The Next Frontier: Evolving business services into a growth engine

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The Global Business Services (GBS) model stands at a pivotal crossroads. To evolve from efficiency drivers to trusted growth enablers, GBS must harness the vast data in their industry and other trusted external sources and capitalize on transformative technologies such as AI. The stakes are high; failure to embrace this shift risks relegation to a mere cost center. However, the opportunity is immense: by delivering consumer-grade experiences and reimagined workflows powered by AI and data, GBS can become the 'flywheel' of continuous innovation, propelling business growth and creating valued partnerships with their stakeholders.

At HFS Research's final 2024 roundtable, sponsored by IBM, senior GBS leaders united around a bold mandate: *redefine GBS as a catalyst for top-line growth and enterprise transformation*. This shift demands moving beyond its traditional back-office role with visionary leadership and talent that leverages deep domain expertise and confidently steers IT investments in existing (proven) and leading-edge technologies. The goal? To become the flywheel that enables growth and delivers measurable business impact.

> "We've spent too long delivering operational excellence. It's time we focus on enabling growth."
>
> — Delegate perspective

Stop underselling GBS: It is time to rebrand GBS as a growth enabler

GBS has historically undersold its potential, focusing primarily on operational efficiencies and cost savings. This approach is no longer sufficient to be a value-driver in meeting the enterprise's strategic demands. GBS has the potential to influence enterprise decision-making and drive innovation at scale by tapping into its insights and cross-functional view of business operations.

Many GBS organizations are already on the cutting edge of emerging technology and innovation but aren't marketing themselves that way. Our GBS roundtable delegates from across industries feel the weight of the responsibility for changing the narrative. They also recognize the unique place GBS sits within the organization—to be its information and decision support hub with the greatest visibility into operations. Our delegates agree with HFS' recent polls that indicate that it is high time for GBS to stop underselling itself and develop into an innovation hub (see Exhibit 1). Some GBS organizations

represented at our event have even changed their organizations' names as part of this rebranding.
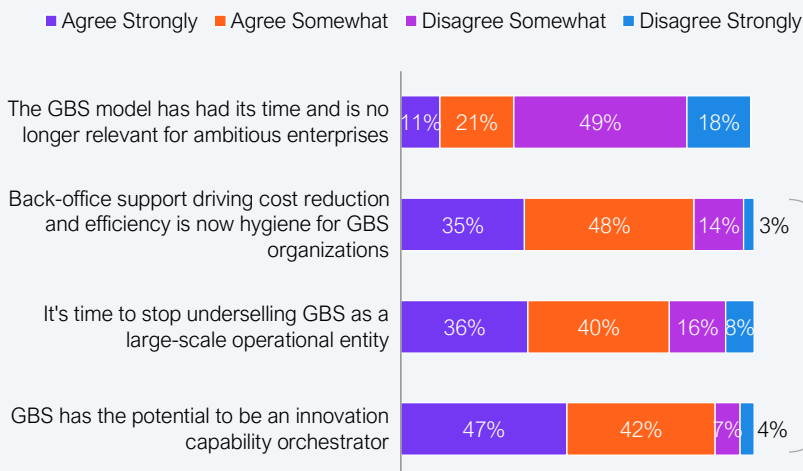
> "IBM Consulting is working with Clients that are bringing Change Management, Business Operations and IT teams together into a single organization responsible for 'Transformation & Operations' as the next evolution of GBS"
>
> — Tony Menezes, managing partner, IBM Intelligent Business Operations

> "There is significant value to be unlocked from the next set of exponential technologies. IBM is reinventing the Intelligent Operations space by working very closely with the CIO organization"
>
> — Neeraj Manik, IBM, Intelligent Business Operations

Exhibit 1: GBS is still relevant but needs some new mojo

■ Agree Strongly ■ Agree Somewhat ■ Disagree Somewhat ■ Disagree Strongly

	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

Source: HFS Research, 2025

Data is the currency for GBS transformation; IBM leads by example

Data remains the cornerstone of any GBS evolution. However, while GBS organizations manage vast quantities of data, they often struggle with issues like data quality, integration, and governance. Unlocking value from this data requires a shift from siloed data management toward an integrated, enterprise-wide data architecture.

IBM's internal transformation highlights the potential impact of data-driven GBS operations. As 'client zero' for its consulting and technology divisions, IBM implemented an integrated data model and a single source of truth used across the enterprise. The result has been a 30% improvement in finance and operations productivity and a projected $3 billion in enterprise savings.

IBM's Ed Lovely and Josephine Schweiloch shared a firsthand perspective into IBM's version of GBS, called Transformation & Operations. Data is IBM's fuel to become a more productive company, and core to this strategy is integrating this data. Ed and Josephine highlighted how the team supports strategic business objectives, such as revenue, free cash flow growth, and margin expansion. Their teams support business and functional units across IBM to make data more accessible, streamline and automate processes, and deliver decision-making insights to analysts, advisors, and leaders. By establishing data standards and creating an integrated data model as a single source of truth, they created the groundwork not only for operational efficiency but also as the trusted data foundation for scaling AI in production across the enterprise with Watsonx on top of core enterprise systems.

> "When data from across end-to-end workflows comes together in an enterprise data model, it becomes exponentially more useful to understanding the cause and effect of business decisions"
>
> — Ed Lovely, IBM

Moving beyond the pilots and hype to create scalable, cross-enterprise, repeatable solutions

Despite widespread enthusiasm, many AI initiatives within GBS remain in pilot stages. Several barriers—ranging from fragmented data ecosystems to cultural resistance—prevent GBS from scaling AI adoption. Scaling AI within GBS requires more than technology investment. It demands a clear strategy for embedding AI into workflows, establishing strong governance, and building trust across the organization. Success stories from the roundtable, such as AI-driven financial forecasting and HR solutions, show what's possible when GBS leaders push past the proof-of-concept phase.

IBM leaders again discussed its approach where AI adoption impacts the organization: making AI pervasive across the organization and making it work so people want to use it. For example, creating a 98% accuracy of responses to HR queries addressed change management challenges by building trust in the system. Driving trust and transparency is crucial for scaling AI pilots beyond conceptual ideas and proof-of-concepts into impactful, enterprise-wide solutions.

> "People will ultimately ask, is this worth my time? People believed that it worked when we showed them, we built the trust, and word spread."
>
> — Josephine Schweiloch, IBM

Transforming GBS isn't just a technology challenge—it's a people and culture challenge. Upskilling and reskilling are critical as GBS moves toward more tech-driven, strategic roles. Participants emphasized the need for cross-functional talent capable of understanding both technology and business processes. While GBS organizations are a treasure trove of smart and resourceful process experts, adopting technology and harnessing the power of data, analytics, and AI still demands a learning curve. Our delegates emphasized encouraging experimentation and risk-taking while aligning innovation efforts with business outcomes. Building interdisciplinary teams that can leverage process expertise, data, and AI effectively will push the needle, as well as out-of-the-box thinking. As delegate Sameer Shah, Chubb Insurance, put it: *"Our biggest gap isn't technology—it's creativity. We need talent that can think bigger and bolder."*

The Bottom Line: GBS leaders must seize this moment to adapt and lead within their enterprise. They can position GBS as the cornerstone of enterprise transformation by reimagining their value proposition, harnessing the power of data and AI, and transforming culture.

GBS leaders stand at a decisive turning point: they can either continue with incremental improvements or seize this moment to redefine themselves as strategic growth enablers. GBS can become the engine of enterprise-wide transformation by driving bold innovation, treating data as a strategic asset, and fostering a transformative culture. The era of marginal gains is over—GBS must push past traditional boundaries, integrate technology, and claim its rightful place in the C-suite by delivering unparalleled business value. Those who rise to this challenge will elevate GBS's relevance and reshape the future of enterprise operations.

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Melissa O'Brien is an executive research leader and head of the research innovation team for HFS Research. She leads all of HFS' research initiatives for customer experience, including contact center, digital marketing and sales, CX design, and conversational AI. Her industry research focuses on key services dynamics within travel and hospitality firms. As research innovation team lead, Melissa also oversees the continuous improvement and re-imagination of HFS' Horizons market assessments and data management hub.

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