

GBS as a talent generator



- Fewer “doers”, adaptable workforce
- GBS as a learning opportunity
- GBS as an “exporter” of leaders



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