What needs to be true for a successful Global Process Owner (GPO)

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Around the world, Shared Service Centers (SSCs) are constantly seeking to optimize performance and reduce costs across large-scale value streams (ex. Procure to Pay, Quote to Collect, etc.). In today's dynamic environment, standing up a singular role responsible for advising the outcomes of core shared service processes is more important than ever creating an opportunity to empower Global Process Owners (GPOs).

While GPO is not a new term for many firms, successfully implementing GPOs can be challenging. A successful GPO must balance subject matter expertise and a change mindset while also being entrusted by their organization to enact and oversee meaningful process transformation.

Despite these considerations, most shared service organizations surveyed by Deloitte plan to increase the strategic roles of GPOs soon.

While there is no singular way to successfully implement GPOs, the below examples offer an overview of effective approaches:

- At a global medical device organization, a singular GPO oversaw each of the firm's global shared service center locations. In turn, each location delivered an end-to-end process. This multi-regional approach to GPOs allowed the firm to leverage region-specific expertise to drive change but created long-term service delivery cost considerations.

- At a financial services firm, GPOs reported to an end-to-end process design and improvement group. This created opportunities to leverage economies of scale across global transformation initiatives but required a high degree of continuous coordination across multiple process improvement workstreams.
- Lastly, multiple organizations are increasingly exploring a structure that sees GPOs sit outside of the shared service organization entirely, reporting to a senior leader, such as the CFO, directly. This model elevates the GPO to create lasting organizational impact, given the appropriate executive mandate is in place.

Regardless of operating model, our work has shown that the next generation of successful of GPOs are supported by the following enabling criteria:

The establishment of a shared Strategic Business Outcome

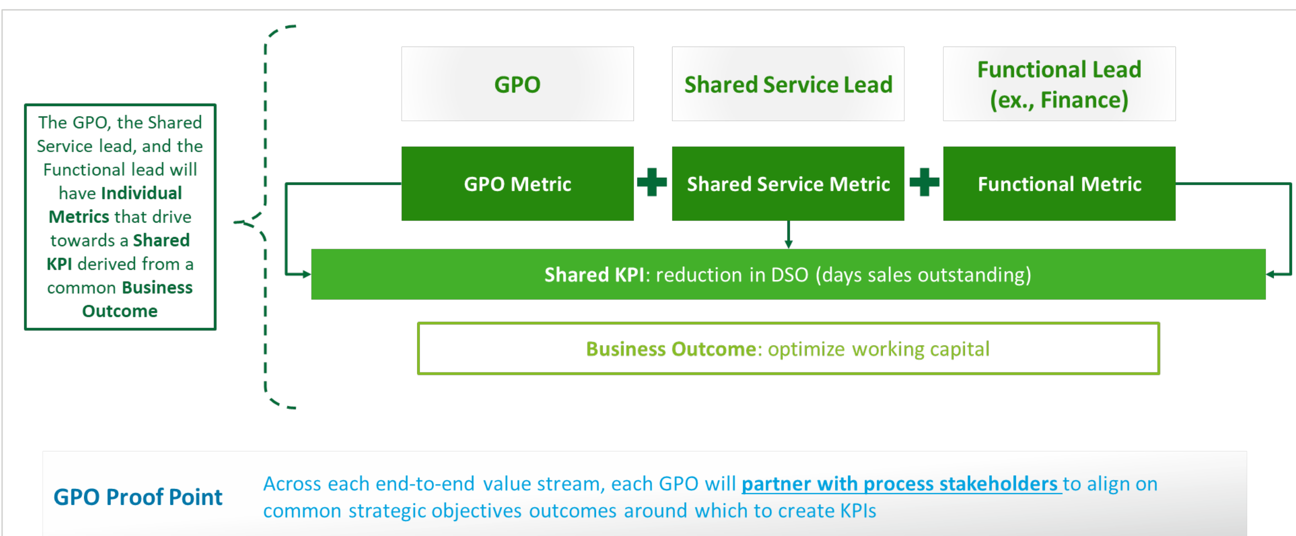
To achieve lasting change, GPOs and senior leadership alike should set a Strategic Business Outcome. Strategic Business Outcomes function as an overarching KPI (Key Performance Indicators) that the SSC, GPO, and senior leadership can all be measured against and contribute towards.

Examples of Strategic Business Outcomes include reducing the Cost-to-Serve and/or Days-Sales-Outstanding (DSO). Ideally, leadership incentive structures should be aligned to promote compliance towards the GPO's Strategic Business Outcome. See ***figure 1*** below for an example.

A well-defined 'value stream' and leadership mandate

A common misconception is that GPOs can only influence processes directly under their control. In many cases, a GPO may be stood up to optimize one process area, only to have root-cause analysis point to an upstream input in other areas outside of their remit. While it may not always be practical to have an individual role 'own' every element of a global process, the GPO position must be structured so that they can adequately advise global stakeholders to improve outcomes. Without managerial support and leadership buy-in, the GPO role may be developed without the necessary 'teeth' needed to drive true process transformation.

Figure 1: How GPOs can partner with executive leadership across Strategic Business Outcomes

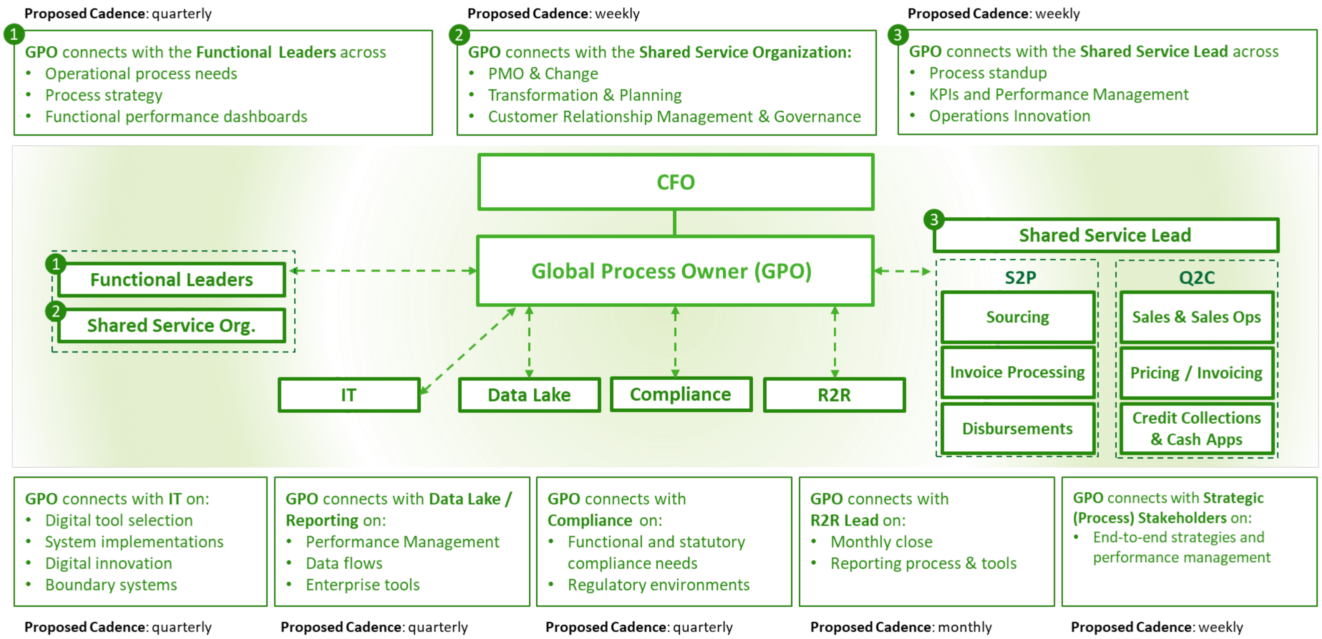


Establishing a GPO in any organization can have wide-reaching implications across organizational structure, reporting lines, and incentive structures. To get started, SSCs should consider their:

Organizational Structure and Interaction Model

Contrary to popular belief that GPOs should always report to Shared Services, GPOs are best positioned for success when they report to the executive who 'owns' the Strategic Business Outcome. From this elevated position, GPOs can more effectively advise senior leadership away from siloed process metrics towards a new perspective shaped by Strategic Business Outcomes related to driving shareholder value (e.g., monitoring and improving sales, profitability, growth, or working capital optimization).

Figure 2: Further describes the org structure and interaction model:



Value Stream Mapping

Once in place, giving GPOs end-to-end process visibility is the 'secret sauce' that drives success. This is achieved by partnering with process stakeholders to understand the end-to-end scope of a given process area, including pain points and improvement opportunities. It is imperative that GPOs work across their value stream to map their associated process, technology, customer experience, data, and controls. Special emphasis should be placed on ensuring that the right data is available at the right time.

Decision rights

Organizations must lay out key decisions prior to kicking off transformation. Working together and defining a Decision Rights matrix upfront allows for transparent expectations and process governance. As organizations think about defining a GPO role, the below areas represent the key decisions for which a GPO should be responsible:

- **Selecting new technologies and pioneering new ways of working –** True value stream transformation can only be achieved if the GPO is given the authority to influence both the 'ways of working' of a process as well as the technologies that enable it. By having a seat at the table to select digital technologies, a GPO can serve as a strategic partner to the tech organization while continuing to drive towards their Strategic Business Outcome.
- **Setting priorities across the value stream –** GPOs serve as a central point of contact for process improvement initiatives. To that end, they should 'quarterback' the sequencing of transformation initiatives and serve as strategic advisors throughout.

By correctly aligning strategic outcomes, decision rights, and leadership mandates, SSCs can harness the full potential of Global Process Owners to enable lasting transformation at scale.

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