

# Chairman's Takeaways

**SSOW Autumn 2023**

**Brad DeMent, Chairman**

# How Can This Audience Help Us Navigate into 2024?



**Hedging the  
Economy**



**Rebooting Our  
Workforce**



**Managing  
Geo-Political Risks**



**Gaining  
AI Traction**

**GBS and Shared Services Operations Will Play a Critical Role!**

# Hedging the Economy

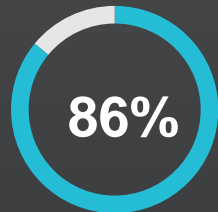


## 2023 Challenges

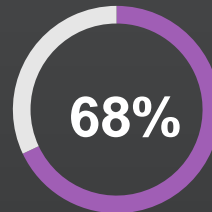
- Managing cash flow risk
- Having ability to collect
- Deciding which projects to pause
- Finding quick savings

## 2024 Proactive Actions

1. Adjust AP and AR terms
2. Get up the focus on credit analytics
3. Review projects – speed to ROI
4. Leverage/create low-cost hubs



vs



Say highest priority  
is COST

Say highest priority is  
SERVICE EXCELLENCE

“Yep, the probabilities in this economy tell you to batten down the hatches”

- Jeff Bezos, CEO Amazon

# Rebooting Our Workforce



is talent being the main risk



agree a key priority, but only 48% have a strategy



Top 3 strategies are career progression, L&D, culture

## 2023 Challenges



Talent shortages for digital skill sets



Technology progressing faster than skills



Inability to manage change

## 2024 Proactive Actions

1

Recruit remote positions regionally/globally

2

Plug into pilots and proof of concepts

3

Virtual COEs with best global talent



**Only 1/3 needed functional experience. 2/3 needed service orientation, problem resolution, technical skillsets**

*– Steve Fox, Former GBS VP, Thermo Fisher*

# Managing Geo-Political Risks



**1,163** delivery centers in Eastern Europe

**463** delivery centers in China and Taiwan

## 2023 Challenges

- Eastern Europe and APAC business impact
- Increased pressure to return services home
- Cyber attacks in Eastern Europe

## 2024 Proactive Actions

1. Diversify hubs
2. Development of near-shore/on-shore business case and transition plans
3. Data protection and recovery plans

**30.5%**

of laptops experience attacks in Eastern Europe vs. 10.5% global average

## Gaining AI Traction



0%

expert digital talent

15%

high digital talent

### 2023 Challenges

- Waiting out GenAI hype cycle or diving in
- Being concerned with exposing IP
- Using wrong or biased information

### 2024 Proactive Actions

1. Identify a few use cases and show PoC
2. Limit GenAI to your data only (for now)
3. Sounds like a problem for an AI COE

## Prove the **concept** with use cases:

- Master data cleanup
- Schedule planning
- Create better chatbots
- Screen resumes and match to better profiles
- Run financial and workforce forecast scenarios

# Automation and Generative AI

Meaningful **conversations with customers** is a first step to understanding technology

- *Jana, Ingram Micro*

You need a close-knit relationship with **all areas of IT** (Security, Infrastructure, Apps, Network, etc.)

- *Mary, Northrup Grumman*

**Leverage attrition** during automation – re-organize

- *Jana, Ingram Micro*

Stakeholders will not get behind you **if you cannot articulate your strategy** (why and what)

- *Patrick, University of California, SF*



We use the term **“modernization”** vs. **“transformation”** as the latter is viewed as happening to me

- *Troy, Dollar General*

**43% plan to charter an internal team** to launch GenAI programs vs. **16% hire external** support

- *Neeraj, IBM*

**Top 3 SSO/GBS GenAI use cases** are **a) Business intelligence – 67%, b) Customer service – 56%, c) Knowledge Management – 51%**

- *Neeraj, IBM*

# Automation and Generative AI (Cont'd)

Traditional AI is focused on learning and decision making **vs. generative that builds/creates**  
- Neeraj, IBM

55% are exploring the opportunity, **27% are actively piloting Generative AI use cases**  
- Neeraj, IBM

Use case – **listen to a call and summarize key points** for the agent  
- Neeraj, IBM

DFE are **Digital Workforce Equivalent** – **what % of work total is digital** labor vs. human labor  
- Neeraj, IBM



Five years from now, we want to be a fully digitized GBS operation  
- Vincent, Lexmark

We sell digital hours, not headcount  
- Vincent, Lexmark

GBS will not be dead in 5 years, it will be alive and on steroids  
- Vincent, Gannett

# Continuous Improvement

The **Cash Application Associates can find processes faster than a GPO**. Came to first CI meeting with 140 column spreadsheet of opportunities  
*- Amy, Zoetis*

It's important to **allot time to engage employees involved in the process** – fast tracks improvement areas and **facilitates change** (ownership)  
*- Christen, Adidas*

We have **re-invested savings gained to upskill** or hire the talent we need in CI  
*- Jacinta, Kewitt*

We ask **a) how are you performing your job?, b) what tools do you need to make it easier?, c) what opportunities do you see?**  
*- Antoine, Zappos*



Employees get to **pitch their CI ideas to executives** (motivates through personal recognition)  
*- Jason, United E&C*

**It's not what you know, it's what you can prove**  
*- Dan, San Diego State*

Why don't lions chase and eat rats? ... **it's not worth it! ... PRIORITIZE**  
*- Laura, Newell*

If everything is important... nothing is important.  
**You have to prioritize**  
*- Dan, San Diego State*

In tech start-ups, it's often **"we built X to do Y, and oops it did Z"**  
*- Laurie Segall, Keynote Speaker*

# Service and Culture

We are a **customer service** company **that happens to deliver shoes**  
- *Alvina, Zappos*

Have to **demonstrate the behaviors** you want your people to demonstrate  
- *Ed, SSON Advisory Board*

**It should be easy to work here.** Customer confusion of where to go for what is not acceptable  
- *Patrick, University of California, SF*

We rolled out our **employee portal during enrollment** to ensure maximum usage  
- *Theresa, Heidelberg Materials*



It has been explained to me that the 20% of people that **do not have smart phones all work in our distribution centers**  
- *Keith, CVSHealth*

**Insist that you become a reference for your BPO partner** (put it in the contract at the onset)  
- *Emmet, Meta*

# State of SSO/GBS Industry 2023 – Naomi, SSON

**Top 3** digital technologies are **a) RPA, b) analytics and visualization, and c) OCR**

**61%** are in a **GBS or in process** of transitioning to a GBS model

**49%** consider Generative AI **highly critical for service delivery**

**Top 2** opportunities are **analytics and customer experience**

**34%** plan to have **more delivery centers in the future**



Most popular **plans to locate** are **a) India, b) Eastern Europe, and c) APAC** (excluding India)

**Only 13%** say they use **predictive** and 3% prescriptive analytics

**3 of top 5 GBS** have better **success in automation with captive operations**

# Change Management

Never underestimate the amount of suspicion in the ranks (pays to be fully transparent)  
- Keith, CVSHealth

“I gave you a memo... You knew it was coming” is **not** change management influencing hearts & minds  
- Vanesa, Mohegan Gaming

Managing change can be **one person at a time**  
- Troy, Dollar General

**Fly your people to meet with the BPO employees** they will work with – establish the relationships  
- Emmet, Meta

How do you get people to stop yelling at you? You **tell them what you are doing right**  
- Laura, Newell



Every time I have to deal with an **escalation, it's because someone did not talk to someone else**  
- Emmet, Meta

**Start with the why...** Not the what  
- Jana, Ingram Micro

No one can de-motivate you **without your permission**  
- Laura, Newell

**If it's not painful, we're really not changing**  
- Vanesa, Mohegan Gaming

It's not about the first question... **it's about the follow-up question (listening is a super power)**  
- Laurie Segall, Keynote



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