HFS WINTER SUMMIT

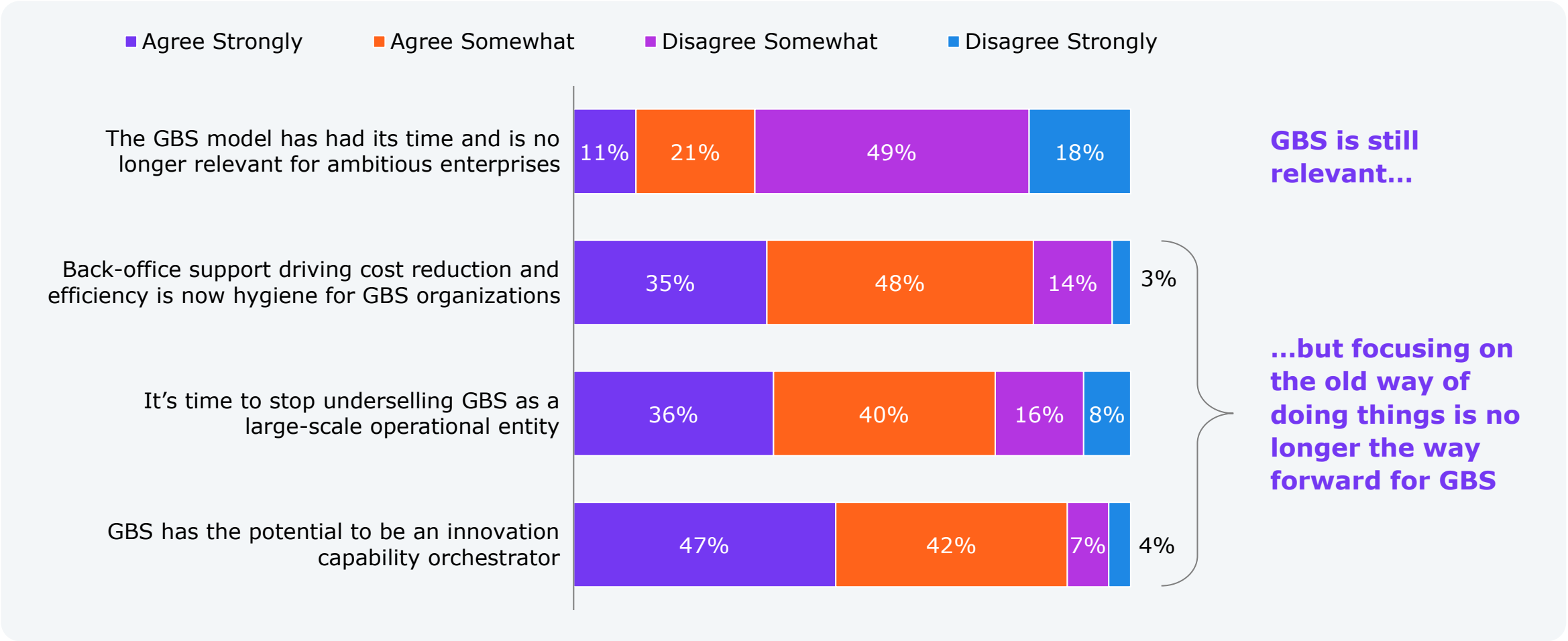## THE GREAT ENTERPRISE REGENERATION

Rethinking the GBS Playbook
From Boring to Bold

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Its beyond time to change the GBS narrative

Legend: ■ Agree Strongly ■ Agree Somewhat ■ Disagree Somewhat ■ Disagree Strongly

Statement	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly
The GBS model has had its time and is no longer relevant for ambitious enterprises	11%	21%	49%	18%
Back-office support driving cost reduction and efficiency is now hygiene for GBS organizations	35%	48%	14%	3%
It's time to stop underselling GBS as a large-scale operational entity	36%	40%	16%	8%
GBS has the potential to be an innovation capability orchestrator	47%	42%	7%	4%

GBS is still relevant...

...but focusing on the old way of doing things is no longer the way forward for GBS

Sample: 510 survey participants
Source: HFS Research, 2024

What's your vision for the future of GBS?
Do you think GBS as we know it will become obsolete in the next decade, replaced by self-sustaining AI systems or decentralized models.

People

- Diverse and inclusive
- Problem-solving, technical, analytical, and hard-to-find skills
- Global: offshore, nearshore, onshore, anywhere shore

Change management

- Multi-cultural and multi-lingual
- Strong governance and collaboration
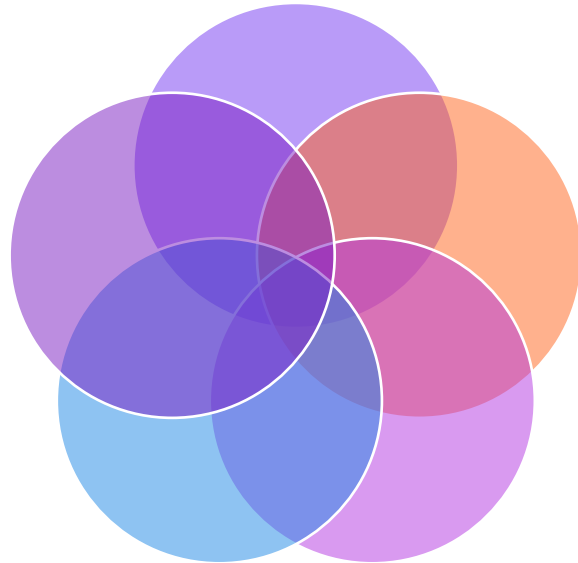
Process

- Eliminate process debt
- Trust, Governance, Risk, and compliance
- Backed by process/ domain expertise

It's time to stop underselling GBS as a large-scale transactional entity. It has the potential to be an innovation capability orchestrator

Data

- Make data a first-class citizen
- Organize services around enterprise data-flows (customer, employee, vendor)

Technology
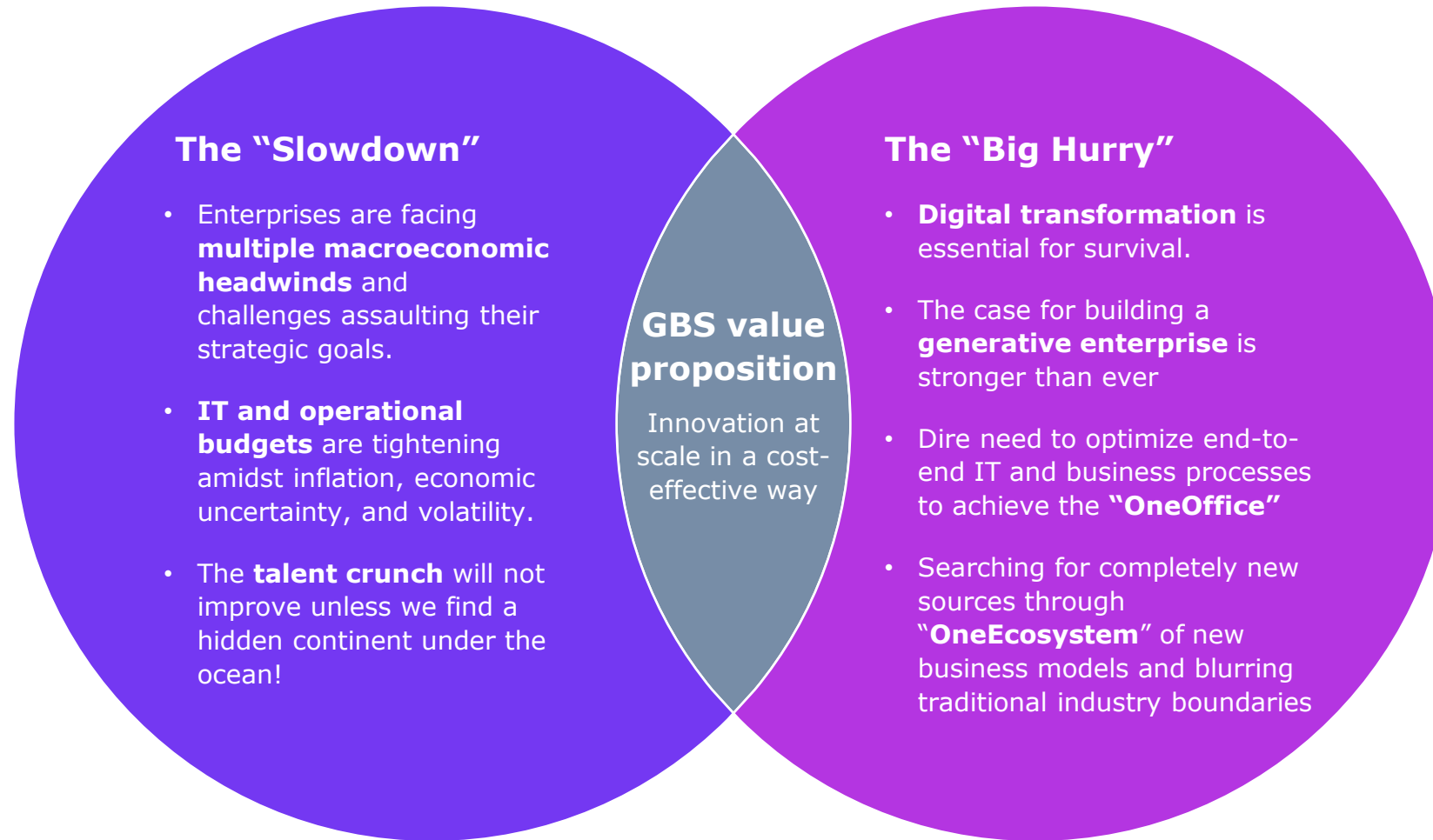
- Leveraged as a competitive differentiator
- AI-powered Cloud-enabled solutions
- Partner ecosystem

GBS has long been associated with cost savings. Is this legacy perception holding GBS back from being seen as a strategic enabler? What can we do to shift that narrative?

The "Slowdown"

- Enterprises are facing **multiple macroeconomic headwinds** and challenges assaulting their strategic goals.

- **IT and operational budgets** are tightening amidst inflation, economic uncertainty, and volatility.

- The **talent crunch** will not improve unless we find a hidden continent under the ocean!

GBS value proposition

Innovation at scale in a cost-effective way

The "Big Hurry"

- **Digital transformation** is essential for survival.

- The case for building a **generative enterprise** is stronger than ever

- Dire need to optimize end-to-end IT and business processes to achieve the **"OneOffice"**

- Searching for completely new sources through "**OneEcosystem**" of new business models and blurring traditional industry boundaries

With AI reshaping every industry, how is GBS embracing these technologies to deliver exponential value rather than incremental improvement? Are we truly moving fast enough?

AI Ambitions vs. Reality: Death by a 1000 POCs

1. Idea maturity

Do enterprises understand the potential impact of AI on their business?

STRONG

Over 80% enterprise leaders perceive that AI (incl. GenAI) is inspiring their organizations to adopt new and disruptive ways of value creation

2. Journey maturity

How advanced are enterprises in leveraging AI for their business?

NASCENT, FAST-PACED

Most enterprises are piloting or planning AI initiatives, but few have scaled up. A majority expect to scale up in the next 2 years or so.

3. Impact maturity
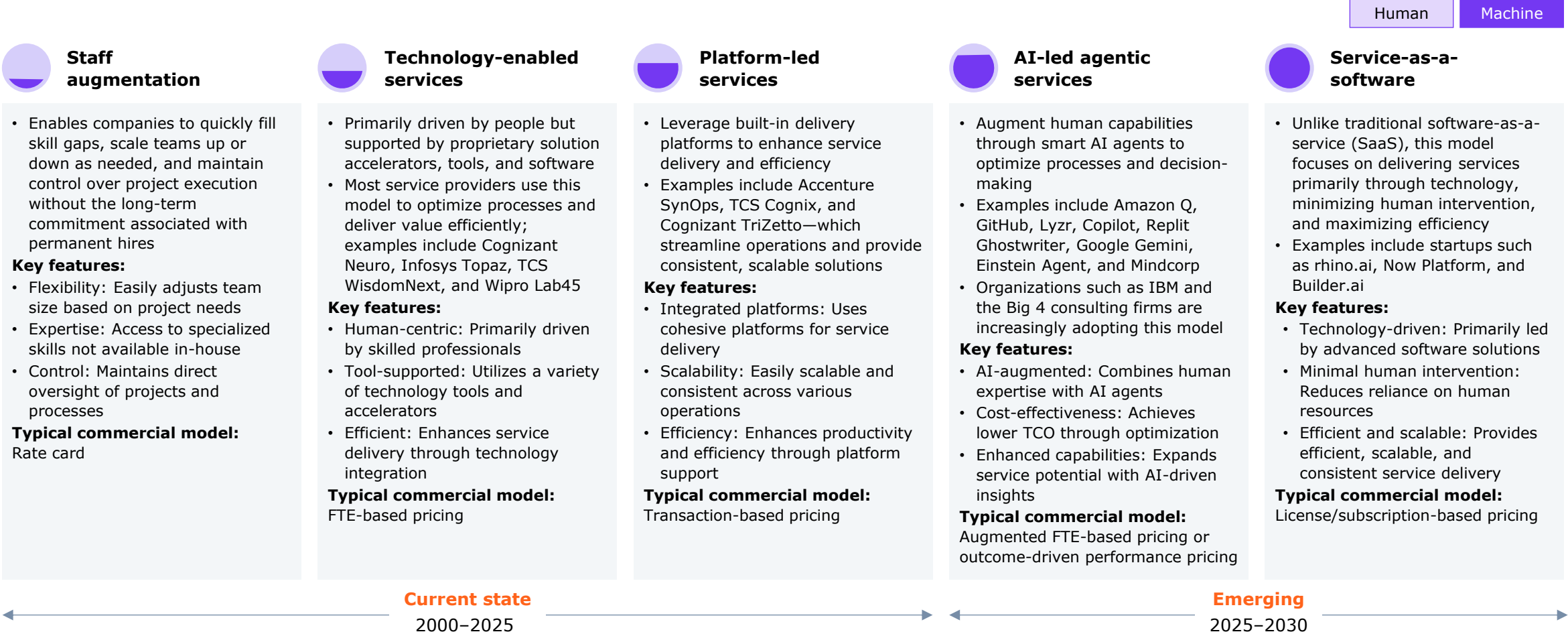
Are enterprises realizing the desired outcomes?

? TOO EARLY TO SAY

High investments with uncertain ROI, hallucinations and errors, lack of data quality, handling confidential information, no consistent framework from governing bodies, trusting AI outputs are key challenges in scaling AI.

We're not far from the days of service-as-a-software packaged solutions that are customized to run traditional business functions. How is GBS positioning itself to deliver enterprise value through technology?
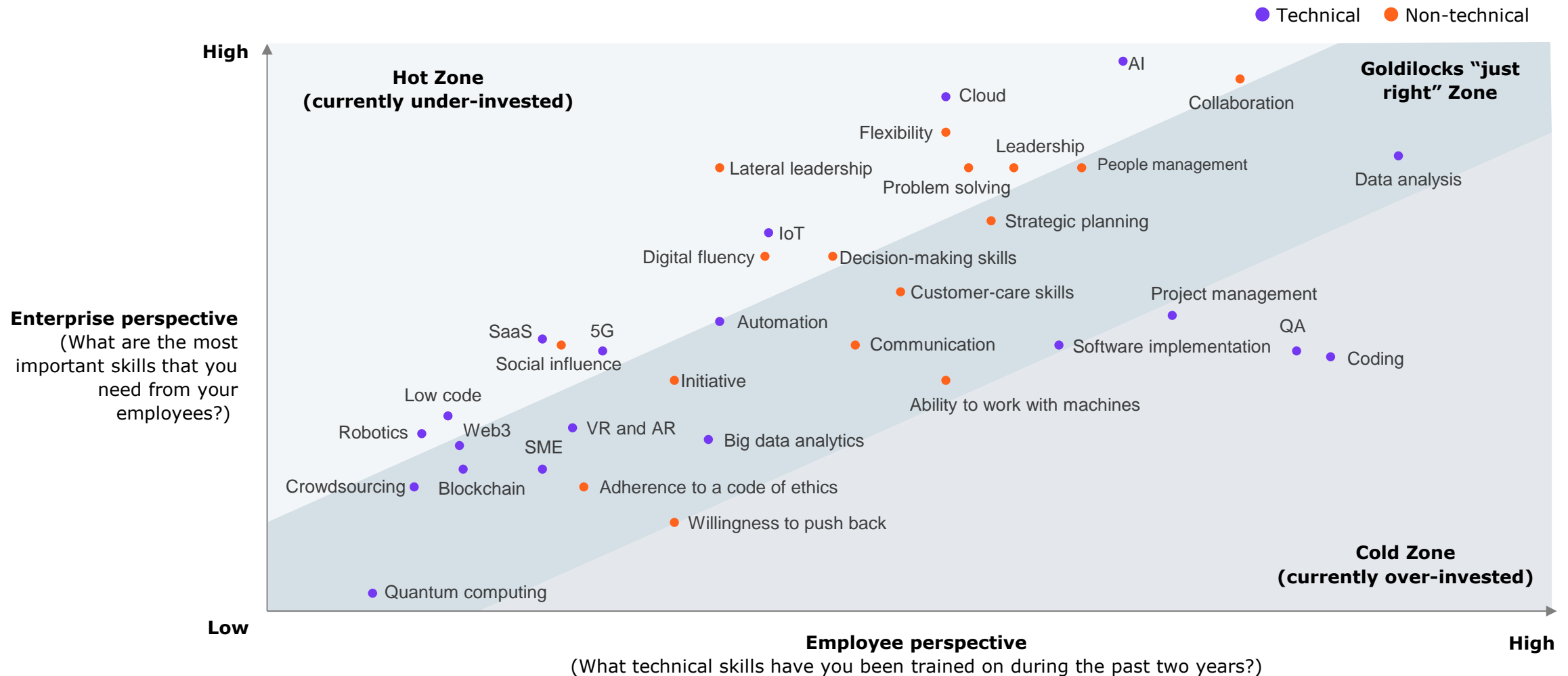
HFS Tech Services Vision 2030

`Human` `Machine`

Staff augmentation

- Enables companies to quickly fill skill gaps, scale teams up or down as needed, and maintain control over project execution without the long-term commitment associated with permanent hires

Key features:
- Flexibility: Easily adjusts team size based on project needs
- Expertise: Access to specialized skills not available in-house
- Control: Maintains direct oversight of projects and processes

Typical commercial model:
Rate card

Technology-enabled services

- Primarily driven by people but supported by proprietary solution accelerators, tools, and software
- Most service providers use this model to optimize processes and deliver value efficiently; examples include Cognizant Neuro, Infosys Topaz, TCS WisdomNext, and Wipro Lab45

Key features:
- Human-centric: Primarily driven by skilled professionals
- Tool-supported: Utilizes a variety of technology tools and accelerators
- Efficient: Enhances service delivery through technology integration

Typical commercial model:
FTE-based pricing

Platform-led services

- Leverage built-in delivery platforms to enhance service delivery and efficiency
- Examples include Accenture SynOps, TCS Cognix, and Cognizant TriZetto—which streamline operations and provide consistent, scalable solutions

Key features:
- Integrated platforms: Uses cohesive platforms for service delivery
- Scalability: Easily scalable and consistent across various operations
- Efficiency: Enhances productivity and efficiency through platform support

Typical commercial model:
Transaction-based pricing

AI-led agentic services

- Augment human capabilities through smart AI agents to optimize processes and decision-making
- Examples include Amazon Q, GitHub, Lyzr, Copilot, Replit Ghostwriter, Google Gemini, Einstein Agent, and Mindcorp
- Organizations such as IBM and the Big 4 consulting firms are increasingly adopting this model

Key features:
- AI-augmented: Combines human expertise with AI agents
- Cost-effectiveness: Achieves lower TCO through optimization
- Enhanced capabilities: Expands service potential with AI-driven insights

Typical commercial model:
Augmented FTE-based pricing or outcome-driven performance pricing

Service-as-a-software

- Unlike traditional software-as-a-service (SaaS), this model focuses on delivering services primarily through technology, minimizing human intervention, and maximizing efficiency
- Examples include startups such as rhino.ai, Now Platform, and Builder.ai

Key features:
- Technology-driven: Primarily led by advanced software solutions
- Minimal human intervention: Reduces reliance on human resources
- Efficient and scalable: Provides efficient, scalable, and consistent service delivery

Typical commercial model:
License/subscription-based pricing

Current state
2000–2025

Emerging
2025–2030

Source: HFS Research, 2024

GBS is often seen as an executor rather than an innovator. As GBS evolves, how are you addressing the talent challenge? Are today's GBS teams equipped to be the digital and AI champions businesses need?

Legend: ● Technical ● Non-technical

Vertical axis: Low → High — Enterprise perspective (What are the most important skills that you need from your employees?)

Horizontal axis: Low → High — Employee perspective (What technical skills have you been trained on during the past two years?)

Zones:
- Hot Zone (currently under-invested)
- Goldilocks "just right" Zone
- Cold Zone (currently over-invested)

Plotted items:
AI, Cloud, Collaboration, Flexibility, Leadership, Lateral leadership, People management, Problem solving, Strategic planning, IoT, Digital fluency, Decision-making skills, Customer-care skills, Project management, Automation, SaaS, 5G, Communication, Social influence, Software implementation, QA, Coding, Initiative, Ability to work with machines, Low code, Robotics, Web3, SME, VR and AR, Big data analytics, Crowdsourcing, Blockchain, Adherence to a code of ethics, Willingness to push back, Quantum computing, Data analysis

Crystal Ball Moment

If you had to rebrand GBS,
what would it be—and why?

Thank you.

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