



KPMG GBS Trends 4.0

From Service Delivery to
Enterprise Intelligence

KPMG. Make the Difference.



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Executive summary



01

Functional Process

GBS is moving from process execution to enterprise capability delivery

Previously, GBS organizations focused primarily on consolidating and standardizing support functions. Today, GBS organisations are moving beyond this traditional role, integrating analytics, engineering, automation and business-facing capabilities across end-to-end enterprise processes. The next stage of maturity is no longer defined by scale, but by the ability to combine process ownership. With 68% of Hungarian GBS organizations already supporting procurement and supply chain services, portfolios continue to expand beyond traditional back-office functions toward more integrated enterprise capabilities.

02

People

Talent is replacing labor arbitrage as the primary competitive advantage

Talent availability has become a more important location driver than wage arbitrage alone. While India remains attractive for scale, rising costs and workforce volatility are reducing its advantage for higher-value activities. As organizations move toward higher-value work, total cost of ownership is increasingly taking precedence over labor cost as a location-selection criterion. Central and Eastern Europe (CEE) continues to strengthen its position through talent quality and business proximity, despite ongoing labor market pressure. Average salaries across the region are expected to increase by approximately 8% annually, while unemployment in key CEE markets remains around 3%, underlining the continued competition for highly skilled talent.

03

Service Delivery Model

GBS is evolving from a service provider to a strategic business partner

The role of GBS is expanding from delivering services efficiently to enterprise capability orchestration, supporting transformation, decision-making and business outcomes. Organizations increasingly expect their GBS operations not only to execute work but also to integrate capabilities across functions, drive continuous improvement and act as trusted business partners.

The growing share of higher-value and knowledge-intensive activities within GBS portfolios reflects this shift, with 62% of service migrations now driven by the transfer of more complex work. As multifunctionality becomes standard, competitive advantage is no longer defined by scale alone, but by the ability to connect capabilities into an integrated operating model with stronger governance, clearer end-to-end ownership and tighter business alignment.

04

Technology

AI is redefining the future of GBS

The most significant change since the previous edition of our GBS report is the emergence of AI as a core operating-model capability. The discussion has moved beyond automation and productivity improvement toward intelligence, prediction and decision support. Organizations creating the most value are not those adopting AI most extensively, but those redesigning their operating models around it. Seventy-one percent of global CEOs now identify AI as a top investment priority, underlining its strategic importance.

05

Performance Insights & Data

From reporting to performance enablement

The value of data increasingly lies in supporting decisions rather than producing reports. Organizations are embedding analytics, forecasting and AI-driven insights directly into operational processes to improve responsiveness and business outcomes. However, many organizations find that decision-making capacity, rather than access to insights, has become the primary bottleneck to realizing value.

While 49% of organizations report productivity improvements from AI adoption and 45% report increased throughput, many are still struggling to realize the full potential of these investments, highlighting the need for stronger integration between insights and operational decision-making.

06

Governance

Governance and ESG are becoming strategic business enablers

Three years ago, environmental, social and governance (ESG) considerations were largely viewed through a compliance lens. Today, they are increasingly recognized as critical enablers of trust, resilience, operational control and long-term value creation. As GBS organizations expand their role across the enterprise, robust governance and sustainability frameworks are becoming integral parts of the operating model. With ESG requirements increasingly extending into procurement and supply chains, governance capabilities are becoming practical enablers of supplier transparency, risk management and regulatory readiness. Despite regulatory relaxation, 74% of organizations intend to maintain CSRD-aligned reporting, signaling a long-term commitment to ESG.



Methodology

Methodology

This document is designed to provide a thorough overview of Shared Service Centers (SSCs) and Global Business Services (GBS), identifying the prevailing trends as of 2025. It seeks to systematically examine the myriad factors shaping the sector's landscape, provide insights into the main influences and address the challenges confronting major enterprises in this domain.

This research examines GBS trends through the Six Design Layers of the KPMG Target Operating Model, which provide a framework for comprehensive analysis.

In relation to the Central and Eastern European (CEE) region, the analysis included five countries: the Czech Republic, Hungary, Poland, Romania and Slovakia.

The primary research methodology entails qualitative analysis based on in-depth interviews with three distinct stakeholder groups: CEOs of prominent corporations in the Global Business Services (GBS) sector; KPMG partners in the CEE region specializing in the GBS sector; and KPMG managers with expertise in GBS, relevant technologies and ESG-related regulations.

In-depth interviews were conducted with subject matter experts specializing in sector-specific technology trends, data mining and data intelligence, followed by an in-depth analysis of the interview results. Additionally, the latest ESG regulations and their impact on GBS sector companies were examined.

The secondary research methodology comprises a thorough analysis of KPMG global, regional and industry-specific studies, research findings from countries in the CEE region and results from questionnaires conducted in 2025.

The research also included an extensive analysis of industry trends, including operations, processes and service delivery models. A labor market analysis was conducted, with particular emphasis on a significant component of the GBS cost structure: salaries. A comprehensive list of the primary studies and papers used in this research can be found in the Bibliography.



Terminology overview

The **Six Design Layers model**, as outlined in the KPMG Target Operating Model, provides a systematic framework in which each layer contributes to a complete and integrated functional transformation. The six layers are shown below.

KPMG Target Operating Model: the **Six Design Layers**



Together, these layers provide a structured approach to assess current capabilities, identify gaps, and design future-ready GBS organizations that are agile, efficient, and aligned with corporate strategy.

Geopolitical uncertainty and business resilience

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Geopolitical uncertainty and business resilience

Businesses are operating in a more fragmented and less predictable global environment, where geopolitical tension, regulatory divergence and macroeconomic volatility have become structural features of strategy and operating-model design. In response, leading organizations are not only adapting to uncertainty but actively redesigning supply chains, investment priorities and governance models to preserve resilience and capture opportunity.

Executives believe that alongside technological advancement, access to the right human expertise remains indispensable. At the same time, leaders are increasingly concerned about the intensifying war for talent. Seventy percent warn that fierce competition for specialized AI-related skills could hinder future growth.

The 2025 environment shows signs of partial stabilization following the polycrisis of recent years, although the global order remains structurally uncertain. Amid central bank efforts to reduce inflation, global inflationary pressures have eased in many major economies, and tighter monetary conditions have gradually relaxed. Growth remains subdued and downside risks from tariffs, policy uncertainty and geopolitical tensions continue to weigh on investment, trade and cross-border planning. One of the defining business challenges of today is the ability to adapt to continuous change. In this environment, resilience and speed of response have become critical success factors.

CEO confidence in the world economy



Leadership response



Strengthening internal resilience



The strategic response is shifting from efficiency-led globalization toward resilience-driven operating models. Rather than optimizing solely for cost and scale, organizations are prioritizing flexibility, risk diversification and control across their global footprint. According to the KPMG 2025 CEO Outlook, 72% of CEOs have already adjusted their growth strategies in response to geopolitical and economic uncertainty, while key investment priorities increasingly include supply chain resilience, regulatory compliance and operational risk management.

This reflects a broader structural shift: geopolitical volatility is no longer treated as a temporary disruption but as a permanent feature shaping trade, investment and operating model decisions. In this context, organizations are redesigning their global operations to reduce exposure, increase transparency and strengthen governance, resulting in more regionally balanced, risk-aware and control-driven business architectures that can sustain performance under continued uncertainty.



03.1 KPMG 2025 global CEO outlook

Resilience Amid Volatility



„Leaders remain significantly more confident about their own companies' performance, yet they are preparing for disruption and see significant opportunities for inorganic growth. They are therefore not waiting idly for a return to stability and predictability.“

Ágnes Rakó,
Country Managing Partner,
KPMG in Hungary



Despite continued geopolitical tension and economic uncertainty, CEOs remain confident in their own organizations. In this environment, resilience, agility and the ability to adapt strategy quickly have become critical leadership requirements.

The most pressing challenges identified by CEOs are cyber risk, AI workforce readiness and the successful integration of AI into business processes. This indicates that while macroeconomic volatility remains a concern, AI-related transformation is now one of the most immediate strategic priorities for leadership teams.

Leadership expectations are also evolving. According to KPMG, 23% of CEOs identify AI and digital literacy as critical leadership capabilities. As disruption becomes the norm, leaders will need to pair strategic judgment with technology fluency to remain effective.



From classic GBS to GenBS



The **classic GBS model**, which became dominant in the early 2000s, was built around **cost efficiency, labor arbitrage and functional consolidation**. It relied on ERP platforms and workflow tools, measured success through **cost and SLA performance** and primarily operated as a **back-office delivery engine**. Although the model is still widely used, its value proposition is **increasingly constrained in a more digital and intelligence-led business environment**.

GBS marks the transition from transactional delivery to integrated business enablement. It emphasizes **end-to-end process ownership, cross-functional collaboration and digital capabilities enabled by automation, analytics, cloud and low-code platforms**. As a result, the focus **shifts from pure cost reduction** toward business value creation, including **better customer outcomes, faster innovation and stronger decision support**.

The next horizon is **Generative Business Services (GenBS)**, an **AI-native operating model** in which **business services move beyond support functions to become enterprise-wide value engines**. Built on **generative AI, intelligent agents, modular architectures and real-time data flows**, GenBS enables **more adaptive, insight-driven and scalable service delivery**. In this model, GBS becomes a **platform for co-creation, continuous learning and innovation** rather than a function designed primarily for efficiency.

03.2 CEE region

The Central and Eastern European business services sector remains a strategically important part of global value chains while operating in an increasingly complex environment. To remain competitive, the region must continue to build on agility, technology adoption and a strong talent base. AI, automation and new delivery models are becoming core capabilities rather than differentiators, while long-term growth will depend on sustained investment in skills, education and digital infrastructure. As a result, major hubs such as Warsaw, Bucharest and Budapest are steadily moving toward higher-value, knowledge-intensive and increasingly AI-enabled service delivery.

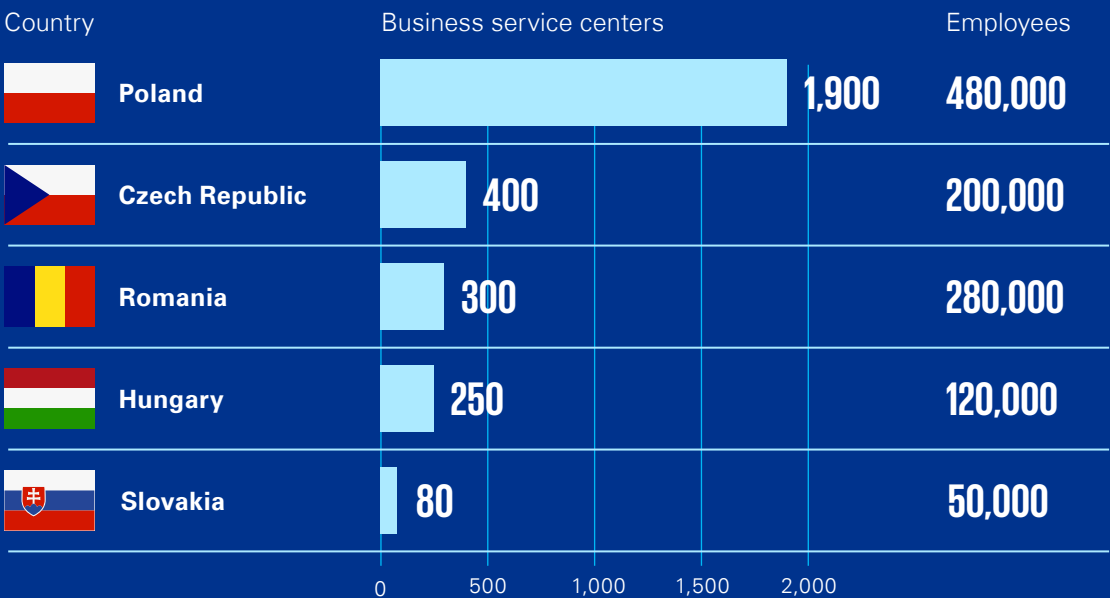
To maintain competitiveness, companies must increasingly build their strategies on agility, technological advancement, and effective talent management. The adoption of artificial intelligence, automation, and new delivery models has become essential, supported by targeted government initiatives across several CEE countries. However, the region’s long-term growth can only be sustained through continuous investment in education, vocational training, and digital

infrastructure development. This shift toward higher value-added, knowledge-intensive functions is also strengthening the region’s role in generative AI-enabled business services (GenBS).

Recent industry recognition also underlines the region’s strong position in global business services. GBS organizations across Central and Eastern Europe continue to receive recognition, reinforcing the region’s role as a competitive location for high-value service delivery, operational excellence and continued capability expansion.

Business services in CEE

Business service centers and employees across key CEE countries



Source: Slovakia – Business Service Center Forum, 2025



Poland

Poland remains one of the leading business services destinations in Central Europe, combining scale, capability depth and sustained attractiveness to investors.

With more than 1,900 business services centers and over 480,000 employees, the sector plays a structurally important role in the Polish economy. Poland's competitive position is supported by a large multilingual talent pool, strong capabilities across finance, IT, engineering and other knowledge-intensive services, and a mature business ecosystem that continues to attract both regional and global mandates. Together with EU membership, institutional support and a broad delivery footprint, these strengths position Poland as a reliable hub for large-scale operations and higher-value service delivery.



Czech Republic

The Czech Republic remains one of the most established business services locations in Central Europe. In 2025, the sector comprised nearly 400 centers employing around 200,000 professionals, reflecting continued year-on-year growth and the creation of approximately 25,000 additional roles compared with the prior year. The market is concentrated primarily in Prague, Brno and Ostrava, which continue to serve as the country's leading delivery hubs.

The sector's operating model is predominantly captive, with 77% of centres serving internal group needs, while hybrid and outsourced models represent 11% and 12%. This structure highlights the Czech Republic's strong position as a hub for integrated, enterprise-owned service delivery. In 2025, the sector's top priorities include operational cost efficiency, retention of critical talent, digital transformation, diversity and inclusion, and strengthening innovation and a customer-centric culture.



Romania

Romania remains one of Europe's leading destinations for business services, supported by scale, cost competitiveness and a strong technical and multilingual talent base. With more than 300 business services centers and over 280,000 employees⁵, the sector has developed into a major pillar of the country's service economy. Its attractiveness is further reinforced by a large domestic labor market and a strong value proposition for both transactional and increasingly knowledge-intensive services.

The sector serves a broad range of industries, including banking, insurance, financial services, technology and telecommunications, business and professional services, as well as industrial and consumer goods. At the same time, Romania is gradually diversifying into higher-value areas such as data analytics and intelligent automation. While the country continues to compete with other CEE markets on incentives and investor support, its strategic location, ongoing FDI momentum and improving business environment position it as a strong and scalable hub for business service delivery.





Hungary

Hungary's GBS sector has shown strong and steady growth during the past decade. Today, the sector comprises approximately 250 centers employing nearly 120,000 professionals. **Hungary is a highly attractive destination for GBS investment, driven by its skilled and multilingual workforce and competitive labor costs.** The country offers strong capabilities across finance, IT, engineering and business services, supported by a mature and evolving GBS landscape that delivers both traditional services and higher value-added activities such as IT development and data analytics. Many GBS centers in Hungary are expanding their scope beyond service delivery to include regional or global responsibilities, such as Centers of Excellence (CoEs), process governance and innovation functions. In addition, Hungary provides a stable economic and regulatory environment, ensuring predictability and security for foreign investors. The country benefits from modern infrastructure, efficient transport networks, reliable digital connectivity and a high quality of life, all of which contribute to its attractiveness as a business location.

A continuous pipeline of qualified talent is supported by well-established universities and professional training programs, contributing to ongoing sector growth and innovation. The major GBS locations are Budapest, Debrecen and Székesfehérvár. These cities offer developed office infrastructure, strong international business communities and excellent connectivity, enabling both domestic and cross-border service delivery.



Slovakia

The Slovak GBS sector is characterized by a skilled workforce and a growing focus on higher-value, knowledge-based services. With around 80 established centers employing nearly 50,000 professionals, the market is anchored in advanced customer operations, finance and IT services. Its competitiveness is supported by a multilingual talent base, strong international workforce participation and a steady pipeline of qualified graduates from the country's higher education system. The sector benefits from a multilingual workforce and strong international talent participation, with foreign nationals accounting for approximately 11% of employees working in Slovak GBS centres. The sector is concentrated primarily in Bratislava and Košice, while cities offer proximity to production sites, lower operating costs, and investment incentives covering up to 60% of eligible costs. As the market continues to shift toward higher-value, higher-quality service delivery, Slovakia remains a relevant location for investors seeking a stable business environment, eurozone benefits and targeted government support for sector growth.



04 GBS through the lens of the Six Design Layers

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GBS through the lens of the Six Design Layers

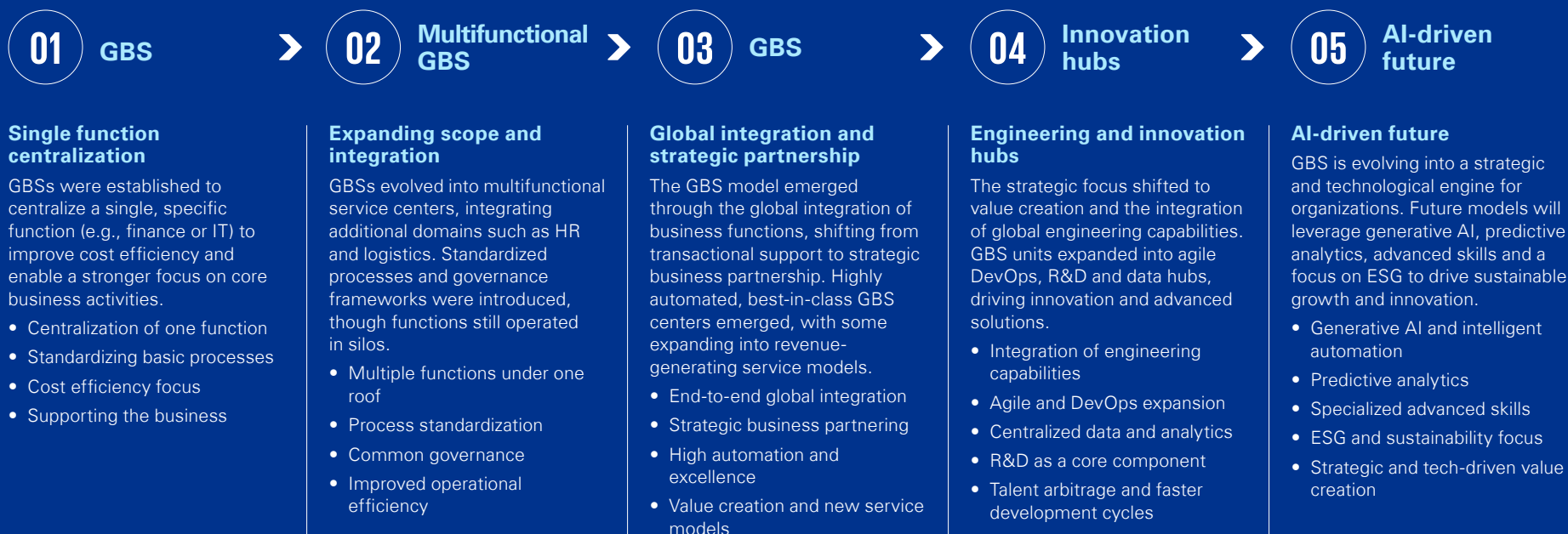
04.1 Functional Process: from simplicity to complexity

Shared Service Centers (SSCs) are centralized units that deliver standardized support services (e.g., finance, HR and IT) across business units, primarily aiming to reduce costs and improve operational efficiency.

Global Business Services (GBS) leverages technology, standardization and global governance to integrate multiple functions into end-to-end processes and shift the role from transactional service delivery to strategic business support.

The evolution of Global Business Services

From centralization to AI-driven innovation and strategic value creation



From classic GBS to GenBS

The proportion of organizations operating within a GBS model has grown steadily. According to survey data, the share of companies using the GBS model increased by 24% between 2019 and 2024. Conversely, the proportion of companies rejecting the GBS approach decreased by 19% over the same period. Collectively, these trends indicate that corporations are becoming increasingly committed to the GBS framework as adoption continues to rise.

Journey from “back office” to innovation hub

▼ 01 Sales Ops

- Collections
- Invoicing
- Order entry
- Tele-servicing
- Customer service
- Interaction centers
- Credit scoring



▼ 02 Master data management

- Cross-functional MDM
- Clinical data management



▼ 03 Treasury

- Cash management
- Payment processing



▼ 04 Transaction accounting

- Payables
- Receivables
- General ledger
- Fixed assets
- Intercompany
- External reporting
- Month-end close process
- T&E processing
- Cost accounting



▼ 05 HR

- Payroll
- Employee Call center
- Employee Data Management
- Benefits Administration



▼ 06 Claims

- Claims processing

▼ 07 HR (strategic)

- People insights and analytics
- Policy advice and guidance
- Managing and administering all aspects of performance management
- Strategic workforce planning



▼ 08 Procurement

- Purchase order processing
- Contract admin
- Content management
- Catalog management
- Category analysis
- Supplier scorecard
- Supplier portal admin



▼ 09 Supply chain

- Production planning
- Material requirements planning
- Demand planning
- Transport planning
- Fleet management
- Spare parts management



▼ 10 Sites

- Facilities management
- Real estate management



▼ 11 IT

- Applications development and maintenance
- Data processing/management
- Infrastructure
- Help desk

▼ 12 HR (advanced)

- Expat admin
- Recruit staff
- L&D material
- Onboarding
- Separations
- Vendor management admin



▼ 13 ESG / Sustainability

- ESG strategy setting and implementation
- Carbon footprint accounting & reporting
- Responsible sourcing & supplier diversity
- ESG regulatory compliance



▼ 14 Management information, data and analytics services

- Structured data services
- Master data management, business intelligence
- Unstructured data services
- Predictive analytics, e.g. marketing, S&OP
- Social media support
- Content management
- ESG regulatory compliance

▼ 15 Enhanced finance

- Budgeting
- Financial reporting
- Management reporting
- Consolidation
- Insurance management
- Profitability analysis
- Financial internal controls
- Working capital management
- Capex analysis
- Business case support
- Commercial asset effectiveness



▼ 16 Knowledge

- Management
- Process maps
- Project management
- Knowledge management
- Policies and procedures management



▼ 17 R&D

- Research
- Design
- Engineering
- Development



▼ 18 Procurement

- Supplier evaluation
- Strategic sourcing
- Compliance reporting



▼ 19 Tax

- Tax compliance
- Planning

▼ 20 Marketing

- Segmentation analysis
- Trade promotions analysis



▼ 21 Legal / risk

- Litigation
- IPR
- Contract and record management
- Data privacy operations



▼ 22 Automation CoE / Digital

- RPA (robotic process automation)
- AI (artificial intelligence)
- GenAI operations
- Infrastructure optimization
- Business intelligence dashboarding
- Continuous improvement
- Process improvement
- Process mining



▼ 23 Commercial

- Customer success management
- E-commerce operations

The implementation of GBS model

As GBS models continue to evolve, greater attention is being paid to manufacturing companies that have not yet established a Shared Service Center structure. Due to their current maturity levels, operational complexity and growth trajectories, these organizations represent the “next wave” of service model implementation. Driven by organic growth, numerous mid-sized and large enterprises, particularly within Central Europe, have reached an operational scale where support functions such as HR, finance, IT and procurement remain highly fragmented across multiple sites. This decentralization typically results in operational inefficiencies and elevated administrative costs.

A manufacturing organization is generally considered ripe for GBS implementation when it exhibits several key indicators of maturity. These include decentralized, multisite operations without a unified administrative framework, alongside redundant resource utilization, such as maintaining localized payroll processing at each facility. Furthermore, a clear sign of readiness is an asymmetric development pattern in which the company utilizes highly advanced manufacturing and production systems but still struggles with low levels of back-office standardization and digitalization.

To address these challenges, capability-building initiatives undertaken prior to the GBS rollout serve as a powerful catalyst for broader transformation. These preparatory steps have a significant organizational impact by fostering data-driven operations and enhancing reporting frameworks, while data analytics significantly improves the speed and accuracy of strategic decision-making. Additionally, the systematic mapping of processes increases transparency, generates efficiency gains and fosters broader organizational acceptance of centralization. The early integration of automation and artificial intelligence (AI) further demonstrates to stakeholders that GBS is a fundamental driver of enterprise-wide technological advancement.

The timeliness and strategic relevance of this transition cannot be overstated. Labor shortages within the manufacturing sector are no longer confined to the production line. They increasingly affect administrative areas as well. Adopting a modern GBS model not only drives operational efficiency but also enhances the organization’s appeal to highly skilled professionals. Consequently, the implementation of a GBS model extends far beyond simple organizational restructuring.

It actively supports business scalability, accelerates digital transformation and ultimately secures a sustainable competitive advantage for the enterprise.



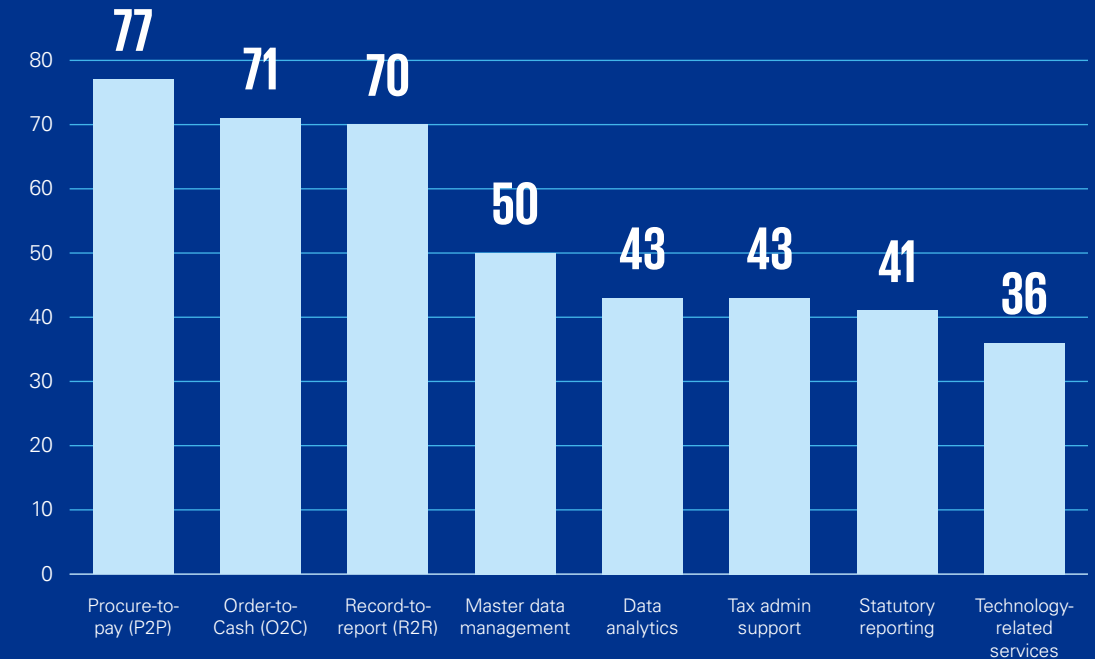
The shift to end-to-end processes

As GBS organizations continue to mature, the focus is increasingly shifting from fragmented functional activities toward integrated end-to-end process ownership. Rather than managing individual tasks or isolated operational steps, leading GBS organizations are taking responsibility for entire business workflows, ensuring consistency, transparency and accountability from initiation to final business outcomes. This transition reflects a broader ambition to move beyond traditional back-office service delivery and become a strategic business partners. End-to-end process management enables organizations to standardize operations, improve cross-functional collaboration, increase process visibility and identify opportunities for continuous improvement across the value chain. By breaking down organizational silos, companies can deliver a more seamless experience to internal stakeholders while driving greater operational effectiveness.

The survey findings illustrate that finance and

procurement processes remain the most established areas for end-to-end ownership. Processes such as procure-to-pay (P2P), order-to-cash (O2C) and record-to-report (R2R) continue to form the foundation of many GBS operating models, reflecting their high degree of standardization and business criticality. At the same time, the scope of end-to-end services is expanding beyond traditional transactional activities. Organizations are increasingly incorporating higher-value capabilities, including data analytics, master data management, reporting, tax support and technology-enabled services. This evolution demonstrates how GBS is moving toward a more insight-driven and business-oriented model, in which operational excellence is complemented by analytical, governance and decision-support capabilities. As a result, end-to-end process ownership is becoming a key enabler of agility, scalability and sustainable business value creation.

GBS process penetration (%)



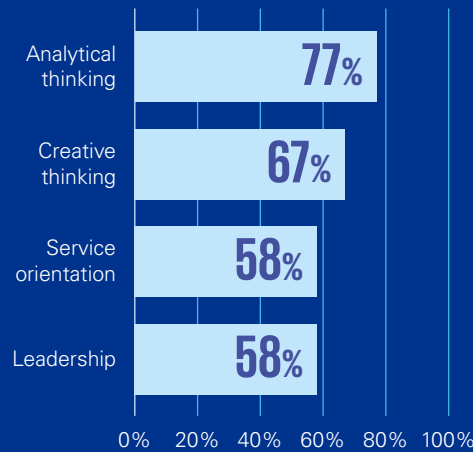
Source: SSON, State of the Shared Services & Outsourcing Industry, Global Market Report 2025

The evolution of skills

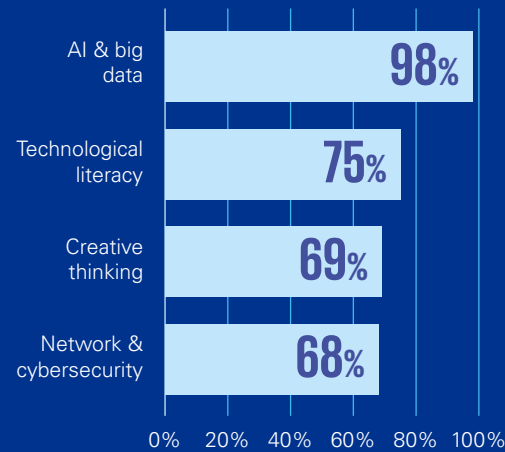
According to the World Economic Forum Future of Jobs Report 2025, the professional services sector is experiencing a significant evolution in its required competency profile. As of 2025, the most critical core skills are predominantly human-centric and cognitive.

Global professional services

Core skills 2025



Emerging skills 2030



Source: World Economic Forum - Future of Jobs Report 2025

This trajectory indicates that while technology and digitalization are becoming key drivers of the sector, fundamental soft skills and cognitive abilities remain indispensable. Ultimately, the GBS sector is transitioning to a hybrid model in which advanced technological proficiencies must be seamlessly integrated with irreplaceable human skills.

Risks

Alongside the advantages of the GBS sector, it is crucial to highlight the associated risk factors. Global economic risks and geopolitical conflicts will continue to impact the sector, potentially disrupting operational stability. In response to ongoing shifts in labor market demands, organizations must proactively upskill their workforces. Employees must keep pace with evolving expectations and possess the requisite

expertise to fully meet emerging business needs. Furthermore, companies must adeptly navigate rapid technological advancements to sustain their competitive edge within the sector. Additionally, companies must mitigate data and security risks by strengthening cybersecurity measures and ensuring robust data protection.



04.2 People Layer

The people dimension of GBS competitiveness is shifting from pure labor arbitrage toward a broader talent equation that includes skill depth, retention and total cost of ownership. While India remains cost-competitive in junior roles, CEE is increasingly attractive for senior, specialist and business-facing positions.

Senior positions in India are increasingly more expensive than in CEE

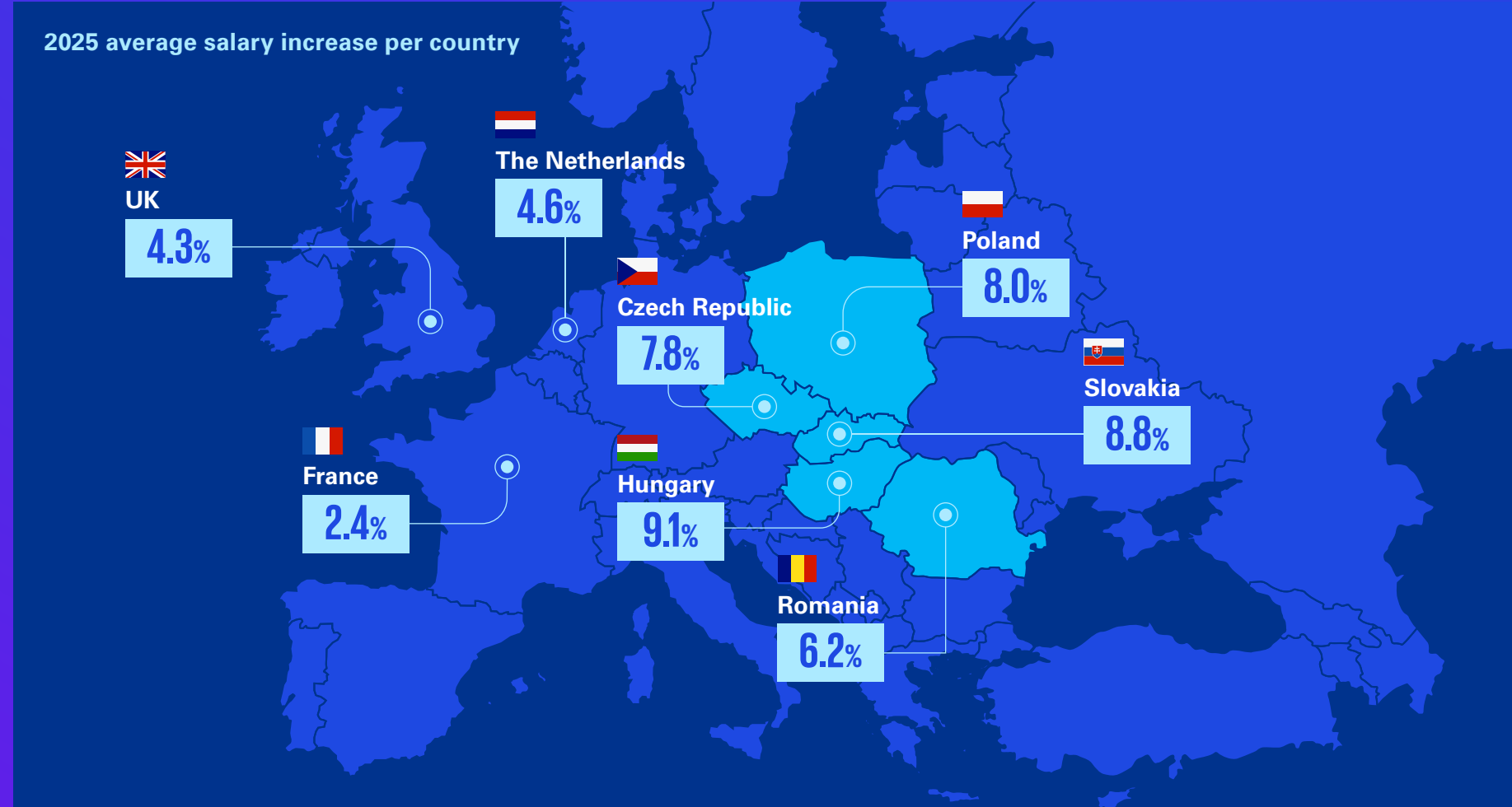
India	< >	CEE
Lower overall labor cost, highly cost-effective for junior, transactional roles	Cost level	Higher labor cost compared to India, but the gap is steadily narrowing
Cost advantage declines significantly for senior and specialist positions	Senior & specialist roles	Compensation differences are increasingly marginal
Strong in junior, transactional work; limited advantage for deep expertise and complex problem-solving	Skill & expertise	Stronger in deep expertise, stakeholder interaction and complex problem-solving
Remarkably high employee attrition rates	Attrition & talent retention	Lower attrition rates compared to India
Rising total cost of ownership due to attrition, onboarding, productivity loss and knowledge leakage	Total cost of ownership	More stable and predictable in the long run
Less favorably positioned for Europe-focused operations due to time-zone differences	Time-zone coverage (for Europe)	More favorable time-zone coverage and workable overlap with Europe
Preferred for scale, cost efficiency and high-volume, routine transactional work	Strategic positioning	Increasingly preferred for value-added, specialized and business-facing work

Salary trends and labor market pressure

Salary growth has resumed across most markets as inflationary pressure has eased and labor markets have remained tight.

At the same time, compensation strategies are becoming broader: in addition to base pay increases, employers are placing greater emphasis on benefits and performance-based incentives. In the CEE region, a clear trend toward convergence with Western European wage levels is evident, reflecting both the narrowing East-West wage gap and persistent competition for skilled talent. For GBS organizations, this reinforces the need to assess locations not only on current salary levels, but also on the direction of wage pressure over time.

2025 average salary increase per country



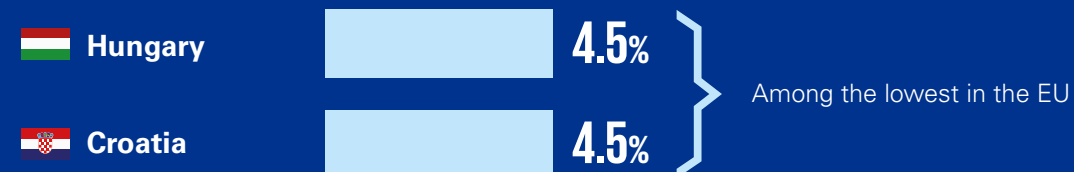
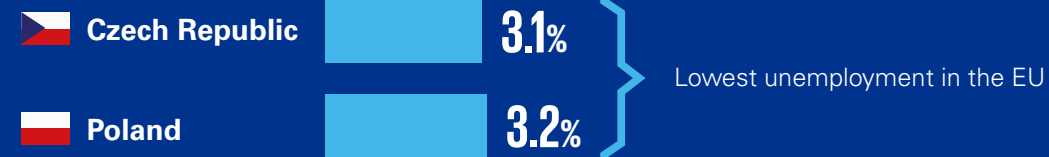
2025 salary projections continue to show a clear divide between Western Europe and CEE. While Western European markets such as France and the Netherlands are expected to see moderate nominal wage growth, most CEE countries remain on a stronger upward trajectory. Hungary, Slovakia and Poland are among the fastest-growing markets in nominal terms, while real wage growth also remains strong in most of the region. This supports the broader trend that CEE continues to converge toward Western European wage levels, even as it remains cost-competitive for many GBS roles.

EU average unemployment rate in December 2025

5.9%

Across the European Union, unemployment remains relatively low, confirming that the main labor market challenge is not joblessness but talent scarcity. This is particularly relevant for GBS organizations, which compete for multilingual, digital, analytical and finance-skilled talent in already tight labor markets.

Unemployment rate (% of labor force)



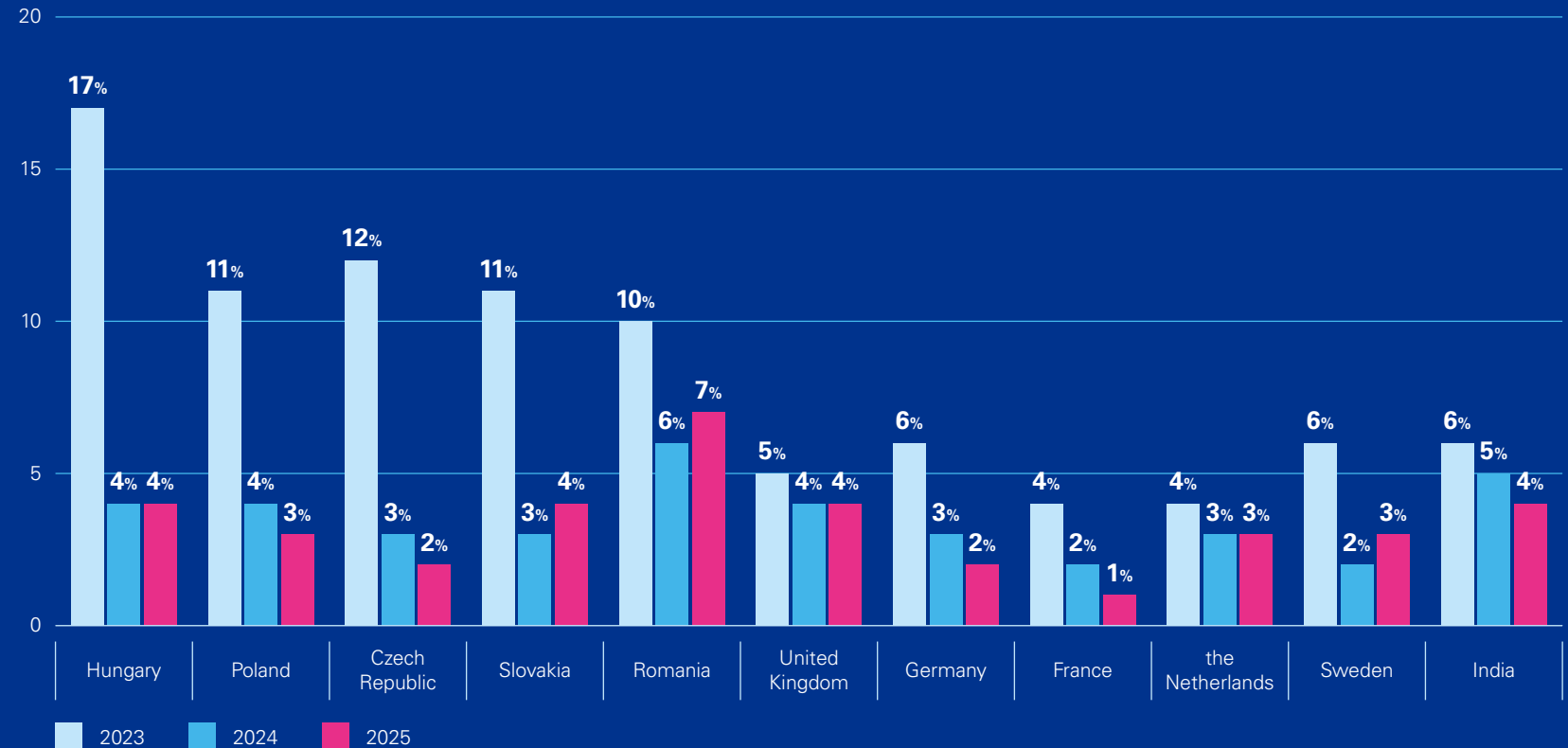
EU average	Unemployment rate (%)
EU average	5.9%



Inflation and cost stabilization

Following the exceptionally high rise in price levels that characterized 2023, a distinct global and regional disinflationary trend emerged in 2024–2025 across both CEE and India. In economies previously exposed to extreme inflationary pressures, the rate of price growth has slowed significantly, indicating greater price stability across European and global markets. The macroeconomic environment proved most stable in Western Europe. Inflation rates across the region dropped to remarkably low levels, in some cases falling below central bank targets. Between 2024 and 2025, inflation fell to 1% in France and 2% in Germany. At the same time, a significant positive correction occurred in the Central and Eastern European (CEE) region, where the inflationary shock had been most intense in 2023. The decline has improved cost predictability and reduced some of the volatility seen in compensation planning. However, lower inflation does not eliminate wage pressure in the GBS sector, where salary growth continues to be driven by skill shortages, competition for specialist talent and ongoing convergence in regional labor markets.

Core inflation



Salaries in the CEE GBS sector (2025)

The salary benchmarking chart across the CEE GBS sector shows that compensation varies materially by both country and process complexity. The comparison covers five core functions: General Ledger, Accounts Payable / Accounts Receivable (AP/AR), Customer Service, Supply Chain / Procurement, and Controlling / Reporting, across five selected countries in the region.

The data shows clear variation in both country cost levels and capability premiums. The Czech Republic has among the highest salary levels across the five benchmarked GBS functions, while Hungary and Romania remain the most cost-efficient markets in the comparison. Across the region, Controlling / Reporting generally commands the highest pay, reflecting the growing value of analytical, judgment-based, and business-facing roles within GBS portfolios. By contrast, Customer Service remains at the lower end of the compensation range. This underlines a broader trend: as GBS work moves toward more complex and insight-driven activities, pay increasingly follows capability depth.

2025 CEE average monthly gross salary per GBS process (USD)



Talent pipeline and labor market depth



Hungary

In Hungary, a growing number of high school graduates decide to pursue higher education each year, a trend supported by data from the Graduate Career Tracking System (DPR). These statistics indicate that holding a university degree not only facilitates smoother entry into the labor market but also results in significantly higher starting salaries.

Hungary benefits from a broad higher education base that continues to supply business, finance, IT, engineering, and other knowledge-intensive talent relevant to the GBS sector. Budapest remains the dominant education and employment hub, supported by strong regional university centers such as Debrecen, Szeged, Pécs, and Győr. The country also shows increasing internationalization in higher education, which supports multilingual talent availability.



350,989

Higher education students

Total students enrolled in higher education in Hungary in 2025 across all levels.

Students enrolled by level of higher education in 2025

Bachelor's (undergraduate)



226,002

One-tier (undivided)



48,523

Master's



43,592

Postgraduate specialist training



16,303

Doctoral



11,252

Most popular fields of study



Business & economics

- Business and management
- Marketing
- Finance



IT & engineering

- Computer science
- Mechanical engineering
- Architecture



Other

- Psychology
- Medicine
- Law

Source: KSH – Oktatási adatok, 2025/2026



Poland

Participation in higher education in Poland also shows a steadily growing trend. As of 2025, nearly 1.28 million students are enrolled in the Polish tertiary education system. Much like in Hungary, Polish universities are seeing a steady increase in international student numbers, with the majority coming from France, Ukraine, and Turkey. Prospective students show a strong preference for degree programs in economics, engineering, law, and healthcare. This continued growth remains one of Poland's key structural advantages for large and multifunctional GBS operations.



Czech Republic

The Czech Republic combines a solid university talent base with a particularly high share of international students, who account for approximately 20% of the total student body. This phenomenon is largely driven by a substantial influx of Slovak students who select the Czech Republic as their academic destination, taking advantage of state-funded, tuition-free education offered in the Czech language. The Czech higher education system is characterized by a predominantly state-funded model; consequently, the share of fee-paying students constitutes only about 15% of the overall student population.



Slovakia

In 2025, more than 130,000 students are enrolled in the higher education system in Slovakia. Although a significant number of high school graduates prefer to pursue their studies in the Czech Republic due to its favorable academic opportunities, Slovakia still attracts a substantial influx of international students, primarily from Ukraine. Hence, Slovakia offers a smaller but relevant talent pool for GBS, with particular strength in engineering and IT-oriented education.



Romania

Romania combines a relatively large talent base and continued cost competitiveness, making it one of the most attractive workforce markets in the region for scaled GBS operations. In 2025, more than 500,000 students were enrolled in the tertiary education system. Its higher education system produces strong volumes of graduates, while the country's labor market remains particularly relevant for finance, business services, and technical roles. Romania's challenge is not scale but sustaining competitiveness against other CEE locations as salary levels and employer expectations continue to rise.



04.3 Service delivery model

GBS as a strategic orchestrator of business value

In practice, GBS is evolving toward orchestration—coordinating cross-functional execution, embedding digital capabilities into core workflows, and enabling business decision-making and enterprise transformation. The model is shifting from standalone service delivery to integrated, enterprise-wide capability management. GBS service delivery models are moving beyond traditional efficiency-driven operations toward a broader role in enterprise enablement. While earlier models focused primarily on standardized and transactional activities, today's GBS organizations are increasingly expected to support business performance, agility, and transformation.

A defining feature of this evolution is the increasing share of knowledge-intensive and value-added services within GBS portfolios. Organizations are expanding beyond transactional activities into areas such as data analytics, digital enablement, financial planning, research support, and other expertise-driven capabilities. As a result, GBS is no longer viewed solely as a cost

center but is increasingly recognized as a driver of business insight, decision support, and innovation.

Multifunctionality remains a core indicator of GBS maturity. Leading organizations increasingly consolidate finance, IT, HR, procurement, analytics, and other services into integrated delivery models. This reduces handoffs, strengthens end-to-end accountability, enhances process standardization, and enables more robust cross-functional governance. In the CEE region, this trend is reflected in the growing prevalence of multi-country and globally scoped delivery hubs.

This also changes how GBS interacts with the business. The model is shifting from reactive service provision toward more proactive business partnering, with teams increasingly expected to solve problems, improve outcomes, and contribute ideas rather than simply process requests. As a result, trusted partner status is becoming a defining feature of mature service delivery models.



Evolution of GBS

Level 01 >

Aggregated shared services

Finance

Human Resources

Procurement

IT

GBS

Level 02 >

Integrated shared services

P2P (procure-to-pay)

O2C (order-to-cash)

H2R (hire-to-retain)

R2R
(record-to-report)I2R
(issue-to-resolution)

GBS

Level 03

Strategic value shared services

Artificial intelligence
& data analyticsCustomer experience
management

Sustainability

I2R
(issue-to-resolution)

GBS

In practice, GBS evolves through several stages:

This model illustrates the maturity journey of Global Business Services. Organizations typically start with separate functional support teams (Level 1–3), then consolidate activities into shared service centers (Level 2). As maturity increases, GBS shifts from functional silos to end-to-end process ownership, integrating core business processes such as procure-to-pay (P2P), order-to-cash (O2C) and record-to-report (R2R) at Level 3. At the highest maturity level (Level 4), GBS becomes a strategic business partner, delivering advanced capabilities such as data analytics, customer experience management, sustainability, and continuous improvement. This evolution enables greater standardization, scalability, cross-functional collaboration, and business value creation.



Source: GBS: Transactional Hub to Strategic Value | KAIZEN™ Article

As service portfolios expand, GBS organizations are evolving into multidisciplinary capability hubs that support enterprise-wide operations. This shift requires continued workforce upskilling, stronger customer orientation, and closer collaboration with business stakeholders to solve problems rather than simply execute tasks. In this model, service delivery becomes less about transactional fulfillment and more about enabling business outcomes. Technology remains a critical enabler of this transition, but its role is most valuable when embedded directly into the operating model. In parallel, culture and branding are becoming more important as GBS organizations seek to communicate their value beyond efficiency alone. Compared with traditional GBS models, today's GBS models have a broader functional scope, stronger cross-regional integration, and closer alignment with enterprise priorities.

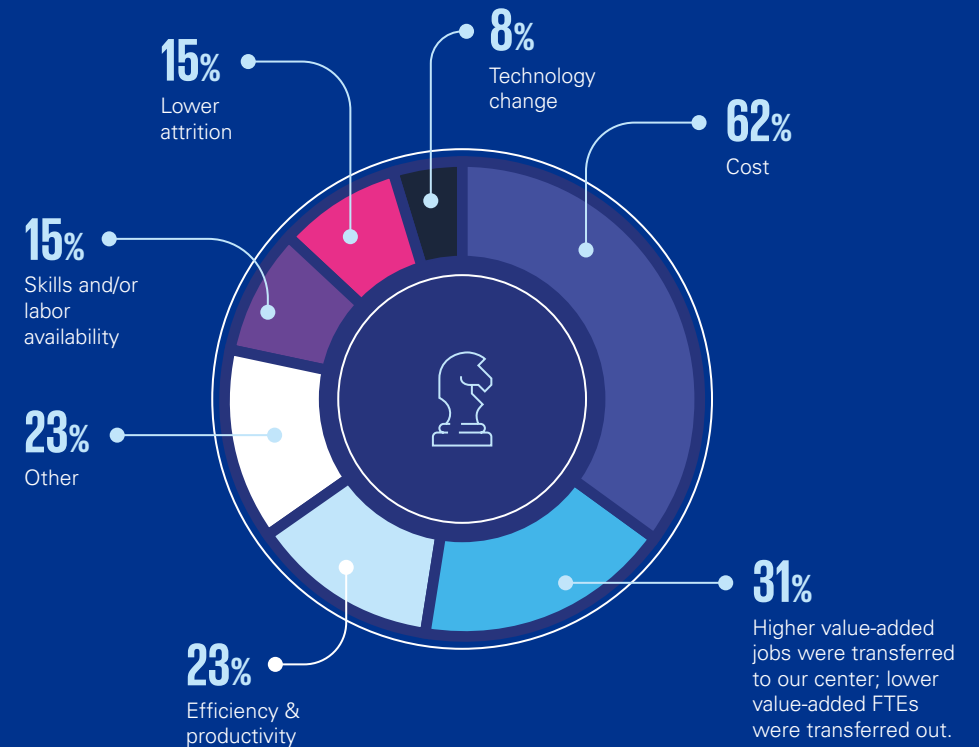
Hungary exemplifies this broader evolution. The sector continues to expand in both the number of centers and overall employment, while the service mix is progressively shifting toward higher-value, capability-intensive activities. This reinforces the wider regional trajectory, with GBS in CEE evolving beyond scale-driven delivery toward more sophisticated, business-critical service models. As organizations face increasing pressure to innovate, improve customer experience, and deliver sustainable value, GBS is taking on a

more strategic role. GBS organizations increasingly support business units through advisory input, implementation support, and transformation enablement. In more advanced models, some organizations are beginning to package selected internal capabilities into reusable solutions or externally marketable services. This should be seen as an indicator of higher maturity rather than a standard feature of all GBS models.

One of the most defining trends of 2025 is the rapid increase in knowledge-intensive and value-added services within GBS portfolios. Organizations are moving significantly beyond traditional transactional activities and are increasingly incorporating data analytics and advanced reporting, digital innovation and automation, financial planning and decision support, software engineering, as well as risk management and advisory capabilities. This shift is especially visible in Central and Eastern Europe, where GBS organizations are increasingly positioned as knowledge hubs that support business units with analytical capabilities, digital expertise, and end-to-end process ownership. Leaders are enabling technologies such as process mining and automation to support this evolution, but the core shift is organizational: GBS is becoming more insight-led, expertise-based, and embedded in enterprise decision-making.

Reasons for outbound service migration

Service migration



Source: HIPA Business Services Hungary 2025

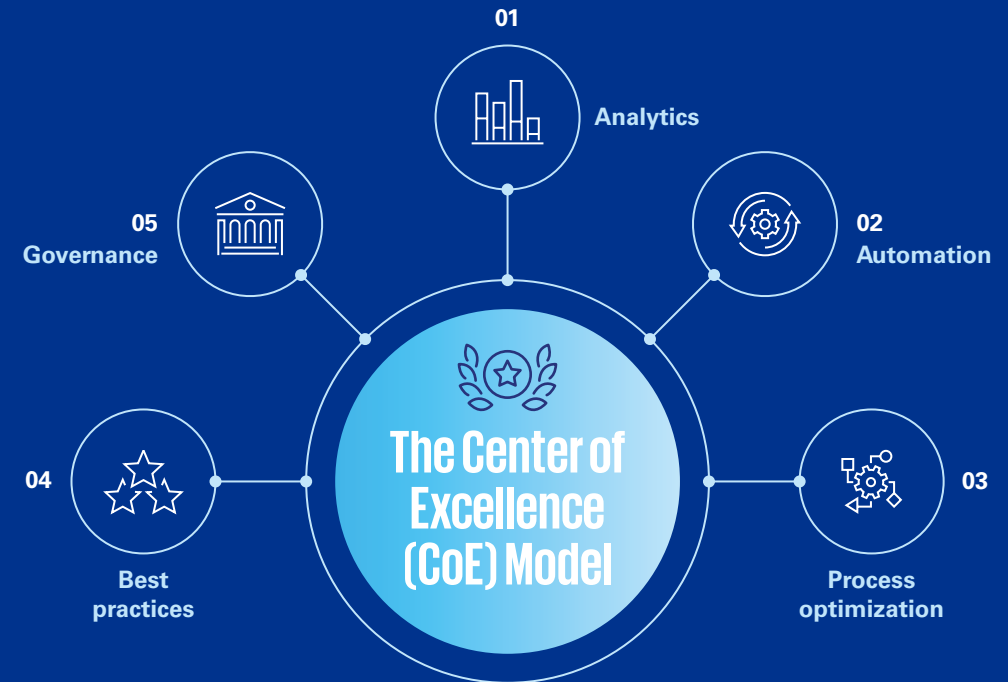
Centers of Excellence (CoEs): engines of expertise and innovation

A Center of Excellence (CoE) goes beyond centralizing routine processes. It is designed to concentrate expertise, methods, and best practices within a specific domain in order to improve quality, consistency, and innovation across the organization. By bringing together subject matter experts, CoEs help define standards, guide execution, and support continuous improvement in areas that require deeper specialization than traditional service delivery.

In modern GBS models, CoEs have become a key lever for reducing fragmentation and scaling expertise. Rather than allowing capabilities to remain dispersed across functions and geographies, organizations leverage CoEs to establish clear ownership, embed best practices more consistently, and enhance the quality of outcomes across global operations. Their role increasingly extends beyond efficiency gains to supporting enterprise-wide value creation. Traditional GBS models primarily centralize repeatable processes to improve efficiency, consistency, and scale. A CoE, by contrast, centralizes expertise. Its value lies in developing advanced capabilities, supporting innovation, improving methods, and enabling better decision-making across the enterprise.

Increasingly embedded within service delivery models, CoEs drive continuous improvement rather than episodic interventions. In global organizations, maintaining standard processes and governance can be challenging due to varying regulatory environments and local practices. CoEs help define common frameworks and standards while still allowing for necessary local adjustments. This balance makes it possible to achieve efficiency without sacrificing flexibility, which is critical for large companies operating internationally. Integration into everyday operations has also become more pronounced. Rather than functioning as separate advisory units, CoEs are now embedded in the service delivery model itself. This means that capabilities such as data analytics, process optimization, and automation are applied continuously, not just in isolated projects. As a result, organizations can generate ongoing improvements instead of one-time gains, making the overall operating model more dynamic and adaptable.

The Center of Excellence (CoE) model



The evolution of digital GBS

As emerging technologies continue to redefine traditional business models, organizations are advancing their digital and analytical capabilities. In this environment, Global Business Services are evolving from transactional support functions into strategic transformation and digital enablers. Leveraging their deep process expertise and specialized capabilities concentrated in Centers of Excellence, GBS organizations are well positioned to drive enterprise-wide process optimization, digital enablement, and technology transformations at scale.



04.4 Technology layer

From transaction processing to AI-enabled GBS

Executive sentiment increasingly supports the shift to AI-enabled service delivery. Despite ongoing economic uncertainty, 71% of CEOs globally now consider AI to be a top investment priority, signaling a shift from testing to enterprise-wide integration.

Industry research indicates that GBS operating models are being redesigned around these capabilities. Organizations are adopting hyper-automation, intelligent agents, modular architectures, and real-time insight engines as part of emerging “Next-Gen GBS” models, in which service centers evolve from transaction processors into analytical and decision-support hubs. As innovation cycles shorten, businesses increasingly expect GBS to enable faster information flow and enterprise-wide insight rather than only carrying out routine activities.

AI investments

The speed of this change is further highlighted by expectations for return on investment.

2024

In 2024, **more than half of leaders** expected AI investments to yield returns in **3 to 5 years**.

2025

According to a 2025 study, **around 67% of leaders** now expect value to materialize within **1 to 3 years**

In parallel, companies increasingly recognize advanced analytics, including

**Predictive modelling****Scenario analysis****Data-driven interpretation**

Source: CEO Outlook 2025

Next-Gen GBS models

**Hyper-automation****Intelligent agents****Modular architectures****Real-time insight engines**

At the same time, infrastructure, cost and technological constraints are progressively shaping how far these ambitions can realistically go. As enterprise AI expands rapidly, constraints in data center capacity, energy supply and access to advanced hardware are becoming harder to ignore. Power, cooling and compute availability are now emerging as material barriers to adoption, turning infrastructure planning into a strategic discussion rather than a routine IT consideration. These constraints influence where and how organizations can deploy AI at scale, particularly for compute-intensive inference workloads. For centralized functions such as GBS, where document-heavy, standardized processes dominate, this has reinforced the need for selective, economically efficient AI deployment rather than universal automation.

In response, many organizations are rebalancing their AI portfolios from large, general-purpose models toward smaller, task-specific, and domain-adapted systems. Industry reporting has pointed to a growing enterprise preference for models designed around specific business needs, highlighting advantages such as lower operating costs, quicker response times, and easier auditability. At the same time, the rising maturity of open-source and regionally developed models has broadened the available choices, reducing reliance on a small group of

hyperscale providers. For GBS environments, where processes are repeatable and well-bounded, this trend supports embedding AI directly into ERP, finance, HR and workflow platforms, reducing reliance on stand-alone tools while strengthening governance alignment.

This evolution marks a structural shift for the function. Traditional GBS models prioritized scale, standardization, and throughput to achieve cost efficiency and service-level stability. AI challenges this logic by elevating GBS into a partner capable of analyzing patterns, interpreting trends, and informing decisions across enterprise data sets. The implication is clear: GBS units that remain anchored in transactional execution risk falling behind organizations where AI accelerates insight generation and strengthens strategic contribution.

	Transactional GBS	Automated GBS	AI-Enabled GBS
Technology	Rule-based automation	RPA & analytical AI	Generative AI & Agentic AI
Skills	Execute	Analyze and optimize	Interpret, judge, decide
Value	Cost efficiency	Performance improvement	Enterprise intelligence



Workforce and skills: a changing profile for a changing function

As AI becomes embedded across GBS operations, its workforce impact extends beyond task automation. Workforce analyses already show that AI is reshaping job content, shifting roles toward more cognitive, analytical and judgment-based responsibilities. Many employees find the pace of technological change overwhelming, reinforcing the need for structured communication and change management that explains both how tools work and why they are being introduced.

At the same time, those designing AI systems understand model behavior far better than the employees expected to use these tools in day-to-day operations. This knowledge gap can lead to misuse, inconsistent adoption or mistrust if not addressed systematically. This reinforces the need to align workforce transformation with AI governance, ensuring that training, standards and operating procedures evolve alongside technology deployment.

The evolving capability profile in GBS

Foundation

The capability profile in GBS is evolving to meet new business demands.



Analytical reasoning



Problem solving



Critical thinking



Digital fluency



Communication



Applied across the organization

These capabilities are relevant across key roles and functions.



Operations roles



Leadership roles



Process excellence functions



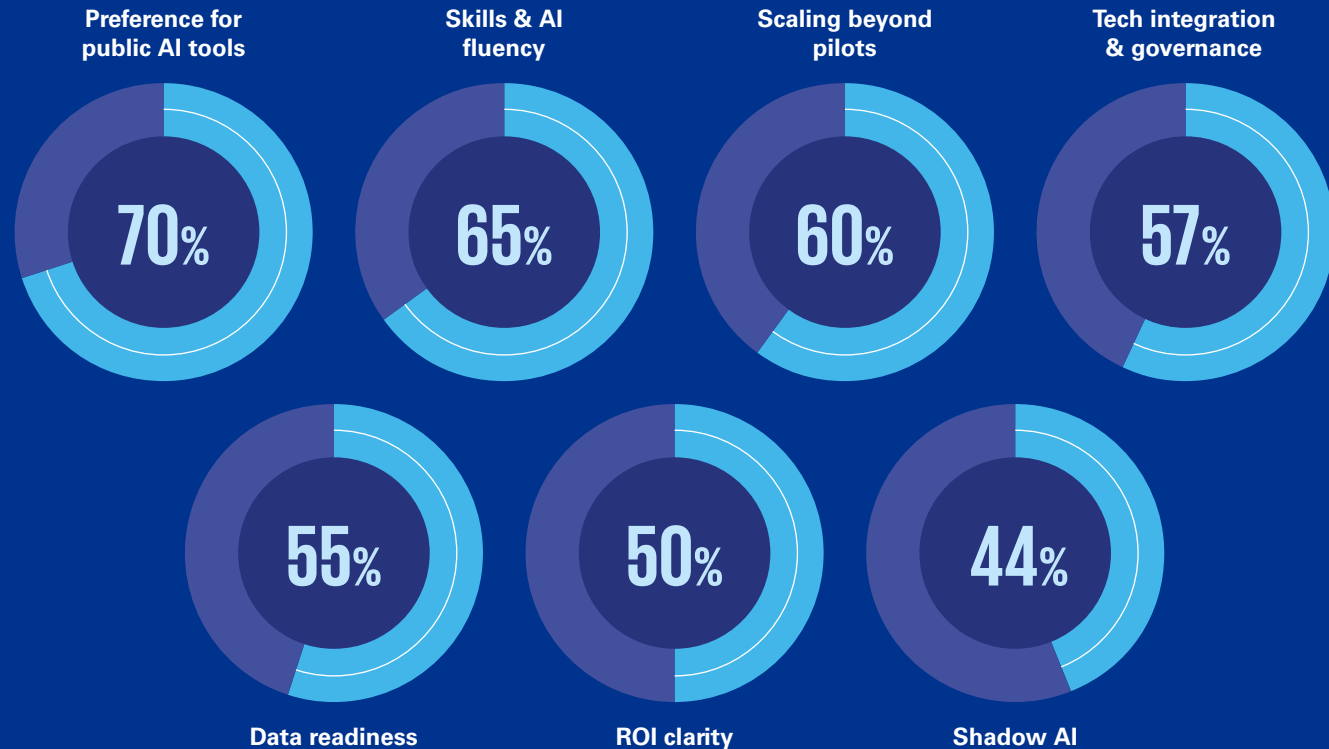
Analytics teams

Data, governance and risk: the infrastructure behind responsible AI

For GBS to operate reliably as an AI-enabled, insight-driven function, data integrity and governance are foundational requirements. Successful AI adoption depends on clear data ownership, strong protection mechanisms and architectures capable of supporting large-scale analysis. These frameworks highlight the need to align business objectives with data ownership, data maturity and platform readiness before scaling deployment.

Risk considerations amplify the importance of this foundation. The biggest AI-specific risk affecting GBS is data privacy exposure when AI solutions interact with employee records, financial transactions or supplier data. Additional risks include prompt injection, data poisoning and model manipulation, in which compromised inputs can compromise analytical accuracy or introduce unintended behaviors into automated processes. As AI systems become more autonomous, organizations must increasingly address not only data integrity risks but also broader governance challenges related to identity, authority, accountability and trust.

As AI adoption in GBS matures, the primary obstacles are no longer rooted in lack of awareness or technological availability. Recent research from 2025–2026 research indicates that many GBS organizations have moved beyond initial experimentation but struggle to scale AI in a controlled, value-generating manner. The most frequently cited constraints now center on data readiness, workforce capabilities, governance complexity and the ability to demonstrate clear returns at scale.



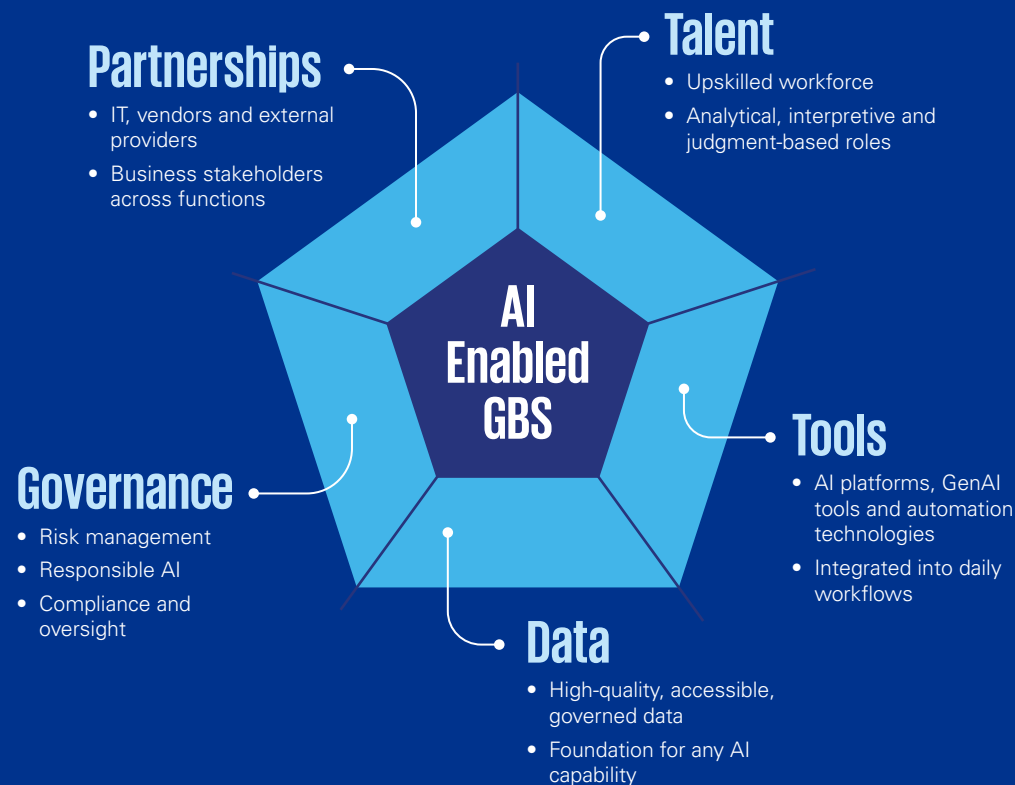
Cybersecurity developments in 2025 demonstrate this expansion clearly. Threat intelligence reports document increases in AI-enabled social engineering, including synthetic voice and video impersonation, as well as in the exploitation of machine identities used by automated systems. In shared-services environments, where approvals, reconciliations and master-data changes are frequently automated, these dynamics heighten the importance of identity governance and process-level trust.

Regulatory pressure reinforces these concerns. The EU AI Act introduces enforceable requirements around transparency, documentation and oversight based on risk classification, with direct relevance for AI-enabled service workflows. In practice, regulatory requirements are increasingly shaping the design of AI-supported services, rather than serving solely as compliance checks after deployment. Given the scale and cross-border nature of GBS operations, shared-services organizations are often among the first to experience the operational impact of these rules.



Data, governance and risk: the infrastructure behind responsible AI

AI-ready GBS operating model



As AI capabilities mature, GBS organizations face a new challenge: embedding these tools into operating models that can adapt continuously. Internal guidance defines this model through five interconnected pillars: talent, tools, data, governance and partnerships, designed to move AI initiatives from isolated experiments into integrated systems. However, as AI tools become more accessible, sustaining this integration increasingly requires active orchestration rather than centralized control alone.

The convergence of AI with low-code and no-code platforms accelerated automation beyond traditional IT ownership in 2025–2026. Research shows that business users increasingly design AI-augmented workflows independently, improving responsiveness while also introducing risks related to fragmentation and oversight. For GBS organizations built on consistency and standardization, this dynamic reinforces the need to act as orchestrators of enterprise automation standards rather than sole developers.

Continuous improvement remains a defining feature of AI-ready operating models. AI-enabled process mining and intelligent agents now support faster identification of bottlenecks and deviations, augmenting, rather than replacing, human improvement specialists. Industry research emphasizes that safe scaling depends on robust guardrails, including monitoring mechanisms, governance platforms and clear escalation paths for autonomous or semi-autonomous systems.

Taken together, the imperatives for modern GBS are increasingly clear: standardize processes so AI operates on predictable foundations; instrument operations to generate reliable insights; govern AI use through structured oversight; and embed continuous improvement so systems evolve over time rather than remain static. Together, these principles position GBS not merely as a service executor but as a stable, intelligent contributor to enterprise performance.

Measuring value: from efficiency metrics to intelligence outcomes

GBS is uniquely positioned to support this shift in value measurement due to its end-to-end process visibility and standardized operating structures. Over time, this strengthens GBS's role not only as a service provider but as a steward of enterprise intelligence responsible for ensuring that AI investments deliver sustained, measurable impact across the organization.

Rethinking value measurement in AI-enabled GBS

From traditional efficiency metrics to outcome-oriented measures that capture AI-generated value

Current challenge

Traditional GBS performance metrics fall short



01. Transaction volumes

High-volume focus does not reflect the value created by AI-enabled services.



02. Service-level adherence

SLA compliance is necessary but no longer differentiates value.



03. Headcount efficiency

Labor arbitrage and headcount reduction do not capture AI-driven impact.



04. Cost reduction focus

Cost savings remain important but are no longer the primary measure of success.



05. Difficult to quantify AI value

Returns from generative and agentic AI are often intangible and hard to measure.

Traditional GBS KPIs



VS.

AI-enabled value metrics

Evolving measurement framework

Outcome-oriented metrics that reflect AI-driven value



01. Cycle-time compression

Measure how much faster insights and outputs are delivered through AI.



02. Reductions in information latency

Track improvements in the time between data availability and actionable insights.



03. Improved forecast accuracy

Evaluate the impact of AI on prediction quality and planning effectiveness.



04. Higher first-time-right outcomes

Measure the increase in accuracy and quality in judgment-intensive processes.



05. Outcome-oriented metrics

Focus on decision quality, business impact and value creation for customers and stakeholders.



GBS is evolving from a service provider to a steward of enterprise intelligence, requiring metrics that capture decision quality, speed and business impact.

04.5 Performance insights & data

From AI-enabled forecasting to enterprise performance

As outlined in the Technology layer, AI and advanced analytics are increasingly embedded in GBS operations, enabling large-scale data processing, automation, and insight generation. However, the availability of these capabilities alone does not guarantee better business performance. The key challenge for organizations today is how to translate data, forecasts and AI-generated insights into better decisions and measurable business outcomes.

This reflects a broader shift in the role of the Performance Insights & Data layer. Traditionally, performance management in shared services focused on measurement and reporting—tracking KPIs, monitoring service levels, and explaining past performance. Today, the focus is moving toward performance enablement: using data and forecasting to actively support decision-making, improve execution, and increase predictability across the organization.

From retrospective to predictive: the evolution of analytics in GBS

AI-enabled analytics shifts GBS from understanding what happened to anticipating what will happen.

Traditional GBS (Retrospective)



Historical Data

Data collected from past transactions and activities.



Periodic Reports

Reports generated periodically (daily/weekly/monthly).



Understand What Happened

Analysis focuses on what has already happened.



Control & Transparency

Supports control, compliance and transparency but is reactive.



Outcome

Understand events after they happen.

Shift from
➡➡➡
retrospective
to predictive

AI-enabled GBS analytics (predictive)



Historical Data

Leverage validated historical data as the foundation for predictive analytics.



Real-time Operational Inputs

Ingest real-time data from systems and processes.



External Signals

Incorporate external data (market, supplier, economic, regulatory signals).



AI Analytics Engine

Advanced models detect patterns, identify anomalies and generate insights.



Performance Forecasts

Generate forecasts and scenario outlooks.



Outcome: Proactive Management

Anticipate the future and take action early.



Analytics is evolving from retrospective reporting to embedded, real-time decision support that enables earlier insights, faster decisions and more proactive business steering.

Intelligent forecasting as a core performance driver

Intelligent forecasting has become a key driver of enterprise performance improvement across GBS functions

In finance, forecasting	In operations, forecasting	In supply chain management, forecasting
In finance, forecasting has evolved from static planning to dynamic, scenario-based modeling. Modern FP&A environments integrate financial drivers, market data and operational metrics to generate forecasts and simulate multiple scenarios automatically. In many cases, AI also generates management commentary, helping decision-makers quickly interpret key changes and underlying drivers.	In operations, forecasting supports more stable and efficient execution. AI-driven demand forecasting models combine ERP data, historical patterns and external signals to predict volumes and simulate supply scenarios. This improves production planning, inventory management and sourcing decisions across the value chain.	In supply chain management, forecasting is increasingly linked to real-time risk visibility. Advanced models connect products, suppliers and locations providing near real-time insight into how disruptions may impact operations. This enables earlier intervention and more resilient decision-making.



Across these use cases, the primary impact of GBS is stronger alignment between planning and execution. Forecasting becomes a continuous capability that supports decisions across the organization rather than a periodic planning exercise.

Supporting executive decision-making through intelligent forecasting

One of the most significant impacts of intelligent forecasting is its role in supporting executive decision-making.

In modern finance environments, AI-driven forecasting models generate multiple scenarios based on different assumptions, integrating financial drivers, operational inputs and external market signals. These models not only provide projections but also highlight key risks and explain performance drivers through automated insights.

This allows senior leadership to evaluate strategic options before committing to decisions such as investments, restructuring initiatives or cost optimization programs. Instead of relying solely on a single forecast or historical trends, executives can compare scenarios, assess trade-offs and better understand the impact of decisions on future performance.

A similar approach is visible in operational decision-making. In one implementation, a global organization developed a data-driven supply chain solution that connected

products, suppliers and locations across multiple systems. This enabled near real-time visibility into risks affecting operations that represented several billion dollars in revenue. Through integrated dashboards and predictive insights, management was able to identify potential disruptions early and make more decisive sourcing and production decisions.

These examples show that intelligent forecasting plays a critical role in improving the quality, speed and consistency of executive decision-making. It does not replace judgment but strengthens it by providing a clearer and more structured view of future outcomes.

A key benefit of this shift is shorter decision cycles. When forecasting and performance insights are embedded directly into operational and management routines, organizations can move faster from issue detection to response. This matters not only in volatile environments but also in everyday execution, where delays in escalation, prioritization or resource allocation can materially reduce business performance.



Real-life applications in enterprise environments

The impact of intelligent forecasting and AI-driven analytics is already visible in large-scale, complex operations, where these capabilities are fundamentally changing how performance is managed.



1st example

In one case, a global organization managing complex integration processes faced challenges with fragmented data, limited visibility and delayed issue identification. Integration activities were tracked across multiple systems, making it difficult to monitor progress and ensure expected outcomes. By implementing a unified platform that combined real-time tracking, predictive models and automation, the organization gained continuous visibility into execution.

The solution also leveraged data from hundreds of previous transactions to improve planning accuracy. This transformed integration management into a controlled, data-driven process, enabling earlier intervention, improved accountability and measurable efficiency gains, including the automation of numerous processes and significant cost savings.

2nd example

A second case illustrates how AI can improve decision quality in processes traditionally driven by manual judgment. In this scenario, a large-scale matching process relied on human evaluation and was constrained by the volume of data requiring processing. Decisions took several months and outcomes were inconsistent. By introducing an AI-based recommendation engine using over a decade of historical data and multiple evaluation criteria, the organization was able to generate ranked, data-backed recommendations. This reduced decision time from months to minutes while improving consistency. Importantly, the solution augmented rather than replaced human decision-making, allowing teams to focus on higher-value activities.

3rd example

A third example demonstrates how AI transforms performance in data-intensive environments. Traditional approaches relied on sampling and manual analysis, limiting visibility across large datasets. By applying machine learning to analyze complete datasets in real time, the organization was able to detect anomalies and identify risks much earlier. This shifted the focus from data processing to insight interpretation and decision-making. The result was improved accuracy, more proactive risk management and scalable performance monitoring across a global environment.

Limits of insight-driven decision-making

While these examples show that intelligent forecasting significantly improves visibility and control, it does not automatically translate into better decisions. As forecasting capabilities expand, organizations often face a new challenge: the volume and complexity of insights can exceed what existing decision-making processes are able to handle effectively.

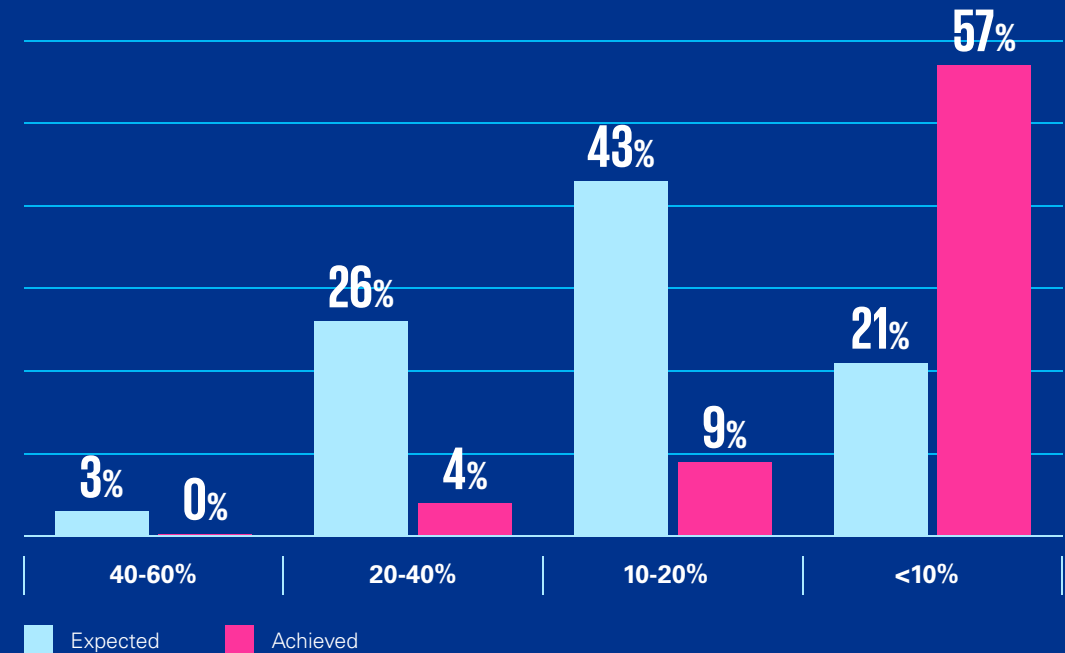
In practice, management may be presented with multiple scenarios, continuous updates and competing indicators. Without clear prioritization and structured decision processes, this can slow down decisions instead of accelerating them. Organizations may delay action, focus on a limited subset of information or fall back on simplified assumptions.

This highlights an important shift: the main constraint is no longer the lack of data but the ability to convert insights into action. Companies that address this by simplifying decision frameworks, defining clear ownership and aligning forecasting outputs with decision processes are more likely to realize the full value of their analytics capabilities.

As performance insights become more predictive and action-oriented, they also change expectations around ownership. In more mature GBS models, the role of the function is no longer limited to producing performance information; it increasingly includes helping the business define intervention points, clarify decision ownership and ensure that insights are translated into operational follow-through. This is particularly important in cross-functional environments, where performance issues often span multiple teams, systems or geographies and cannot be addressed through reporting alone.

While 69% of organizations expected to achieve savings in the 10–20% or 20–40% ranges, 57% of respondents reported actual savings of less than 10%. Only a small proportion achieved the higher savings levels initially expected. More mature GBS organizations address this by combining analytics with clear decision ownership, process accountability and cross-functional collaboration.

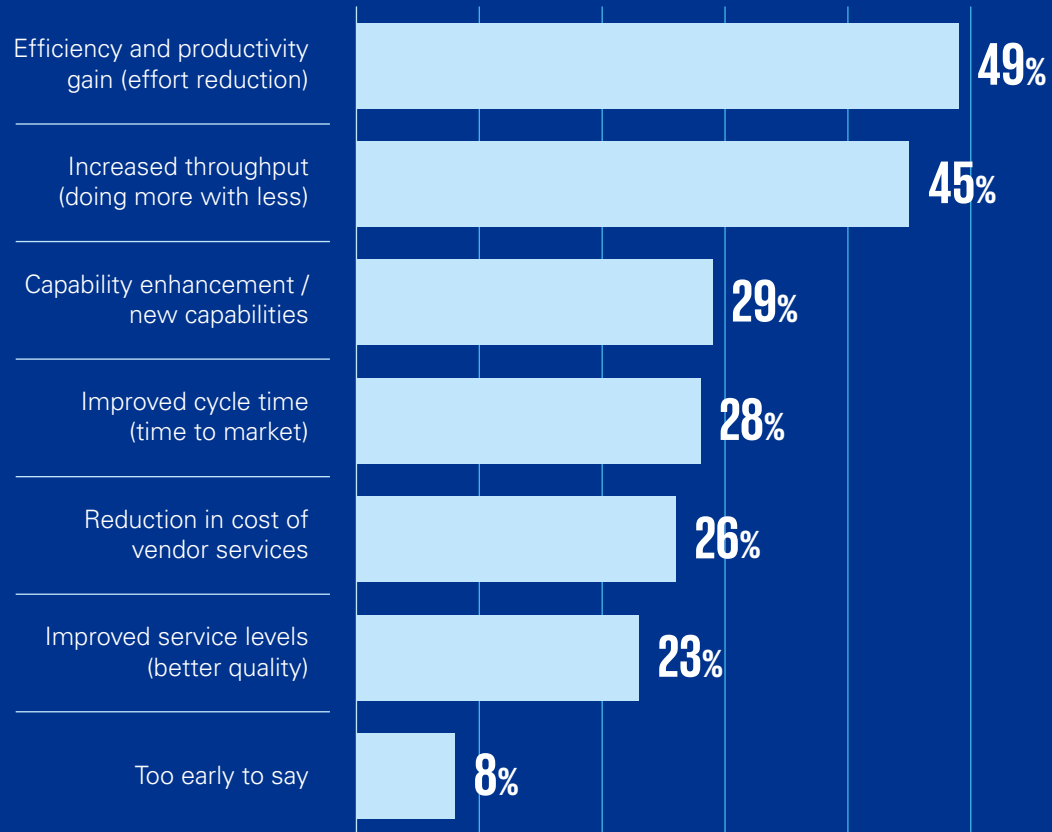
Level (%) of savings expected/achieved



Source: Consulting surveys, Global outsourcing survey 2024, Global Business Services Survey 2025, Internal KPMG sources

Note: Percentages may not total 100% due to rounding and survey-response distribution.

Value delivered through AI/GenAI by third-party vendors



Source: Consulting surveys, Global Outsourcing Survey 2024, Global Business Services Survey 2025, internal KPMG sources

Measuring performance: from activity metrics to business impact

As forecasting and analytics capabilities mature, performance measurement is also evolving. Traditional metrics such as transaction volumes, service levels and cost efficiency remain important but they no longer fully capture the impact of GBS operations.

Organizations are increasingly focusing on outcome-based metrics that reflect business performance. These include faster decision cycles, improved forecast accuracy, reduced errors and better alignment between planning and execution.

GBS organizations are in a strong position to support this shift due to their end-to-end visibility and access to integrated data.

By embedding AI performance indicators directly into routine service reporting, shared services organizations can translate abstract AI benefits into observable, repeatable outcomes.

From insight generation to performance enablement

The Performance Insights & Data layer plays a key role in ensuring that technological capabilities translate into real business value.

The challenge is no longer to generate more insights, but to ensure that they are relevant, timely and directly linked to decision-making. Organizations that succeed in this shift move from reactive performance management to a more proactive, predictive operating model where insights are embedded in everyday processes and translated into measurable business outcomes.

04.6 Governance & ESG

Governance & Internal Controls

As GBS becomes more multifunctional, cross-border and technology-enabled, governance is evolving into a strategic operating model capability rather than a compliance function. It establishes clear decision rights, accountability and control frameworks required to enable scale, support AI-driven delivery and meet rising expectations around auditability, data quality and regulatory readiness.

Governance is critical in GBS environments, where multi-location, cross-border operating models inherently increase complexity and control risk. Integrated and mature governance has become a key differentiator of the GBS model compared with traditional outsourcing arrangements.

A recent HIPA survey of the Hungarian GBS sector highlights this trend, showing sustained improvement in compliance maturity. Personal data protection policy adoption reached 91%, while mandatory anti-corruption training for employees reached 86%.

Activities introduced in terms of the governance aspect of ESG:



Source: HIPA - Business Services Hungary 2025

Mature GBS governance enables full enterprise control over processes, data and quality, driving predictable delivery, faster issue resolution and reduced operational risk. It embeds clear decision rights, accountability and control frameworks directly into processes, supporting scale, compliance and end-to-end ownership while preventing fragmentation. Strong governance clarifies who decides, who executes and who is accountable, reducing ambiguity across global processes that cut across functions and organizational boundaries.

Leading organizations are extending governance across the full value chain, with 77% of GBS leaders advocating end-to-end coverage and 88% positioning GBS as integrators of data and knowledge and enablers of enterprise performance.

ESG overview

ESG remains highly relevant for GBS not only from a sustainability perspective but also because of its increasing impact on organizational approaches to data, controls, reporting, procurement and workforce practices.

As sustainability reporting matures, the focus is shifting from narrative disclosure to operational execution, requiring reliable processes, clear ownership, improved data quality and auditable reporting workflows – areas where GBS can play a central role.

Rather than addressing all ESG dimensions equally, GBS organizations are prioritizing those most aligned with their operating model, including governance, reporting, supplier oversight, talent strategy and workforce-related social priorities. As a result, ESG is evolving into a practical, execution-focused agenda for GBS leaders rather than a purely external reporting requirement.

Relaxation in ESG regulations

US vs. EU: diverging paths in climate disclosure regulation

Different regulatory momentum and frameworks are shaping climate disclosure requirements on both sides of the Atlantic.

 United States	vs.	 European Union
 01. Regulatory momentum Momentum around SEC climate disclosure has weakened amid legal and political shifts.	Regulatory environment	 01. Regulatory momentum EU regulation is the primary regulatory driver for CEE, with strong and consistent momentum.
 02. Key framework SEC Climate Disclosure Rules standards have been simplified, easing certain Scope 3 emission and methodological requirements.	Regulatory environment	 02. Key framework CSRD and CSDDD significantly streamlined under the 2025 Omnibus package.
 03. Scope 3 emissions Simplified requirements provide relief on Scope 3 emissions.	Scope 3 focus	 03. Scope 3 emissions Thresholds raised and timelines delayed, narrowing the scope.
 04. Methodological requirements Less prescriptive methodological expectations under simplified ISSB standards.	Implementation approach	 04. Timelines Implementation timelines delayed to allow more time for preparation.
 05. Outlook Near-term uncertainty and potential for further shifts in requirements.	Overall direction	 05. Outlook Shift toward more targeted, scalable compliance focused on large enterprises.
 Despite regulatory simplifications, ESG capabilities remain essential for GBS. Structured data, controls and reporting processes are still required to ensure auditability and transparency at scale.		

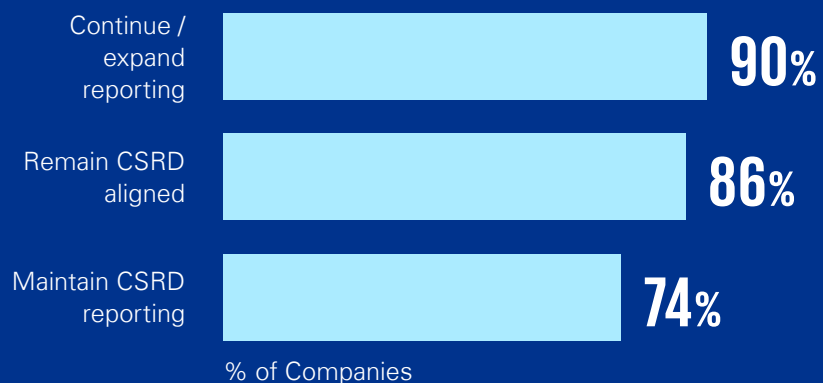
Reporting beyond compliance

ESG reporting remains resilient and market-driven

Despite regulatory simplification, companies continue to invest in ESG reporting and embed ESG data into business planning, innovation and decision-making

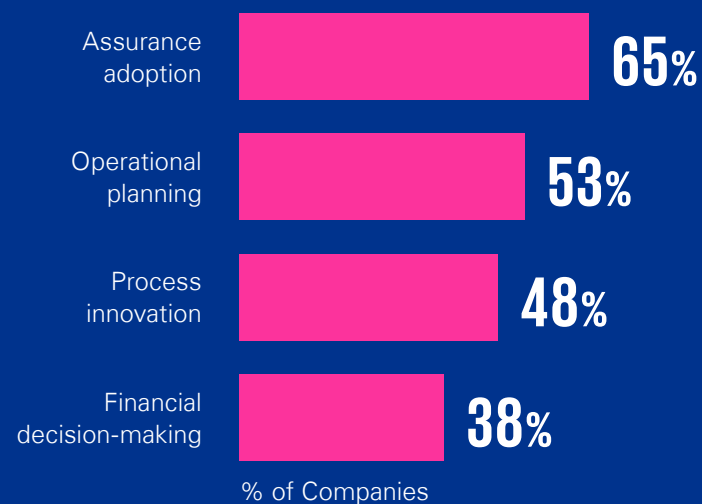
01 ESG reporting commitment

Reporting remains resilient despite regulatory simplification



02 ESG data embedded in business decisions

ESG data is increasingly used across key business functions



Organizations are not stepping back from ESG.

They continue to report, invest in assurance and embed ESG data into how they plan, innovate and make decisions.

Leading organizations are moving beyond reporting to embed ESG into core management processes – integrating KPIs into performance frameworks, aligning sustainability with financial reporting and strengthening control environments. As a result, ESG is transitioning from a disclosure requirement to a decision-grade enterprise capability that enhances resilience, improves decision quality and supports sustained value creation.

Why ESG is becoming a GBS mandate

ESG is a natural extension of the GBS agenda, as most requirements translate into process, data and control challenges. Carbon accounting, non-financial reporting and supplier transparency all require standardized workflows, reliable data and strong controls — capabilities GBS already delivers at scale. With ESG data often fragmented across systems and digital enablement limited in many organizations, GBS is uniquely positioned to operationalize ESG and enable consistent, auditable execution. GBS can also centralize data ownership, standardize data flows and implement end-to-end controls across reporting cycles. This enables consistent KPI tracking, streamlined audit readiness and scalable reporting through automation — addressing key execution gaps in current ESG operating models.

01 >>>>

Volume

As several separate reports must be prepared for each entity, multinational companies can benefit from aggregating certain duties and allocating ESG processes to the GBS.

02 >>>>

Time & capacity

The ESG reporting process generally takes 3–5 months to complete and therefore requires careful capacity planning.

03 >>>>

Economies of scale advantages

ESG reporting processes can be transferred to GBSs, where economies of scale can be easily realized, especially in data collection and reporting.

04 >>>>

Technological readiness

ABI tools and automation solutions may be integrated into the reporting process, helping to facilitate visualization.

05 >>>>

Contributors

The ready-for-assurance phase could also be performed within the GBS, provided that a separate team is involved in the process (e.g., internal audit).

Procurement and third-party risk management are among the most tangible applications of ESG within GBS. As ESG expectations extend across the value chain, supplier governance is becoming a strategic priority, positioning GBS — where procurement is in scope — as a central enabler of responsible sourcing and risk mitigation.

By embedding ESG criteria into sourcing, contracting, due diligence and ongoing supplier monitoring, GBS can systematically operationalize requirements such as supplier screening, labor and compliance oversight and third-party risk assessment. This elevates procurement from an operational function to a critical control point for managing reputational risk, ensuring regulatory readiness and driving sustainable value across the enterprise.



Procurement is rapidly emerging as a core GBS-led ESG lever, enabling systematic enforcement of ESG standards across supplier ecosystems. According to HIPA's report, 68% of GBS organizations in Hungary already support procurement, logistics and supply chain services, second only to finance and HR, while approximately one-third plan further expansion in this area. At the same time, ESG data is increasingly operationalized in procurement, with 44% of organizations using it to meet customer and audit requirements — particularly in RFP processes — and 38% applying it to assess supply chain risk and disruption exposure.

From a social perspective, workforce and talent strategies are among the most important sources of competitive advantage for the GBS sector. In interviews conducted by ABSL Hungary with senior leaders of business services operating in Hungary, the most frequently cited challenge was talent availability, particularly for advanced digital skills such as AI, automation, cybersecurity and analytics.

Top 5 talent challenges within GBS organizations

41% Recruiting talent with the right skills

35% GBS brand within the organization

34% Skill set and capability gaps

34% Retaining key talent / attrition

30% Increased labor costs

As the talent pool is limited, talent retention is similarly difficult, posing a significant risk to Hungary's strategic position in the GBS sector. Thus, embedding social responsibility and effective talent management into workforce strategy helps overcome these challenges. Among the companies interviewed in the HIPA survey, 70% stated that attracting talent was one of the biggest opportunities for their GBS in Hungary in terms of ESG, while 72% identified becoming a more caring employer as an opportunity.

To remain competitive, GBS organizations must act as catalysts for workforce modernization and capability building. By enabling continuous upskilling, cross-functional career mobility and global knowledge transfer, they strengthen talent retention, enhance labor productivity and position themselves as employers of choice in increasingly competitive talent markets.

Most Common Employee Benefits in the CEE Region and Hungary

CEE region overview

**96%**

Meal contributions

**89%**

Flexible working hours

**79%**

Additional paid days off

**79%**

Subsidised language or other learning courses

Hungary highlight

**91%**

Private healthcare

**88%**

Cafeteria and bonus



These benefits play a key role in attracting, engaging and retaining top talent and strengthening the competitiveness of GBSs in the CEE region.

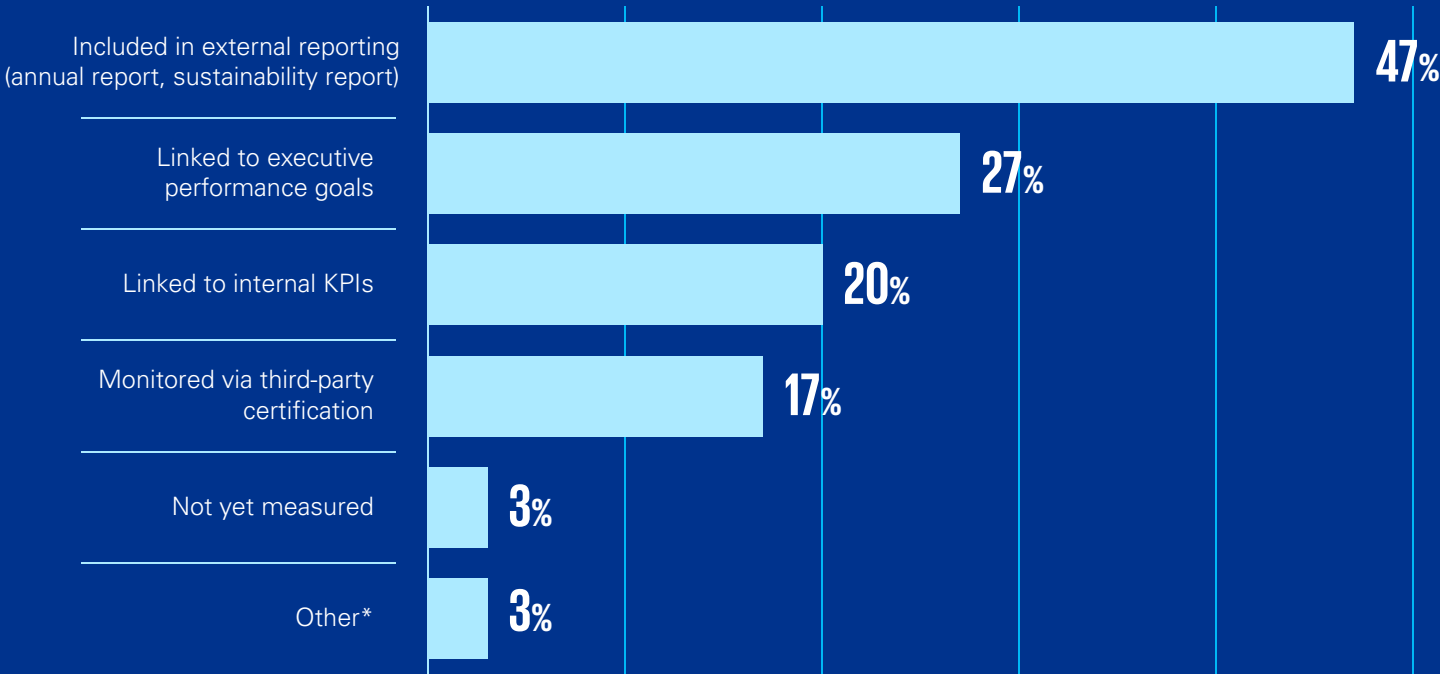
A survey conducted by ABSL Poland in 2025 shows that 87.4% of companies have introduced an ESG strategy, most commonly at the global or regional level, while a smaller number have developed a local strategy, with the percentage of firms without an ESG strategy dropping by 5.5 percentage points. In addition, 51% of companies have ESG reporting resources within their GBS, an increase of 8.2 percentage points compared with the previous year.

Similar results are reported for the Czech Republic, where, according to the ABSL survey, 47% of GBSs include ESG performance in external reporting, 27% link ESG metrics to executive performance goals and 20% link them to internal KPIs.

These figures confirm that long-term growth is increasingly tied to ESG performance, even as regulatory pressure has decreased in recent months, and support the broader observation that ESG is becoming a key element of business transformation in the GBS sector across the CEE region and increasingly worldwide.

Taken together, these developments suggest that governance and ESG are no longer peripheral themes for GBS. They increasingly shape how GBS creates value: through stronger controls, better data discipline, more reliable reporting, more responsible supplier management and a more sustainable talent model. In this sense, governance and ESG form an integral part of the strategic value proposition of GBS rather than sitting outside it.

Measurement of ESG in business services in the Czech Republic



*excl. performance goals and external reporting.

Source: ABSL Survey 2025

05

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