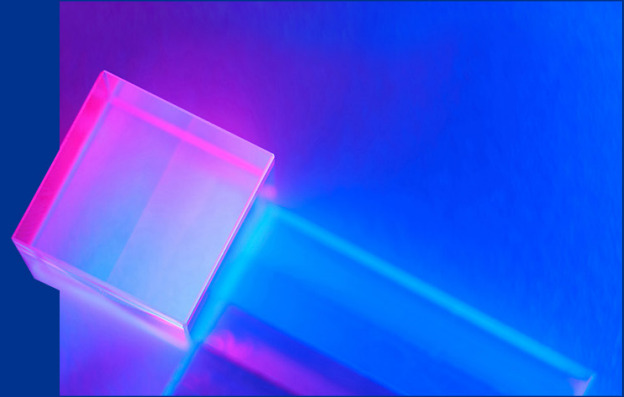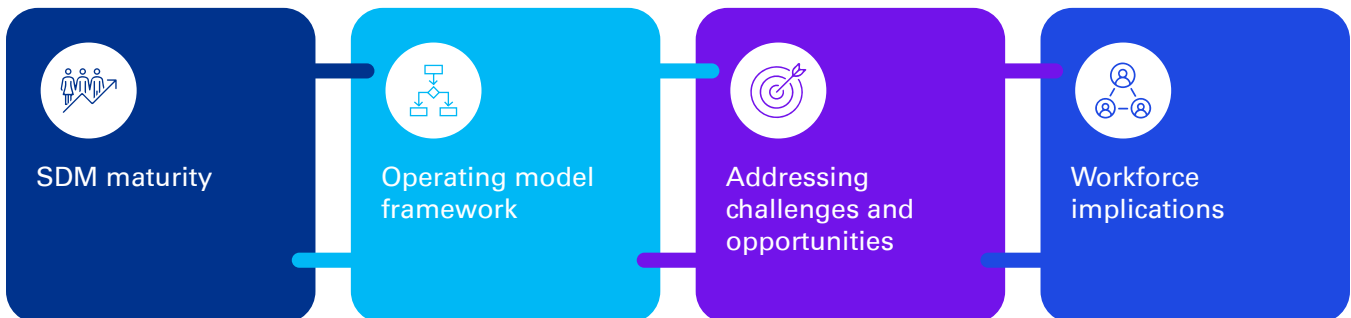# The next-gen global service delivery model

February 2024

The next-gen global service delivery model (SDM) revolutionizes the way multinational companies operate by combining data-driven insights, leading technology, and global collaboration. This innovative approach offers unmatched operational agility and service quality while transforming customer and employee experiences. Businesses can now harness the power of this model to deliver products and services with unprecedented speed and efficiency.

The webcast highlighted the role of generative artificial intelligence (GenAI) in transforming SDM, focusing on finance, workforce evolution, and a flexible operating framework for seamless integration and lasting value.

Panelists discussed the following topics:

SDM maturity   Operating model framework   Addressing challenges and opportunities   Workforce implications

SDM maturity

SDM maturity is vital for assessing an organization's service delivery evolution and progress. With levels ranging from "fragmented" to "end-to-end customer-centric," it helps businesses identify their position and growth potential. Evaluating efficiency, effectiveness, and experience enables organizations to unlock maximum value and achieve future success:

- **Fragmented:** Organizations at this stage lack alignment and collaboration across departments, resulting in inefficiencies and increased costs due to duplication of efforts.

- **Siloed shared services:** Companies at this level establish shared service centers for specific functions, consolidating resources and expertise. However, these centers still operate in isolation from each other, limiting the potential for cross-functional synergies.

- **Integrated and scaled:** At this stage, organizations merge various shared service centers into global delivery centers, unifying operations and fostering streamlined collaboration across functions. This leads to improved efficiency and cost savings.

- **Digital end-to-end**: Companies at this level embrace digital transformation, leveraging technologies such as automation, AI, and machine learning to optimize end-to-end processes, enhance customer experiences, and further drive efficiencies.

- **End-to-end customer-centric**: Organizations achieving this level of maturity place customer experience at the core of their SDM, harnessing advanced technologies and data-driven insights to deliver highly personalized, seamless, and value-added services to their clients.
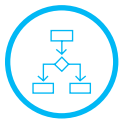
Operating model framework

An effective operating model framework harmonizes structure, flexibility, and scalability with strategic objectives and organizational values. Utilizing four distinct channels, it manages service delivery aspects like performance, strategy, and data analysis. By comprehending key connections among people, processes, technology, and governance, businesses create adaptable frameworks for lasting value:

- **Corporate channel:** Develop strong governance frameworks to oversee global SDM, helping to ensure the alignment of strategic goals, performance metrics, and risk management practices across the organization.

- **Business partners:** Strengthen collaboration between business partners and shared service centers by fostering communication, knowledge sharing, and ongoing feedback loops. This will help deliver more effective and relevant support to the business.

- **Finance solutions:** Focus on continuous improvement and innovation within the solutions channel by exploring new technologies, processes, and business models that can enhance service offerings, drive value creation, and enable new capabilities.

- **Finance operations:** Help ensure that operations provide leading services through standardization, automation, and optimization of processes, while maintaining a strong focus on compliance, risk management, and quality control.

Addressing challenges and opportunities

As organizations progress toward mature SDM, they encounter challenges and opportunities in strategic, operational, technology, and talent areas. A balanced approach addressing these aspects, embracing technology adoption, workforce management, and process optimization, is crucial for driving transformation and seizing opportunities.

- **Vision and strategy:** Develop a cohesive global service delivery vision and strategy that aligns with the organization's overall goals. This unified approach helps ensure long-term plans, target operating models, and objectives are streamlined and coordinated across every level.

- **Talent and workforce:** Align vision and strategy with evolving talent needs. Develop an adaptive workforce embracing emerging technologies, enabling agile talent acquisition, retention, and development.

- **GenAI adoption:** Maximize workforce impact by integrating AI, machine learning, and automation for enhanced service delivery and process improvements.

- **Change and innovation culture:** Encourage continuous exploration of new ways of working, fostering a dynamic environment where employees adapt to organizational changes and contribute to growth.

- **Customer experience and optimization:** Build on strategy, talent, and technology to deliver seamless, customer-centric experiences through streamlined processes, data-driven decisions, and continuous improvements.

Workforce implications

To excel in the changing service delivery landscape, workforces must adapt, embrace advanced technologies, and cultivate diverse skills. Encouraging continuous learning, innovation, and collaboration propels organizations to succeed in the digital future:

- **Strategic advisory and analytics:** Enhance workforce capabilities in data-driven decision-making, strategic thinking, and insights-driven advisory to bolster business support and promote intelligent analysis.

- **Continuous transformation and innovation:** Cultivate a culture of ongoing learning and experimentation, enabling employees to adapt and evolve their skills in tandem with emerging trends and technologies for efficient service delivery.

- **Workforce skills development and learning environment:** Implement training and development programs to equip employees with essential skills and foster an innovative culture by providing the necessary tools, resources, and support for employees to explore new technologies and apply them in their work.

- **Seamless delivery channel integration:** Set up processes and systems for smooth collaboration, knowledge sharing, and talent mobility across the organization's various delivery channels, ensuring a well-rounded talent and skills flow.
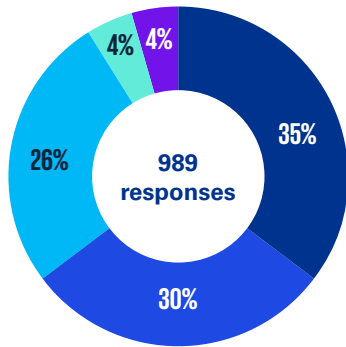
Closing comments

The next-generation global SDM offers a compelling vision of the future, where organizations can better harness the potential of emerging technologies and achieve greater heights in their service delivery performance. By staying ahead of the curve and embracing this transformative journey, organizations can secure their place as industry leaders and drive robust growth for years to come.
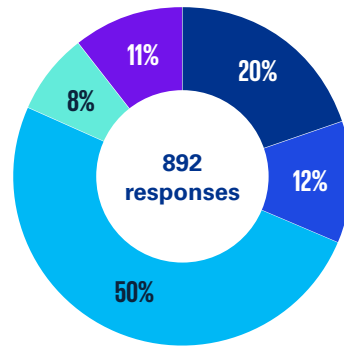
What is the Service Delivery Model maturity level of your organization?

989 responses

- 35% Level 1: Fragmented
- 30% Level 2: Siloed shared services
- 26% Level 3: Integrated and scaled
- 4% Level 4: E2E digital
- 4% Level 5: E2E customer-centric

Legend:
- Level 1: Fragmented
- Level 2: Siloed shared services
- Level 3: Integrated and scaled
- Level 4: E2E digital
- Level 5: E2E customer-centric

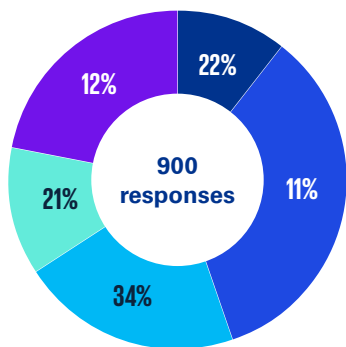Note: Percentages may not total 100 percent due to rounding.

What do you think would be your organization's greatest benefit from incorporating GenAI to enhance your Service Delivery Model?

892 responses

- 20% Enhanced internal and external experiences
- 12% Greater flexibility and agility to changes in the market
- 50% Increased process efficiencies
- 8% Other
- 11% Reduced costs

Legend:
- Enhanced internal and external experiences
- Greater flexibility and agility to changes in the market
- Increased process efficiencies
- Other
- Reduced costs

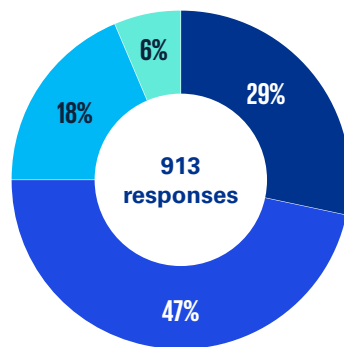Note: Percentages may not total 100 percent due to rounding.

What is the expected timeline of GenAI adoption at your organization?

900 responses

- 22% Already implemented
- 11% In the next 1–2 years
- 34% In the next 5 years
- 21% In the next 6 months
- 12% Other

Legend:
- Already implemented
- In the next 1–2 years
- In the next 5 years
- In the next 6 months
- Other

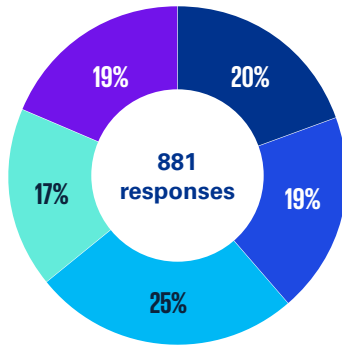Note: Percentages may not total 100 percent due to rounding.

How prepared is the talent within your organization to adopt GenAI technologies today?

913 responses

- 29% Not prepared
- 47% Somewhat prepared
- 18% Unsure
- 6% Very prepared

Legend:
- Not prepared
- Somewhat prepared
- Unsure
- Very prepared

Note: Percentages may not total 100 percent due to rounding.

What do you think is your organization's biggest challenge in adopting a GenAI-enabled Service Delivery Model?

- Cost/lack of investment
- Lack of clear business case
- Lack of skilled talent to develop and implement
- Lack of understanding
- Other

Note: Percentages may not total 100 percent due to rounding.

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