



CORPORATE PERFORMANCE IMPROVEMENT

Unlocking Potential: Deriving Value From Global Business Services for Mid-Market Organizations

This paper utilizes the Global Business Services (GBS) Evolution framework introduced in 2024 in an article titled [“Introducing A&M’s Global Business Services Evolution Model: Harnessing the Power of Digital for Value Acceleration”](#) and contextualizes it for use by mid-market companies.

Under the traditional Global Business Services model, the focus has largely been on consolidating work, maximizing transactional process efficiency, and minimizing costs through shared resources and low-cost operating locations. While these attributes remain important benefits, the bar has been raised for the next generation of GBS — becoming fully accountable for enabling business agility while generating exceptional enterprise value for mid-market organizations. In an era of rapid globalization and technological transformation, organizations are positioning GBS as a critical component of their corporate strategy and key amplifier of organizationwide change to:

- Lead the digital transformation agenda
- Serve as an analytics hub, leveraging data to generate insights and intelligence
- Scale internal best practices and consistent structures and processes globally
- Enhance the customer, employee and business partner experience
- Provide new value-added services alongside traditional core delivery

While most large enterprise organizations have implemented some form of a hybrid GBS, many mid-market organizations often find themselves caught between the agility of smaller organizations and the resource advantages of the large enterprise organizations as they consider whether to pursue GBS. Undoubtedly, mid-market organizations face a unique set of circumstances in comparison to their enterprise counterparts; however, we believe that for these organizations to remain competitive, now is the time to act.

So, for those mid-sized businesses who have yet to implement GBS, or have not progressed beyond centralizing transactional work, what approach should be taken? With the right strategy, we believe mid-sized organizations have ample opportunity to leapfrog the typical linear journey (i.e., single function to multi-function to enterprise services) and extract the greatest amount of value from GBS.

Mid-sized organizations can utilize the GBS model and leapfrog the typical linear journey to take advantage of the full set of capabilities and value GBS provides.



I. Defining the Nuances of a Mid-Market Organization

While most global enterprises have implemented some form of a hybrid GBS, mid-market businesses must contend with a unique set of circumstances stemming from the strategic choices and operational complexities when making decisions around implementing the GBS model. Whether designing GBS to meet the business's long-term strategic objectives or determining how best to harmonize processes, policies, systems and roles across multiple business lines or geographies, mid-market organizations will need to apply a phased *crawl*, *walk*, *run* and *flexible* framework to GBS design and implementation. The following are common considerations mid-market organizations must address as they look to jumpstart their GBS journey:

■ Business Strategy Considerations:

- **Long-Term Strategic Objective:** While some mid-market organizations may strive to grow into an enterprise player, others may have a strategic objective to be acquired or to divest components of the business in the longer term. This decision point holds particular influence over the inevitable buy vs. build decision — Should the organization build the infrastructure and develop the talent needed to operate a high-functioning GBS operation, or should it seek to transition the work to a third-party business process outsourcing (BPO) partner? Or should a hybrid approach be taken? For example, if ultimately seeking to sell off all or part of the organization, a GBS strategy that relies more heavily on a BPO partner will enable greater flexibility to “peel off” components of the business. Regardless of the approach, the organization's long-term grow vs. sell strategy will play a critical role in key GBS design and implementation decisions.
- **Limited Financial Resources:** Capital investment in mid-market organizations tends to be more focused on business growth and core customer delivery vs. traditional back-office investment. This rapid pace of growth, however, can often create a scenario in which the inefficiencies of the back office are neglected, leading to further complexities which can create a significant and compounding drag on margins and profitability. Mid-market organizations therefore tend to have a heightened focus on enabling back-office/GBS investment to self-fund through an accelerated return on investment. Striking the right balance between the level of investment with the value and timing of returns will be another key consideration in the GBS journey.

For best results, mid-market organizations should apply a phased *crawl*, *walk*, *run* and *flexible* framework to GBS design and implementation.

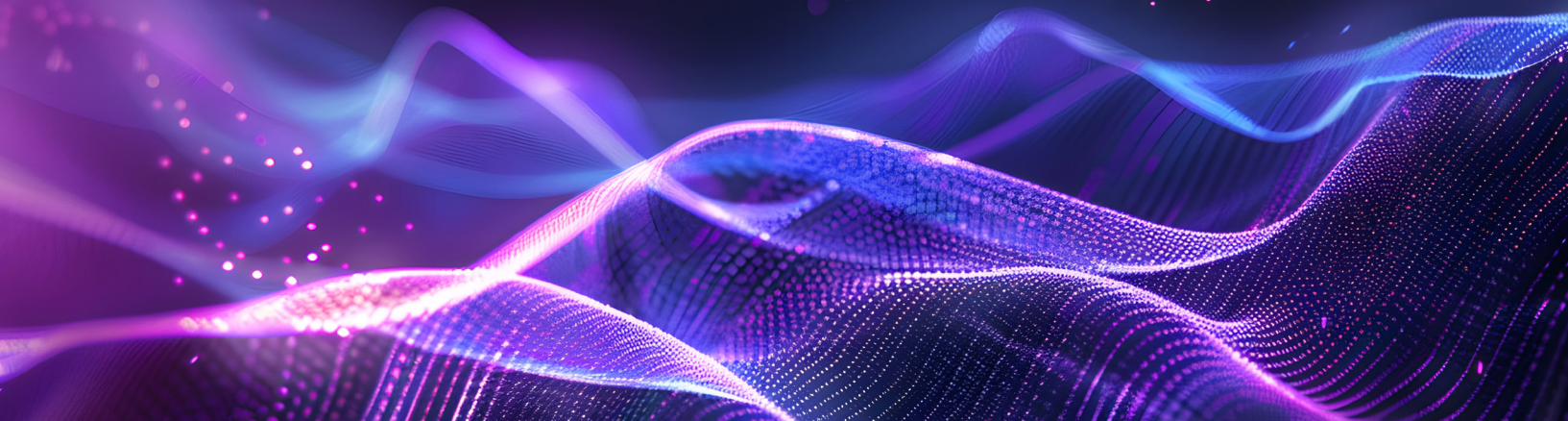


■ Operational Complexity Considerations:

- **Legacy of Acquisition and/or Divestiture:** Many mid-market organizations find themselves constrained by their legacy. For those that have grown as a direct result of an aggressive acquisition strategy, they may face the daunting task of consolidating functions, systems and processes across a multitude of entities that have developed independently. However, this scenario may also present a ripe opportunity to leapfrog directly to a multi-function GBS as the organization pivots to provide common, consistent services on a unified technology stack across entities. On the flipside, those mid-market organizations born through separation or divestiture may find themselves saddled with the outsized legacy infrastructure of a larger predecessor, requiring a redesign of the GBS scope of services or better leverage of a BPO partner. Evolving beyond the inherited challenges of the organization's origin may be an uphill climb, but it also presents a unique opportunity to strategically determine the right GBS model for the organization.
- **Role Fragmentation:** Growth brings new work activities, and the G&A functions typical to GBS are no exception. These activities are commonly absorbed by existing personnel, leading to a higher potential for individuals to wear multiple hats and perform job duties that may span typical functional domains. Untangling work activities from job roles can be challenging, and the degree of role purity will influence the approach to shift work to GBS. For example, is a *lift* and *shift* approach feasible, or is a full role and responsibility redesign required prior to moving “defragmented” activities into the GBS with new higher-value-adding roles retained within the business?
- **Technology and Data Challenges:** GBS relies heavily on technology to improve quality and productivity while accelerating operations and driving efficiency gains. Many mid-market organizations may struggle with outdated systems, a fragmented IT infrastructure or a lack of automation. Data silos, inconsistent formats, and security or compliance concerns also introduce complexity and can further compound GBS implementation challenges. Unification of the underlying technology and data infrastructure must be a core consideration, particularly in the case of a fast-growing mid-market organization. Fortunately, many organizations have found that moving to a GBS organization with a collaborative partnership with IT can accelerate technology and data simplification and unification, as the aggregation and standardization of transactional processes and policies across multiple end-to-end processes is a foundational requirement in this process.

Striking the right balance between the level of investment with the value and timing of returns is a key consideration for mid-market companies on their GBS journeys.

Having a clear data and technology strategy is fundamental to the success of GBS in mid-market companies.



II. Establishing the GBS Vision

Before diving headfirst into design and implementation, mid-market organizations must first consider their unique circumstances and address the following fundamental questions:

1. *What is the primary intent of GBS?*

Defining the ultimate outcome expected of GBS is critical to defining the overall journey, target scope of services and implementation approach. The following top six focus areas are typically cited by GBS organizations as the primary drivers for implementing and expanding their GBS model.

GBS Focus Area	Description
Business Agility and Strategy Enablement	Service portfolio and execution/change speed realigned with strategic business objectives on an annual basis
Compliance Excellence	Near-flawless transaction execution designed and frequently tested to fully comply with financial and operational controls and regulations
Cost Optimization	Delivering a standardized service catalog at the lowest market cost
Customer Experience	Service design and execution with an emphasis on the internal/external customer, vendor and partner experience
Digital Transformation Execution	A digital-first mindset to automate transactional work, as well as serve as the transformation services hub for the organization
Service Excellence	Best-in-class execution of a well-defined and communicated set of services at reasonable cost

While all elements are characteristic of a leading GBS organization, the *primary focus* of GBS will naturally evolve as the organization matures and its scope expands to encompass both transactional and skill-based work. That said, mid-market organizations just beginning their GBS journey commonly cite cost leadership and compliance excellence as the initial GBS strategy drivers.

Mid-size organizations commonly cite cost leadership and compliance excellence as their top GBS strategy-drivers.

2. Based on the primary intent of GBS, what should be the prioritized scope of services?

Aligning with the primary intent will allow the organization to more effectively define and prioritize the target scope of services for transition to a GBS model. As the work is assessed, key considerations for mid-market organizations should include:



Value to the Business: What outcome will be achieved by bringing the work into a GBS model, and does that outcome align to the primary strategic focus? For example, if Cost Leadership is the initial focus, will transitioning the work help drive the expected efficiency and cost reduction outcomes? The targeted scope of services should align with the defined intent.



Risk of Business Disruption: What potential risks are associated with shifting the work into a GBS model? For example, consider the regulatory and compliance implications or, alternatively, could the transition of services to GBS disrupt core sales and/or customer service delivery, thereby having implications for business growth? In determining the early phases of transitioning work into the GBS organization, consider highly transactional activities that are least likely to disrupt or negatively impact the broader organization.



Maturity and Transition Readiness: How mature is the function, and how quickly can the work be transformed to be ready for transition into a GBS model? What will be the required “lift” to ensure a smooth transition? For example, it may be more advantageous to shift functions with a higher degree of role purity, geographic centralization, process standardization, and/or integrated technology infrastructure, into a GBS model first, both in terms of time-to-value and as a proof-of-concept for future GBS transitions.



Scalability: To what degree can the targeted services be scaled across the organization with limited need for tailoring to individual geographies or business units? For example, work that requires a considerable degree of specialized knowledge and/or localized nuance (e.g., as a result of local regulation or business unit-specific operations) may be more difficult to scale at pace in a GBS model. Prioritizing a scope of services that can be quickly scaled to the broader organization can help to set the foundation to accelerate future GBS expansion.

Clearly defining the GBS vision and aligning the scope of services with that vision will help to accelerate speed-to-value and the evolution of the overall GBS organization along the maturity curve.

III. Determining the Value Levers and Capabilities to Accelerate the GBS Journey for Mid-Market Organizations

While every organization's path must be defined based on its unique set of circumstances, mid-market organizations kickstarting the GBS journey can leapfrog the typical maturity trajectory and accelerate return on investment by focusing on foundational GBS capabilities. Leveraging A&M's GBS Stage Evolution Model and, specifically, the value accelerators within it, we recommend taking the following steps to prepare each target function for transition to a GBS model and implementation approach. The following top six focus areas, in order of importance, are typically cited by GBS organizations as the primary drivers for implementing and expanding their GBS model.

Capability	Description	Preparatory Actions to Accelerate Maturity and ROI
1 Process Excellence	Level of simplification and standardization achieved through best practices' implementation and lean/CI for process improvement with robust governance	<ul style="list-style-type: none"> a. Determine whether the organization has an existing lean/CI capability to support process design/standardization efforts b. Identify which processes best lend themselves to standardization and begin harmonizing across the business in advance of transition to GBS c. Establish global process owners to own end-to-end process d. Define the KPIs and targets to measure and monitor success
2 Enabling Technology	Degree to which technology is embedded into a shared service, as well as the maturity of core and ancillary systems supporting the organization	<ul style="list-style-type: none"> a. Understand the organization's technology landscape; identify opportunities to leverage existing technologies for GBS b. Based on the target GBS scope of services, prioritize investment in technologies that: <ul style="list-style-type: none"> – Enable uniformity/integration across the organization (e.g., "one ERP") – Reduce/eliminate large volumes of transactional activities (e.g., through automation) – Can be leveraged across multiple functions/services to enable future scalability (e.g., workflow tools, unified data warehouse/reporting capabilities, automation)
3 Data and Analytics as a Capability (DAC)	Maturity of analytical capabilities available to support the GBS organization itself, the SG&A functions, and the broader enterprise	<ul style="list-style-type: none"> a. Establish data governance oversight and rules for core data elements b. Identify and align on prospective "source of truth" for data/reporting c. Begin data cleansing and consolidation efforts for core data elements
4 Business Process Outsourcing (BPO)	Use/leverage of BPO provider(s) for shared services; degree of maturity of BPO provider capabilities and relationship with the customer, including contractual commitments	<ul style="list-style-type: none"> a. Based on GBS vision, align on a BPO strategy (i.e., Will a BPO provider be leveraged, or will all activities be maintained in-house?) b. Based on BPO strategy, identify the processes with highest degree of appetite/likelihood to shift to a BPO provider from the onset (vs. first bringing under GBS); evaluate for degree of standardization and begin measuring processes for transaction volumes/performance
5 Service Operations Management (SOM)	Capabilities supporting GBS operations, both captive and BPO	<ul style="list-style-type: none"> a. Define the basics of the SOM framework to establish the foundation for the future evolution of GBS, including: <ul style="list-style-type: none"> – <i>Governance</i> – roles, responsibilities and decision-making rights to guide the interaction between GBS and key stakeholders – <i>Relationship/Customer Experience Management</i> – formalized approach to managing relationships and soliciting feedback from key stakeholders – <i>Service Catalog Management</i> – formalized portfolio of GBS services that provides high-level outline of service/process steps and set stakeholder expectations (e.g., inputs required, SLAs, KPIs, etc.) – <i>KPI/SLA Reporting</i> – formalized metrics and cadence by which processes are measured for success and reported to stakeholders

With a clear understanding of the GBS vision, intent and anticipated scope of services, mid-market organizations can begin taking preparatory steps that can both enable a smoother transition to a GBS model as well as accelerate value and maturity of the GBS organization.

IV. Summary: How to Jumpstart Your GBS Journey as a Mid-Market Organization

The decision to implement GBS represents major change, and it will bring to light organizational nuances, complexities and challenges to overcome. Mid-market organizations beginning the GBS journey will often see and feel a higher degree of change compared to their enterprise counterparts; however, by understanding their individual circumstances, mid-market organizations have the opportunity define an intentional GBS implementation journey that accelerates both maturity and return on investment.

As your organization contemplates its GBS journey, consider the following to get started:



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