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Global business services: a game changer for the finance organisation?

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This report discusses the implications of global business services for the finance function. It considers the extent to which GBS will significantly change the remit and nature of today's finance organisation

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1. Introduction

CFOs are constantly under pressure to re-evaluate their finance delivery models to meet business imperatives. Doing more with less, improving controls, supporting growth, gaining better insights – all these imperatives call into question the way in which finance departments are structured. Therefore, keeping abreast of the latest thinking is critical.

Many leading CFOs have adopted shared services or outsourcing models for 'finance delivery', which is generally defined as the rules-based transactional processes that underpin the finance function. However, today, there is a new 'buzz word' for business service delivery – global business services' – or GBS. For finance, GBS represents a further evolution of the business services model, managing finance processes alongside processes of other enabling functions, such as human resources and IT.

GBS models have the ability to change fundamentally the way finance functions operate. They could change the basic principles of ownership and governance, further reduce cost and increase efficiency, and lead to new business insights. Alternatively, could moving finance to GBS be a distraction, or a step too far, for CFOs focused on transforming the finance function?

This report strives to answer some of the questions that thoughtful CFOs must address when exploring GBS as a model. The report has been developed with the support of ACCA's finance transformation, shared services and outsourcing advisory group, and reflects the most up-to-date thinking about the implications of GBS models for the CFO and for the finance function.

'GBS represents a potential game change. Finance has led the way in traditional shared services and can help shape this next generation of integrated business services.'

JULIE SPILLANE, ACCENTURE

2. Defining GBS

Since 2011, ACCA has been exploring how leading businesses are transforming their finance functions by adopting shared services and outsourcing models. Finance leaders have been early adopters, with over 70% of Fortune 500 companies[1] having moved some component of their finance delivery into consolidated operations on a country, regional or global level, changing the relationship between the retained finance function and the rest of the business.

> 'I think the reality is that many businesses are struggling to come up with a terminology or a framework that neatly defines GBS.'
>
> LEO CURRAN, EXL

One of the trends in finance transformation is the move to a global business services (GBS) model as a platform for business support functions across the enterprise. GBS aggregates functions such as finance, human resources, IT, property and facilities into one organisational construct.

Although still a new term in the lexicon of business model definitions, GBS is broadly understood to have the following characteristics.

- Global multi-functional architecture: the scope of GBS encompasses the entirety of the enterprise's business operations, whether it is delivered through internal shared services operations, or through outsourcing relationships. In effect, GBS becomes the corporate back office entity.
- Shares across functions: leveraging locations, management and administration, customer interfaces and sourcing methodologies. The GBS scope reports to one corporate leader, with clear reporting lines across all functions within the scope and a seat at the management table.
- A unified governance structure: the methods, protocols, measurement and oversight are managed across the enterprise rather than within each business function.
- Primacy of process over functional silo: business functions are managed and governed together as end-to-end processes that cut across functions such as finance, procurement and human resources. In effect, processes become the basis for performance management and measurement of back office procedures. For example, in an ideal GBS structure the accounts payable function is aligned with upstream procurement processes, with performance throughout managed and measured in its entirety.

> 'When I'm talking to businesses about GBS I ask three questions. Firstly, to what extent are you sharing across different functions within shared services now; secondly, are you co-locating physically the activities in one or more shared service centres; and thirdly, do you have a single governance structure?'
>
> PETER MOLLER, DELOITTE

1. Author Name, Publication Title, Everest Group Research, 2011. URL if available.

In short, GBS is evolving into a genuinely different way to attack back office delivery cross-functional, under single management and reconfigured processes to cut across functions, to deliver an enhanced level of value to the enterprise.

For the finance organisation, the GBS model fundamentally represents not only a further refinement in both scope and scale but notably essentially it becomes GBS' customer. No longer does finance run its own operations; it has the opportunity to leverage investment facilities, technology and infrastructure in concert with other GBS functions. No longer are finance operations run vertically: its processes are now linked and governed with other enterprise-wide tasks in more efficient ways.

In practice, there is some confusion about what a GBS model actually is. Many finance organisations are adopting some of GBS's characteristics in their evolution, increasingly managing processes end-to-end, and adopting hybrid models assigning work across shared services, outsourcing and the retained team, and calling this GBS. Some organisations merely co-locate and share infrastructure across all or some of their back office operations, but maintain a functional reporting structure, again declaring this to be GBS. Others standardise many elements of sourcing governance, but do not promulgate a single governance structure. Notably, some finance organisations use the term 'GBS' as a marketing term to signify a major transformation, while in reality they are focused on a functional finance transformation.

'Shared services in a wider sense, beyond finance, have been around for quite some time. I struggle to understand what the differentiator is, why GBS is so different or so new from broadband services within a shared services centre.'

CLAUDIO ALTINI KPMG

3. Should CFOs care about GBS?

GBS represents a genuinely different way of governing the back office, incorporating finance, to create more value. When functional silos are broken down and processes managed end-to-end, there may be new opportunities not only to create additional operating efficiencies and reduce cost through added scale, but also to generate revenue and produce insights that enhance business performance.

For example, in a GBS model, it could be possible to harness the power of analytics, given the scale and scope of corporate data brought together. By combining finance data with customer and sales data, and adding new technologies and capabilities, the organisation benefits immeasurably. For the CFO who is driven to accelerate growth, putting part of the finance organisation into a GBS structure may be the way to achieve this.

Alternatively, finance could be put under pressure to evolve its operations into GBS as more and more chief executive officers are exposed to the model. Typically, finance is GBS's foundation function; there is evidence to suggest that the majority of GBS operations start by transforming finance across the enterprise, subsequently moving across the function/process landscape. There is also evidence to suggest many are led by CFOs. There is a good reason why a transformed finance function is the catalyst for moving to a GBS model: finance touches every aspect of the business. Therefore, understanding how GBS models work, and their implications for the finance function, is imperative for the CFO.

Do all CFOs see fit to move to a GBS model? The organisation may be too small to achieve significant value from such a major model change, or it may be a low priority given other business imperatives. In some companies, CFOs may see it as too much of a political challenge. For some, perhaps, the existing shared services or outsourcing models already provide the step change that they are looking for.

4. Can the finance department create more value for the business through a GBS model?

In theory, in the move to a GBS model, finance has a further opportunity to recreate itself, evolving its delivery model to something that is truly integrated with other corporate enabling functions. Does the GBS model support finance's goals of controlling the business while accelerating growth and delivering greater insights?

It is fair to say that CFOs have recognised the value that shared services and outsourcing models bring to finance. According to ACCA's 2012 report[2] almost 500 finance leaders concur that moving to these models has reduced cost, increased efficiency and enhanced capability. In addition, those finance functions that have adopted some form of remote delivery model are more likely to make investment in their finance models, suggesting that momentum is a key factor.

With GBS as a next step in transformation for some finance organisations, the questions confronting CFOs are as follows: should they deepen the investment in shared services and/or outsourcing by expanding the model to include more finance processes, or embrace a new, cross-functional, pan-enterprise model?

2. Jamie Lyon and Deborah Kops, *Finance Leaders on Sourcing Success*, ACCA, 2012.
http://www.accaglobal.com/content/dam/acca/global/PDF-technical/finance-transformation/pol-afb-floss.pdf

What are the benefits of radical change outside the direct control of the CFO? Will this change impair the CFO's mandate for controlling risk?

In short, what incremental value might finance gain from moving to a true GBS model? The potential benefits include the following.

- GBS could increase the impact of finance by combining comprehensive data, technology and capability across the business to provide real insights and more accurate and actionable business plans. In a GBS model, finance business partners may finally be able to concentrate their time on bringing insights to the business rather than performing routine finance tasks.
- GBS could accelerate market entry and business integration as organisations become more global, or integrate new businesses. GBS allows finance to integrate new geographies more quickly into existing infrastructure, aligning them into a seamless business platform.
- GBS could facilitate a true end-to-end, cross-functional view of business processes. Under a single governance structure, finance could create more value and drive more efficiency by being integrated at the process level.

In short, GBS models could offer CFOs a pathway to creating greater value for their organisations. GBS could give finance as a whole the opportunity to move up the value chain more aggressively once further efficiencies are obtained and the challenges of working cross-functionally are resolved.

Nonetheless, challenges remain. Ultimate GBS value might only be obtained if the CFO puts all finance processes on the table, identifying which components of finance present an actual risk to the organisation and require personal oversight, and which are under the CFO's purview as a matter of tradition only and could be delivered and governed in another organisational construct, ie through GBS. Essentially this could be considered as a redefinition of what constitutes 'core' and 'non-core' in the finance function. In short, some processes that have traditionally been considered as 'finance', such as data requests, data assembly and manipulation, are no longer considered so in a GBS model. While they are necessary to finance performance, these tasks may no longer have to be performed by the finance function. For many CFOs, especially those who have not yet embarked upon a shared services journey, that could be a step too far.

'The question is not what you **can** move into GBS but what you **should** move into GBS.'

GEORGE CONNELL, SHELL.

'If GBS is about breaking down the functional vertical structures that we have in place today and operating effectively by looking at processes end-to-end, it necessitates evaluating the old structures. It also begs an interesting question: what parts of finance are no longer finance?'

LIZ DITCHBURN, KIMBERLY CLARK

5. Does a move to GBS distract from finance transformation initiatives?

Moving to any new delivery model is, for many organisations, 'brain numbing'. As leaders continually push to transform finance from a transactional to a strategic function, is GBS merely a step too far, a complication? By being part of an enterprise-wide mandate, will finance leaders risk being sidetracked? Do their priorities change?

Certainly there are many more moving parts in a GBS implementation, especially when the focus shifts from transforming functions in a silo-based structure to reconfiguring back office delivery end-to-end. As for any major enterprise-wide transformation, getting a range of senior stakeholders to agree on the GBS vision, governance, leadership structure, scope, and reporting lines is exceptionally time consuming. Hence there is a risk that finance transformation could be temporarily sidetracked, or pushed back in the CFO's agenda in the face of significant organisational change and complexity, which is hard to manage even within one function.

Yet the question above also hold true for any shared services transformation. Migrating 20 to 40 countries into a shared services environment presents the same challenges: staging, deployment, process change, to name just a few. Nonetheless, these challenges have not stopped efforts to migrate finance services, but have instead forced migrations calibrated to payback.

Finance's move to a GBS model must not only be good for finance, but also good for the business. GBS opens up a range of possibilities and potential value creation that goes beyond one function. If it does not move the dial on finance delivery, it is difficult to justify; but if it does bring significant benefits to the business, GBS becomes an enabler for finance transformation.

Finance's priorities do not have to change; rather the method of achieving them changes: the who does what, where, and how. In effect, GBS provides more options for finance, such as new organisational structures, location, relationships with other functions, governance, and opportunities to increase value through better business planning and creation of insights. Priorities for control, cost, efficiency, and compliance may be driven in a more effective way.

'Trying to implement finance shared services is like herding cats. And if you're trying to implement GBS initiatives it's like trying to herd cats, sheep, goats, dogs at the same time.'

PETER MOLLER, DELOITTE

6. Should CFOs lead GBS?

Who should lead GBS? Both the CFO and the CIO have a purview across the organisation, but some leaders would argue that the CIO brings much greater process acumen, and business oversight and perspective. Alternatively, should GBS come under the mandate of another role entirely, such as a chief administrative or operating officer? What is the advantage, if any, of a CFO-led GBS? Is there something distinctive about a CFO-led GBS?

Undeniably, finance has had a head start in the transformation game. In many organisations, finance was the starting point for business-model change. As early adopters, finance delivery models are arguably more evolved and considerably larger than other finance models. Today, the typical corporate finance shared services operation is three to four times bigger than its HR counterparts, so the natural critical mass is in finance.

Is the CFO the natural inheritor, given his experience and track record? It is both rational and expedient to ask the CFO to build upon the investment, processes, infrastructure and talent that he or she has already assembled to expedite the implementation of GBS. In organisations where the CFO is seen as the first among equals reporting to the CEO, the CFO's remit often includes IT, operations and/or procurement. In this context, the CFO can harness his or her portfolio to create a GBS operation without major structural change.

Others seek to harness their current organisational structures or capabilities within the CIO's portfolio. Intuitively, a CIO-driven environment may be more process-focused and industrialised, or the CIO may push to exploit technology to its fullest, whereas a CFO-driven environment might place more emphasis on cost, risk and efficiency.

Some finance transformation leaders see finance-led GBS as problematic. They believe that GBS is more than an adjunct function within the CFO's portfolio. Rather, the GBS leadership role is viewed as a peer, as a top-table function in its own right, acknowledging the contribution to business performance that a new construct for back office performance can make to the enterprise. The GBS leadership role is a significant undertaking in its own right; in terms of size, scale and impact, it requires the full attention of the highest-quality talent, and the purview to navigate across the entire enterprise. Giving it this level of leadership signals a transformative message to the organisation, that there is a new way of working across functions.

'I think there's a danger of putting GBS under the CFO or the CIO. It sends a message that finance or technology are the driving functions, and that others are subservient. If you're truly trying to redefine functions into end-to-end processes, it's critical to put all the functions on an equal standing in order to get them to work together.'

LIZ DITCHBURN, KIMBERLY CLARK

This is not to say that the CFO and CIO do not have a significant partnership role to play in governance, given their remits. The CIO's data and data architecture, combined with the CFO's control environment, are critical to the operations of a high-performing GBS. For example, as tax jurisdiction affects some aspects of cost, the CFO must have a say in GBS operations. Budgetary control, cost management, and calculations of benefits assessments, among other responsibilities, are also best determined by the CFO. No matter what the reporting line, the influence of the CFO is critical.

So what is the answer? In some cases, incubating or operating GBS in finance may be the best answer in view of finance's evolution, scalability, geography, and the ability to make change. In others, the CFO may find that other finance priorities take precedence, or that other executives are better placed to lead GBS. Organisational alignment should respond to each company's circumstances, and be designed to evolve over time.

'In the kingdom of the blind, the one-eyed man is king, so you give it to someone who knows what they're doing.'

JOHN ASHWORTH, PEARSON

7. What, if any, are finance professionals' skill-set gaps when moving to GBS?

Whether or not finance delivery moves into a shared services structure, it is incumbent upon finance professionals to acquire new and deeper management capabilities. Does a move to a GBS platform further alter the skill-set equation? Does it intermediate finance delivery to an extent that 'pure finance' is 'hollowed out'?

For finance professionals, GBS models represent yet another step on the skill-set development continuum. Although capabilities such as virtual management, change management, governance and commercial skills remain important, successful performance is predicated upon attaining even more capability.

Because finance activities within a GBS model no longer align vertically within the finance function, but are delivered horizontally and linked end-to-end with key tasks contained within other functions, finance professionals are confronted with the need to adapt their ways of working. In a GBS structure, having deep finance skills is no longer enough as professionals must work within a cross-functional, matrixed construct.

The management construct for finance operations also changes in the face of GBS; with scale, GBS is able to leverage deeper capabilities in sourcing, operations, talent management, and could help attract specialist professionals. To be clear, GBS does not turn finance professionals into part-timers. Although the processes that encompass finance require collaboration with other skill sets, GBS will continue to be organised around centres of expertise. Staff will not be called upon to perform finance tasks one day, and HR tasks the next. Finance professionals will still be identified as such, they will just sit in a different part of the organisation.

One of the ancillary benefits of the GBS model for the finance career path is the attainment of sufficient scale to build the right team. Now finance professionals, should they desire, can focus solely on finance, and avoid the 'square peg in a round hole' syndrome. With a focus on the business of service delivery, the organisation will have sufficient scale to justify and attract skill sets specific to GBS management: sourcing, commercials, governance, and relationship management, exploiting individual strengths. As a result, professionals whose ambitions are to develop deep accounting skills are still able to do so.

There is no doubt, however, that the ways in which finance professionals interact with professionals in other functional areas becomes of paramount importance. Under a GBC structure the culture must change. Barriers between processes must be broken down to fulfil the promise of GBS. To lower these barriers new capabilities must be developed; these include influencing skills and the ability to compete for and manage resources in other functional areas.

This represents a cultural change for those finance professionals who are used to operating solely within a finance function, even if they are part of a shared services organisation. Given the relatively short history of GBS implementation, the full implications are not yet known.

How useful is a GBS model as a magnet for attracting the right finance talent? Given its emphasis on broad capabilities, will it attract and retain those with the right finance skills? Or will finance skills be eclipsed by general business skills – the ability to work in a team, the ability to negotiate, the ability to abstract information, and so on?

'The move to a GBS model is very significant in terms of a cultural change for the finance organisation'

COLM D'ARCY, FORMERLY WITH HERTZ

'I believe GBS represents an opportunity for finance professionals – you are building this cross functional organisation where everyone can play to their strengths'

LIZ DITCHBURN, KIMBERLY-CLARK

8. Does GBS have new implications upon finance career paths?

The movement to a GBS model may have significant implications for finance professionals' career paths. Firstly, the retained team may see a shift in its focus from managing processes – even in a shared-services or outsourced model – to business partnering and corporate finance. Finance professionals in a GBS structure may see their responsibilities shift from managing single functions to managing across functions. Is GBS good for the finance professional?

Finance's move to a GBS model could be viewed as providing another step on the finance professional's career arc. In all respects, the change started some years ago, as finance departments segregated strategic, management and execution finance tasks, and then industrialised rules-based transactions work by consolidating it into delivery centres.

'To be honest, I think the traditional finance career probably died a few years ago with the advent of outsourcing and shared services. That's already been the big game changer for finance professionals.'

COLM D'ARCY, FORMERLY WITH HERTZ

The implementation of GBS will call into question the role of the retained finance team, including those embedded in the business. It may change the responsibilities, reallocating roles previously under the purview of the CFO's team. If, for example, transactional finance processes shift out of the control of the CFO, the traditional career path upward may be more limited; it will certainly be disrupted because the linear functional relationship between transactional finance and the rest of the finance organisation ceases to exist. The finance professional may not be able to gain sufficient technical experience unless there is a defined path through GBS, and this may not necessarily route them back through the finance function; at the same time, the finance leaders in the retained finance organisation may be further removed from transactional finance process delivery.

GBS further stratifies career paths. The greatest career benefit of a move to the GBS model may accrue to the retained team. Implemented fully, it may free finance professionals to spend more time working with the business. For the so-called 'top end' of finance, in theory GBS models provide better data, and one 'version of the truth', across the business. This should result in less rework and facilitate the development of capabilities in business partnering and analysis, corporate finance and strategic planning. In short, the retained team probably has better opportunities for growth and development under a GBS scenario. Without the distraction of running shared services or governing outsourcing, its remit becomes more focused. The retained team may also have further advantages for career advancement, with more focus on building the commercial skills and capabilities increasingly prized for finance leadership roles.

'I think the retained team will end up delivering a very pure form of business partnering. But it means finance becomes a very narrow specialist and/or high-end discipline and the rest of finance has disappeared or has been subsumed under a process.'

JOHN ASHWORTH, PEARSON

The implications for career paths do not stop at the retained team. At the finance operational level within the GBS construct, there are new opportunities for finance professionals, particularly in view of the focus on end-to-end processes. Professionals housed in GBS organisations may find that they no longer occupy finance process leadership roles, but rather take responsibility for end-to-end processes. They will be presented with the opportunity to master new technologies, improve workflows, and develop new process solutions.

Will GBS open up new career paths to the top for finance talent or, conversely, limit opportunity? If the implications of shared services for finance career paths are any indication, there will be limited movement between GBS and retained finance. Despite the fact that shared services – and GBS – experience gives finance professionals unique skills, allowing them to operate in virtual, global environments, and manage large teams, finance career constructs have not yet been designed to take full advantage of shared services rotations. As a result, GBS finance professionals are unlikely to move into retained and ultimately CFO roles, whereas those in the retained team may have a better chance to take up GBS roles, then transition back out.

Could GBS present a challenge to the development of a robust finance talent pipeline? As GBS models are implemented, finance leaders are taking stock of its implications for talent. Will high-end finance be defined so narrowly that true finance experts, those who do not care to pursue mastery of broader business skills, perceive that they are shut out of rewarding career opportunities? Will there be sufficient career path movement within GBS for finance professionals who have no interest in cross-functional opportunities, or the attainment of broader business skills?

‘I don’t think there is much impact on career paths by shared services or GBS. I think there will always be a strong need for a thin layer between shared services/ GBS and the business partners to support interpretation and business decision making.’

GARY HOBBS, AVIVA

9. What, if any, are the implications for finance governance?

When finance functions incorporate shared services and/or outsourcing models, new methods of governance must be put into place. Nonetheless, the relationship between retained finance and the finance shared service or outsourcing is maintained within the finance function. Does the movement of some finance processes to GBS, outside the finance function, change the governance equation? Does it change the role of retained finance?

If GBS is differentiated from shared services models by a change in governance structure – from function to enterprise – it naturally changes the governance equation for finance. By bringing a number of functions together and managing processes end-to-end outside the direct purview of the CFO, there is a fundamental change in control and accountability.

As a result of GBS implementation, finance governance should be designed to function on two levels: delivery and functional governance.

In a GBS model, effective governance means leveraging skills that are common across multiple functions to ensure that services meet the needs of any customer – in this case, the retained finance organisation. These skills include vendor and relationship management, cost management, performance and commercial management, all of which produce efficiencies when leveraged over an enterprise-wide scope. With this comes the opportunity to invest in leading governance technologies, not automating the process but giving more control. For example, there is no need for finance to participate on a daily basis in the governance of an outsourcing relationship: that is what GBS does as part of its overarching responsibilty.

But when it comes to functional governance – how the value chain for finance operates in light of end-to-end process delivery – both GBS finance experts and the CFO organisation must together ensure that the right solution is in place with sufficient controls and metrics. Finance does not relinquish responsibility just because it's now become simply a customer of GBS rather than actually delivering finance processes; finance remains the custodian of the organisation's assets; it retains its fundamental stewardship responsibilities.

'Why would I be keen to govern something if I'm not held accountable for delivery as a CFO? If GBS is responsible for delivery why would the retained finance function or CFO want to have any role in governance for something they don't manage or control? I'm a customer of that service so I'll punt and leave the problem to somebody else.'

CLAUDIO ALTINI KPMG

10. Does GBS change the finance technology landscape?

Does the finance technology landscape change dramatically in light of the need to deliver processes end-to-end? Can new workflow and so-called robotic technologies – both generic and specific to finance – be effectively deployed in a GBS platform when the goal is optimum process leverage and/or integration?

In a GBS context, it can be argued that scale and scope allow more, rather than less, technology to be deployed. With a larger enterprise over which to leverage investment, and a goal not only of obtaining greater process integration but also of achieving more and more business value through cost reduction and analytics, GBS transformers should naturally turn to technology as a primary enabler.

GBS implementation should be synonymous with the application of some of the latest business technologies. While workflow tools become essential for aligning processes end-to-end, the current generation of business insights tools are also critical for creating the analytics capabilities that exemplify the value that GBS is supposed to create. At the same time, GBS could also promote the next generation of enterprise resource planning (ERP) systems to develop more business insights and one organisation-wide set of data.

Finance is a perfect candidate for the application of more technology. New technologies may be frequently implemented in transactional finance processes, changing finance performance and the skills required. Technology does not, however, work in isolation; it has broad implications for finance operations. New technologies will have a range of impacts on the GBS organisation, particularly the following.

- **Changing the capability requirements**
  Outsourcing the provision and implementation of new technologies will require new skill sets among the GBS and finance teams. Process experts, working end-to-end, could take the lead in configuring software to support changes in business rules.

- **Requiring more change management**
  Perhaps the most needed skill will be heightened change management capabilities, among both GBS teams and their customers. With more automation, some delivery will become self-service, so communication and training will be required to help users change their ways of working, and take on new responsibilities for improving process outcomes.

- **Changing the size of the delivery team**
  The need to consolidate processes to obtain cost reduction, economies of scale and standardisation could radically diminish and eliminate many jobs in transactional finance.

- **Changing the approach to governance**
  With process fulfilment moving closer to the user, and a potential de-layering of the management of this function to focus on more senior roles, the need for more formal process governance processes and checks and balances could diminish. The risk profile will similarly change with the implementation of embedded auditing functions, adding transparency into what staff actually do.

'The technology landscape could be enhanced further because of the scalability and deployment across end-to-end processes available through a GBS model'

JOHN ASHWORTH, PEARSON

11. Conclusion: what are the implications of GBS for the finance function?

One of the strategic questions that the CFOs must ask about the viability of GBS is not about finance, but about the business. As George Connell of Shell says, 'I think that the strategic question is this: is GBS good for business? And then if it's good for business then how do we embrace that and embed it and make it work within finance?'

John Ashworth of Pearson is more specific about the implications for the finance function. 'I think it's good for finance if you're at the top end of finance. I think if you really want a world where you're liberated from the mundane and the transactional and the process elements of finance and you want to move into analytics and pricing and value add, I think it's great because I think what it does is put transactional finance as part of an industrial process. And there's no finance in entering an invoice or paying a supplier. It's not finance, it's just a process.'

Both points of view are valid. There is probably no doubt that GBS will be good for the business – in theory. GBS purports to provide greater economies, end-to-end process visibility, leveraged resources, better data visibility, and so on. Yet for finance, the shift to GBS could have other significant implications. There is considerable interest in the role of the finance department in value creation. If the GBS trend becomes more established and widespread, it could help finance deliver greater business impact for the organization by collaborating cross-functionally across the enterprise and developing business insights that had previously been impossible to obtain under a narrower 'functional' view. Potentially, GBS places a new premium on the value that the retained finance function can actually produce by freeing it to perform higher-level tasks.

Nonetheless, GBS is not necessarily the panacea for all finance's challenges. The question of ownership is central – anecdotal evidence suggests that many CFOs are wary of taking responsibility for GBS, and it is easy to understand why – on paper they could gain the benefits without the need to govern or 'own' this new construct. If GBS shifts beyond the control of finance chiefs, many would welcome this as averting political problems.

There are other challenges for finance in the move to a GBS model. GBS implementation alters the finance talent equation even further, placing a new premium on skills that historically have not been abundant in the finance department: governance, change management, project management and, of course, the ability to influence, negotiate and communicate skilfully across business functions.

For those in the retained finance organisation, the remit may be further delineated, carving out roles that are truly business oriented and commercial, and which are seen to have a great impact on the business. This new cohort could become the natural successors for the CFO role in a world that increasingly values commercial capabilities in finance leaders.

For those finance professionals in the GBS construct, the traditional career routes will be disrupted. With the demise of the traditional, vertically structured finance function, there will probably be more movement horizontally within GBS, rather than vertically through the finance organisation. Whether there will be sufficient opportunity within senior GBS leadership roles remains to be seen. These changes to the finance construct also raise new risks in relation to knowledge transfer.

The other dimension of GBS, as mentioned above, is technology. If process integration is underpinned by better technology, it should mean fewer work arounds for the finance organisation, quicker access to data, and more actionable insights. As businesses increasingly seek to use better workflow tools, there will be advantages in having an operational construct that allows processes to work together seamlessly. The deployment of social, mobile and cloud technologies, providing more and better data, could have significant implications for finance.

What is the conclusion? The finance function is well positioned to create greater business impact for the organisation by collaborating cross-functionally across the enterprise and developing business insights that have been previously impossible to obtain under a narrower 'functional' view. GBS could be a game changer for finance by redefining its value. But it is still early days.

About the authors

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Deborah Kops is the founder and managing principal of Sourcing Change. Formerly a founding partner of one of the first global business processing outsourcing (BPO) units, the CMO of a leading offshore BPO, managing director of FleetBoston's (now Bank of America) Services Group, managing director of Global Sourcing Transformation for Deutsche Bank and consulting partner at PricewaterhouseCoopers and Arthur Andersen, Deborah now works with leading companies to manage globalisation challenges. She is also programme director focusing on global business services for the eminent US-based research organisation The Conference Board, a research fellow for award winning analyst firm HfS Research, and a member of the editorial board of the industry-leading publication *Outsource Magazine*.

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Jamie Lyon is head of corporate sector at ACCA, and leads ACCA's work on finance transformation. He regularly speaks at events and conferences on finance-related issues and has contributed to numerous management and finance publications including coverage in the *Financial Times*, *Accountancy Age*, *Finance Director Europe* and *Outsource Magazine*. Before joining ACCA he qualified as an accountant and spent over a decade in industry working in the UK and internationally.

The ACCA finance transformation, shared services and outsourcing advisory group

The ACCA finance transformation, shared services and outsourcing advisory group supports ACCA's global research and insight work. Bringing together a panel of leading industry experts, it provides unique perspectives on the key issues affecting organisations seeking to transform their finance and business operations.

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Gary joined Aviva in 2004, prior to that he spent 15 years as a management consultant with KPMG and Ernst & Young, primarily specialising within the financial services sector. Gary is currently responsible for all of Aviva's BPO operations in India and Sri Lanka and has been at the forefront of the development of Aviva's strategy in this arena. Gary drove the initial outsourcing plans across Aviva's finance and actuarial team and is now responsible for all aspects of BPO including Insurance administration, finance, actuarial, procurement, MI and analytics. Gary has significant experience in all aspects of outsourcing, offshoring and shared service development.

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John joined Pearson plc as part of the internal audit team from Coopers & Lybrand before working in a variety of roles in Penguin Books, a division of Pearson, including those of international finance director, supply chain business manager and UK controller. He was CFO, then CFO and IT director, before becoming managing director of Pearson's UK shared services team running a 1,000-head captive operation supporting F&A, IT, customer services, logistics and facilities.

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Liz has built an excellent partnership with Genpact who provide F&A shared services and procurement. She also heads up an outsourcing centre of excellence covering the five outsourced functions across Kimberly-Clark. Liz has over 15 years of making outsourcing work in global organisations from the client side, and has successfully created organisations to deliver through onshore and offshore operations.

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Pascal joined Genpact in 2009 as COO Europe, with responsibility for leading its Romania, Hungary, Poland and Morocco centres – as the company was building on its original mission as a part of GE to become a global leader in transforming and running business processes and operations. During Pascal's tenure, and also thanks to his leadership in Europe, Genpact grew to 60,000 staff and 700+ clients including over 100 of the Fortune Global 500. Prior to joining Genpact, Pascal spent 14 years with General Electric, and served as European COO in corporate financial services, GM for GE's shared services in EMEA, and as CFO of various business units in GE Plastics.

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Sandy has worked in the business processing outsourcing industry since its inception within PW(C)/IBM in 1996. In that time he has led and delivered several multimillion dollar complex deals, with hands on experience in all aspects of the SSC and BPO business. In 2003, PWC's BPO business was acquired by IBM and Sandy became a member of IBM's BPO EMEA management board. Sandy has held various leadership roles since, including engagement and major deal leader and F&A practice leader, leader of the EMEA solutions and offerings team, and European strategy and market development leader. In 2013, Sandy assumed responsibility for IBM's global F&A and SCM practice and now leads a significant part of IBM's BPO business and is a member of IBM's global leadership team for global process services.

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Anirvan has over 20 years experience in technology, LEAN six-sigma, talent management, shared services, IT and sales. Prior to his current role with Chazey Partners, Anirvan has spent 15 years in GE, running the quality organisation for GE's EMEA operations of shared services, developing global delivery models for BPO vendors, initiating strategy for shared services in the Middle East and Africa region. Anirvan holds LEAN six-sigma master black belt and Bachelor of Engineering in instrumentation and control engineering.

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Leo leads EXL's UK/European team and brings deep experience of the business process solutions industry across a number of industry sectors. He has first-hand experience of large-scale sourcing change-programmes across Europe and beyond, and is currently working with his teams to realign their approach in response to the developing trend of global business services in Europe.

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