

Transforming Enterprises: the strategic role of Global Process Owners



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The future is shaped by those who approach transformation and innovation with discipline. Defining a clear 'North Star' for end-to-end processes and deploying the right capabilities are essential for successful enterprise transformation. In this journey, the global process owner or global process transformation leader emerges as a pivotal leader, driving solution innovation and ensuring organizations are equipped to navigate the complexities ahead



Maria Saggese

EY Global and EY EMEA GBS Solution Leader

GPOs as catalysts for enterprise transformation

For nearly two decades, many companies have appointed global process owners (GPOs) or global process leaders (GPLs) to oversee end-to-end processes that span across functional silos, business unit boundaries, and geographies. While GPOs could set common standards, execution differed to meet different business needs and regulatory requirements.

Initially, GPOs were tasked with scaling and governing processes in shared service organizations (SSOs), global capability centers (GCCs), or global business services (GBS). They monitored performance and advised operational teams on incremental improvements. However, this tactical focus has hindered GPOs from achieving true end-to-end transformation or delivering significant results, often facing resistance from the business.

Past ERP and digital transformations have overlooked the potential of the GPOs, with designs led by functional leaders and IT partners, supported by key users.

Amid evolving business models and ongoing digital transformation, the role of the GPO has become increasingly critical for the entire enterprise. The market for enterprise transformations identifies the GPO as the most in-demand role. Although some large organizations use the term 'global function transformation leaders', or other nomenclature, we will refer to them as GPOs in this whitepaper for the sake of simplicity.

A strategic GPO capability can unlock value from process re-engineering, hyper-automation, digitization initiatives and the implementation of next-generation ERPs.

This whitepaper draws on insights based on in-depth discussions and surveys with over 250 stakeholders, including C-suite members, function heads, GBS leaders, and GPOs from leading organizations across various sectors. It explores the evolving role of the GPO, expectations,

the future of the role, and critical capabilities for success. We also emphasize the importance of defining the outcomes that an end-to-end process and solution transformation should deliver to achieve breakthrough results, build credibility and propel the enterprise forward.

Hot topics to explore for GPOs

1. Why is the GPO role becoming increasingly strategic in delivering enterprise transformation?
2. What are the most common challenges that organizations face in enabling GPOs to deliver process maturity and value?
3. Should the GPO oversee both process transformation and process operations?
4. How do the roles and responsibilities of the GPO need to evolve to be fit for the future?
5. Is the GPO a solo role, or should it have a team?
6. Where should a GPO sit in the enterprise?
7. How many GPO organizations are needed within an enterprise?
8. What factors influence the GPO role, and what capabilities are essential for maximizing impact?
9. What are the key differences across processes and functions from the perspective of the GPO role?
10. What career and upskilling opportunities will enable the GPO of the future to be successful?

1. Why is the GPO role becoming increasingly strategic in delivering enterprise transformation?

The GPO role is increasingly strategic in today's complex business environments. It plays a crucial role in driving consistency and value by implementing effective operating models and technology, while promoting continuous operational improvement.

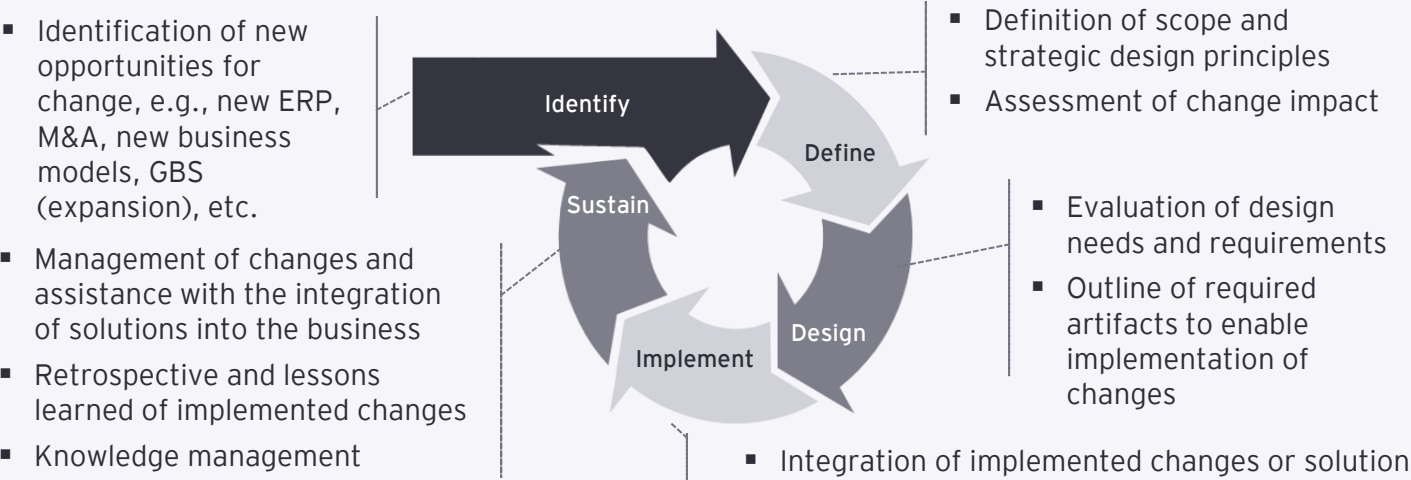
As enterprises evolve their business and operating models—whether through organic growth, acquisitions, divestitures – or implement next-generation ERP systems, the GPO has emerged as a critical enabler. Processes must be harmonized, simplified, standardized, measurable, and (hyper-)automated, regardless of execution at market, corporate, or GBS levels. Process changes, whether prompted by continuous improvement needs or new market demands, require a consistent governance model and defined artifacts to achieve desired outcomes. The GPO ensures that all process changes align with the process "North Star", collaborates with business, functional, and technology leaders, and facilitates effective change management. Thus, the GPO's role must transition from tactical to strategic.



72% of the surveyed companies believe the GPO organization should provide the necessary vision, knowledge, experience and leadership throughout the transformation lifecycle.

Exhibit 1 brings this to life the role of the GPO throughout the transformation lifecycle.

Exhibit 1

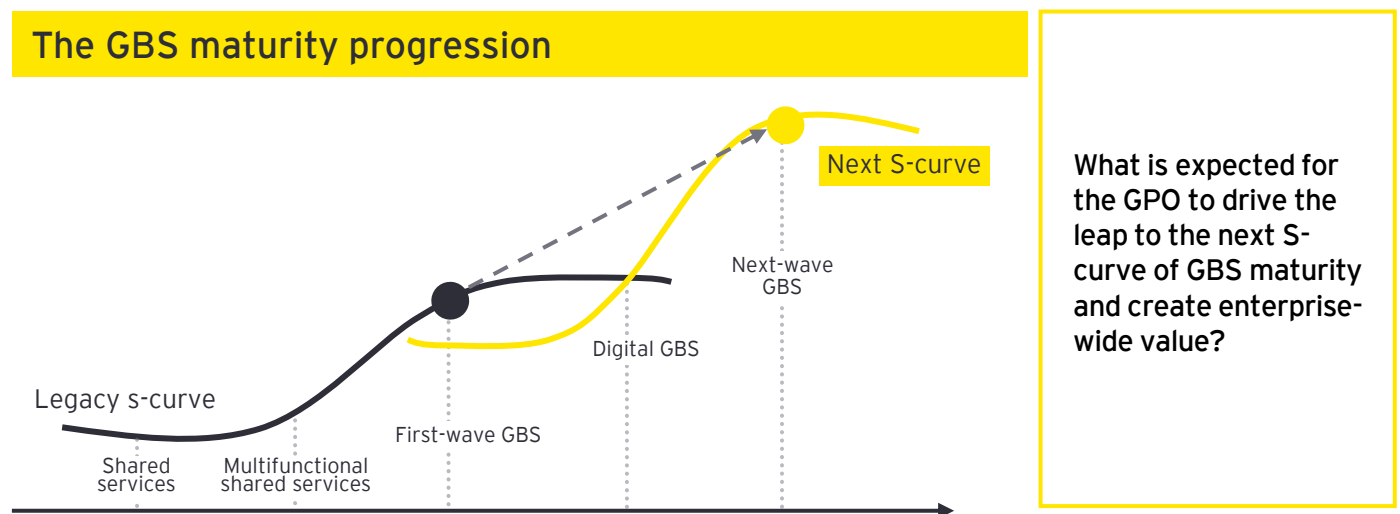


Enterprises embarking on a next-generation ERP or digital transformation should establish a GPO organization early in the process, particularly for greenfield strategies.

GBS transformations also require a strong GPO organization in place to drive the leap to the next S-curve of maturity.

GBS organizations have traditionally operated as “back-office processing units” focused on cost and efficiency but are now evolving to expand their impact and enhance the maturity of delivery models. The trigger point for a new S-curve of maturity (see Exhibit 2) is pivoting the GBS to be fully-focused on understanding user and business needs and expectations to deliver great user experience and enable transformation. To leapfrog to the next S-curve of maturity, leading GBS organizations rely on strong GPOs to drive the expansion of the GBS remit, along with the establishment of transformational capabilities to deliver new sources of value.

Exhibit 2



The GPO organization plays a vital role in maximizing the value GBS delivers to the enterprise through collaborating with business, functional, transformation, and IT leaders to define the vision and drive changes in processes, services, and solutions. The expected outcomes include:

- **Efficiency** - to improve GBS productivity and impact by establishing new capabilities to drive delivery excellence and leverage investments in hyper-automation;
- **Effectiveness** - to improve GBS credibility by providing accurate, and timely data and insights to the business to inform better decision-making and decrease business risks, e.g., to reduce value and revenue leakage, and improve working capital, compliance and control;
- **Experience** - to drive adoption and stimulate appetite for more GBS capabilities and services by designing a service portfolio and catalog built on GBS’ customer needs and expectations and delivering consumer-grade experience across any channel;
- **Enterprise’s digital innovation engine** - to uplift GBS’ reputation by driving enterprise digitization across functions, business units and markets, scaling up service and solution innovation, and freeing up business capacity to enable a greater focus on business transformation and growth.

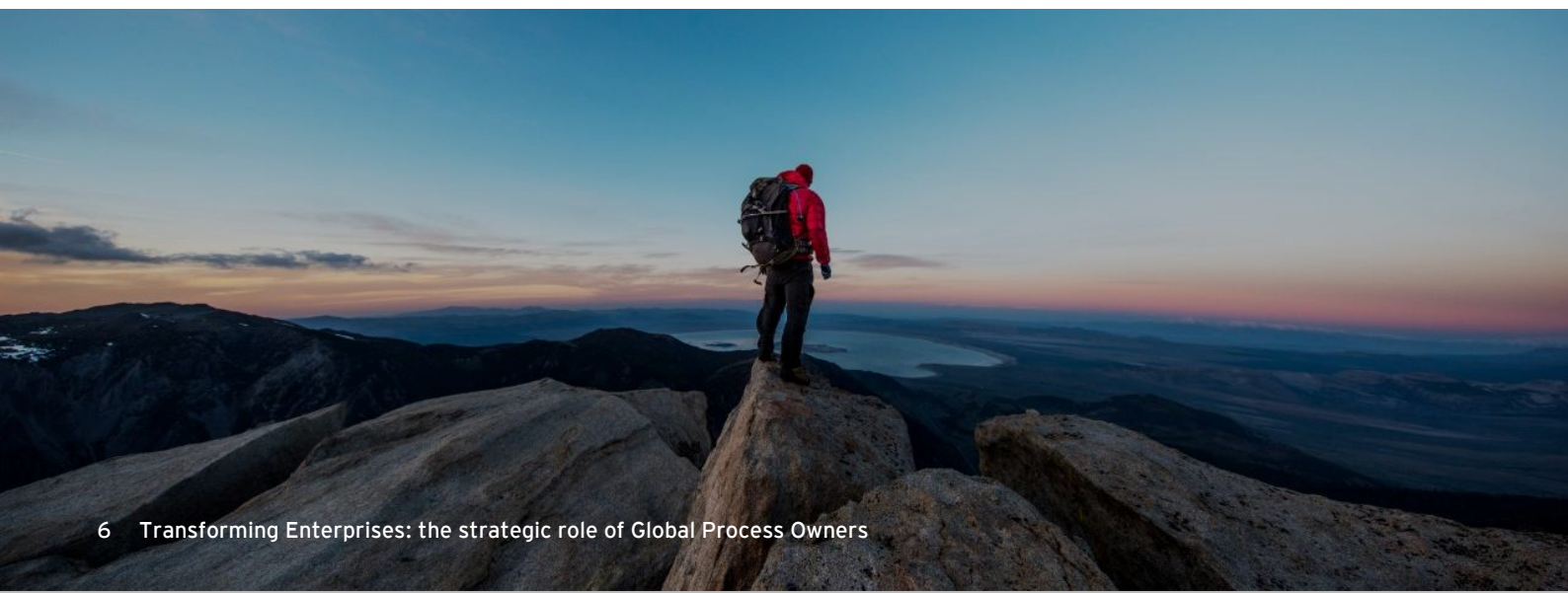
2. What are the most common challenges that organizations face in enabling GPOs to deliver process maturity and value?

There are several common factors that may limit the success of the GPO role and organization.

To thrive and achieve their ambitious vision, organizations must create a supportive ecosystem addressing key elements such as remit, organizational structure, leadership empowerment, strategic governance, and internal politics. Without this ecosystem, GPOs often struggle to meet their objectives. In some cases, internal politics can hinder the creation and appointment of GPOs, causing tension between functions, business units or regions where different agendas are at play - in a scenario where an enterprise has grown through multiple acquisitions, it may be challenging to appoint a GPO that has the breadth and depth of experience across the relevant functions, business units, regions and often cultures. In these cases, too much focus is spent on who the GPO will be rather than what value they will drive, or how to empower them to successfully navigate the complexities of the organization. Additionally, the challenge of "ownership and control vs. influence" cannot be ignored. Ultimately, it's about global process *orchestration* and ensuring that GPOs have the necessary authority and support to implement effective processes and underlying solutions across the organization to achieve the expected outcomes.

80% of the surveyed companies reported the following typical factors that limit the success of the GPO role:

- Lack of end-to-end remit;
- Limited empowerment and control over the transformation scope and budget;
- Insufficient authority over technology decisions;
- Internal politics and silos, including duplication of role with the BPO, if any;
- Lack of buy-in from both corporate and business units and inefficiencies;
- Insufficient relevant transformative skills, with a prevailing mindset focused on incremental improvements;
- Lack of ownership of process performance management and consistent success measures to demonstrate value creation;
- Focus on solving for the "here and now" rather than on long-term solutions.



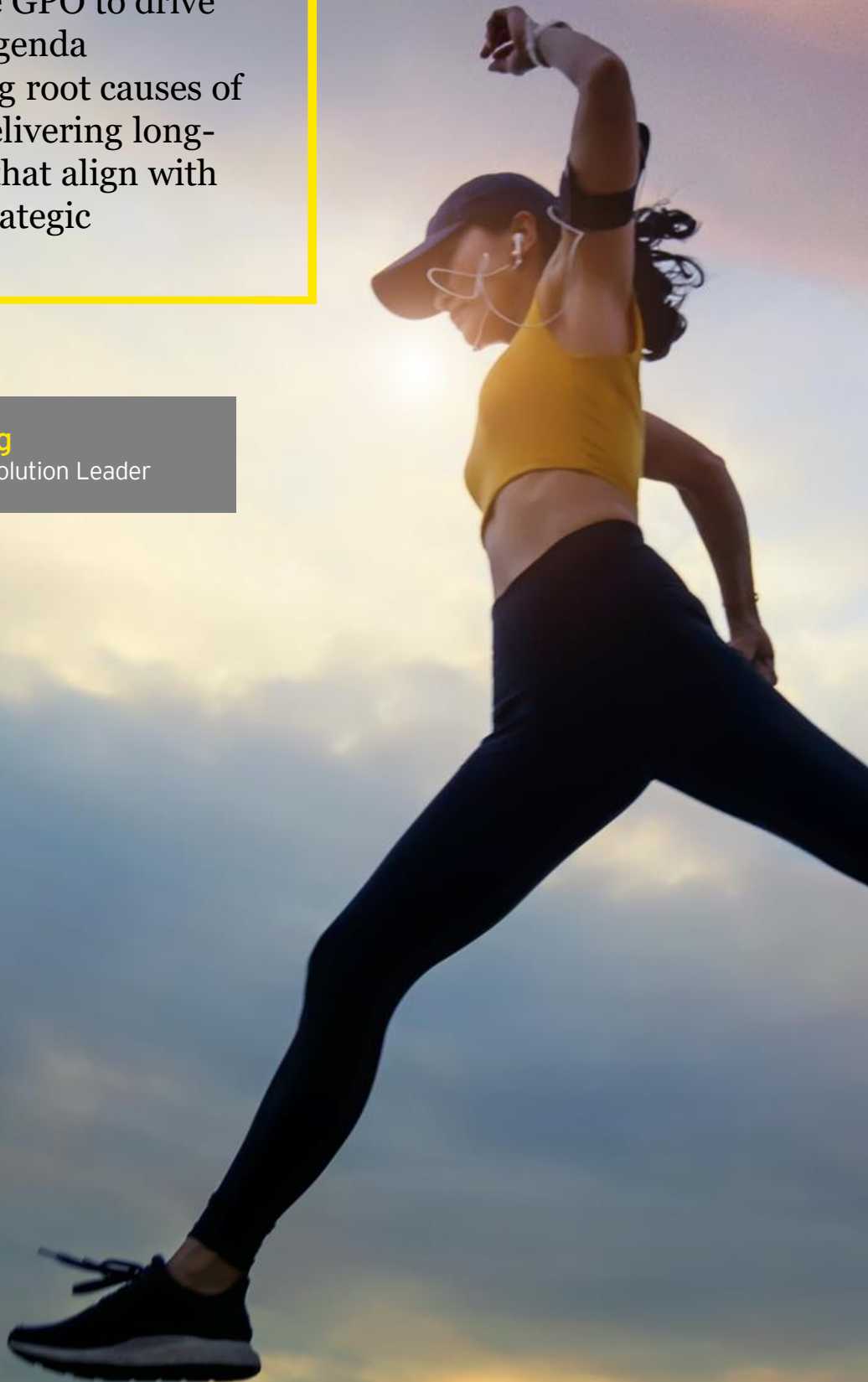
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By providing the GPO with the right mandate, sponsorship, and clear roles and responsibilities, organizations can empower the GPO to move from a tactical to a strategic role. This enables the GPO to drive the transformation agenda effectively, addressing root causes of process issues and delivering long-term improvements that align with the organization's strategic objectives.



Dorian Redding

EY Americas GBS Solution Leader



3. Should the GPO oversee both process transformation and process operations?

Process transformation and process operations are two distinct concepts within the realm of business process management and should not be mixed and the GPO could oversee both with the right operating model in place.

Process operations refers to the day-to-day management and execution of established business processes. It involves the routine activities that ensure processes run smoothly and efficiently.

Process transformation refers to the fundamental change, redesign or disruption of business processes to enhance efficiency, effectiveness, and experience. It often involves rethinking how work is done and may include adopting new technologies, methodologies, or organizational structures.

Both are essential for organizational success but serve different purposes within the business process management framework.

50% of the surveyed companies doesn't have clear remit distinction between *process operations* and *process transformation* teams.

Should GPOs also be accountable for delivery operations?

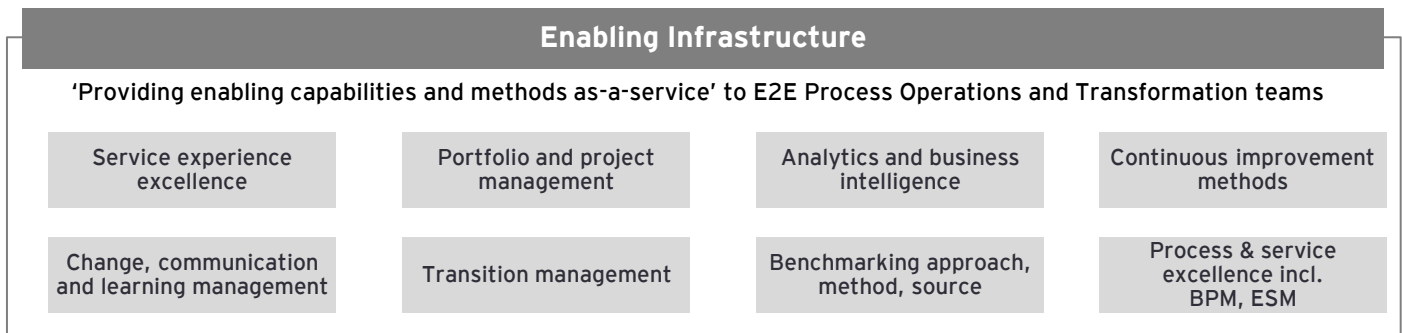
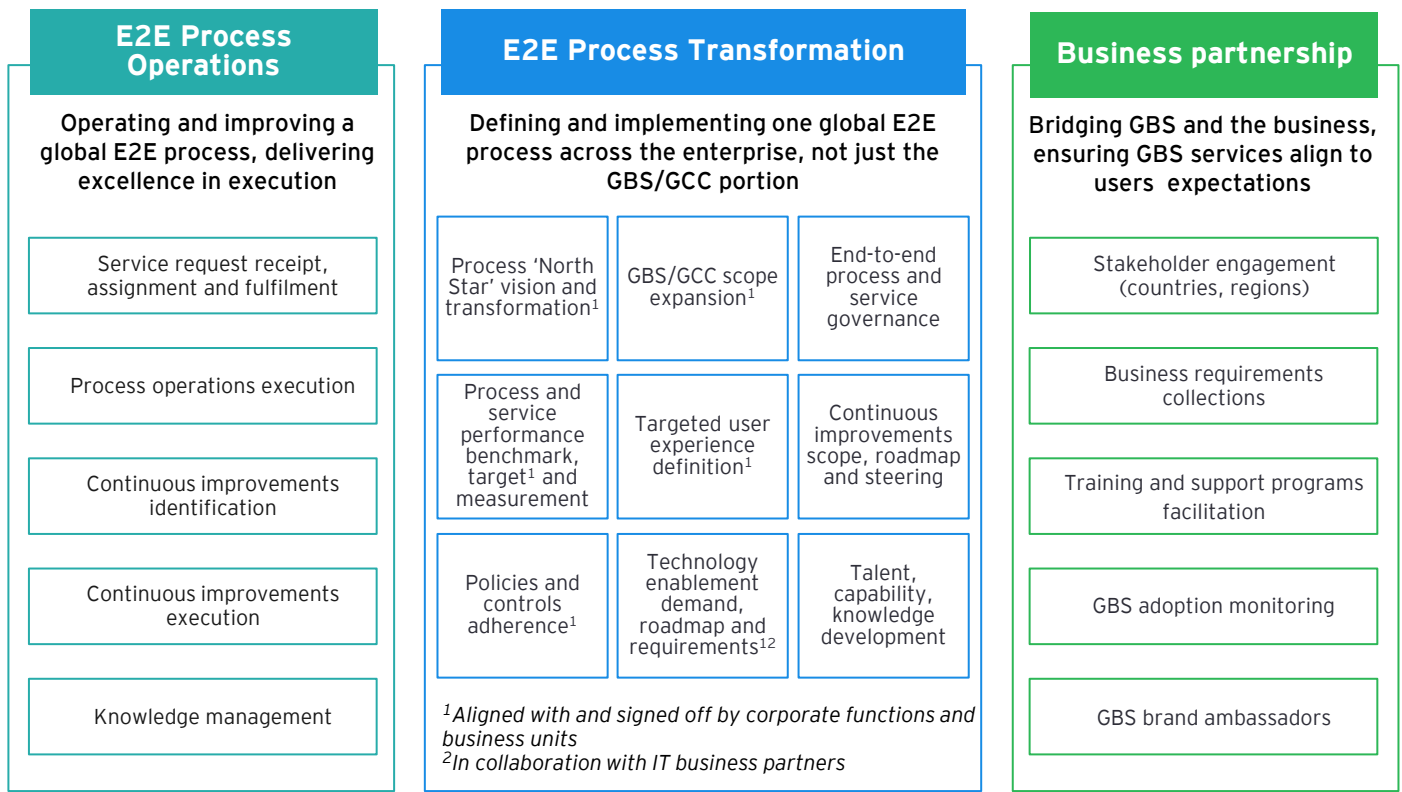
There is no right answer. Single accountability can enhance control over the entire scope and roadmap, ensuring seamless alignment. This approach also accelerates the consistent implementation of processes and organizational changes. However, this structure may also lead to GPOs becoming entangled in numerous tactical issues and escalations, diverting their focus from the transformation agenda.

Business partnership in GBS refers to the collaborative relationship between the GBS organization and various business units or regions within an enterprise. This partnership aims to align GBS services with the strategic goals and operational needs of the BUs across geographies, ensuring that the GBS organization effectively supports the overall business objectives.

20% of the surveyed companies have *GBS business partners* in place, sometimes referred to as "*GBS account managers*", however reporting lines and governance aren't always clear which leads to a sub-optimal use of the role.



The picture below (see Exhibit 3) brings to life the focus areas of process operations, process transformation and business partnership teams, along with outlining examples of key enabling capabilities needed within GBS or on enterprise level, to maximize the results of all these teams



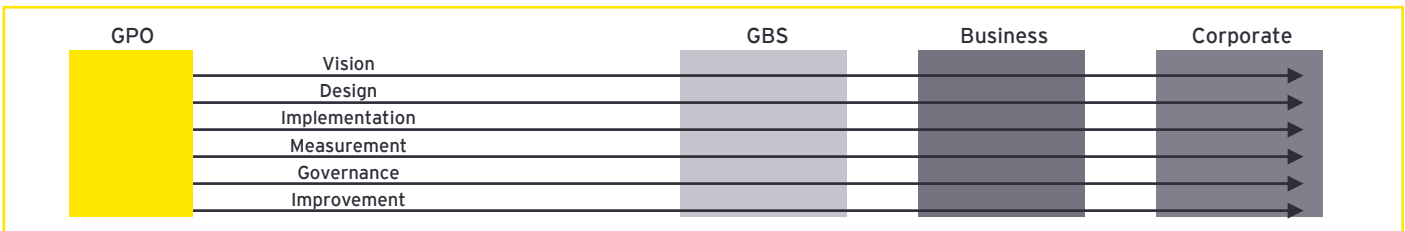
To prevent duplications and conflicting goals, the design of the GPO model should not occur in isolation from the design of GBS operating model and of the enabling capabilities listed above.



4. How do the role and responsibilities of the GPO need to evolve to be fit for the future?

The structure of the GPO organization will influence its ability to drive enterprise transformation and enable GBS to enhance business performance.

GPOs are essential for designing and managing processes that balance the needs of GBS, business units, functions, geographies, and IT guidelines. Understanding the GPO's role and responsibilities is crucial.



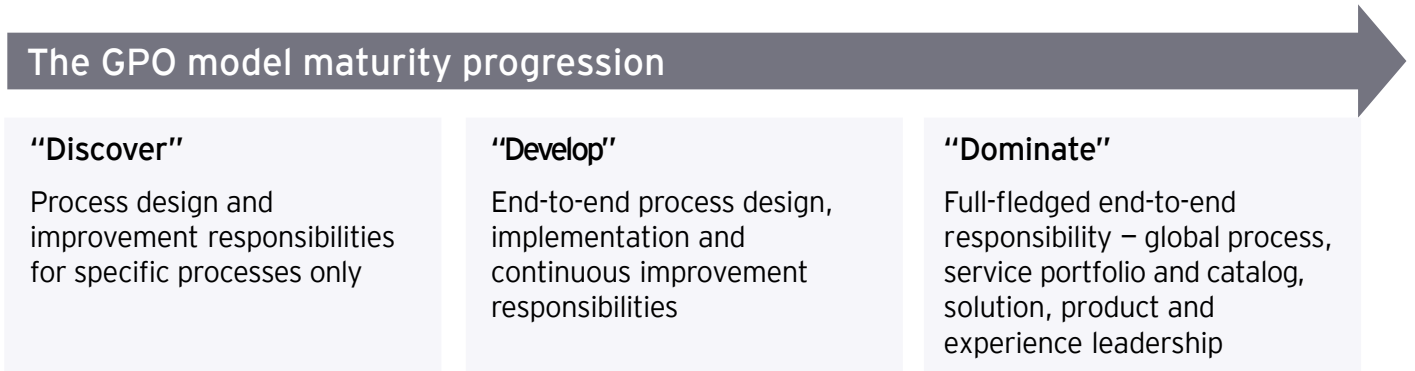
To transform and manage processes effectively, GPOs must have decision rights across various dimensions, which can vary in extent. This requires strong leadership and the ability to engage and partner effectively with key stakeholders. Below is a detailed breakdown of key dimensions.

- **Process “North star” and transformation vision** – What are the process’ long-term goals and how do they align with the strategic objectives or the related functions?
- **Budget** – Who owns, prioritizes and manages the budget for process transformation and service and solution innovation?
- **Process and service governance** – Who makes key decisions on the process and services and underlying solutions? Which key stakeholders must the GPO engage with and what decision-making forums exist? How can the GPO influence these governance boards?
- **Policies and controls** – What measures are needed to mitigate risks associated with processes and services? How can adherence to design be ensured?
- **Process, service and targeted experience design** – What key design decisions ensure a robust global template and effective service delivery? How to balance harmonization and standardization with necessary exceptions? What are the targeted outcomes?
- **Process and service implementation** – How to build and deploy ways of working and secure adoption?
- **Process and service performance measurement** – What are the critical metrics, and how can performance management drive decision-making?
- **Service delivery model** – Who should execute the process, where, and what skills are required?
- **Technology demand, architecture and roadmap** – Besides the ERP platform, which additional platforms and point solutions are needed to enable process and service automation and digitization and the targeted customer experience?
- **Make versus buy model** – Should the process be executed partially or fully in a captive delivery center or will (part of) it be outsourced to a third-party service provider?
- **Continuous improvement** – How do the process and the underlying solution currently operate? What process improvement practices should be encouraged?

In tech-driven transformations, GPOs are key to redesigning processes to align with new solutions and operating models. This demands a deep understanding of technology’s role in future-state design and close collaboration with IT and external partners (e.g. software providers and consultants) to ensure the solution fits the business. Some organizations are advancing this concept by incorporating IT enablement into the GPO function, thereby evolving this role into a ‘Global Capability and Solution Owner’.

The maturity and strength of the GPO role has evolved in parallel to the evolution of GBS maturity. There is now acknowledgment of the importance of the GPO role in accelerating enterprise transformation, as well as the other key parties and ecosystem involved to ensure success.

The picture below illustrates a framework of the GPO remit areas, along with examples of GPO maturity archetypes throughout the maturity progression. These archetypes should only be used as a reference when defining the desired future state GPO model.



GPO’s remit areas	“Discover”	“Develop”	“Dominate”
Functional strategy	●	●	●
Stakeholder engagement and management	●	●	●
Process “North Star” vision and transformation	●	●	●
Policies and controls	●	●	●
GBS scope expansion	●	●	●
Transformation budget ownership	●	●	●
Transformation budget prioritization	●	●	●
Process and service governance	●	●	●
Process and service performance metrics and targets	●	●	●
Process and service performance benchmark and measurement	●	●	●
Process, service portfolio & catalogue, and targeted experience design and implementation	●	●	●
Technology enablement demand, roadmap and requirements	●	●	●
Technology enablement implementation	●	●	●
Make vs buy decisions	●	●	●
Continuous improvements scope, roadmap and steering	●	●	●
Talent and capability development	●	●	●
Learning and knowledge management	●	●	●

Full GPO remit	GPO remit, it may require alignment with and sign-off by relevant function(s) incl. IT/ business	Partial GPO remit	No GPO remit
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5. Is the GPO a solo role or should it have a team?

GPOs typically have a team. The size and composition of the GPO team depend on several factors.

The role of a GPO is typically not a solo endeavor; rather, GPOs lead a team that is essential for driving successful transformation initiatives. The size and composition of the GPO team can vary significantly, depending on several factors, including the scope and complexity of the transformation, the maturity of existing processes, and the specific goals of the organization.

While GPOs may not always have large, dedicated teams, they effectively orchestrate a network of resources, including direct reports and matrixed members from various functions. This collaborative approach, if enabled by the right goal settings and incentives for these resources, can allow GPOs to leverage diverse expertise, which is essential for achieving desired outcomes.

GPO teams typically include the following capabilities:

- a core group of process and functional product leads who support them in process and solution design, governance, and continuous improvement, ensuring that processes align with the organization's strategic objectives;
- a learning and development Center of Excellence (CoE) to create training material and deliver training to key- and end-users;
- process champions within business units to gather requirements and drive grassroots change. This engagement fosters a culture of collaboration and helps ensure that transformation efforts are well-received and effectively implemented across the organization.

96% of the surveyed companies reported to have a GPO organization where each GPO has a team. The size of each of these teams varies from 1 FTE (full time equivalent) to 98 FTEs and is independent of the captive versus outsources model.

Most of the GBS organizations with an outsourced or hybrid mode reported to have also a (sort of) GPO organization within the BPO team, required to improve quality of execution on the BPO side.



6. Where should a GPO sit in the enterprise ?

There are different places within the enterprise for housing the GPO role, and it may not be a 'set it and forget it' decision.

Understanding the varying models of GPO set-up is crucial for determining the most effective structure for an organization. Each model has distinct characteristics, responsibilities, accountabilities, reporting lines, key competencies, decision-making authority, and metrics. The model may evolve over time. The picture below provides a snapshot of their respective key characteristics and reporting lines.

1. Business-unit centric model	2. Function-centric model	3. GBS-centric model	4. Enterprise-centric model
			
<p>GPOs are embedded within business units, focusing on driving process standards and digital transformation. This model is adopted by organizations with specific business unit requirements and limited potential for cross-business unit global harmonization, or those without a unified GBS organization.</p> <p>GPOs report directly to the business unit and may have dotted lines into GBS, where applicable.</p>	<p>GPOs are aligned with specific functions, focusing on driving process and solution transformation within their respective functions. This model is adopted by organizations lacking cross-functional end-to-end setup or using a GBS "landlord" or "hybrid" model where processes are executed across GBS, functional shared services and business units.</p> <p>GPOs report solidly into the functions and, where applicable, have dotted lines into GBS, and are part of both function and GBS leadership teams.</p>	<p>GPOs sit within GBS, focusing on end-to-end process optimization across functions, business units, and GBS. This approach is suitable for organizations with a strong GBS brand that attracts skilled GPOs or those transitioning to a mature, integrated GBS model.</p> <p>GPOs report directly to the global head of GBS or to a head of global processes under the head of GBS and typically have a seat on the management teams of their respective functions, where applicable.</p>	<p>GPOs focus on strategic process optimization across the entire enterprise. This model is relevant for organizations with a comprehensive enterprise transformation roadmap that spans business units and geographies, including next-generation ERP, GBS advancement, hyper-automation, and digitization.</p> <p>GPOs report directly to the global head of enterprise transformation and typically hold a seat on the management teams of their respective functions and GBS, where applicable.</p>

Within an enterprise, various GPO models may coexist, influenced by factors such as operating models, process maturity, service delivery models, the GBS brand, and the enterprise transformation agenda. The GPO model can evolve overtime in response to the organization's maturity, strategic priorities, and changing business needs. For instance, an organization may begin with a function-centric model and gradually transition to a GBS-centric or enterprise-centric model as it matures and aims for more comprehensive end-to-end process transformation.

45% of the surveyed companies reported to have at least two GPO models coexisting.



7. How many GPO organizations are needed within an enterprise?

There should be only one GPO organization on enterprise level. A GPO global council will foster alignment, consistency, and integration among the GPO community.

Separate GPOs can lead to inefficiencies and outdated practices. To enhance effectiveness, a single GPO should oversee the end-to-end process vision, solution design, and service delivery. This GPO must be supported by global process experts and business partners to ensure comprehensive coverage and the adoption of best practices across the organization.

65% of the surveyed companies reported to have a GPO organization within the IT function to focus on the ERP or technology blueprint design, and another GPO or process transformation organization within GBS or other areas of the enterprise e.g. within the strategy and transformation function, responsible of maintaining and enhancing the same processes in scope for the ERP or technology blueprint.

Digital, next-generation ERPs, along with process and GBS transformations require a well-aligned scope and governance. Therefore, establishing one GPO organization is essential to drive end-to-end process and technology changes, ensuring consistency and achieving maximum impact.

The establishment of a *GPO global council* at the enterprise level is crucial for fostering alignment, consistency, and integration among the GPO community. The purpose of a GPO council typically includes:

- aligning on the transformational roadmap: ensuring that all GPO initiatives are aligned with the organization's strategic objectives;
- prioritizing transformational programs: assessing the impact and urgency of various initiatives to allocate resources effectively; and
- providing a unified approach: offering a cohesive perspective on cross-functional business process management and integration challenges

12% of the surveyed companies reported to have a GPO council in place.



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GPOs are a unique opportunity to break down silos and elevate user experience centricity. This is a responsibility that shouldn't be taken lightly but also needs to be positioned strategically in an enterprise to help deliver on this opportunity.



Matthew Kearney

EY EMEA HR and Talent GBS Leader



8. What factors influence the GPO role, and what capabilities are essential for maximizing impact?

The effectiveness of a GPO hinges on a unique set of evolving personal attributes and capabilities.

The success of the GPO role is influenced by multiple factors, such as:

- Corporate maturity and business strategy
- Transformation agenda of each function
- GBS scope, scale, maturity, brand and ambition
- Operating model, process maturity and performance
- Degree of cross-functional collaboration within the enterprise
- Technology trends, agenda and roadmap, including the deployment of the next-gen of ERP systems, disruptive technologies
- Placement and positioning of the IT function

GPOs need certain capabilities to understand and address these factors, so they can effectively transform processes, and deliver significant value to the enterprise.

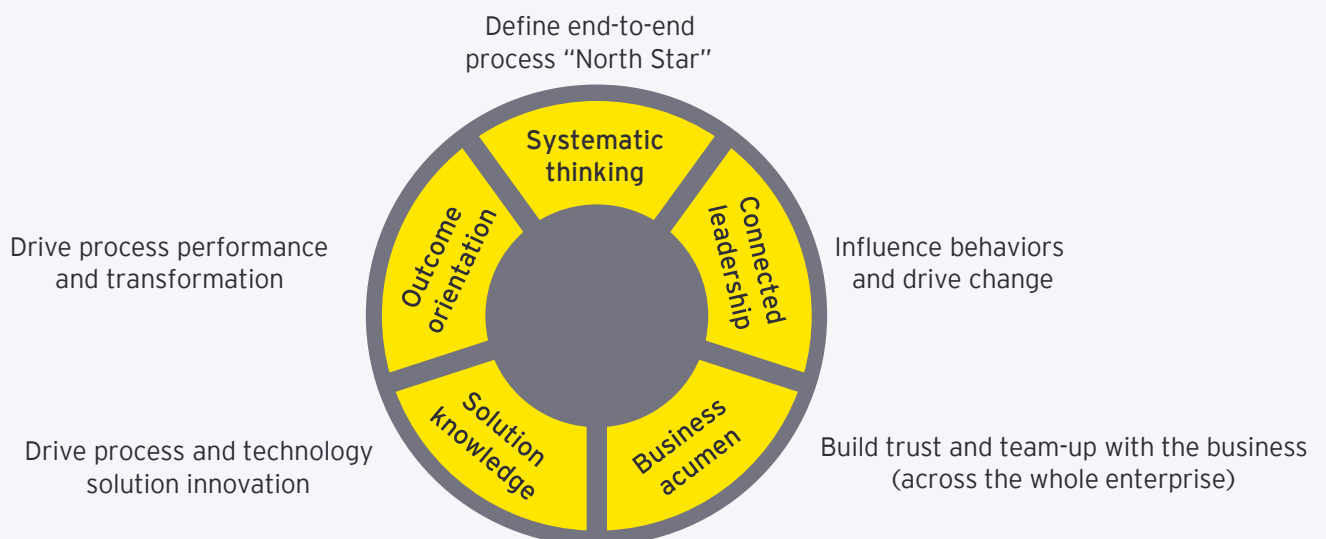
To navigate these factors and drive meaningful process transformation, GPOs must possess specific capabilities. They should be strategic visionaries, aligning with function and business unit leaders to define a clear vision for their processes, both current and future. This vision must resonate with the company strategy and anticipate emerging trends.

GPOs need to assess their organization's readiness for change, determining when to implement incremental adjustments versus more significant

shifts. As businesses transition from stabilization to navigating disruption, GPOs must embody an evolved skill set. They should cultivate internal and external networks with shared goals, focusing on driving and embracing disruption rather than merely managing change.

Effective GPOs lead by example, adopting new competencies and mentoring others. They exemplify essential digital leadership qualities, such as empathy, resilience, and inspiration, crucial in today's technology-driven landscape.

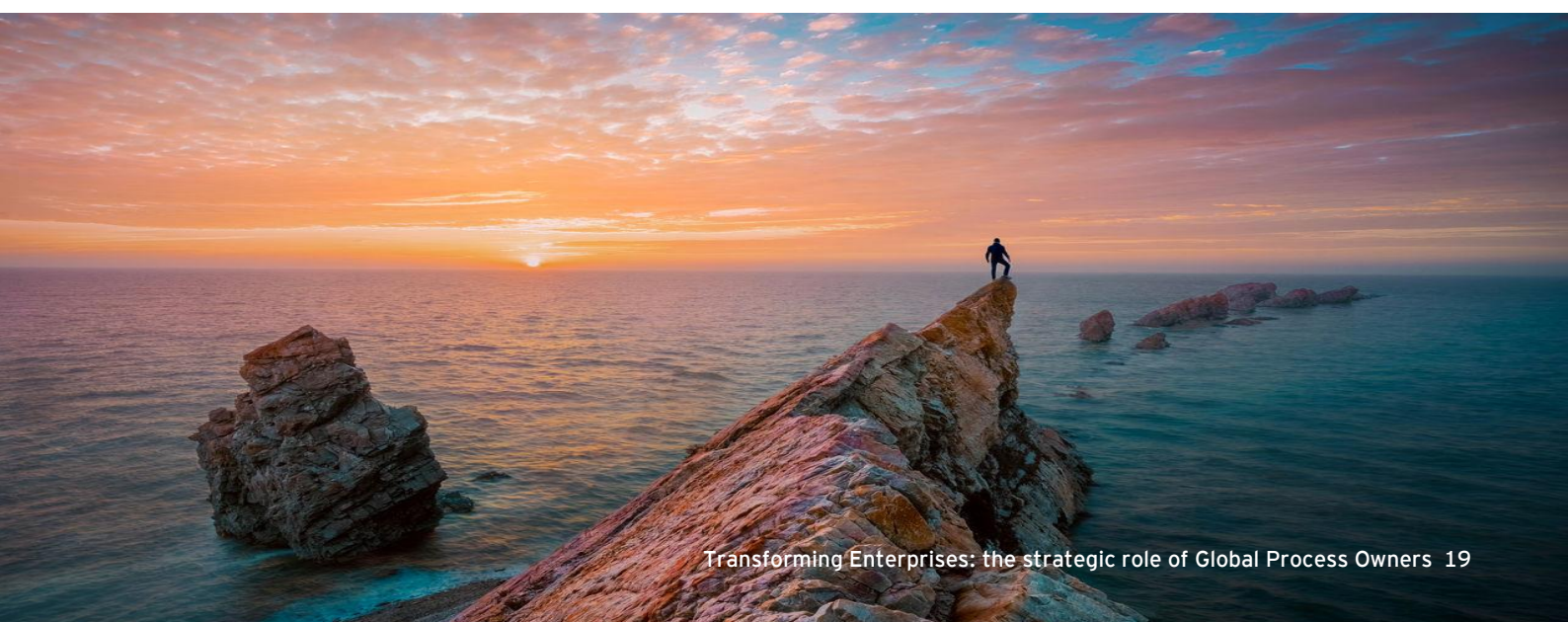
GPO's personal attributes and capabilities



The GPO's future role requires new skills and mindset to shape and drive process transformation and enhance process performance.

The below brings to life how this has evolved, and which aspects and skills are increasingly important as the role expands in its strategic value and remit.

	'Discover' GPO role	'Develop' GPO role	"Dominate" GPO role
GPO capabilities			
GPO model description	<ul style="list-style-type: none"> The GPO 'discover' or 'light' role is common in traditional shared services or enterprises without end-to-end processes or digital transformation plans. It focuses on daily execution and operational maintenance to ensure smooth operations. This role must evolve to a more strategic and integrated approach to drive significant value and transformation. 55% of the surveyed companies has a GPO role aligned to this archetype. 	<ul style="list-style-type: none"> Organizations with a GBS 1.0 setup and those undergoing digital transformation adopt this strategic and integrated GPO role. It aligns end-to-end processes with business strategy, leverages systematic thinking and business acumen, and oversees solutions and technology roadmaps. This role ensures strategic process alignment, performance improvement, and technology investments. 40% of the surveyed companies has a GPO role aligned to this archetype. 	<ul style="list-style-type: none"> The GPO leading model, suited for next-wave GBS and digital transformations, positioning the GPO as a global product, solution, and experience owner. It emphasizes strategic alignment, budget prioritization, and continuous improvement, supporting the evolving needs of modern enterprises. Only 5% of the surveyed companies has a GPO role aligned to this archetype.



9. What are the key differences across processes and functions from the perspective of the GPO role?

The GPO remit and maturity still differs across functions and processes.

Over the last two decades, functions have undertaken numerous (technology-enabled) transformations with different priorities, approaches and results. At the same time, they have also leveraged GBS differently and have utilized different ways to define and establish the GPO role and organization. In this section, we summarize the insights on different processes collected throughout the survey.

Finance *Record-to-Report (R2R)*

Context

Most organizations with an end-to-end perspective on finance usually have a well-established R2R GPO role reporting into GBS. Though R2R is a dedicated finance process, working together with other end-to-end GPOs, as well as operations teams in GBS, is key to better integrating processes and the technology stack.

Process digitalization

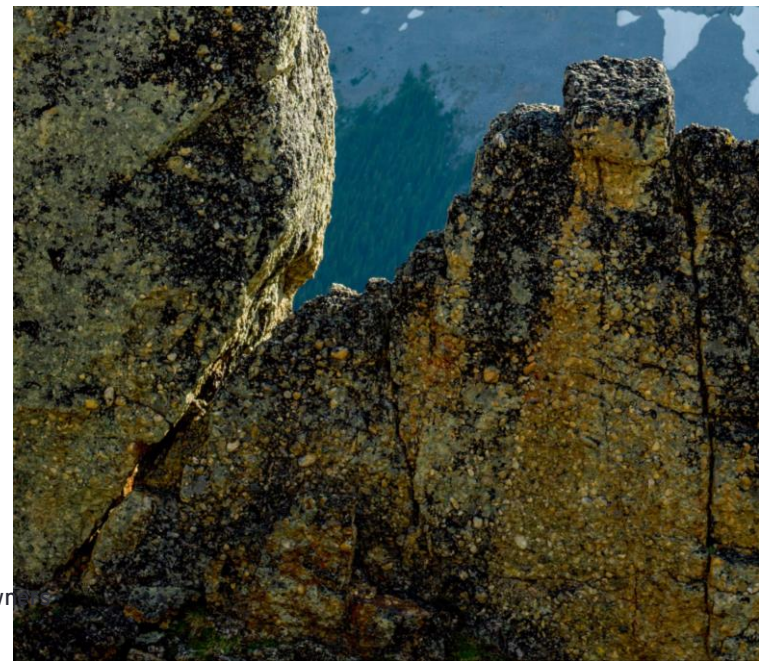
R2R process automation and digitization are closely tied to the ERP system set-up. While R2R GPOs have traditionally been responsible for managing process performance and setting KPIs, they historically had limited input on ERP system set-up. However, there has been a shift towards GPOs playing a more active role in modernizing accounting processes by selecting and implementing new technological solutions that work alongside existing ERP systems. This modernization aims to achieve financial close excellence, accurate reporting, and an improved user experience.

As companies embark on major programs to implement the next wave of ERP systems, R2R GPOs are expected to understand the end-to-end process and digitization potential and to strive for influence on the ERP and finance system landscape. This applies also to Financial Planning & Analysis (FP&A) leaders, who are increasingly positioned as GPOs in GBS over the past few years. They are best positioned to drive automation and data to insights when they understand and own the respective system

landscape, e.g., integrated planning systems. In summary, there is a trend towards greater integration of technology in finance, with GPOs playing a pivotal role in driving this transformation. It emphasizes the need for GPOs to have a strategic influence on technology decisions and to work collaboratively with experts to integrate and automate finance processes effectively.

Process adoption in GBS

For successful process adoption, GPOs must collaborate with business partners who have specialized knowledge in various aspects of the R2R process. These partners include accounting professionals, data architects, and reporting specialists. The GPO acts as the architect, ensuring that accounting policies and reporting requirements are effectively translated into a technology-enabled and, ideally, automated R2R process.





Context

Most multinationals have a GPO or a global solution owner (GSO) within the human resources (HR) leadership team with a dual reporting line into GBS and the function. Many times, these individuals become the experience and product owners for the HR catalog, technology stack and HR master data. This has brought to light the concept of global experience owner (GXO) - driving more end-to-end process collaboration across adjacency functions.

Process digitalization

The GPO, GSO or even GXO role and the IT operating model are interlinked i.e., the relationship between technical and functional roles across GBS and the IT function are critical. This raises the debate on process ownership versus product ownership versus platform ownership. Over 10,000 HR technology products in the market are making the H2R GPO role more technologically-focused than ever, and in doing so requiring them to continuously scan, select, and experiment. This results in leading companies taking a global solution ownership path and enabling one individual to own an end-to-end process and the underlining technology enablement. In this we typically see a GPO / GSO or GXO allocated across key aspects of the employee lifecycle - with major companies have 3-5 key roles across the lifecycle.

Process adoption in GBS

GPO in H2R can come in many shapes and sizes depending on the HR function maturity, size of company and HR shared service versus GBS function, e.g., GPO reporting model in place. Often GPOs can also be double-hatted center of excellence members or even business leaders who own and drive continuous improvement, experience and data ownership. This is typically in a more mature model and depends on capabilities in the retained function and where GBS reports at the executive level. Even if you implement a GSO or GXO model - companies still require GPOs within this context to deliver and execute small and medium size change.





Context

The O2C process typically spans the sales, supply chain and finance functions. It is one of the more complex areas for which to define an end-to-end vision, and drive integrated execution, given the touchpoints with the customer and inputs from a go-to-market perspective (for example trade and promotion agreements).

In terms of maturity, the true end-to-end O2C GPO is less common, and without an aligned view across these functions nor a cross-function owner and driver, O2C transformations have typically focused on accounts receivable or order management improvements versus the end-to-end, which can even be an extension into “sell-to-cash” or “quote-to-cash”.

Historically, O2C was organized within finance, but only for the accounts receivable portion (or “invoice-to-cash”). Many GBS organizations have been gradually expanding the O2C remit to include order management, order fulfillment and customer service. Despite the wider remit, organizations have not placed an emphasis on defining a customer-centric end-to-end O2C process, within the business or within GBS. Key variations across geographies, different characteristics of the customer base, and regulatory requirements need to be taken into consideration. This makes it challenging to define a “one size fits all” global model, e.g., in consumer products, allowable variations would include modern trade and distributed trade market archetypes.

Process digitization

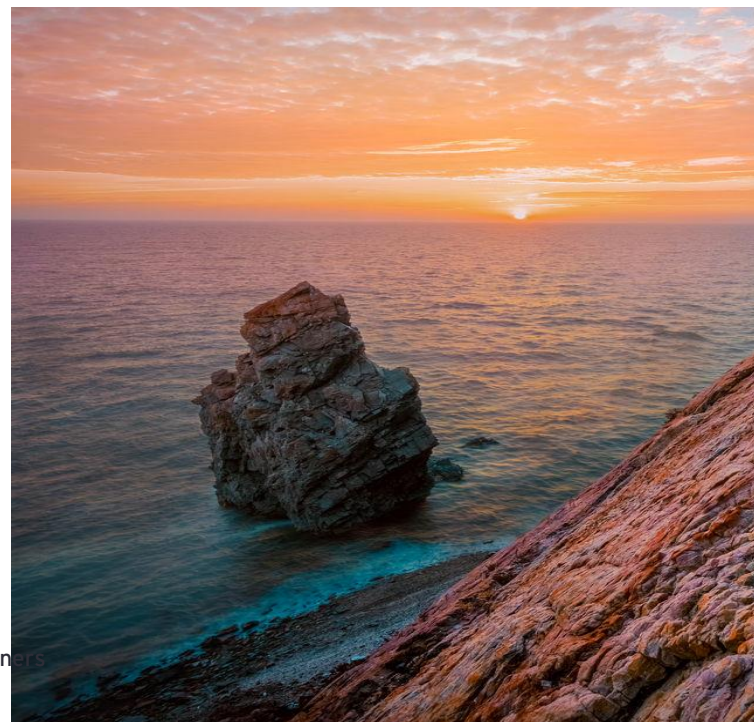
When in place, the GPO often has the mandate to drive process automation and digitization, however, the O2C process is wide and complex in nature and requires an ecosystem of best-of-breed solutions. An integrated solution architecture is fundamental, ahead on signing off any technology investment.

Large organizations struggle to get all involved functions and geographies onboard and aligned on the same priorities. A comprehensive conceptual solution architecture that includes ERP and satellite solutions for the key building

blocks (e.g., customer service management, automated order intake, order fulfillment, bill-to-cash, integration with third parties) alongside main system integrations is hardly available for the current state and often not even drafted prior to embarking on a large next generation ERP and/or digital transformations. It should actually be a mandatory activity for the GPO and his or her team.

Process adoption in GBS

The O2C GPO often has a focus on order management or credit management, collections, and cash allocation. The O2C GPO with an end-to-end process remit is essential to closing the gap to a true end-to-end process that takes into account the upstream sales and logistics activities that impact the downstream finance processes. The GPO therefore needs to have a sound understanding of the business, the go-to-market approach and customer behaviors in order to build the right level of credibility to challenge the business where necessary. An example would be the impact of commercial conditions and agreements made with customers that are difficult to validate due to a lack of accurate data, which can therefore lead to potential revenue leakages.





Context

The P2P process typically spans the procurement and finance functions. Many organizations today still suffer from a fragmented approach to P2P or source-to-pay (S2P). This leads to significant and avoidable inefficiencies such as a substantial backlog of problematic invoices. P2P is also the gateway for fraud, which leads to value leakage and numbers can be significant. A strong GPO mandate with end-to-end oversight of the process and leveraged technology can ensure proper vendor compliance across the organization and minimize the risks.

It starts with the definition of P2P - some organizations still consider P2P to be accounts payable (AP) or invoice-to-pay (I2P) rather than a cross-functional process and therefore look at the P2P GPO role and its aims and conclude that their current head of AP could do it. There are even companies that lack a GPO for I2P, they have I2P key-users or process champions of individual I2P sub-processes, who lack a holistic view of issues and related root causes.

Leading organizations typically combine (part of) procurement and AP global process ownership in one end-to-end requisition-to-pay (R2P) or S2P GPO role. An S2P GPO often has a team of global process experts or champions for "source-to-contract (S2C)," "requisition-to-order" (R2O) and I2P, with a remit of driving mainly process harmonization, simplification, standardization, and measurability.

Process Digitalization

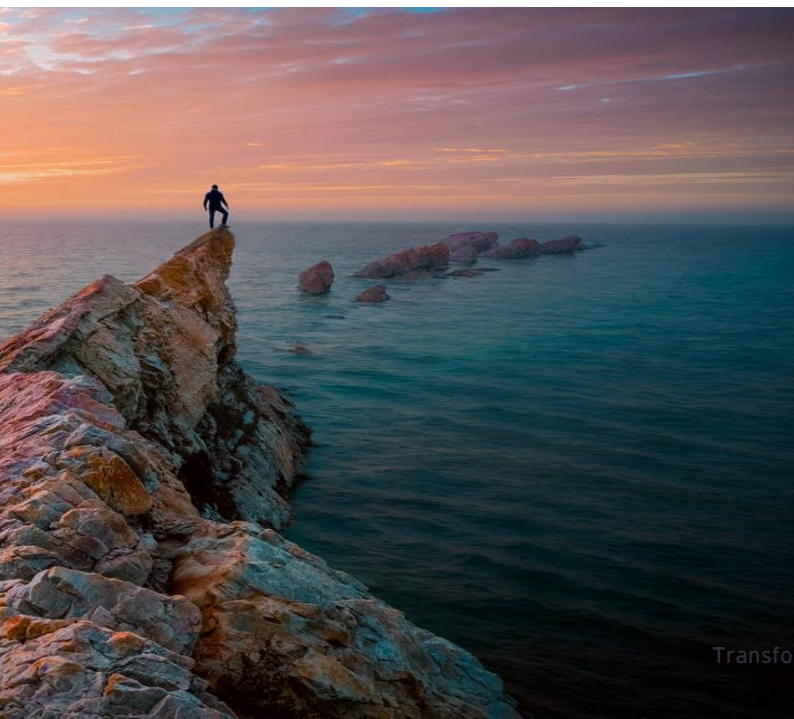
The starting point of optimization is in the operating model. In the S2P process, there are strategic (category management, sourcing), tactical (sourcing execution, contract management, buying desk) and operational activities.

The digitalization follows the operating model. Many companies choose to use an e-procurement suite for core and workflow-based processes and add-on specific best-of-breed solutions (e.g., analytics, discovery). Moreover, they leverage robotics process automation (RPA) in specific areas (e.g., master data, and price updates). The S2P or R2P process automation and digitization are highly dependent on platforms and point solutions beyond the ERP. A GPO should clear any confusion between direct and indirect procurement when it comes to enabling technology. The main difference between S2P and the automation side of SG&A and COGS/ Capex is the user and the trigger. S2C is similar. R2P is very different, with requisition being user and or budget-driven in SG&A and material requirements planning (MRP), or sales-driven in COGS. For effective R2P or S2P digitization, the GPO needs to drive a strong mandate for the selection of technology solutions to ensure a seamlessly integrated, controlled and highly automated end-to-end process.

Process adoption in GBS

The P2P GPO often sits in GBS, with a focus on I2P. The S2P GPO with an end-to-end process remit is essential to close the gap to a true end-to-end process that takes into account the upstream sourcing and purchasing activities that impact the downstream finance processes. The GPO, similar to O2C, therefore, needs to have a sound understanding of the business, the sourcing strategy, the buying channels, the supplier characteristics, and the supply risks in order to help anticipate and mitigate business risk and drive smooth process execution.

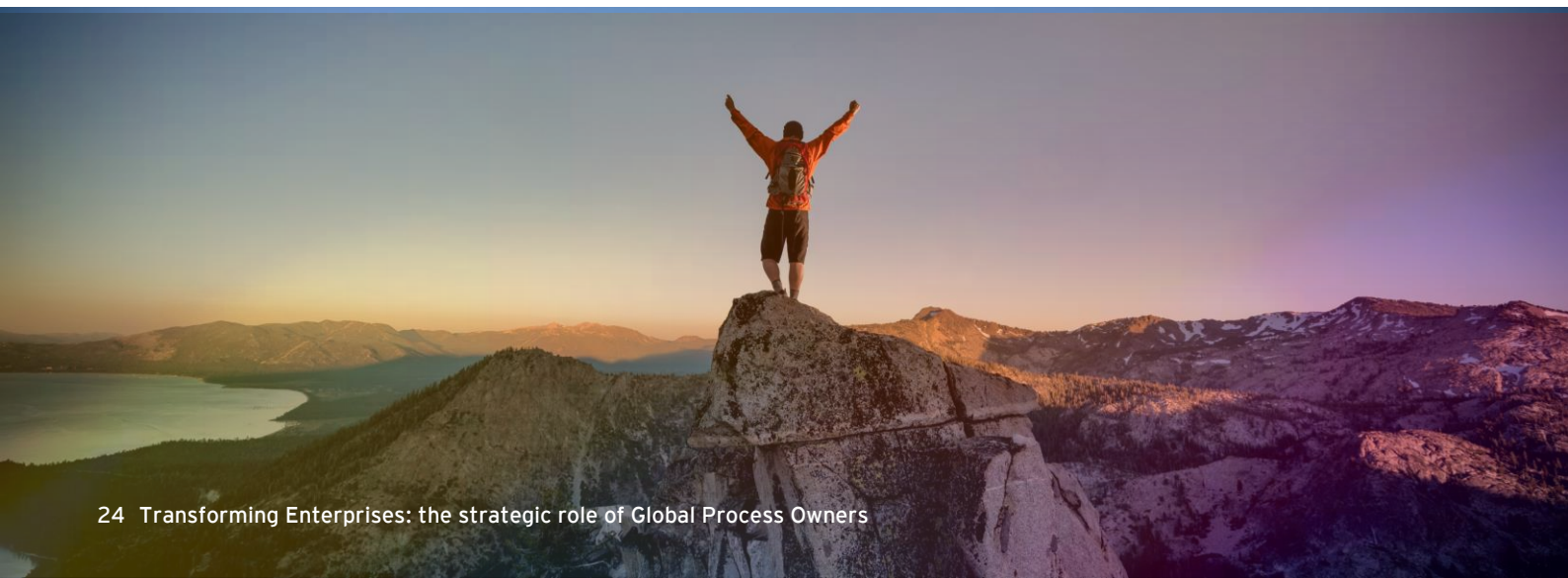
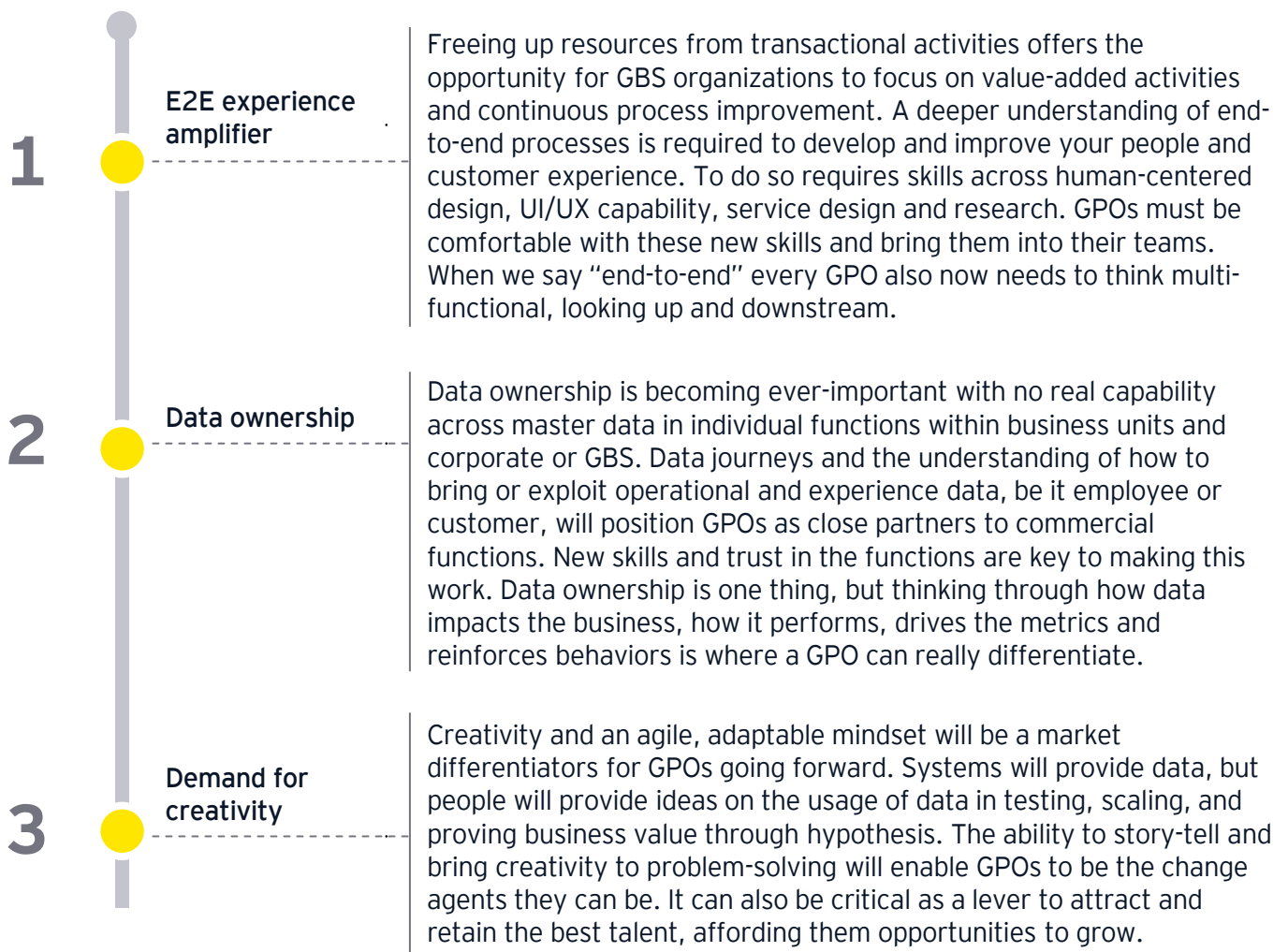
The S2P GPO role, when established, reports with a solid line to the head of GBS, but with a seat in the procurement leadership team and finance or AP communities.

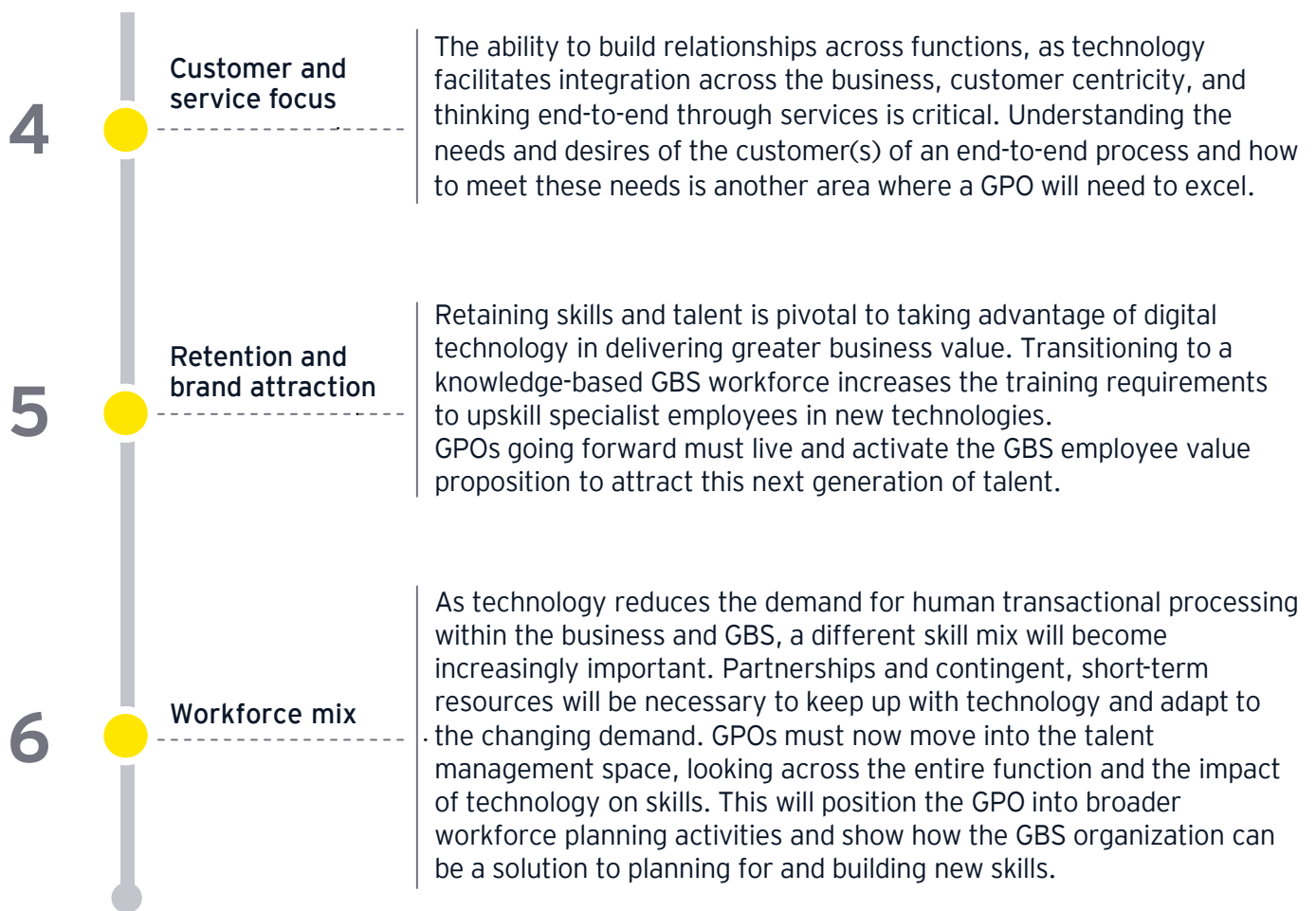


10. What career and upskilling opportunities will enable the GPO of the future to be successful?

The GPO career path offers an opportunity to drive value to the business by breaking-down silos, scaling new skills and building intimacy across customer groups. We believe this is one of the most critical and exciting roles and ways (for GBS) to grow leaders in and across the business.

Evolution of GPO role, what is emerging as the next skill set





These opportunities are evolving the role of a GPO, where they come from, and where their experiences can take them. More cross-functional career paths, and movement between business and GBS, where applicable, make it a very exciting and diversified role required across all GBS towers and horizontal capabilities. This can lead to a career in retained functions and/or leadership roles across GBS such as innovation, service management and continuous improvement.

Conclusion



The GPO role is becoming widely-adopted and more strategic, especially where organizations are looking to derive further value from large-scale transformational change.

However, many GPOs today do not have the required skills, or are not empowered within their organization, to deliver upon their remit. To ensure success, it is critical that the role is more clearly defined amongst key stakeholders, is universally understood, has strong senior executive sponsorship, and enabled by the right governance.

There is no one-size-fits-all solution relating to the definition of the role of the GPO and where to house the role. Different models may even coexist within the same enterprise. A GPO global council on the enterprise level is imperative to drive alignment, consistency and integration amongst the GPO community. Those organizations that opt for a more comprehensive GPO role with an expanded set of responsibilities and clear accountability, consistently reap greater rewards.

As the GPO role evolves, the capabilities for them to be successful are shifting towards thought leadership, influencing leaders, and demonstrating strong business acumen. The roles and responsibilities of the future-fit GPO are also evolving, from the definition of the process “North star” to driving solution innovation and the continuous improvement agenda.

Finally, the GPO will need to build new skills in order to truly drive value and potentially become future leaders in the business.



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