

GBS Executive Insights: Key Issues for 2024

February 2024: Complimentary Abstract / Table of Contents



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- ▶ Outsourcing Excellence
- ▶ Payer and Provider Business Process
- ▶ Payer and Provider Information Technology
- ▶ Price Genius – AMS Solution and Pricing Tool
- ▶ Pricing Analytics as-a-Service
- ▶ Process Intelligence
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retail and CPG IT Services
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
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Background, methodology, and scope of the research

Background of the research

The year 2024 calls for businesses to focus on achieving heightened efficiency while operating with leaner resources and prioritizing revenue growth through streamlined efforts and cost-reduction strategies. Even though the fear of challenging macroeconomic conditions and geopolitical adversities persists, enterprises maintain a growth outlook on the transformative potential of emerging technologies. While the global IT-BP services industry is expected to see modest growth, the GBS model is expected to gain higher traction. The continued talent demand-supply gap may drive GBS to look for alternatives to bridge this gap to ensure that their growth momentum is maintained going forward. Productivity and resilience are set to take center stage in the technological landscape, with cautious progress in gen AI adoption despite high interest. This report provides perspectives on how the leading GBS organizations have been impacted in 2023 and are planning to deliver accelerated value in 2024 and beyond.

Methodology

Our global services market key issues research is based on annual surveys that capture the pulse of the market on the key aspects of the global sourcing industry. This report presents the results of a study we conducted in October and November 2023 with senior GBS stakeholders to understand their thoughts as they undertook planning for 2024.

Report focus

- Top business challenges and critical business model changes in 2024
- Outlook and priorities for 2024
- 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

There are several different definitions of Global Business Services (GBS) within the industry, Everest Group uses the term GBS in the following context



In context of this report, GBS...

- is an operating model construct for global services sourcing and management
- ...is responsible for setup and management of company-owned delivery centers (i.e., Global In-house centers, captives, and shared services) or management of outsourcing relationships
- ...can include onshore, nearshore, and offshore delivery centers
- ...covers a broad variety of services including business process services, operations (both back office and middle office), technology services, and engineering services
- ...usually focuses on F&A, HR, procurement, etc., but can include pure-play technology centers (known as Global Delivery Centers, or Global Technology Centers) or pure-play engineering centers (known as Global Engineering Centers)

Note: The market size estimates for GBS market in this research only covers workforce employed by global companies in their GBS organization and company-owned (fully or partially) delivery centers across nearshore, and offshore geographies. We have excluded any third-party outsourcing teams managed by GBS, while sizing the GBS market for this research

Summary of key messages

Emerging themes and action to prepare for in 2024



Embrace the optimization wave in 2024

Achieving more with less: continue capitalizing on the untapped potential of the global service delivery model



The GBS model will see even higher traction

Unlocking accelerated benefits: pivot to a capability-first mindset and implement structural changes to optimize your model



Talent development (beyond just acquisition) will take center stage

Invest in your future: elevate your talent through targeted L&D initiatives



GBS organizations will likely see location diversification with drivers such as customer-centricity becoming critical

Go where the talent is! Be prepared to bet on some dark horses (e.g., tier 2/3 locations) for future growth



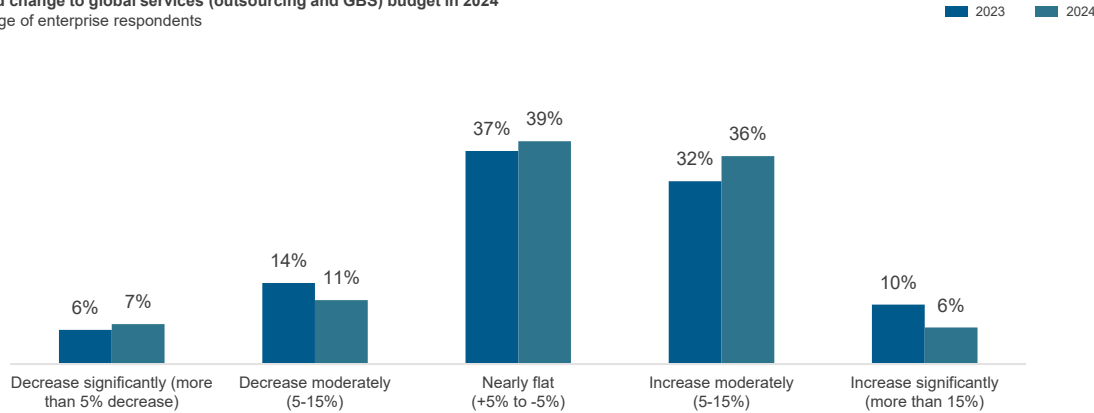
Tighter integration with the enterprise will define the next wave of GBS evolution

Invest in driving and articulating value (beyond cost arbitrage)

This reports offers insights into how leading enterprises have been impacted in 2023 and are planning to accelerate value as 2024 unfolds

Despite macroeconomic uncertainty, industry expects to remain resilient

Expected change to global services (outsourcing and GBS) budget in 2024
Percentage of enterprise respondents



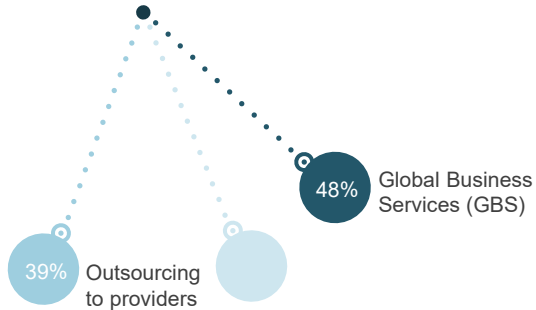
Gen AI to witness cautious adoption

Top digital/next-generation investments for the next 6-12 months
Ranking based on percentage of enterprise respondents selecting as high priority

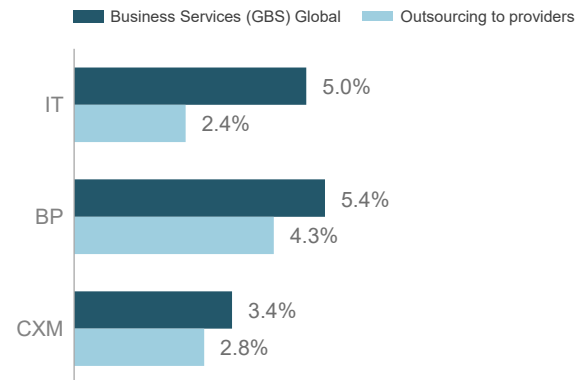
	Cybersecurity	Cloud solutions	Advanced automation, cognitive	Big data analytics	Generative AI
2024 rank	1	2	3	4	5
2023 rank	2	1	4	3	New addition in 2024
Expected growth in spend	Moderate (4 to 5%)	Low (2 to 3%)	Moderate (4 to 5%)	Moderate (4 to 5%)	Significant (more than 6%)

Enterprises are pivoting towards GBS model

Expected shift in sourcing model
Based on percentage of respondents expecting an increase across different sourcing models



Expected increase in demand by sourcing model across functions
Based on percentage of respondents expecting a change



Tighter integration with enterprise to help GBS evolve

Traditional levers of GBS value creation | Additional levers of value creation to develop a holistic view

Provide labor arbitrage	Build deep process, domain, and technology expertise	Impact customer journeys	Drive product/service innovation
Contribute to the top-line growth	Provide strong governance (reduce risk) and control over service delivery	Align with the culture and business goals	Create a competitive advantage for the enterprise
Provide enterprise business continuity	Build internal and external partnerships	Enable cross-pollination of ideas and best-practices across business units	Standardize and harmonize
Drive productivity (including automation)	Accelerate the shift toward new business models	Improve talent management for the enterprise	Act as a global hub for critical and niche capabilities

Research calendar

Global Business Services

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
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
State of Play in GBS Change Management	November 2022
GBS Cost Benchmarks Book	May 2023
Top GBS Employers™ 2023	June 2023
Generative AI: Is This the Disruption GBS Model Needs or Just Another Over-Hyped Technology	August 2023
Learnings from Top GBS Employers™ – a Case Study Compendium	August 2023
Global Business Services (GBS) State of the Market 2023: Onward and Upward	September 2023
Global Business Services (GBS) Data Book 2023	November 2023
The Global Business Services (GBS) Landscape in the Consumer Packaged Goods (CPG) / Retail Industry	November 2023
The Role of Global Business Services (GBS) in the Enterprise Sustainability Agenda: Current Adoption and the Path Ahead	November 2023
GBS Executive Insights: Key Issues for 2024	February 2024
“How-to” Guide to Quantify Value Delivered by GBS Organizations	Q2 2024
Managing hybrid resourcing model	Q2 2024

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