



The value of global process owners in global business services

Part 2



How can organizations help GPOs create enterprise-wide value?

The first installment of our two-part series focused on five important ways a Global Process Owner (GPO) can add enterprise-wide value. But while organizations usually set out with the right vision for the GPO role, we observe that they often don't see the impact they were hoping for.¹ Here in Part 2, we delve into the possible reasons for this and suggest some specific areas for organizations to address.

In our experience, we see some common factors behind the general lack of widespread impact of GPOs in global business services — and they relate more to leadership and executive management, rather than individual GPOs themselves. We've outlined some critical concerns an organization should address and take action on, based on our experience.

Invest in finding and honing the right talent for GPO roles

When there is a lack of appreciation for the demands and potential of the GPO role, companies are prone to staffing this role like they would any other mid-to-senior management vacancy — where a high performer from the largest involved function in a process is picked and asked to shepherd the other functions that touch the process. While this may be a common solution, results are rarely spectacular and improvements, often marginal.

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¹ Based on Deloitte project experience

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We have found that the most effective GPOs have a consistent set of capabilities.² Organizations need to invest the time and effort, and cast a wide enough net to find talent that meets these criteria:

- **Strategic thinker, yet detail orientated**
The GPO must be able to think strategically and connect the end to end process to the strategy of the business. Yet the GPO must also be comfortable in the detail with a broad understanding of the transactions; how they are performed, where the levers are, how they can be improved, etc. Finding someone with the right balance of strategy and detail can often be difficult but it is an imperative competency for one who needs to understand strategic impacts of the minutest details.
- **Leadership skills**
The GPO has a number of leadership roles to perform, each with different stakeholders. The GPO could lead the team performing the end to end process, play a leadership role in the development of the global business services organization and also lead the expansion of the end to end process across the organization. Authoritative, transformational and charismatic leadership styles typically work well amongst these differing stakeholders. The challenge for the GPO is to identify the right leadership style for stakeholders and apply it consistently.

- **Action oriented**

GPOs need to be action oriented. In the fast-paced world of transaction processing, speed and accuracy are critical. This can lead to ‘analysis paralysis’ where a GPO wants to cover all the issues and risks before changing any part of the process. We see that effective GPOs favor action, are comfortable with some element of risk and understand that they can fix what doesn’t work the first time. Effective GPOs understand that once they ‘own’ part of the process they can get to work on the standardization, automation and continuous improvement initiatives. If they have not consolidated first, this can be extremely difficult.

- **High degree of process and functional knowledge**

A thorough understanding of the end to end process as well as knowledge of the functional organization is critical for an effective GPO. Their knowledge and understanding not only allows them to lead the transformation but also to drive the continuous improvement efforts, advocate for transitioning additional work into the end to end process, and manage the day to day transactions. Their familiarity with the process and the drivers of efficiency and effectiveness can help the GPO create the right set of programs for advancing the end to end process in terms of maturity, scale and performance.

In Figure 1, we have mapped out how each of these skills directly translates to creating strategic value for the global business service organization.

It does not end with finding the right person for the job — due consideration should also be given to the long-term career path, training and development opportunities in order to attract and retain leading talent as well. A high-performing GPO should be able to grow as a key strategic leader in the organization, potentially as a future Global Transformation Director or Officer.

Figure 1



Provide political authority and immunity to the GPO

One of the most debilitating challenges a GPO may face is the lack of real authority. Designing and improving global end-to-end processes is complex and requires functions to look beyond their respective silos. Functional managers need to re-orient themselves to understand, agree to and adopt new processes that are better for the overall organization but may be less desirable for some individual functions. Any such change typically creates

“Get the basic stuff right” — global business services performance

The primary focus for a management team is to ensure that their global business services organization get the ‘basic stuff’ right and demonstrate good results — in improving and standardizing processes, introducing automation and eliminating non-value add work. This is essential to signal to all stakeholders that business process improvement is a key strategic goal for the entire organization. This serves as the context and starting point for GPOs to begin the conversation on the higher-impact, more strategic agenda discussed above, in bringing about behavioral change and creating strategic value in the organization. Without the backing and foundation of strong process performance in his organization, a GPO lacks the credibility needed to galvanize key process stakeholders and move functions in the right direction.

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some “winners”, and some “losers” who resist movement from status quo. If a GPO doesn’t have the executive and management support to press forward in such situations, he or she may be unable to make any significant impact to the organization. Some especially skilled GPOs are able to negotiate this situation and shortcoming through their own forceful, emphatic managerial style but this is probably more the exception than the rule.

It is key for executive management to realize that without some real authority, the credibility and impact of the GPO’s role may become diluted. But given the right seniority, the right reporting relationships and a supporting mandate from the management, the GPO could be a real force for positive change.

Management teams need to keep in mind that these three factors are mutually dependent — that is, they need to be addressed in concert — in order for the GPO to make a substantial contribution to the business. A competent person, with no managerial mandate and a poorly performing global business services organization behind him is likely to struggle just as much as wrong talent in an otherwise-high performing organization. Enabling a GPO’s achievements is just part of the broader, holistic strategy to improve the functioning of the overall global business services organization.

Conclusion



In coming years, GPOs will have the opportunity to play an important role in enhancing how global business services organizations partner with the overall business. With the right level of management support, GPOs can greatly help in aligning the organization better, changing detrimental behavior and reinforcing the overall culture and brand in the organization. However, this will all

remain a pipe-dream, until leadership teams recognize the potential value of this role in maintaining and improving overall global business services performance; and are willing to invest time, money and effort in finding the right talent to fill the GPO role and mandate a governance landscape where the GPO can effect true change.

Contact us

David Michelson

Principal
Deloitte Consulting LLP
+1 617 437 3883
dmichelson@deloitte.com

Christine Ahn

Principal
Deloitte Consulting LLP
+1 213 553 1084
chrisahn@deloitte.com

Stephen Dunn

Director
Deloitte Consulting LLP
+1 214 840 1390
stdunn@deloitte.com

Susan Hogan

Principal
Deloitte Consulting LLP
+1 404 631 2166
shogan@deloitte.com

Nick Prangnell

Director
Deloitte UK
+44 115 936 3724
nprangnell@deloitte.co.uk

Jean White

Principal
Deloitte Consulting LLP
+1 214 840 7384
jwhite@deloitte.com

Aprajita Rathore

Senior Manager
Deloitte Consulting LLP
+1 404 631 2123
aprathore@deloitte.com

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