

# GBS: THE ENGINE THAT DRIVES TRANSFORMATION



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With over 20 years of experience in Global Business Services (GBS), Shared Services, as well as Finance and IT management advisory, Christian is EY Global GBS Solution Lead Partner.

His key engagement in various large-scale Global projects has supported transformations for leading clients worldwide. He is the creator of the EY Global Business and Shared Services Leaders' Clubs - an initiative that unifies several hundred of Global and European GBS and Shared Services organizations.

Christian spent three years with EY India as the Finance Transformation Leader, which offered him and his family a remarkable professional and personal experience in a fast-growing, emerging country.

Before joining EY, Christian held leading roles at a multinational technology company. He has broad-ranging, cross-industry advisory experience with deep knowledge in retail, automotive and life sciences.



EY are Lead Partner of SSO Week Europe 2020 and are hosting the GBS Exchange Track and The Start Up Zone

**The Corona virus outbreak is an unprecedentedly dramatic situation the world is facing. Uncertainty around how the pandemic situation will evolve has disrupted world-wide trade, operations and production and has caused millions of employees stay at and work from home around the globe.**

In this context, GBS organizations are facing issues to ensure business continuity, set the right priorities and manage impacts adequately. However, with many companies creating new, digital business models, focussing their business around both employees and customers and amalgamating the companies' DNA with innovation, the current COVID-19 crisis is hitting many industries severely at an extremely critical time. Today's companies compete on their ability not only to keep up with the pace of change, but their ability to stay ahead of it. It is no secret that the future is digital, and an organisations' success is largely dependent on its' ability to prepare for it.

The COVID-19 crisis underlines once more that - in terms of business operations - we need a very flexible and intelligent organisation in future. GBS organizations with high levels of process automation, targeting at reducing human intervention to a minimum for end-to-end value chains ("touchless operations") evidence already today to have a huge advantage: While workforce shortages hit GBS delivery centres due to restrictions of free people's movement or due to sick leaves, GBS organizations that decided to incorporate strong automation levers are running on normal performance levels. Those organizations that furthermore have enabled their workforce to perform their tasks remotely, making up effective virtual teams, confirm to widely control the impacts of the current crisis. Emerging technology, its early adoption and effective usage has therefore become a true differentiator within the GBS industry.

Looking back, the intention for most enterprises to offload transactional activities from the main business in order to achieve greater efficiency and standardisation, undermines the full scope of value that GBS can provide to an organisation. As its structure has continued to evolve, the GBS model is perfectly positioned to act as the orchestrator and connector of technology during the enterprises' digital evolution, allowing for a company to demonstrate a new flexibility.



**IT IS UNLIKELY THAT ANY ORGANISATION WILL REMAIN UNAFFECTED BY THIS UNPRECEDENTED COVID-19 CRISIS.**

As the Global Advisory Solutions Leader - Global Business Services at EY, Christian Mertin has over 25 years of experience in Global Business Services, Shared Services, Finance and IT Management advisory. Having played a key role in supporting various global, large-scale projects and transformations for leading businesses for both Shared Services and GBS clients worldwide, Christian is ideally placed to portray the full potential of GBS, which has become more evident throughout the current global pandemic.

As Christian explains, "We see powerful megatrends in many industries that we work with, true game changers that impact our clients and make them embark on transformational journeys. However, the COVID-19 crisis has even hit them at their roots. Companies need to respond to today's challenges by optimizing their current business, and, even more importantly, by innovating and growing their business of tomorrow". Every industry will need to adopt a new 'digital' normal and this fact demands new ways of working and engineering processes. Every internal and relevant external data or insight needs to be leveraged, and operations rethought. As it becomes increasingly essential for companies to get prepared for the future, GBS has the ambition to support or even drive transformational programmes across the enterprise, maximising its' digital capabilities as well as its' integrated organisation across business units and functions. We, therefore, consider GBS as a company's digital and virtually enabled transformation engine - while still delivering on cost reduction and operations right-sizing as it always did".



**THROUGH THEIR GLOBAL SET UP, GBS ORGANISATIONS HAVE ALREADY STARTED TO WORK MORE VIRTUALLY THAN ANY OTHER PARTS OF THE BUSINESS, AND ARE TYPICALLY THE FIRST BUSINESS UNIT WITHIN AN ORGANISATION TO ADOPT EMERGING TECHNOLOGIES.**

Through their global set up, GBS organisations have already started to work more virtually than any other parts of the business and are typically the first business unit within an organisation to adopt emerging technologies. New technology opens the door for Shared Service organisations to play a radically different role, moving from dealing with back office tasks and transactional operations toward enabling growth and becoming the backbone to the entire enterprise. In this way, GBS is perfectly positioned to take on the role of a transformation engine. Many GBS organisations have already investigated robotics centres of excellence (COEs) and are infusing the whole organisation with the latest technology, leveraging the primarily young, natively digital workforce. As artificial intelligence (AI) becomes more mainstream, GBS will unquestionably be in a prime position to instruct. And, from there, GBS has the capacity to move even further, beyond process automation. By utilising agile operation platforms as a foundation, GBS can provide support to new digital business models. In this way, GBS has the ability to truly help digitise a company's business on a much grander scale.

However, despite the potential to play a highly strategic and influential role in the enterprise, many GBS organisations are still struggling with branding. Perception is still a challenge: cost saving and efficiency, although being a key benefit of Shared Services, are too often referred to as the only benefit alongside minimizing FTEs and maximizing process standardisation. In Christian's experience, an important challenge for next-gen GBS is therefore, to market internally its merits and earn the mandate to actually drive operational digitization in cooperation with other resources in the company, with particular focus on nurturing a close relationship with the IT department. "IT often feels they own this area, but in reality, they already have enough to do with large scale IT projects, whether it's in the software, hardware, network area, data centre or in rolling out ERP systems. So, usually they have neither the ability nor the flexibility and knowledge to identify new tools and to embed these rapidly changing technologies in their environment and to actually scale it." He explains, "GBS has greater freedom to experiment with new tools but they need to earn a clear mandate to do so and to expand their knowledge into the wider enterprise organization in cooperation with IT."

For more than a decade, IT functions have had the opportunity to drive technology-based transformations, but traditionally have focused more on standardizing and harmonizing the IT environment, from a regulated mainframe environment into the client/server area. With a niche departmental focus, the awareness to identify the everyday needs of the business and pioneer processes that could be scaled globally, has been lacking. In comparison, GBS organizations have shown that they can indeed drive this kind of transformation, with an integrated IT, as a business-minded expert group. Particularly in offshore locations, technology such as natural language processing and chatbots have, and will continue to become part of the established everyday services performed by GBS to both internal and external customers, employees, suppliers, end consumers and other stakeholders.



**THE NEXT CHALLENGE FOR GBS WILL BE TO IDENTIFY THE LATEST ENABLING TECHNOLOGY TO REACH TRULY AUTOMATED END-TO-END PROCESS FLOWS.**

The next challenge will be to identify the latest enabling tools and market trends, for example, building an automation repository. Christian shares that EY is currently supporting businesses with this endeavour by introducing the 'EY GBS Innovation Think Tank'. With this EY Innovation platform, technology start-ups are monitored to identify the best match for companies in a specific ecosystem. EY also supports tests of new enabling tools for their clients, maintaining a start-up mentality. As Christian explains, it is essential to "test and prototype things, you must kill those projects that do not provide any clear benefit to your business case, either from a cost reduction, quality or innovation standpoint."

Whilst it is possible that the advance of technology may threaten the traditional role of Shared Services and GBS, for example, the adoption of blockchain would disrupt ERP platforms with a direct impact on GBS service delivery, the overall GBS operating model is set to withstand and whilst innovation to evolve the architecture of a GBS organization can provide a stable framework for digital transformations, absolving ensuring the architecture in order to provide indispensable services to the wider organization: scalable innovation capabilities will definitely be an important differentiator for the success of a company and can be provided by Shared Services.

Learn how you can take the necessary steps toward making your GBS the engine that drives transformation at the 20th annual edition of Shared Services and Outsourcing Week (SSOW). As lead partner for our 2020 event, Christian expounds that "EY is partnering with SSON, because SSON, as leading neutral organiser, owns the best knowledge platform for GBS leaders and other delegates to exchange and discuss hands-on solutions for GBS, without feeling dependent on a single product or service provider. EY, as a market leader in the GBS area, sets the trend for innovation in our industry with our clients and together with SSON."



**SSOW IS YOUR OPPORTUNITY TO LEARN HOW TO EVOLVE YOUR SSO INTO THE ENGINE OF ENTERPRISE TRANSFORMATION.**

SSOW is your opportunity to learn how to evolve your SSO into an agile, virtual and highly digitized organization that can effectively support a company's digital agenda. Uncover case studies, workshops and sessions ranging from the use of design thinking to improve customer experience to new and innovative approaches to address the digital landscape. Our 2020 event speaker line-up features leaders from of the world's most successful companies including Adidas, Coca-Cola, Philips, Tesco, Mondelez International, ING and many, many more.

**VIEW THE 2020 EVENT AGENDA TO FIND OUT MORE ABOUT THIS UNMISSABLE OPPORTUNITY.**



**7-24 September, 2020**  
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