RESEARCH INSIGHT REPORT

GBS as the Engine of Digital Transformation

Table of Contents

Editor

Barbara Hodge
Global Editor
SSON Research & Analytics

Barbara is responsible for SSON Research & Analytics' global content - including specialist reports - which cements SSON's position as the most trusted resource for practitioners around the world.
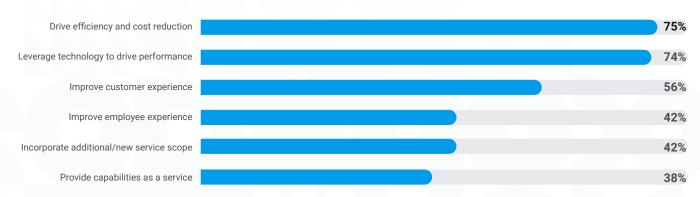
Introduction

The Global Business Services (GBS) model continues to represent the pinnacle of business services, with organizations increasingly adopting or scaling their GBS operations. According to survey data, nearly 80% of the market operates within a GBS framework, either transitioning to the model, scaling value-added services, or advancing towards digitized GBS. This growing prevalence underscores GBS's expanding influence and emerging capabilities within enterprises, especially with an increased onset of AI/Gen AI adoption.

As organizations navigate the demands of digital transformation, GBS is uniquely positioned to lead these efforts. With its cross-functional reach, process scope, and increasing adoption of advanced technologies, GBS can drive the innovation that enterprises need to succeed in a digital-first world. As such, GBS not only supports digital transformation but also acts as a catalyst for enterprise-wide digital growth.

CONSIDERING YOUR FORWARD-LOOKING STRATEGY, WHAT ARE YOUR PRIMARY GOALS OVER THE NEXT FIVE YEARS?

Goal	Percentage
Drive efficiency and cost reduction	75%
Leverage technology to drive performance	74%
Improve customer experience	56%
Improve employee experience	42%
Incorporate additional/new service scope	42%
Provide capabilities as a service	38%

Technology is Center Stage

Organizations today are laser-focused on efficiency and cost, but recognize, in parallel, that technology is the solution to this. In addition, technology is the catalyst to generating more value-add in performance as well as enhancing the experience for both customers and employees. Technology thus plays a central role in enterprise strategies, with many hoping to build on the intelligent automation-driven gains of the last decade. Today, AI holds immense potential to revolutionize operations, but its adoption remains uneven across GBS. A majority – 55% – are deploying AI in a limited, *ad hoc* manner confined to specific tasks, while 21% of respondents report not using AI at all. A smaller, more encouraging, segment – approximately 20% – has, however, moved beyond piecemeal implementations, integrating AI across several functions or embedding it as a core operational

component – for example via HR Employee Chatbots, AI Powered OCR, or Inventory Management predictive modeling. What's clear is that many organizations are missing the opportunity to fully capitalize on AI's transformative capabilities.

This missed opportunity becomes even more apparent when examining how GBS are preparing for AI integration and how they are setting up relevant teams. Nearly 40% of respondents have no dedicated AI team in place at all, highlighting a critical gap in organizational capability and leadership. For these companies, the absence of a structured approach to AI represents a tangible opportunity cost – one that could hinder their progress toward digital transformation and operational excellence. Conversely, organizations that *have* prioritized AI as a strategic enabler are setting
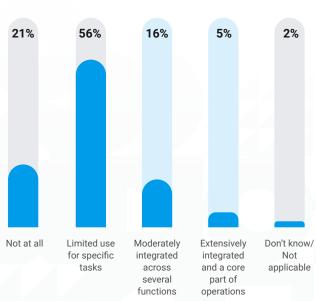
themselves apart: approximately 21% have successfully embedded AI across multiple functions, while about 25% have established AI Centers of Excellence (CoEs). These CoEs act as innovation hubs, driving increased digital skills and collaboration with functional teams and accelerating transformation initiatives.

The divide between leaders and laggards is evident: organizations that strategically embrace AI are better positioned to drive performance, optimize costs, and deliver superior experience. For senior executives, the imperative is clear – bridging the AI adoption gap is no longer optional; it is essential for maintaining competitiveness and achieving long-term success in an increasingly technology-driven landscape.

HOW ARE AI TEAMS BEING SET UP IN YOUR GBS OPERATIONS?

TO WHAT EXTENT IS AI INTEGRATED INTO YOUR GBS OPERATIONS?

- Center of Excellence AI team separate from other functions
- AI expertise integrated within each functional team
- Hybrid model with a Center of Excellence team that collaborates with embedded AI experts in functions
- Outsourced AI capabilities with external partners
- No dedicated AI teams currently in place

26% / 13% / 18% / 5% / 38%

21% Not at all / 56% Limited use for specific tasks / 16% Moderately integrated across several functions / 5% Extensively integrated and a core part of operations / 2% Don't know/ Not applicable

The Changing Nature of GBS Leadership in a Digital Environment

Generative AI is poised to fundamentally reshape the leadership dynamics within GBS, with significant implications for its ability to drive digital transformation. According to survey findings, 35% of respondents believe that the advent of generative AI will shift leadership's focus from traditional operational management to innovation. This highlights the growing importance of fostering a culture of digital transformation, where innovation becomes a core strategic priority rather than just operational efficiency.
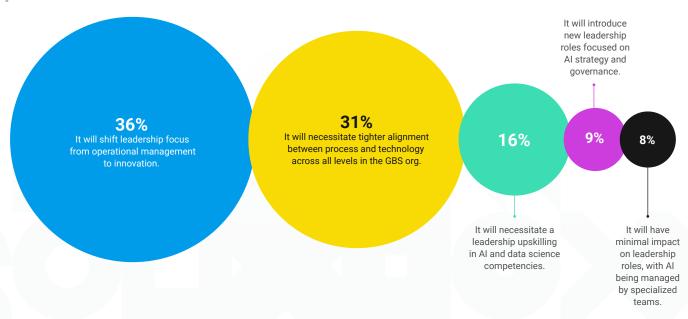
Additionally, 31% of respondents foresee that generative AI will necessitate tighter alignment between process, technology and data quality at all levels within GBS. This alignment is critical for driving seamless integration of digital technologies across functions, ensuring that GBS not only supports but actively propels the digital transformation agenda. GBS leaders that pivot towards innovation and aligning technology with core processes will be better positioned to lead transformative initiatives that enhance operational capabilities, customer experiences, and overall business growth.

These insights suggest that generative AI is not just a tool for enhancing operational efficiency but a catalyst for shifting GBS leadership toward more strategic, innovation-driven roles. With the right leadership focus and technological integration, GBS can play a central role in driving digital business transformation across the enterprise.

> " GBS leaders that pivot towards innovation and aligning technology with core processes will be better positioned to lead transformative initiatives that enhance operational capabilities, customer experiences, and overall business growth. "

HOW WILL GEN AI CHANGE THE GBS LEADERSHIP OVER THE NEXT 5 YEARS?

36%
It will shift leadership focus from operational management to innovation.

31%
It will necessitate tighter alignment between process and technology across all levels in the GBS org.

16%
It will necessitate a leadership upskilling in AI and data science competencies.

9%
It will introduce new leadership roles focused on AI strategy and governance.

8%
It will have minimal impact on leadership roles, with AI being managed by specialized teams.
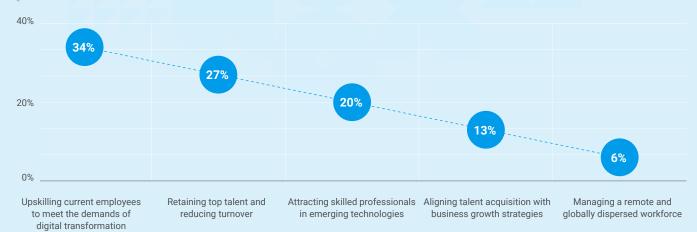
Addressing Talent Challenges & Prioritizing Skills

The overriding challenge for most GBS is to upskill their employees to meet the demands of digital transformation (34%) and recruit and retain key talent with digital skills (47%), i.e., attracting and keeping it. We also see 13% focused on aligning talent acquisition with business growth strategies, which reinforces digital capabilities. Interestingly, these factors dwarf the one issue many GBS leaders have been talking about since the pandemic, namely the challenges around managing a remote and globally dispersed workforce (only listed by 6%).
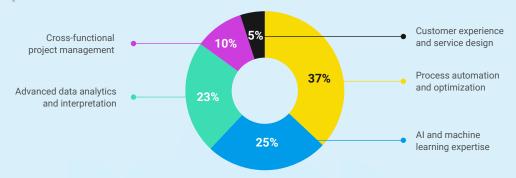
WHAT IS THE PRIMARY TALENT CHALLENGE YOUR GBS IS CURRENTLY FACING?

- **34%** — Upskilling current employees to meet the demands of digital transformation
- **27%** — Retaining top talent and reducing turnover
- **20%** — Attracting skilled professionals in emerging technologies
- **13%** — Aligning talent acquisition with business growth strategies
- **6%** — Managing a remote and globally dispersed workforce

There is no doubt about which skill sets today's GBS are looking for: 85% of survey respondents are seeking automation, AI, and analytics skills…the trifecta that determines digital transformation.

These skills are not yet well represented inhouse and are causing a critical skills gap in most GBS. More than 2/3 of respondents are relying on inhouse initiatives to close this gap by driving continuous learning and innovation and combining that with training and development. A small minority (18%) plan to buy in these skills through recruiting externally.

WHICH SKILL SETS ARE YOU ACTIVELY SEEKING TO BOLSTER YOUR GBS TEAM'S CAPABILITIES?

- **5%** — Customer experience and service design
- **37%** — Process automation and optimization
- **25%** — AI and machine learning expertise
- **23%** — Advanced data analytics and interpretation
- **10%** — Cross-functional project management

HOW ARE YOU ADDRESSING THE SKILL GAP IN YOUR GBS WORKFORCE?

Focusing on a culture of continuous learning and innovation	**36%**
Implementing in-house training and development programs	**33%**
Recruiting talent with specialized skills from outside the organization	**18%**
Partnering with educational institutions for talent development	**7%**
Offering competitive benefits and career progression opportunities	**3%**
Mobility/rotation programs	**3%**

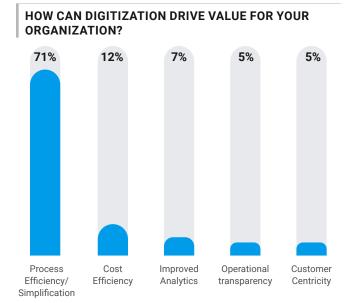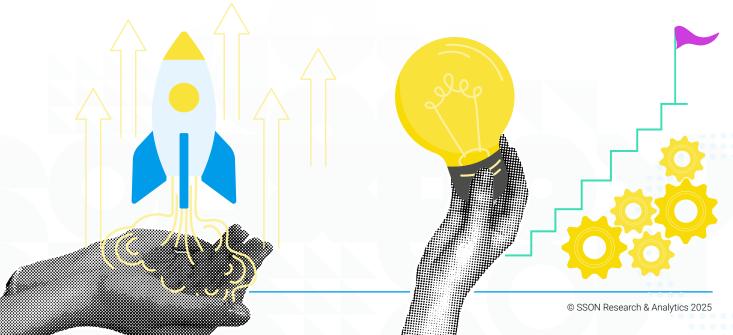# What's the "Value Proposition" of Digitization?

While the imperative of digitation is unquestioned, it's interesting to note the lack of holistic understanding on what defines success. While the majority of respondents (71%) view digital transformation through the lens of process efficiency, an additional 12% cite cost reductions. These metrics are undeniably important, but they may not fully capture the broader potential of digital transformation. Operational transparency, improved customer centricity, and the ability to leverage enterprise analytics represent transformative opportunities that remain undervalued in the market and, for many practitioners, underappreciated. By shifting the focus to these areas, organizations could unlock deeper, more strategic value – positioning themselves not only to streamline operations but also to drive innovation, respond to rapidly changing business conditions and deliver long-term growth.

HOW CAN DIGITIZATION DRIVE VALUE FOR YOUR ORGANIZATION?

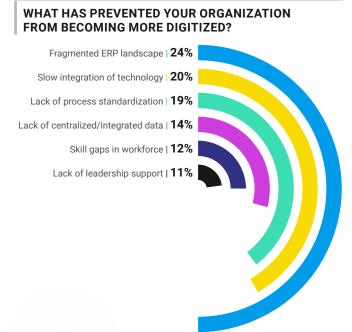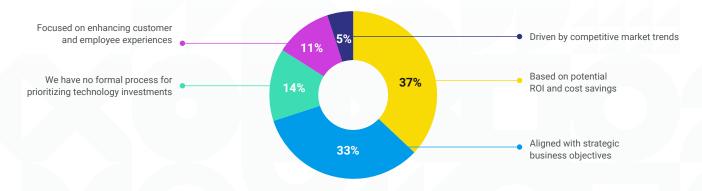| Process Efficiency/ Simplification	Cost Efficiency	Improved Analytics	Operational transparency	Customer Centricity
71%	12%	7%	5%	5%

What's Holding Back the Shift towards Digital Operations?

While boards agree on moving towards digital transformation, several barriers impede progress. A fragmented ERP landscape, coupled with slow integration of new technologies and a lack of process standardization, remain significant challenges, according to our research. These issues not only complicate operations but hinder the scalability and agility required for digital advancement.

Compounding this, technology investments are still predominantly driven by traditional metrics such as ROI and cost efficiency, as highlighted by 37% of respondents. These considerations can overshadow more strategic ones: only a third of organizations prioritize *aligning technology choices with broader business objectives* – a critical factor in driving digital transformation as a means to achieving those goals. Shifting this mindset will be essential to overcoming roadblocks and accelerating the journey toward fully digitized operations.

WHAT HAS PREVENTED YOUR ORGANIZATION FROM BECOMING MORE DIGITIZED?

Fragmented ERP landscape | **24%**
Slow integration of technology | **20%**
Lack of process standardization | **19%**
Lack of centralized/integrated data | **14%**
Skill gaps in workforce | **12%**
Lack of leadership support | **11%**

HOW DOES YOUR GBS PRIORITIZE INVESTMENT IN EMERGING TECHNOLOGIES?

Focused on enhancing customer and employee experiences — **11%**

We have no formal process for prioritizing technology investments — **14%**

5% — Driven by competitive market trends

37% — Based on potential ROI and cost savings

33% — Aligned with strategic business objectives

Data as a Value Driver

Data's importance as a strategic enterprise asset has long been recognized, yet its full potential – especially as a driver of revenue growth – remains largely untapped. Currently, organizations are using data primarily for continuous improvement (60%) and cost reduction (20%). While these outcomes are valuable, they represent incremental gains rather than transformative shifts. The true power of data lies in its ability to generate cross-functional value and uncover new revenue opportunities, but only 14% of organizations are currently recognizing that opportunity. Even more telling, just 6% recognize data's capacity to drive external-facing cost savings or revenue generation through innovative business models.
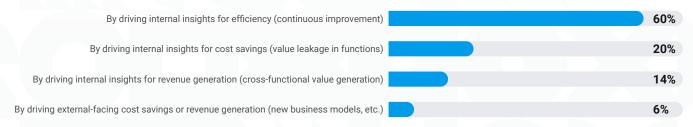
This gap highlights a critical opportunity: data, when fully integrated into a digital transformation strategy, can move beyond operational efficiencies and act as a catalyst for broader, more impactful change. By embracing data-driven insights across all functions, organizations can improve customer-centricity and drive revenue generation in ways that go far beyond cost-cutting initiatives.

Digital transformation, by nature, facilitates this evolution. As organizations invest in digital technologies such as AI, automation, and advanced analytics, they enable more robust data collection, integration, and analysis across the enterprise. This, in turn, drives not only operational improvements but also new ways to monetize data. GBS, positioned at the intersection of business functions and technology, is uniquely suited to lead this charge, leveraging data as a primary engine for business growth and competitive differentiation. One important point to make is that of "data purity." Organizations must invest in clean/ quality data in order to leverage the full potential of automation. This is a priority for most SSO/GBS.

HOW DOES YOUR GBS ORGANIZATION LEVERAGE DATA TO GENERATE VALUE FOR THE ENTERPRISE?

By driving internal insights for efficiency (continuous improvement)	**60%**
By driving internal insights for cost savings (value leakage in functions)	**20%**
By driving internal insights for revenue generation (cross-functional value generation)	**14%**
By driving external-facing cost savings or revenue generation (new business models, etc.)	**6%**

Tips on Digitization as a Cornerstone of Global Business Services

Maria Saggese
Partner, EY Global and EMEIA Consulting Solution Leader – Global Business Services
Ernst & Young LLP

Dorian Redding
Partner, EY Americas Consulting Solution Leader – Global Business Services, **Ernst & Young LLP**

Q. Digitalization has been a recurring theme in GBS for over two decades. How has the concept of GBS digitalization evolved, and what are the most significant advancements we're witnessing today?

Dorian Redding: Digitalization has been a cornerstone of Global Business Services (GBS) for over two decades, but its scope and impact have evolved significantly. Initially, the focus was on automating routine tasks like data entry and invoice processing to improve efficiency and reduce costs. Today, GBS digitalization has transcended simple automation. It now encompasses intelligent automation, leveraging technologies like AI, machine learning, and RPA to not only automate tasks but also enhance decision-making, improve customer experience, and drive innovation.

AI-powered analytics provide deeper insights, enabling proactive and data-driven decisions across the business. Chatbots, AI-powered virtual assistants, and intelligent knowledge management systems are revolutionizing customer service and support as organizations focus more on the stakeholder experience

Significant advancements include the rise of intelligent automation platforms that integrate various technologies, allowing organizations to orchestrate complex workflows and deliver truly transformative outcomes. Advanced GBS organizations are increasingly becoming a data powerhouse, leveraging advanced analytics to identify trends, predict future needs, and improve business processes. The emergence of the "digital GBS leader" — individuals with a strong understanding of technology, data and digital transformation — is crucial for driving innovation and delivering exceptional business value.

In essence, GBS digitalization has evolved from a cost management strategy to a strategic enabler of business growth and competitive advantage. It has become an integral part of the modern business landscape, empowering organizations to adapt, innovate and thrive in an increasingly digital world.

> "The emergence of the 'digital GBS leader' – individuals with a strong understanding of technology, data, and digital transformation – is crucial for driving innovation and delivering exceptional business value."

EY
Shape the future with confidence

Q. What are the most critical upskilling needs for GBS teams to successfully integrate and utilize generative AI technologies?

Maria Saggese: GBS teams must prioritize upskilling in several key areas to effectively integrate and utilize generative AI (GenAI) technologies. A strong foundation in data literacy is crucial, encompassing the ability to understand, interpret and analyze data while identifying potential biases and ensuring data quality. Given the abundance of readily available data, its accuracy and reliability are paramount for meaningful AI-driven insights. Furthermore, developing skills in AI and machine learning fundamentals is essential. This includes understanding the basics of how AI models work, their strengths and limitations, and how to effectively interact with and utilize AI tools.

In addition to technical skills, domain expertise is vital. Professionals must understand the specific business context in which GenAI will be applied to ensure that the solutions are relevant and impactful. This includes knowledge of industry-specific challenges and opportunities. Effective communication skills are also essential to ensure alignment across teams and the successful integration of GenAI initiatives into the broader business strategy.

Finally, upskilling in areas like prompt engineering, which involves crafting effective instructions for AI models, will be increasingly important to grow the value and efficiency of GenAI within GBS operations. By investing in these critical upskilling areas, GBS teams can effectively leverage the power of generative AI to enhance productivity, improve decision-making, and drive innovation across the organization.

Q. Many organizations talk about innovation, but few truly achieve it. What are the key barriers to successful innovation execution, and how can organizations overcome them?

Dorian Redding: Many organizations aspire to be innovative, but translating those aspirations into tangible outcomes often proves challenging. One significant barrier is a fear of failure, which can stifle experimentation, discourage risk-taking, and ultimately hinder the development of truly groundbreaking ideas. To overcome this, organizations must cultivate a culture that embraces experimentation, celebrates learning from failures, and provides a safe space for employees to share their ideas without fear of judgment. For example, innovation hackathons being conducted in High Tech or Life Science companies.

Another key barrier is a lack of resources and support for innovation. This can include insufficient funding, limited access to the necessary tools and technologies, and a lack of dedicated time and resources for innovation initiatives. Organizations can address this by allocating specific budgets for innovation as a specific fund, providing employees with access to cutting-edge technologies and creating dedicated innovation teams or incubators. We have seen some outsourcing contracts have such funds in place.

Targeting diverse talents is paramount for organizations aiming to foster innovation. Diversity within teams brings a wealth of perspectives, experiences and ideas, which are essential for driving creative solutions.

You cannot innovate if everyone in the room looks the same. By actively seeking out and embracing diverse talents, organizations can unlock new levels of creativity and innovation, ultimately leading to more effective solutions and a stronger connection with their customers.

Finally, a lack of clear vision and strategic direction can derail innovation efforts. Without a well-defined innovation strategy aligned with the overall business goals, it becomes difficult to build the right team, identify and prioritize initiatives, measure progress, and determine that innovation efforts are delivering meaningful value. Organizations can overcome this by developing a clear innovation strategy, setting measurable goals, building a diverse team, regularly reviewing and adjusting their approach based on the evolving needs of the business and the competitive landscape and reinventing themselves.

Q. In an era of rapid change and disruption, how are businesses adapting their operating models, particularly in terms of M&A and market expansion? What role does GBS play in enabling this agility and supporting these strategic shifts?

Maria Saggese: Business operating models have undergone a significant transformation in recent years, driven by rapid technological advancements, the increasing frequency of mergers and acquisitions (M&A), and the evolving expectations of customers. To navigate this dynamic landscape, companies are compelled to adopt more agile and flexible operating models. This necessitates a corresponding evolution within their GBS organizations.

In the context of M&A, businesses are prioritizing seamless integration of acquired companies. This involves leveraging synergies across different functions, ensuring a smooth transition for employees and customers, and achieving rapid value realization. The integration process has become increasingly sophisticated, with a greater emphasis on cultural alignment, digital integration and the swift leveraging of synergies.

When expanding into new markets, companies are adopting more localized and adaptive strategies. They are leveraging digital platforms to gain a deeper understanding of local customer needs, regulatory environments and competitive landscapes. This approach facilitates quicker adaptation and scaling in diverse markets. GBS plays a crucial role in supporting these changes. GBS organizations provide the necessary infrastructure, processes and expertise to facilitate smooth integrations during M&A and efficient operations in new markets. They offer scalable and standardized services that can be quickly adapted to support new business units or geographies.

Q. Given the rapid changes in business environment, how have the expectations of GBS stakeholders evolved, and how is GBS adapting to meet these changing demands?

Dorian Redding: Stakeholder expectations of GBS have evolved significantly, shifting from a primary focus on cost reduction and standardization to a demand for greater agility, innovation and strategic value. Business leaders now expect GBS to be a strategic partner, proactively identifying and addressing emerging business challenges and driving operational excellence across the organization. Employees expect a modern and engaging work environment that fosters professional development, provides access to cutting-edge technologies, and prioritizes employee well-being. Both internal and external customers expect seamless and personalized service experiences delivered with speed and efficiency.

To meet these evolving demands, GBS organizations are undergoing a fundamental transformation while building confidence with their customers and partner ecosystem with a proactive, value creation and result-oriented mindset.

They are embracing digital technologies to deliver efficiency, effectiveness, experience and mitigate business risk. For example, predictive modeling can be used to optimize IT infrastructure and minimize downtime, while AI-powered fraud detection systems can help prevent financial losses and ensure greater compliance with regulations.

Furthermore, GBS is focusing on developing a highly skilled and adaptable workforce. This involves investing in employee training and development programs to equip employees with strong analytical and problem-solving skills, as well as a deep understanding of emerging technologies. By building stronger relationships with their stakeholders, actively seeking feedback, measuring customer satisfaction, and continuously improving their service catalog, the underlying solutions and the delivery models, GBS organizations can position themselves as strategic partners, driving business growth and creating sustainable value for the enterprise.

Driving Superior Client Experience through Digital Transformation

Digital transformation initiatives aimed at enhancing client experience are shifting GBS operating models. The survey provides compelling insights into how organizations are leveraging technology to redefine service delivery, with a clear focus on platforms, measurement metrics, feedback themes, and effective strategies, specifically with a "Digital-First" approach. The data collectively underscores that digital transformation is more than a trend – it is a necessity for enhancing client experience. Through the adoption of integrated platforms, robust feedback mechanisms, and innovative service strategies, organizations are poised to offer superior, client-centric services.

Platform Integration

A service delivery platform underpins service excellence. According to the survey, 40% of respondents use a combination of different platforms, while others rely on dedicated solutions such as ServiceNow (23%) and Salesforce (10%). This diverse adoption highlights the need for robust, integrated platforms capable of delivering seamless client experiences. Custom-built solutions and a reliance on versatile platforms enable real-time support and personalized service delivery. Scalable digital ecosystems are at the core of operational transparency, streamlined workflows, and consistent service.

Measuring Client Satisfaction

The importance of measuring client satisfaction is underscored by the fact that 32% of GBS organizations use the Customer Satisfaction Score (CSAT) as their primary metric, while another 26% rely on Net Promoter Score (NPS). Measuring client sentiment enables GBS leaders to identify areas for improvement and innovation. The integration of real-time analytics and feedback loops further ensures that any issues impacting client satisfaction are quickly addressed.
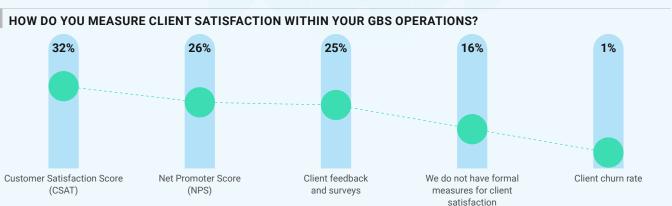
Anticipating Client Needs

Nearly 30% of respondents identify "Customer experience-driven feedback" as the key theme in client interactions, indicating a shift toward proactive service delivery models. This anticipatory approach, driven by digital transformation, leverages predictive analytics, AI-driven insights, and enhanced communication channels to meet and exceed client expectations.
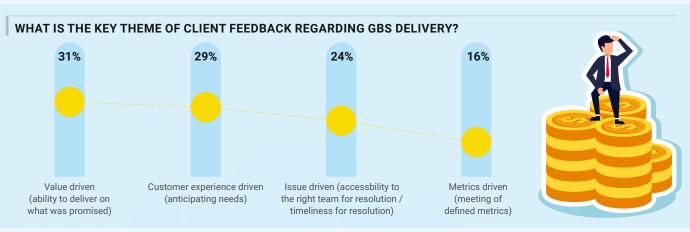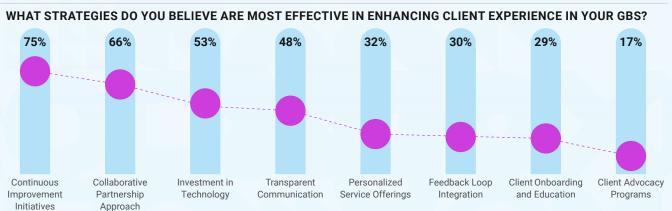
Effective Strategies

The most effective strategies for enhancing client experience are continuous improvement initiatives (selected by 75% of respondents) and collaborative partnership approaches (66%). Investment in advanced technology, chosen by 53%, underscores the central role of digital tools in driving client satisfaction. Additionally, transparent communication (48%) and personalized service offerings (32%) emphasize the human-centric aspects of GBS delivery.
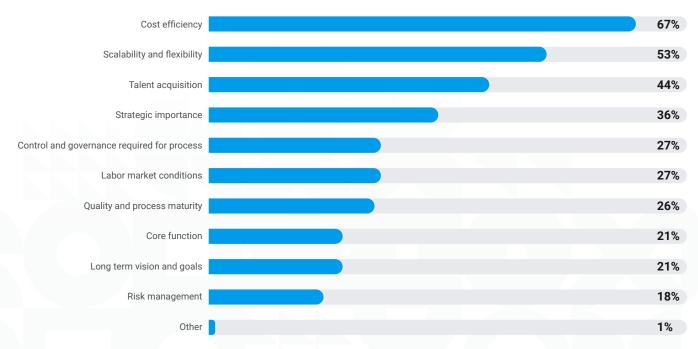
WHAT PLATFORM IS YOUR GBS PRIMARILY USING TO DELIVER SERVICES/MANAGE SERVICE ENABLEMENT?

40%	23%	12%	10%	10%	5%
A combination of different platforms	ServiceNow	We do not have a dedicated platform for managing client experiences	Salesforce	Custom-built in-house platform	Other

HOW DO YOU MEASURE CLIENT SATISFACTION WITHIN YOUR GBS OPERATIONS?

32%	26%	25%	16%	1%
Customer Satisfaction Score (CSAT)	Net Promoter Score (NPS)	Client feedback and surveys	We do not have formal measures for client satisfaction	Client churn rate

WHAT IS THE KEY THEME OF CLIENT FEEDBACK REGARDING GBS DELIVERY?

31%	29%	24%	16%
Value driven (ability to deliver on what was promised)	Customer experience driven (anticipating needs)	Issue driven (accessbility to the right team for resolution / timeliness for resolution)	Metrics driven (meeting of defined metrics)

WHAT STRATEGIES DO YOU BELIEVE ARE MOST EFFECTIVE IN ENHANCING CLIENT EXPERIENCE IN YOUR GBS?

75%	66%	53%	48%	32%	30%	29%	17%
Continuous Improvement Initiatives	Collaborative Partnership Approach	Investment in Technology	Transparent Communication	Personalized Service Offerings	Feedback Loop Integration	Client Onboarding and Education	Client Advocacy Programs

Location Selection: A Key Enabler of Digital Transformation

The criteria that GBS organizations use to select service delivery locations – such as cost efficiency, scalability, and talent availability – play a role in shaping the ability to drive digital transformation. Organizations that look beyond this, by considering talent acquisition and access to specialized skills, will be better positioned to leverage the emerging digital technologies that are integral to digital transformation efforts. Additionally, centers that have mature processes and high-quality standards can more effectively support the implementation of digital initiatives, ensuring that transformation efforts are sustainable and scalable. GBS should, therefore, align its location strategy not just with traditional operational needs, but also with the broader goal of building the *capabilities required to lead digital transformation* and innovation across the enterprise.

WHAT IS THE CRITERIA TO DETERMINE THE LOCATION OF SERVICE DELIVERY?

Criteria	Percentage
Cost efficiency	67%
Scalability and flexibility	53%
Talent acquisition	44%
Strategic importance	36%
Control and governance required for process	27%
Labor market conditions	27%
Quality and process maturity	26%
Core function	21%
Long term vision and goals	21%
Risk management	18%
Other	1%

Opportunities and Challenges

Survey respondents were asked about the biggest opportunities and challenges facing GBS, with several key themes emerging. These responses provide valuable insight into the areas where GBS can make the most significant impact in shaping the future of digital business operations.

Talent and Workforce Capabilities

A recurring concern is the challenge talent. Several leaders point to **"talent"** and **"workforce capability"** as critical areas. This underscores the need for GBS to build and maintain a workforce with the skills to manage and implement emerging technologies, particularly AI and automation. As digital transformation accelerates, GBS must evolve to include highly skilled teams capable of driving new technologies like AI and machine learning, while also adapting to an increasingly digital and remote work environment. This focus on talent acquisition and development aligns with GBS's role in enabling broader organizational innovation.

Scalability and Global Integration

Another recurring theme is the need for **"scalability and flexibility"** and the ability to **"scale business without boundaries."** Many GBS leaders see scalability as essential for supporting global operations and enabling rapid digital transformation. As enterprises become more reliant on digital tools, GBS must ensure it can scale its services and adapt to diverse regional needs while maintaining a consistent, high-quality service delivery model. The opportunity to **"capture more external client SSCs as AI/GenAI challenges overwhelm them"** further highlights how scalability can help GBS expand its influence and drive transformation beyond internal operations.

Standardization and Process Optimization

The need for **"standardization of processes"** and **"optimization of outcomes"** speaks to the foundational work that must be done to enable digital transformation. Leaders recognize that before leveraging advanced technologies, GBS must first streamline operations and align them across the enterprise. This is a critical step in creating the infrastructure necessary for successful digital initiatives and is especially important as GBS expands its role in driving business-wide transformation.

AI and Automation

Another dominant theme is the transformative potential of **AI**. Responses such as **"AI to replace headcount"**, **"AI implementation"**, and **"leveraging AI to provide more value-added services"** highlight the increasing reliance on AI as both an opportunity and a challenge. Many respondents noted that AI holds the promise of enhancing operational efficiency, automating routine tasks, and unlocking new revenue streams. However, the challenge remains in how to balance the benefits of AI with workforce concerns and the need for process compliance. Successfully integrating AI into GBS operations will be critical for enabling digital transformation, but this requires a strategic and complementary approach to workforce management and technology adoption.

Digital Transformation and New Technologies

The desire to **"embrace digitally augmented ways of working", "build new capabilities"**, and **"manage efficient services through new technology"** signals that GBS leaders recognize the necessity of adopting new technologies to remain competitive. However, there is a clear acknowledgment, building on the point made above, that GBS must overcome barriers like **"slow pace of automation"** and **"difficulty applying AI due to low process maturity."** These responses illustrate the challenge of scaling digital transformation across functions and the importance of adopting a multi-functional approach. As GBS continues to mature, its ability to drive digital transformation will depend on how well it integrates new technologies across end-to-end processes and ensures scalability.
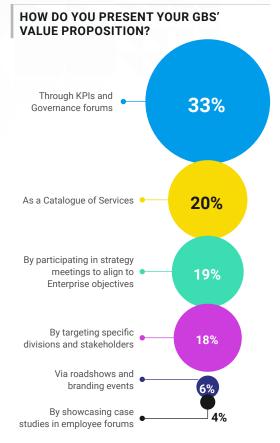
Conclusion: Where Does GBS Stand in the Digital Transformation Journey?
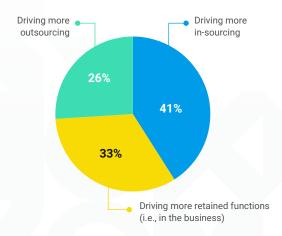
As organizations focus on digital transformation, the role of GBS in driving this remains pivotal. However, the way GBS's value proposition is currently perceived may be limiting its ability to fully lead such transformation efforts. According to 53% of survey respondents, GBS is still primarily seen through the lens of traditional value metrics, such as KPIs or a catalogue of services. This "old-school" approach positions GBS as a service provider reacting to customer demand, rather than as a strategic enabler of broader organizational change. This perception, while grounded in operational excellence, doesn't fully reflect the evolving opportunities for GBS to drive digital business transformation and be an economic contributor to the organization.

More encouragingly, the balance of respondents (47%) recognizes GBS's potential to take on a more proactive and strategic role. These organizations are aligning GBS services with enterprise-wide objectives, connecting stakeholders, and branding their operations as essential partners in digital transformation. By leading with real-world case studies and demonstrating the value of GBS beyond traditional service delivery, these forward-thinking GBS units are already positioning themselves as key players in driving innovation and long-term business growth. For GBS to take on a larger role in digital transformation, it must shift from being seen merely as a service provider to being recognized as a strategic partner helping to lead the digital agenda – and thereby connecting technology, people, and data to achieve enterprise-wide success.

Digital transformation is expected to drive significant changes in the underlying GBS model, according to the survey. Forty-one percent expect to see more activities being in-sourced from third party outsource providers as a result of digitization. Only 26% expect digital transformation to result in more outsourcing to a third-party. This shift in favor of the captive model, which the survey identifies, signals a move towards a more robust, self-sufficient model. This shift enables GBS to harness its full potential and leverage its expanded capabilities and close integration with the business to play a more strategic role in supporting enterprise growth, performance, and profitability. With increased control and alignment to enterprise objectives, GBS is better positioned to leverage digital initiatives and create long-term value across the organization.

HOW DO YOU PRESENT YOUR GBS' VALUE PROPOSITION?

Through KPIs and Governance forums — **33%**

As a Catalogue of Services — **20%**

By participating in strategy meetings to align to Enterprise objectives — **19%**

By targeting specific divisions and stakeholders — **18%**

Via roadshows and branding events — **6%**

By showcasing case studies in employee forums — **4%**

HOW IS DIGITAL TRANSFORMATION SHAPING THE FUTURE OF YOUR GBS DELIVERY MODEL?

Driving more outsourcing — 26%

Driving more in-sourcing — 41%

Driving more retained functions (i.e., in the business) — 33%

SSON | RESEARCH & ANALYTICS

About SSON Research & Analytics

SSON Research & Analytics (SSON R&A) is the premier global research and data platform for Shared Services and Global Business Services (GBS) professionals. We offer metrics, benchmarks, trends, location assessments, market analytics, and advisory services through a user-friendly interface that supports your performance and transformation objectives. Most data is downloadable, helping you validate and de-risk your improvement initiatives while strengthening your credibility.

SSON R&A leverages the extensive network of the Shared Services & Outsourcing Network (SSON) to deliver industry-specific, reliable, and cost-effective access to critical insights when you need them most.

Find out more

EY
Shape the future
with confidence

About our sponsor EY

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.