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

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

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

### Global Business Service maturity curve

<table>
<thead>
<tr>
<th>Level</th>
<th>Sub-Optimized</th>
<th>Rationalized</th>
<th>Optimized</th>
<th>Strategic</th>
<th>Integrated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Decentralized service delivery model with duplicative functions, processes, and technology;</td>
<td>Consolidated delivery model;</td>
<td>Functionally oriented;</td>
<td>Enterprise wide multi-functional service delivery platform with coordinated processes, technology, governance;</td>
<td>Enterprise wide multi-functional service delivery platform with coordinated processes, technology, governance;</td>
</tr>
<tr>
<td></td>
<td>Little central control and governance over business support services;</td>
<td>Business units leverage economies of scale for highly transnational services through shared services or outsourcing;</td>
<td>Global shared service model with variation around the inclusion and level of processes, technology and governance standardization;</td>
<td>Multi-channel delivery for scale and adaptability;</td>
<td>Multi-channel delivery for scale and adaptability;</td>
</tr>
<tr>
<td></td>
<td>Outsourcing not used.</td>
<td>Typically on a single-function, regional basis;</td>
<td>Non-integrated internal capabilities;</td>
<td>Optimized balance of integrated internal/external capabilities;</td>
<td>Optimized balance of integrated internal/external capabilities;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outsourcing tactically used.</td>
<td>Outsourcing strategically used.</td>
<td>Global process owners.</td>
<td>Global process owners.</td>
</tr>
</tbody>
</table>

### Level 1 - Decentralized support functions
- Reduced one-off costs.

### Level 2 - Functional shared services
- Wage arbitrage;
- Scale, diluted fixed costs.

### Level 3 - Multi-function shared services
- Further wage arbitrage;
- Process efficiency.

### Level 4 - Integrated services
- Working capital optimization.

### Level 5 - Global Business Services
- Value creation versus cost reduction.
KPMG Maturity Assessment Methodology

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

1. Aware
2. Developing
3. Practicing
4. Improving
5. Leading

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

A well managed GBS organization can drive significant benefits

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

- Shared Services organizations are introducing more complex services to add value to their business, such as: innovative service sold to the business units, process advisory services, analytics center of excellence, customer care services.
- The most mature organizations are leveraging much more than labor arbitrage and transactional economies of scale. They’re also leveraging their process expertise and a global portfolio of services. As a result, they’re not only supporting the business – they are advancing it and fully integrating with it.
- Some Business Service Centres are not only increasing their relationship management strategies but also putting some accountability back on the business units to remain connected through joint projects and initiatives.

Why KPMG?

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

- Global SSOA Centre of Excellence constantly works on shared service and outsourcing best practices identification and analysis. KPMG global experts improve out methodologies, adjusting it to changing trends, clients needs and expectations.
- In 2011, EquaTerra Inc. and its subsidiaries were acquired by KPMG, furthering KPMG’s position as one of the world’s foremost advisors on shared services and outsourcing. Together, help clients transform business services to improve value, increase agility and create sustainable performance.
- Since 2009, KPMG has ranked on IAOP’s list of the World’s Best Outsourcing Advisors and was ranked #1 in 2012.
- KPMG has been named to the “Winner’s Circle” Shared Services and Outsourcing Governance Solution Blueprint Report from HfS Research 2014. “Winner’s Circle” designates organizations that demonstrate excellence in both capability and value/innovation.
- KPMG shares with clients experience and professional knowledge by numerous publications and reports.

Contact

KPMG Advisory
Spółka z ograniczoną odpowiedzialnością sp. k.
ul. Inflancka 4A
00-189 Warszawa
T: +48 22 528 11 00
F: +48 22 528 10 09
E: kpmg@kpmg.pl

Violetta Malek
Director
Management Consulting
T: +48 22 528 38 15
E: vmalek@kpmg.pl

Pawel Rychlik
Senior Manager
Management Consulting
T: +48 22 528 14 85
E: prychlik@kpmg.pl

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