

GBS CXO Insights: Key Issues for 2023

April 2023: Complimentary Abstract / Table of Contents



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Introduction

Background of the research

Uncertainty, inflation, and macroeconomic instability are the buzz words defining the global business environment in 2023. Forecasts of a fast-approaching recession are gripping businesses across the globe and pushing them to adopt a cautious outlook toward business growth in the coming year. Most organizations are focused on minimizing cost/price pressures in the face of growing inflationary headwinds, especially as service providers are looking to increase bill rates. Further, what sets this recession apart from those in the past is the significant talent demand and supply gap. For the past few years, the talent demand-supply gap has been a growing concern in the IT-BP industry and is expected to continue even under recessionary sentiments. More importantly, as requirement for services stabilizes after the high pent-up demand in 2022, the recessionary pressures are expected to further impact the industry. Today, the challenge is to ride out these uncertain times while managing the talent gap. This report provides perspectives on how leading GBS have been impacted in 2022 and are planning to develop resiliency in these uncertain times.

Methodology

Our global services market Key Issues research is based on annual surveys that capture the pulse of the market on key aspects of the global sourcing industry. This report presents the results of a study we conducted in October and November 2022 with senior GBS stakeholders to understand their thoughts as they undertook planning for 2023.

Report focus

- Top business challenges and critical business model changes in 2022
- Outlook and priorities for 2023
- Key themes defining the IT-BP industry during these uncertain times

Scope of this report



Geography
Global



Industry
Cross-industry

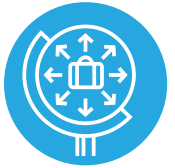


Services
IT and business
process services

Overview and abbreviated summary of key messages

This report presents the results of our Key Issues survey that captures the pulse of the global sourcing industry, as perceived by the senior stakeholders at global enterprises from different departments, including Global Business Services (GBS), and providers. The research also provides perspectives on how GBS have been impacted in 2022 and are planning to develop navigate the uncertain times as 2023 unfold.

Some of the findings in this report, among others, are:



GBS are positioned to build on a strong foundation and take on a more strategic role within the enterprise

Be selective about areas where GBS invest – must align with strategic needs of the enterprise while balancing short- and long-term needs



Hiring/growth outlook for GBS looks strong with aggressive hiring targets, as most GBS are still struggling to acquire and retain relevant talent

Maintain priority focus on skill development and retention initiatives – the talent shortage is systemic and is here to stay



The service delivery model will continue to evolve. Enterprises are rethinking services sourcing strategy to balance the leverage of outsourcing and in-house models

Accelerate service delivery and operating model transformation as the nature of work, worker, and workplace evolves simultaneously



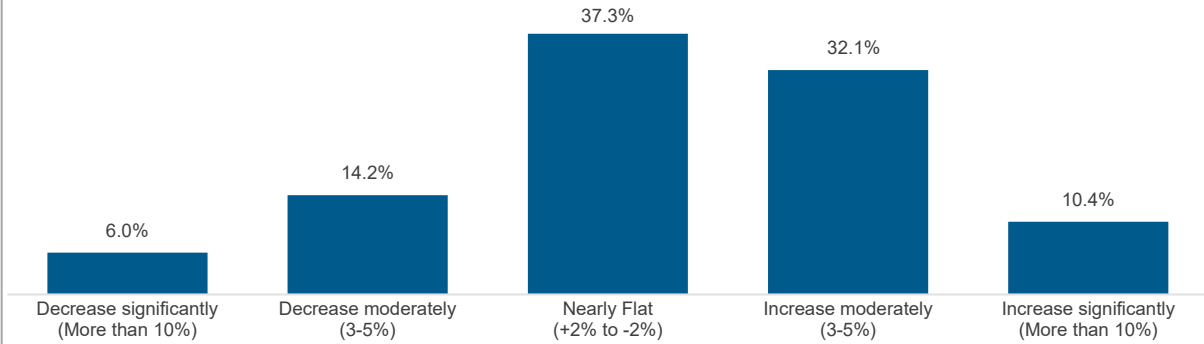
As the economic slowdown continues, pragmatic digital investments will be prioritized over moonshot investments

Re-evaluate priority areas for investments in digital technologies and digital skills that help build/enhance core capabilities for enterprises

This reports offers insights into how GBS have been impacted in 2022 and are planning to navigate the uncertain times as 2023 unfolds

Despite macroeconomic uncertainty, industry expects to remain resilient

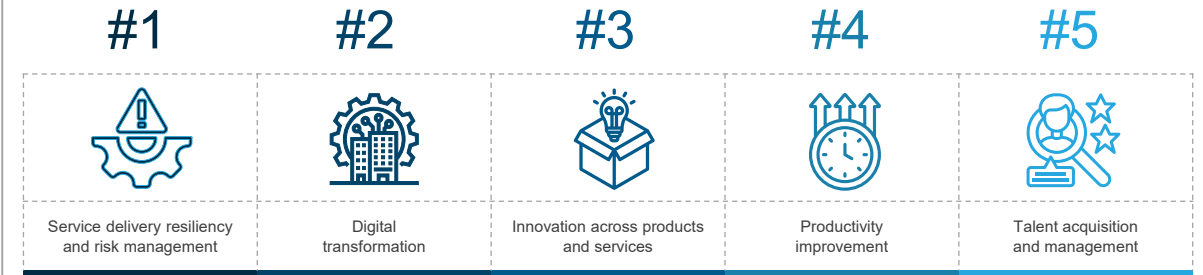
Expected change to global services (across outsourcing and in-house delivery models) budget in 2023
Percentage of enterprise respondents



Source: Everest Group Key Issues 2023

GBS are prioritizing service delivery resiliency and digital transformation

Top business priorities for GBS, going into 2023
Ranking based on percentage of GBS respondents selecting as the key priority



Source: Everest Group Key Issues 2023

Role of GBS is expected to expand

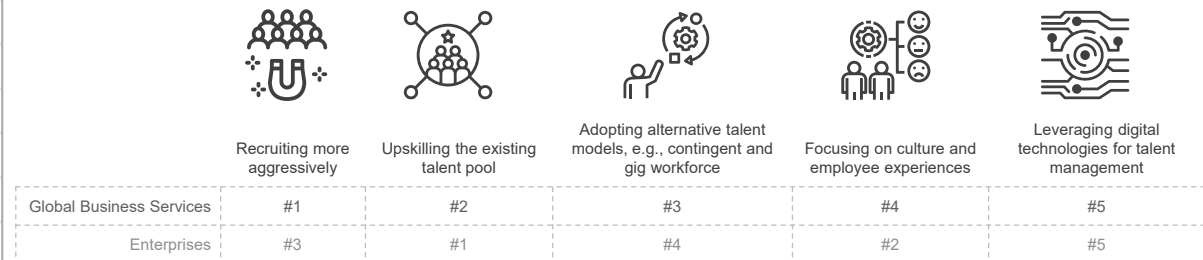
Critical goals for GBS in 2023
Percentage of GBS respondents selecting as a critical goal



Source: Everest Group Key Issues 2023

Enterprises are looking to scale hiring within their GBS

Top talent priorities in 2023
Ranking based on percentage of respondents selecting as the key priority



Source: Everest Group Key Issues 2023

Research calendar

GBS Membership

Published
 Planned
 Current release

Reports title	Release date
Technology Services Talent Handbook – Do You Have the Right Locations in Your Delivery Portfolio?	January 2022
Build a Talent Strategy for Today and Tomorrow – Look Around and Look Ahead	January 2022
GBS of the Future: Toward an Integrated and Borderless GBS Model (Redefining GBS Personas)	March 2022
“How-to” Guide to Build CoEs in GBS Organizations	April 2022
Top GBS Employers™ in India, the Philippines, and Poland	July 2022
State of Play in GBS Change Management	November 2022
Webinar Deck: Why GBS Change Management is the Key to Added Value and ROI	January 2023
Webinar Deck: Sustaining Momentum: Key Priorities for GBS Leaders Amid Economic Uncertainty	February 2023
GBS CXO Insights: Key Issues for 2023	April 2023
GBS Cost Handbook	Q2 2023
GBS State of the Market 2023: Upward and Onward	Q2 2023
Global Business Services (GBS) Architectures	Q2 2023
Building Actuarial Services COEs within the GBS	Q2 2023
Role of GBS in the Driving Environment, Social, and Governance (ESG) Agendas for Their Organizations	Q2 2023

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