



# Standardized and integrated information technology

## Optimizing success in Global Business Services

Information technology (IT) is a key enabler of Global Business Services (GBS) success and maturity. While IT is almost never at the front end of GBS, GBS is destined to underachieve, or even fail, unless the IT component is enabled and integrated across the enterprise.

All business processes and the outcomes they produce are underpinned and enabled by the technology that runs them. To be successful, mature GBS organizations require a cohesive IT model. Figure 1 below illustrates a typical IT model or “stack.” The IT model utilized in a GBS organization should provide the framework, architecture, and standards that GBS technologies work within, while accounting for the solution sets and tools driven by GBS.

Figure 1

IT Stack		
BI and Data Analytics		
ERP	CRM	Business Applications
Middleware		
Database		
Computer and Storage	Networks	End-User Services
Service Desk		
Business Continuity/Disaster Recovery		
Information Security		
ITSM/ITIL		

For example, mature GBS organizations strive for a reduced set of ERP platforms and instances, sometimes even achieving a singular global instance. While that is ideal, a strong data architecture across platforms and instances can enable a GBS organization to achieve key goals regarding data collection and analysis. Similarly, a GBS organization will very likely introduce new cloud or robotic process automation (RPA) solutions that require technology coordination and connectivity with existing systems and technologies, either in the GBS organization or in business units. Integration of diverse IT solutions will enable a seamless and comprehensive set of solutions driving end-to-end GBS process delivery.

### What is GBS?

Global Business Services is a next-generation operational and organizational model for enterprises to deliver business processes such as HR, finance, IT, and customer care to internal and external customers. It’s often applied on a global scale using multiple service delivery models, including outsourcing, shared services and, increasingly, cloud solutions.

Why are organizations considering significant investment in GBS? Because it can help them:

- reduce costs
- get to market faster
- drive process excellence
- unlock the power of data and analytics
- mitigate overall business risk and ensure compliance
- enable excellence and consistency in the customer experience
- build an internal repository of high-quality talent
- establish a consistent brand experience
- accelerate time to benefit from mergers and acquisitions.

From an IT perspective, GBS organizations should be built on a platform that can support heterogeneous business processes, and free local business units to do business the way they want. When multiple geographic regions are on the same platform using a common foundation and architecture, GBS organizations can potentially spread the technology across the entire portfolio.

## IT as a foundational GBS enabler

An integrated and standardized IT ecosystem can help drive GBS maturity and greater value in four ways:

- It can support holistic GBS efforts across functions, geographies, and business units, beyond providing a homogeneous set of processes and tools that can be leveraged by the business. It does so by providing and enabling common applications and systems so organizations can more easily perform GBS activities in a consistent and ideally optimized manner across the full scope of GBS efforts.
- It can diminish dropped handoffs common between siloed systems, and reduce the need for costly human intervention to fix errors or move data between disparate systems.
- It can enable deployment of greater process automation-based cost containment, and pave the way for process and performance efficiencies, and quality and compliance enhancements. While process automation plays an integral role in helping companies achieve the next level of business process maturity, efforts to achieve any significant level of process automation are usually doomed to fail without underlying integrated and standardized IT systems and applications.
- Integration of IT into the GBS operating model can provide executives and decision-makers with access to high-quality, enterprise-wide operational data that enables them to make more informed decisions related to planning, forecasting, business trends, what-if analyses, and real-time performance monitoring, all of which require a consistent, accurate and global view of GBS operations.

## Delivering greater value through data and analytics

Ultimately, the focus of GBS should be on creating business value beyond simply reducing operating costs or supporting transactional activities. This is where data and analytics can play a key role in better understanding and analyzing the performance of the GBS organization itself. Perhaps more compelling, however, is the ability of data and analytics to enable companies to develop a better understanding of the performance and value-add of the GBS organization as it relates to strategic efforts of the enterprise, such as mergers and acquisitions, entry into new markets, and product and service innovation.

Once the GBS organization has access to the required data in a consistent format from across the enterprise, it can start to move beyond traditional business intelligence into areas such as predictive analytics or the extraction of information from existing datasets to identify patterns

and predict future trends. This predictive capacity can empower GBS organizations to provide more meaningful and measurable value.

## Challenges to an integrated and standardized GBS IT environment

Moving from a fragmented and disparate collection of IT applications, systems, and organizational models toward an integrated, standardized model is a monumental task for most enterprises. One of the biggest challenges is organizational, stemming from the fact that many businesses still house, govern, and manage corporate IT separately from the IT that supports their GBS operations, which results in minimal standardization of IT applications, data, and systems for the GBS organization. This is sometimes due to the perception that IT is unable to understand or meet the needs of the GBS organization. Other times, it's separate for control or other historical reasons.

Recent data from KPMG's GBS Maturity Assessment research program revealed the following about how organizations manage GBS-related IT today:

- 55 percent of enterprises' GBS operations are supported by independent IT organizations (the typical model)
- 25 percent are separated organizationally, but integrated from a planning and governance standpoint
- 20 percent have GBS and IT managed as one organization.

However, the findings from more than 200 KPMG GBS maturity assessments showed that while organizations ranked their aspiration for "enabling IT systems" at 3.8 on a five-point scale, with 5 being the highest they ranked their current state at 2.68. This gap is one of the larger ones found across all elements of GBS.

Because of the importance of technology tools, systems, and processes to support the foundation of GBS, close alignment between GBS and IT in terms of application, process architecture, and infrastructure solution requirements is imperative. We recommend organizations evolve to an appropriate model depending on their GBS maturity and other factors.

Another IT challenge is related to the disparate applications and systems themselves. Firms running a mix of commercial, legacy, and homegrown software typically show little consistency in how they address and manage master data management efforts. Further, their numerous versions and instances of commercial ERP software often result in weak integration across business units and geographies.

For example, most organizations participating in the KPMG GBS Maturity Assessment research program have cited reducing the number of ERP systems and instances deployed as a key enabler to improving GBS maturity. Leading practice is one to two systems and less than five instances, though there are exceptions based on an organization's operating models and the degree to which it is active in merger and acquisition efforts. Migration from legacy custom systems to commercial ERP under these parameters has also been consistently cited as a GBS enabler.

The bottom line is that by better integrating IT as a group and as a set of technologies and standards within the GBS organization, companies can enable greater levels of GBS maturity and innovation beyond cost savings.

## KPMG's GBS framework is optimized and enabled by 10 dimensions



### Critical considerations for integrated information technology within GBS:

- Do you need to rationalize and consolidate your ERP systems before getting aggressive with GBS efforts?
- What are the best options for integrating across multiple ERP environments in a GBS world?
- What is the full stack of technology, standards, and architectures that you need for GBS? What do you have today, and what do you need to add or change?
- How can you develop a GBS technology strategy without ERP transformation, use of cloud-based solutions, etc.?
- How does cloud drive overall maturity?
- Where should you place your limited automation bets?
- What's the appropriate model for integrating GBS with IT in your organization?

### How KPMG can help

KPMG recognizes that today's enterprise business services leaders face increasingly complex demands and challenges.

Globally integrated teams from our Shared Services and Outsourcing Advisory (SSOA) practice, in seamless partnership with professionals from KPMG International's broader set of member firm capabilities in risk, transactions, tax, and compliance, help our clients transform their business services to deliver improved value, increased agility, and sustainable business performance.

If your organization is seeking innovative ways to achieve genuine business services transformation, KPMG SSOA can help. For more information, there's no better place to start than by accessing our research and thought leadership on the [KPMG Shared Services and Outsourcing Institute](#).

[Read more of KPMG's core success factors for GBS here.](#)

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