



KPMG Point of View: GBS Process Excellence

GBS organisations have the opportunity to take process excellence to a new level and bring substantial value to the business.

The increased pace in innovation, technological change and customer expectations in the last couple of years has re-defined the meaning of process excellence (PEX).

Historically PEX has been predominately focused on continuous improvement. Now it is combination of advanced capabilities that have the potential to unlock substantial value across the organisation.

Global Business Services (GBS) organisations have the opportunity to be pioneers in PEX for their business, by leveraging disruptive innovation, organisational reinvention and an experience-centric approach.

The case for PEX is substantial:

Financial Performance



Robust processes help grow revenue and release cost inefficiencies faster.

Consistent Outcomes



Standardised processes create predictable operational performance, removing risk and uncertainty.

Business Agility



Flexible and digitally enabled processes allow the business to scale and quickly adapt to market changes e.g. with pricing strategies.

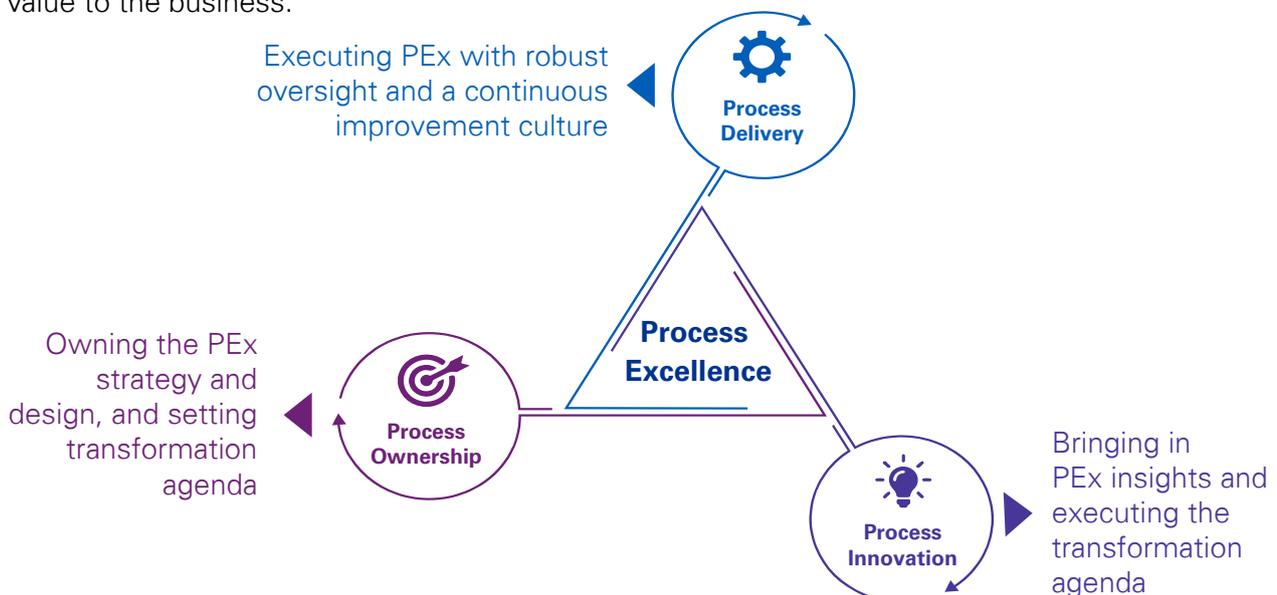
Improved Experience



Seeing processes from the customer and employee lens helps us focus on the right issues and increases overall satisfaction.

The way forward is three-dimensional

A forward-looking PEX operating model is strategically aligned with business priorities and brings together three dimensions: Ownership, Delivery and Innovation. These work together to create sustainable competitive advantage for the enterprise and an ever evolving and growing GBS organisation. A mature GBS organisation has already embedded these three dimensions into their operating model, which resulted in the redefinition of its roadmap of transformation initiatives and capability-building activities, setting itself up to remain a market leader in PEX and bring substantial value to the business.



Each of the three PEx dimensions has a key role to play in the GBS operating model:

Ownership

- Empowering process ownership with decision rights around process strategy, design, delivery model, policy, controls, etc.
- Enhancing customer and employee experience, harmonising processes and optimising technology enablement
- Setting the process transformation agenda

Innovation

- Executing the transformation programmes and projects
- Enabling transformation with change management capabilities
- Delivering digital initiatives through design thinking and an agile approach
- Providing data-driven insights and experimenting with emerging technology to improve business outcomes

Delivery

- Executing processes with an end-to-end view and an experience-centric mindset
- Incorporating a continuous improvement culture as part of every-day delivery
- Incubating capabilities for the future and building skills that can be used in the wider business, elevating the enterprise workforce quality

The interaction model between these dimensions is critical for success. As part of a PEx organisational re-design, a GBS organisation re-invented their governance framework from scratch, to ensure that their PEx initiatives followed the right trajectory from inception to completion.

GBS organisations that effectively incorporate PEx into their ways of working will operate with the three 'E's':



Experience: it will be easy for the business to work with the GBS organisation, driving high customer satisfaction.



Effectiveness: GBS will be focused on business outcomes and solutions.



Efficiency: GBS will continue to drive cost out through automation, simplification and standardisation.

Whilst it is a worthwhile mission, our experience shows that working toward a PEx operating model poses a number of challenges:

- Most GBS organisations do not own full end-to-end processes and have limited influence on 'upstream' activities, where some of the biggest returns can be found
- Achieving an effective PEx structure will require significant organisational structure changes. Understanding the people implications of this process, managing communications and taking action at the right time are key for success
- Working with technology teams is essential to drive innovation but they tend to be set separately from GBS organisations, having different priorities and ways of working that need to be aligned
- A talent retention and workforce capability plan is needed to ensure that GBS has the right talent and people can operate effectively when the new ways of working are rolled-out



What it takes to deliver a successful GBS PEx operating model transformation:

Purpose

- Having a clearly articulated purpose which is strategically aligned with the business

Innovation mandate

- Incubating innovation that goes beyond standardisation and automation. Experimenting with emerging technologies

Experience-led design

- Having customer and employee experience (Cx and Ex) at the core of process design
- Harnessing the connection between Ex and Cx – understanding that one leads to the other

Capabilities

- Merging traditional process expertise with design thinking and digital skills
- Honing new skills around process ownership, business process management, data science, hyper-automation, etc.

Partner eco-system

- Having a seamless integration with internal partners such as Finance, HR, and Legal, etc. Collaborating to drive value for the organisation
- Building a strategic partnership with external parties and vendors for specific capabilities and solutions e.g. process mining

Culture

- Embracing a fast-learning and outcome-focused mindset
- Adopting an agile approach for digital initiatives

Execution

- Setting a robust programme governance, along with the right success metrics
- Being prepared with the right level of detail to execute the transformation e.g. with detailed RACIs, job descriptions and capability plans

The transformation journey is worth it. We have seen the benefits of PEx come to life in our clients' organisations through improved Cx and Ex, significant savings, enhanced decision-making and innovation.

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In time GBS can become the PEx and transformation partner for the business, bringing in significant value and becoming an internal trusted advisor. A leading GBS organisation in the pharmaceutical sector achieved this within their organisation.

KPMG can help you design and implement your GBS PEx operating model. We will bring our deep expertise and practical experience, and be by your side as you assemble your transformation strategy and change the future of your business.

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