



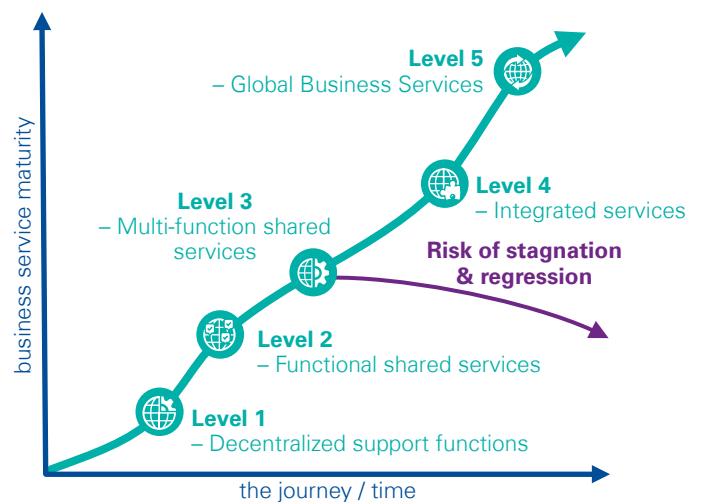
# Global business services - maturity assessment

Service delivery models are growing beyond single function and regional models. Organizations continue to refine their Shared Service Center delivery model and they are continuing to migrate from decentralized shared services delivery, through regional centers, to a global hub and spoke model, shifting away from single function centers to multi-functional units – **Global Business Services (GBS)**. Organizations should understand **the maturity of their service delivery** capabilities in order to:

- measure progress in improving them over time,
- understand how far and fast to push these improvement efforts,
- reduce risk of stagnation and regression.

Understanding clients needs, KPMG established five-level GBS Maturity Model, which assists organizations with assessing and further developing their service delivery capabilities. It provides a structured approach to measuring GBS performance and understanding requirements to drive maturity.

**Global Business Service maturity curve**



**Level 1**  
**SUB-OPTIMIZED**

- Decentralized service delivery model with duplicative functions, processes, and technology;
- Little central control and governance over business support services;
- Outsourcing not used.



**Level 2**  
**RATIONALIZED**

- Consolidated delivery model;
- Business units leverage economies of scale for highly transactional services through shared services or outsourcing;
- Typically on a single-function, regional basis;
- Outsourcing tactically used.



**Level 3**  
**OPTIMIZED**

- Functionally oriented;
- Global shared service model with variation around the inclusion and level of processes, technology and governance standardization;
- Non-integrated internal capabilities;
- Outsourcing strategically used.



**Level 4**  
**STRATEGIC**

- Enterprise wide multi-functional service delivery platform with coordinated processes, technology, governance;
- Multi-channel delivery for scale and adaptability;
- Optimized balance of integrated internal/ external capabilities;
- Global process owners.



**Level 5**  
**INTEGRATED**

- Enterprise wide multi-functional service delivery platform with coordinated processes, technology, governance;
- Multi-channel delivery for scale and adaptability;
- Optimized balance of integrated internal/ external capabilities;
- Global process owners.



**< 10%**

- Reduced one-off costs.

**20%**

- Wage arbitrage;
- Scale, diluted fixed costs.

**25%**

- Further wage arbitrage;
- Process efficiency.

**30-35%**

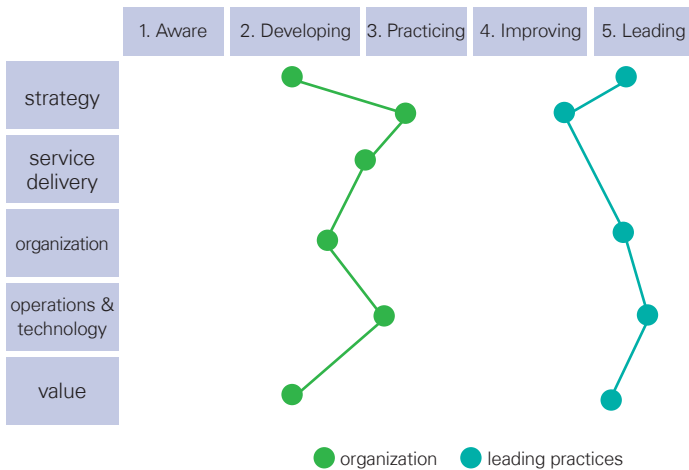
- Working capital optimization.

**40% +**

- Value creation versus cost reduction.

## KPMG Maturity Assessment Methodology

The Maturity Assessment is performed based on leading practices of a "World Class" community, in terms of the key levers and drivers of delivery and organizational excellence.



The outcome of Maturity Assessment:

1. defines the current level of organization's growth phase,
2. determines directions of future development,
3. supports the decision making in terms of the vision and strategy of GBS and the company.

## Why KPMG?

KPMG is a recognized leader in the Shared Services and Outsourcing Advisory marketplace.



Global SSOA Centre of Excellence constantly works on shared service and outsourcing best practices identification and analysis. KPMG global experts improve out methodologies, adjusting it to changing trends, clients needs and expectations.



In 2011, EquaTerra Inc. and its subsidiaries were acquired by KPMG, furthering KPMG's position as one of the world's foremost advisors on shared services and outsourcing. Together, help clients transform business services to improve value, increase agility and create sustainable performance.



Since 2009, KPMG has ranked on IAOP's list of the World's Best Outsourcing Advisors and was ranked #1 in 2012.



KPMG has been named to the "Winner's Circle" Shared Services and Outsourcing Governance Solution Blueprint Report from HfS Research 2014. "Winner's Circle" designates organizations that demonstrate excellence in both capability and value/innovation.



KPMG shares with clients experience and professional knowledge by numerous publications and reports.

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## A well managed GBS organization can drive significant benefits

The KPMG Maturity Assessment helps organizations to achieve the service delivery model that is **focused on customers and provides value:**



Shared Services organizations are introducing more complex services to add value to their business, such as: innovative service sold to the business units, process advisory services, analytics center of excellence, customer care services.



The most mature organizations are leveraging much more than labor arbitrage and transactional economies of scale. They're also leveraging their process expertise and a global portfolio of services. As a result, they're not only supporting the business – they are advancing it and fully integrating with it.



Some Business Service Centres are not only increasing their relationship management strategies but also putting some accountability back on the business units to remain connected through joint projects and initiatives.

