



Evolving Global business services through Cloud ERP

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Combine Cloud ERP and GBS transformation to unlock unrealised value

The traditional role of Global Business Services (GBS) is rapidly becoming obsolete. Once focused on transactional processing, it must now evolve to become a true business partner and play a critical role in helping an organisation achieve its objectives.

In a rapidly changing business environment, increasingly distributed teams and a rise in digitalisation, GBS need to provide high-quality, personalised, and seamless customer experience and value-added benefits: automation, visualisation, analytics, and other digital capabilities to support the wider business.

As organisations refresh their Enterprise Resource Planning (ERP) platforms to the latest Cloud ERPs, there's an opportunity to combine ERP and GBS transformation.

By doing so, these solutions can unlock the capabilities necessary to realise the full potential of GBS, not only transforming the function but significantly increasing and accelerating financial benefits (30-40% of process efficiencies with automation and behaviour change).

Cloud ERPs such as SAP S/4HANA offer industry best practices and continuous innovation to integrate data across finance, supply chain, operations and more, giving organisations a real-time view of performance. This arms GBS with the insight it needs to become a value-adding business partner with standardised end-to-end processes and improved customer experience.

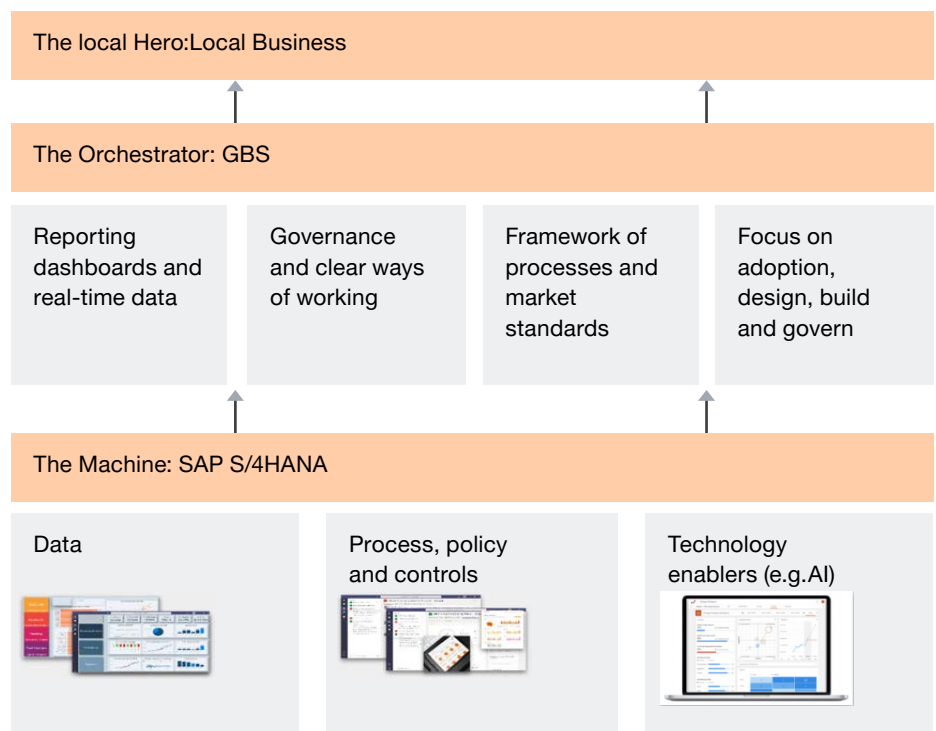
Here, we discuss how to best kickstart the evolution of the GBS function, looking at the key roles required to enable this, the key people skills and how to attain them, and the optimal approaches to deploying these changes for organisations.

A new way to look at GBS transformation:

Three key roles

Organisations are moving from siloed functional shared services to multifunction, more integrated end-to-end processing centres. Modern technology powered by Cloud ERP creates an opportunity for GBS to manage large amounts of real-time data and enable greater business insights.

Placing these business insights in the hands of business decision-makers is critical to success in a digitised economy. To do this, organisations must focus on developing three key roles: The Local Hero, The Orchestrator and The Machine. These roles need to work together and are mutually dependent. Each is as important as the other in the long-term success of the GBS organisation.



The Local Hero must be given the freedom to self-serve real-time insights from 'the Machine'. This enables them to have data-driven, high-quality conversations with customers, suppliers and stakeholders. In turn, this allows them to respond proactively to changing market dynamics, creating a competitive edge and yielding greater growth opportunities. In a perfectly working GBS ecosystem, the Local Hero should feel empowered, supported and able to do more with their local knowledge, based on data and insight provided by the GBS.

The Orchestrator is the GBS function. It must be more than a transactional processing centre - it must evolve into governing 'the Machine' and acting as the guardian of data consistency and quality, to drive the standardisation of processes and policies through global ownership. It will help to connect and share best practices and insights across business, equipping Local Heroes with high-quality insight and information to perform at their best. They should operate based on Experience Level Agreements rather than Service Level Agreements to ensure continuous focus on the needs of the customer.



The Machine must be a rapid, responsive and efficient Cloud ERP, such as SAP S/4HANA, that integrates easily with other technologies, providing the perfect platform for organisations to unify data models and benefit from simplified and standardised business processes. With a robust controls framework and built-in best practices, organisations can better capitalise on AI capabilities. The Machine is comprised of:

- **Data: A Unified Data Model (UDM)** enables a structured and organised data set that provides insights to critically understand the performance of the business. The UDM is fundamental to process standardisation, helping to reduce inefficient process variants. This enables organisations to fully realise the power of automation and AI, allowing the GBS organisation to orchestrate data and insight.
- **Process, policy and controls:** The automation of processes should be evolutionary. As the GBS function becomes more mature, and data becomes more consistent and of higher quality, further processes can be standardised and automated. In turn, this frees up capacity to focus on orchestration and the needs of the business. Furthermore, policies and controls become increasingly standardised and simplified alongside process transformation, which can be more rigorously implemented and monitored.
- **Technology enablers (e.g. AI):** The unified data sets and automatable standardised processes of Cloud ERP can be integrated with other applications to achieve further incremental value through automation, robotics and intelligent decision-making capabilities.



New technology requires new skills

While data, process and technology are important, people transformation is equally critical to the success of GBS' evolution. The right skills and capabilities can transform individuals into empowered and effective Orchestrators, operating as high-value business partners with data and insight.

This brings benefits not just to the wider organisation, but also to the individuals - the broader and higher value GBS scope offers exciting career paths, new skills and experiences plus continual learning and development.

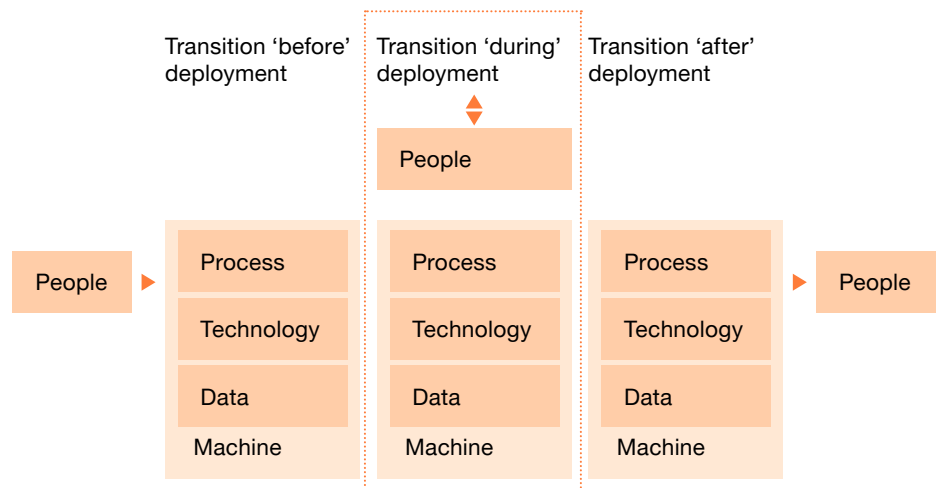
Upskilling existing employees has the benefit of retaining legacy knowledge and familiarity with processes and procedures. Where upskilling proves difficult, recruitment should be an option. The transformed GBS will attract skilled

talent and allow organisations to engage with new - and under-represented - groups in the workforce. The trade-off here, however, can be the length of time to recruit the right individuals, which can impact the speed of transformation.

An alternative consideration is a managed services arrangement with the support of an external transformation partner. This has the advantage of process and technology expertise built up from a rich array of customers, which can flexibly complement existing GBS capabilities. In this case, the relationship between GBS, external partners and the Local Heroes of the business must be managed proactively to deliver the expected value.

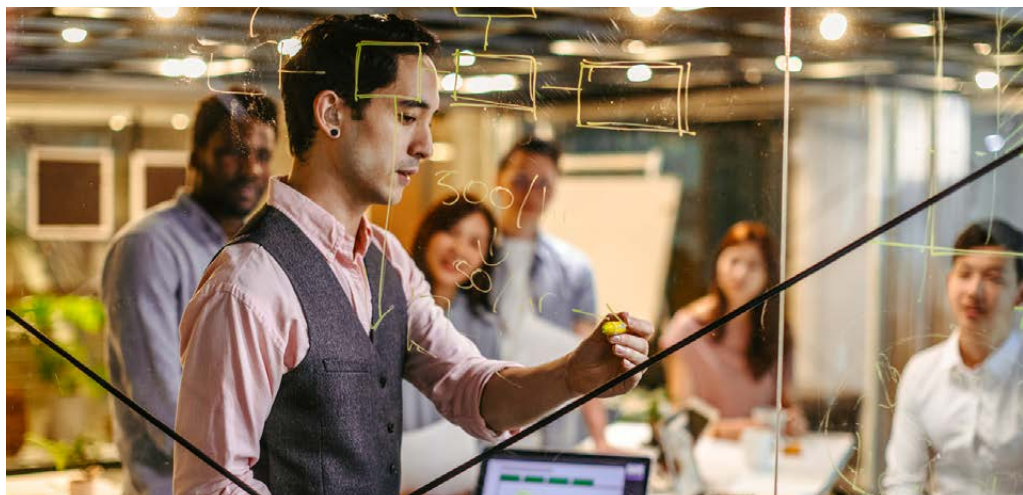
Finding the right way to transform

When faced with juggling both ERP and GBS transformation, organisations are faced with the dilemma of how to deliver both most effectively. The transition of the GBS organisation can occur before, during or after the Cloud ERP implementation (i.e. the setup of the Machine: Process, Technology and Data):



Decoupling the transition of people from the transition of the Machine removes the dependency between the two areas, but risks duplication of training, longer disruption to the organisation and change fatigue within teams. This, paired with the evolutionary nature of GBS transformation which depends upon people, process, technology and data working together, means that the optimal approach considers people alongside the Machine.

The deployment of the Machine (Cloud ERP implementation powered by S/4HANA in this instance) can be navigated in many ways. A series of factors specific to each organisation will influence which deployment approach is right. Here we explore two common approaches: via Central Finance (CFIN) or Direct to S/4HANA.





01

Via Central Finance (CFIN)

For larger or more complex organisations, particularly those with multiple business units or those already running a large number of ERPs, a ‘stepping-stone’ approach that starts with Finance via CFIN is often more appropriate. This enables the consolidation of financial data across multiple ERPs into a UDM plus the centralisation and automation of financial processes, governance and reporting. It also enables an enhanced ability to interrogate data to assess business performance and gather insights, supporting GBS in focusing on data orchestration and business partnership. This stepping-stone approach brings significant benefits, including process efficiency savings, better visibility and analytics and greater controls and compliance. It also enables a gradual transition to S/4HANA with minimal business disruption and ease of deployment of other technologies.

02

Direct to S/4HANA

For organisations that can move to a single-instance ERP in one step, a ‘direct to S/4HANA’ approach will provide benefits of transformation that extend beyond just Finance. With GBS operating within a single integrated, multi-functional Cloud ERP, the UDM will be richer and bring greater benefits. It offers increased digitalisation of end-to-end business operations, enhancing interaction with Local Heroes, customers and suppliers, with real-time continuous process monitoring. Organisations will also see further benefits from greater cross-functional integration, technology innovation and the ability of individuals to self-serve. True end-to-end process and data ownership enables GBS to play a key role in orchestrating, resolving complex issues and delivering positive business outcomes.

An opportunity to evolve for long-term success



Addressing the challenges faced by GBS through Cloud ERP can bring a competitive advantage, retain and develop a thriving workforce and create a future-focused GBS.

The deployment approach and benefits of a combined Cloud ERP and GBS transformation will differ according to the specifics of each organisation. However, there are some universal takeaways for all to consider:

- GBS must evolve into a true business partner - In its role as Orchestrator, it must focus on harnessing data and digital capabilities to enable more business insights for the wider business.
- The Orchestrator must maintain a primary focus on the changing needs of Local Heroes - GBS must keep well-connected with Local Heroes to understand how it can best empower them to differentiate themselves in the market and continue to do so.
- Unifying the data model is fundamental to driving the benefits of AI and automation: Harmonising the data set across Cloud ERP and connected applications will enable greater standardisation of processes, which is critical to delivering the benefits from AI and automation.
- Enhance the workforce through transformational change: Excite people by showing the new and differentiated career and development opportunities that this transformation will bring, to recruit, energise and retain the best people.
- Remember that any transformation is multifaceted: GBS transformation is an evolutionary process touching upon people, processes, technology and data; project planning must consider each of these areas to minimise risk and maximise alignment and engagement.

To find out more about how to transform your GBS via the power of Cloud ERP through SAP S/4HANA, please get in touch.

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