

**Leading GBS through
a time of uncertainty**
Impacts of COVID-19



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The COVID-19 pandemic has led to a period of enormous uncertainty for businesses around the world. GBS organisations face unprecedented challenges and are working hard to mitigate the financial and operational risks and the disruption to business continuity.

As evidenced by the early interventions of GBS leaders, resilience and flexibility in service delivery will be key to limiting the impact of the crisis on business operations.

This document highlights key considerations for GBS leaders in formulating their immediate response and developing plans to future-proof their service delivery models.

Key considerations for GBS Leaders

5 key themes are explored in this PoV, discussing short term and long term considerations for GBS to develop their response in light of the outbreak.



There are five key themes for GBS organisations to consider in developing their immediate and longer term responses to the outbreak.

Workforce management

Flexibility and agility in workforce management is crucial for ensuring business continuity in these challenging times. The first steps taken by most organisations to stem the impact of the lockdown measures have been enabling employees to work remotely from their homes, reassigning staff to support critical business operations, arrangements for temporary staff augmentation and rapid rollout of collaboration tools.

If measures have not already been put in place, the highest priority for organisations is to deploy virtual working/collaboration tools and to encourage adoption of these new ways of working. Many organisations are also running employee engagement initiatives for managing mental health and wellbeing.

GBS organisations are adapting to the changing patterns in demand by moving resources across teams and process areas as needed. If some capabilities do not exist internally, arrangements with third parties for temporary staff augmentation have helped bridge service gaps.

In the longer term, embedding a culture of remote working and enabling teams to work collaboratively across different locations will incorporate greater agility into service delivery.

Key considerations for GBS leaders

Initial conversations with GBS organisations have provided thought-provoking insights on how the market is reacting to COVID-19.

Key determinants of the outbreak's impact on your business:

- Maturity of your GBS organisation
- Robustness of business continuity plans
- Location of service delivery centres

What are we seeing?

Lack of readiness: Across the board, business continuity plans did not prepare adequately for an event with the global impact of COVID-19.

Digitisation: Highly digitised GBS organisations have seen a lesser degree of disruption to their delivery models.

Shifts in mind-set: Third party vendors are being equipped with company laptops: organisations are accepting the risks that this brings.

Legal implications: Normal service performance is being challenged by claims of force majeure and also by risks relating to GDPR and information security.

Cash management: Disruption to collection teams and supplier payment processes have increased the incidence of errors in cash flow forecasts: coupled with a slow-down in customer payments this has negatively impacted cash balances.

True GBS: A diversified GBS model comprising regional and offshore centres with a strong digital and automation backbone is naturally more resilient and better equipped to provide business continuity.

In the same vein, cross-training measures can help build deeper reserves of skills available within the workforce, thereby building greater resilience into service delivery. GBS leaders should look at designing and deploying virtual workforce models that can be scaled up or down to match service delivery requirements.

Digital enablement

In the past few weeks, most GBS organisations and outsource service providers have invested heavily in enhancing the physical infrastructure required to enable remote working.

Some of this investment has gone into providing employees where necessary with laptops and other equipment and in ensuring sufficient network capacity and VPN connectivity for seamless and secure access to critical systems and data.

Business continuity & disaster recovery

The scale and scope of the COVID-19 pandemic have tested the most robust business continuity and disaster recovery plans.

GBS organisations have had to implement a range of measures to meet critical business needs and ensure continuity in services such as customer cash collection and supplier invoice processing. Where necessary, shift patterns have been introduced to deliver critical business processes, with a skeletal physical staffing in each shift. In some cases, onshore teams or retained teams have stepped in to deliver services that outsource service providers have been unable to fulfil. Also where necessary, organisations are scaling back or ceasing non-essential activities until stability is restored.

Service delivery model & outsourcing relationships

The fallout from the pandemic has left most GBS organisations navigating uncharted waters. An essential response to the crisis is to ensure business continuity across process areas delivered by shared services centres or outsource service providers. The maturity of the service delivery model as well as the location of service provision has a high level of impact on the support or business continuity provided by these centres.

With outsourced processes, it will be essential to review outsourcing agreements and relationships so that service provision is flexed to address the risks and requirements for business continuity. In particular, the nature of operational risks and liabilities in contracts has changed materially over the past few weeks. As required, addendums and amendments to contracts should be approved, to provide for various scenarios.

In the aftermath of the crisis, as the global economy recovers, governments and organisations may be expected to take a more protectionist stance on jobs and employment. GBS leaders should be aware that any new outsourcing agreements are likely to come under much greater scrutiny as governments and business leaders look to avoid unnecessary job losses and redundancies.

In the longer term, the lessons learned from the pandemic will have an impact on the evolution of service delivery models for GBS organisations. The desire to exercise a greater degree of control over operations and risk management will be an inevitable outcome of this crisis.

Design your organisation in a way which is naturally resilient – increase your digital and automation capabilities.

These investments have been essential for business continuity, by limiting the need for a physical presence of staff in office locations.

Mature GBS organisations have been well-equipped to weather the storm. Backed by digital capabilities, and designed with the end customer experience in mind, their service delivery models are resilient and limit operational risks relating to the availability of manpower.

All these short term solutions are essential in the current situation but they do not address the question of how to redesign business continuity and disaster recovery plans to provide greater resilience. While these longer term plans cannot yet be costed or resourced, it seems likely that increasing the pace of digitisation and automation in service delivery will reduce the risks to business continuity from the need for physical presence.

The 5 key focus areas



Workforce Management



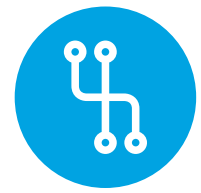
Digital Enablement



Business Continuity & Disaster Recovery



Service Delivery Model & Outsourcing Relationships



Agility in Processes

A review of service delivery models will help GBS leaders identify any key risks or weaknesses in current operations that should be mitigated.

Agility in Processes

Agility in workforce management and digital enablement needs to be accompanied by agility in process design. The current environment has already forced organisations to deploy quick workarounds to minimise process disruptions and ensure continuity in service delivery.

Examples include reducing limits for P2P approvals, updating collection dunning letters for payment plans, and implementing daily cash forecasting and other liquidity management measures.

GBS leaders should respond to the current momentum and push their thinking further on designing flexible and agile processes that streamline value and business outcomes. Reimagining and redesigning 'intelligent' processes with problem-solving capabilities will help deliver the right outcomes for your business.

“First and foremost, organisations need to prioritise people’s wellbeing. Then they need to look at critical processes such as payables and receivables, and focus on building processes that are operated by a virtual workforce run from a command centre. The use of task-based automation that can be deployed quickly should also be considered – e.g. for e-mail query management.”

Candice Sieg, UK GBS and BPO Lead

Case studies

An outsourcing partner has been used effectively to help deal with the COVID-19 outbreak: 300+ laptops were rolled out in the course of 1-2 weeks, resulting in no drop in service performance.

Courier services company

A GBS organisation with a robust governance structure in place adapted to fast-changing needs by moving resources across teams as required.

Global restaurant chain

Contacts

To learn more about how your GBS organisation can build greater resilience and flexibility into its operations, please get in touch with the contacts below.

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