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Gartner for Finance Leaders

**Get Started With
Finance Global
Process Ownership**



A GPO is a dedicated person accountable for end-to-end process standardization and improvement. To kickstart a GPO program, finance transformation leaders must determine governance readiness, select the right GPO model and build a three-year roadmap and compelling job description for GPO success.

Overview

Key Findings

- Finance transformation leaders struggle to implement the global process owner (GPO) role.
- Not all processes require the same level of process governance.
- Multiple combinations of roles and responsibilities for a GPO can present overwhelming possibilities for defining the job(s).
- Stakeholders may resist the need for a GPO because their understanding of the role differs.

Recommendations

To achieve process excellence, finance transformation leaders must:

- Determine the best-fit GPO model by assessing governance readiness and the feasibility of alternative models.
- Prepare for GPO success by building a three-year roadmap for the role.
- Build a compelling GPO job description to fill the role and kickstart process governance.

Introduction

Finance transformation leaders recognize the GPO role as a must-have role for process governance — a role that can help them drive accountability across end-to-end processes that often straddle functions, business units and geographies. Unfortunately, they don't know where to start in assessing for which processes GPOs are needed, how they should structure the job in terms of roles and responsibilities nor where they should report.

Therefore, the status quo continues — where everyone, and thereby no one, is accountable for the process. The focus on improving process problems is minimal.

Getting a GPO program up and running starts with a readiness assessment of process governance and a review of GPO models to determine the right fit. It involves preparation and planning for the first three years of the role as well as creating a compelling job description that will inspire and empower the GPO to be successful.

Analysis

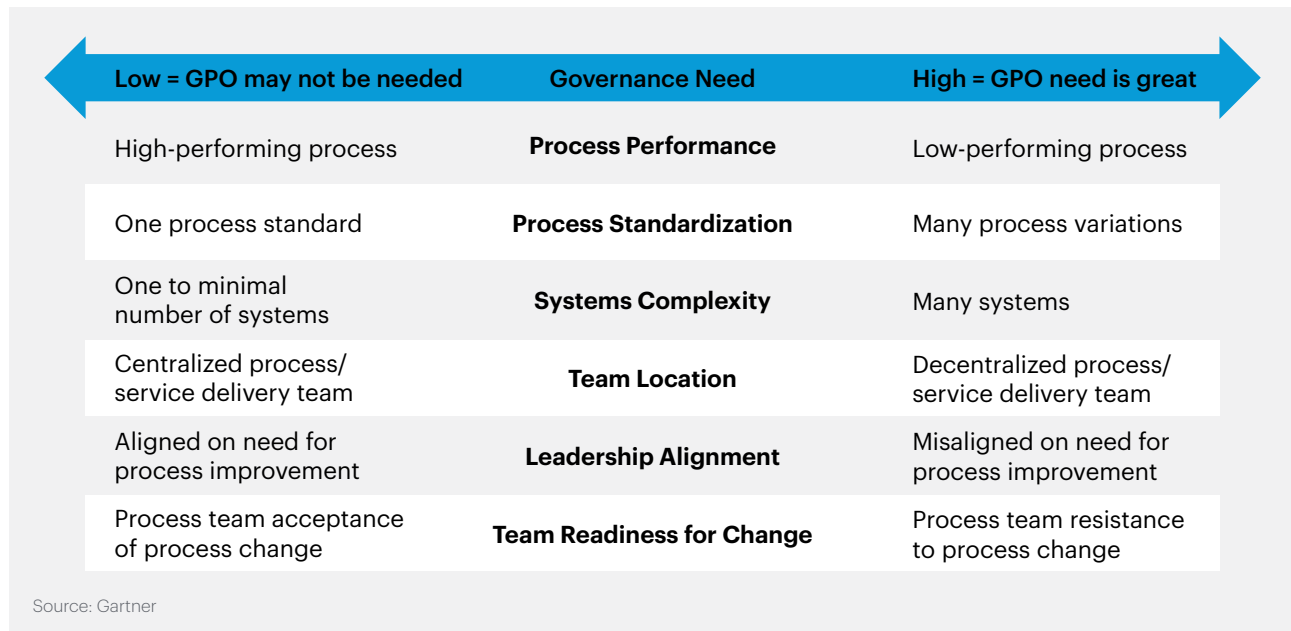
1. Determine the GPO Model That Fits Your Needs

Finance transformation leaders must do their due diligence to determine if process governance via the role of a GPO is necessary. They must assess governance readiness for each process, considering the size and maturity of the organization to determine the best-fit GPO model.

Assess Governance Readiness by Process

Processes vary in their maturity and criticality to the organization. Therefore, they won't have the same need for governance, control, performance management or improvement. Because of this, consider each process in the finance architecture against a framework (see Figure 1) to determine the processes for which a GPO is needed.

Figure 1: Governance Needs Assessment Factors



Finance transformation leaders should start by gathering information about the state of processes, such as accounts payable or accounts receivable, or end-to-end processes, such as purchase-to-pay, order-to-cash and record-to-report. They should speak with process leaders and their teams to understand process performance, the level of process standardization and systems complexity (i.e., number and types of systems that support a process), and the number and location of the individual team members who execute the process. Based on these conversations, they will get a sense of how aligned the leadership team is regarding the need for process change as well as how ready the process teams are for that change.

Whether a GPO is needed will depend on where a process falls on the spectrum.

For example:

- A GPO will be unnecessary for standard processes with minimal systems or small centralized process teams.
- A GPO will be a must where a process is performing poorly, fragmented or scattered across diverse teams.
- Where leadership is not aligned on the need for change, a GPO can play a vital role in influencing decisions for process changes required to support business outcomes.

Review the Cost and Benefits of Alternative GPO Models

The core responsibility of a GPO is process design — specifically, technology-driven process design that uses technology to optimize and automate processes. Without this focus, there is no GPO as we define it, and little to no advancement in process maturity.

Along with technology-driven process design, three other responsibilities comprise the variations of the GPO model (see Figure 2) — strategy and policy, service delivery and stakeholder engagement. Models 1 through 4 are options to explore along with their costs and benefits.

Model 1 (service-delivery-centric GPO) — This model assigns the GPO responsibilities of strategy and policy and process design to someone who owns service delivery full-time. While this model can drive some process improvements and standardization, responsibilities for service often crowd out the focus on it, minimizing potential improvements and risking burnout of the GPO, who has many priorities.

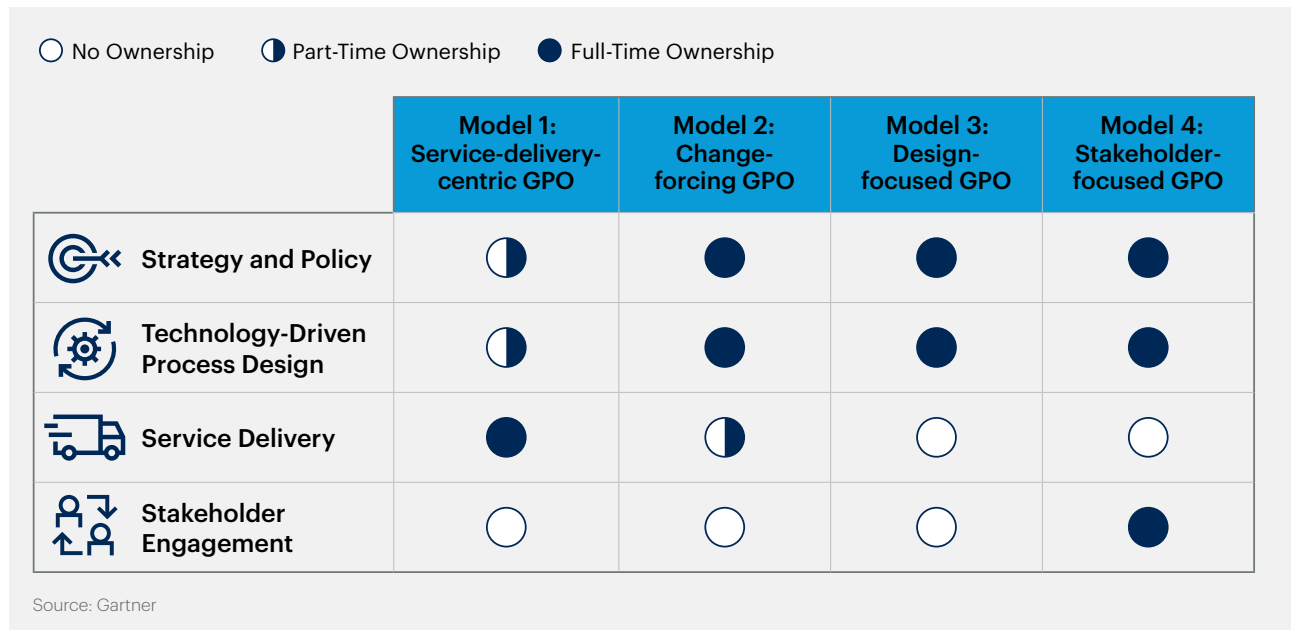
Model 2 (change-forcing GPO) — This model assigns the GPO responsibility of service delivery to someone who owns strategy and policy and process design fulltime. While the GPO can determine what important process improvements and standardization to implement, sometimes the added responsibility of service delivery is required to force service delivery teams to accept the change (i.e., when they report into the GPO). With this model, additional leadership oversight for service delivery is often also in place.

Model 3 (design-focused GPO) — This model is focused on process design and strategy and policy while allowing full-time responsibility for service delivery to reside elsewhere. This enables a high level of process management, governance and improvement, leaving others to fight the fires of day-to-day service delivery.

Model 4 (stakeholder-focused GPO) — This model is similar to Model 3 but with the additional responsibility of and focus on stakeholder engagement. While all GPOs will focus on stakeholders at some level, most GPOs cannot fully embrace the responsibility until the process has reached a high level of maturity. The added focus on stakeholder engagement ensures all touchpoints of the end-to-end process are creating a win-win situation with vendors, customers, partners and other external parties with whom business is done.

Models 2 through 4 typically require additional headcount, which comes at a cost. Companies must evaluate this relative to the benefits they expect to achieve in the process over time (i.e., the need for process governance).

Figure 2: GPO Model Variations



Tips for Model 1 — When You Can’t Afford Full-Time Process Design

Finance transformation leaders seeking success with Model 1 must:

- Support the GPO with improvement teams to help them carry out improvement projects.
- Permit and encourage GPOs to drastically prioritize and block time for process performance review, process design and stakeholder management.
- Revisit GPO model effectiveness and process priorities annually.

Refine the Model

Once finance transformation leaders have determined which processes need GPOs and which model makes sense, they can build a detailed business case for the role and work with HR and other leaders to secure budget and commitment to move forward. They may create variations of the case to prioritize certain processes over others or determine the size of the team warranted. Smaller organizations may have GPOs who cover full end-to-end processes. Bigger organizations may have GPOs who focus on one process within the end-to-end process or have small GPO teams with individuals dedicated to particular regions.

Most GPOs report up into the “back end” of the process and often into a shared services organization. They may report into the overall shared services leader or to a corporate controller. For larger teams, they may report into an overall GPO leader who reports to those leaders or into an overall finance transformation leader.

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Regardless of reporting alignment, finance transformation leaders should ensure GPOs responsible for an end-to-end process have:

1. Strong relationship building and communication skills.
2. Powerful leadership support to help them work across functional and organizational boundaries.
3. Incentives and rewards to improve the entire end-to-end process, not just the part that resides in the function they report into.

2. Build the Blueprint for GPO Success

Finance transformation leaders should invest in planning, designing and building the blueprint for the GPO program, whether it be for one GPO or many GPOs. Benefits of determining the GPO journey include:

- Supports the detailed business case to convince stakeholders that GPOs are needed
- Aligns leadership on how GPOs will work to achieve process excellence and business outcomes
- Supports the build of a detailed job description for recruiting
- Plans for and prepares the support infrastructure that GPOs will need to be successful
- Acts as a high-level guide for GPO onboarding to align multiple GPOs on the mission and vision as well as get them working together to realize synergies across process workstreams

The finance transformation leader should personally take on activities that will benefit all GPOs, including building out the GPO mission, vision and guiding principles for stakeholder management, design goals and constraints. And, on behalf of all processes and GPOs, the finance transformation leader should jump-start the identification of existing disciplines and capabilities (i.e., the teams and tools at the GPOs’ disposal to improve processes).

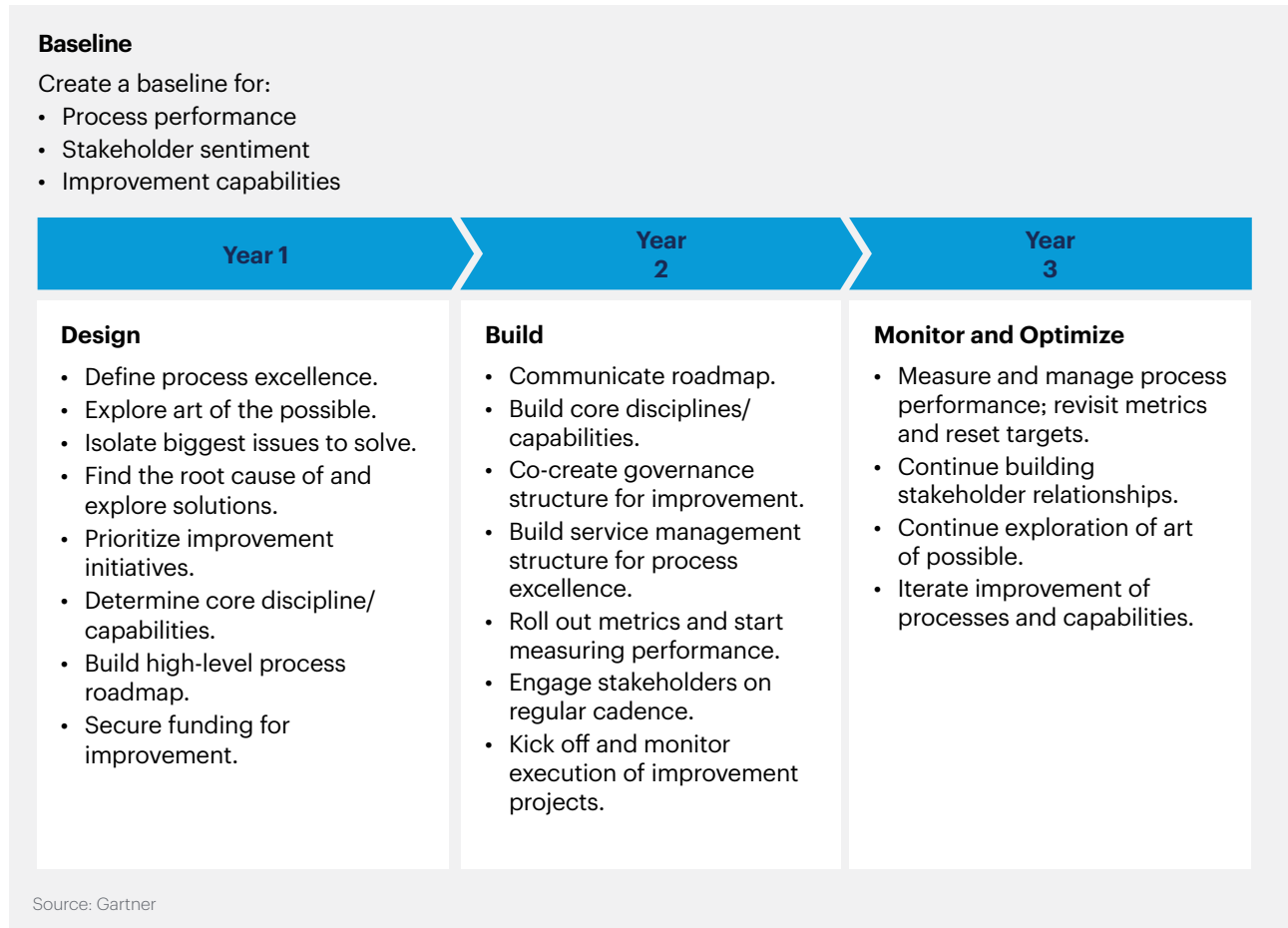
Disciplines and capabilities include: process architecture/taxonomy, knowledge management, process documentation, performance management and metrics, continuous improvement, stakeholder management, issue resolution, escalation protocols, control and compliance frameworks, data management/governance, analytics and automation, communication protocols, change management, relationship management and engagement with customers, partners and vendors.

Fortunately, the prep work that finance transformation leaders did for the governance needs assessment informs the blueprint of what the GPO should focus on for the first three years in role. A three-year GPO roadmap (see Figure 3) is a good example of the activities a GPO can focus on across phases, which include building an information baseline of the current state process, then designing, building, and monitoring and optimizing the process over time.

- **Baselining** — Includes understanding process maturity and doing an inventory of metrics to assess process performance. It also includes understanding the technologies and policies in use and the location and reporting alignment of the people who do the process. GPOs will also want to know stakeholder sentiment toward the process. This will inform what works, what doesn't work and what they perceive their needs to be.
- **Design work** — Includes defining what constitutes process excellence and learning what excellent processes look like using the best possible technology available in the market. Design includes engaging improvement teams and other GPOs to agree on and sequence core disciplines and capabilities to build. It leverages resources to perform detailed process analysis that will isolate the biggest issues to solve. Design culminates with building a high-level process roadmap, synchronizing with other GPOs to prioritize common issues and securing sufficient funding for improvement projects with the biggest impact.
- **Build work** — Includes communicating the roadmap and vision for process excellence and building the sustainable service management infrastructure for ongoing performance management, stakeholder management and improvement management. It starts with the rollout of metrics across the end-to-end process and a regular cadence of "customer" or stakeholder interactions to ensure needs are being met. GPOs will also co-create governance structures and ways of working across GPO teams and other supporting improvement teams (e.g., Six Sigma, RPA, advanced analytics). And, GPOs will kick off and monitor the execution of improvement projects.
- **Monitoring and optimizing** — Includes measuring and managing process performance to revisit and reset targets. GPOs will also continue to explore the art of the possible technology and tools and build stakeholder relationships to ensure their needs are met or exceeded.

The actual roadmap will vary relative to specific steps and timing as processes will vary in their maturity, as will the timing of when different GPOs are coming in (i.e., you may not have all GPOs start on the same day/week/month). Be flexible and agile when updating the three-year roadmap depending on the need for governance and actual performance improvement achieved.

Figure 3: Three-Year GPO Roadmap to Process Excellence



3. Translate the Need Into a Compelling Job Description

After determining the GPO model and building the roadmap, the finance transformation leader can easily translate that information into a compelling job description, aligned by the key roles and responsibilities of the model chosen. They can also leverage job portals such as LinkedIn to source examples of GPO job descriptions. By reviewing available job descriptions, the finance transformation leader can better understand the competition for such talent and ensure their job description stands out.

Compelling job descriptions start with a summary of the job with a focus on the most important duties and responsibilities. In other words, they provide high-level information “about the role.”

About the Role Examples



Example 1: The role of the global process owner (GPO) is to own an end-to-end process across functional silos and geographic and business unit boundaries, as well as to drive process improvement in such a way that supports the organization’s objectives and gives the business the highest level of efficiency possible. The GPO is responsible for bringing the process to “full maturity.” The GPO is responsible for managing their role such that improvements are deployed and soon become “business as usual,” continuing to evolve into the future.¹

Example 2: The global process owner will drive the overall strategy, design, policies, digitization and optimization of the value stream processes, ensuring the end-to-end process meets business priorities and achieves its transformation goals.²

Compelling job descriptions highlight the GPO’s roles and responsibilities that candidates will find most exciting (see Table 1). Examples include strategic responsibilities and stretch projects, anything related to digital technologies or anything that engages with the C-suite or business decision makers. Instead of a list of disconnected duties and responsibilities, the job description should categorize them into logical job areas or themes, such as the phases of the three-year roadmap. Such groupings might be:

- Baseline, Plan, Build, and Monitor and Optimize
- Create, Deploy, Operate
- Plan, Build, Run
- Strategy and Policy, Process Design, Service Delivery, Stakeholder Engagement

Table 1: Tips for Building a Compelling GPO Job Description

Do's 	Don'ts 
<p>Be explicit if GPOs will have management responsibility or indirect responsibilities to influence improvement teams at their disposal.</p> <ul style="list-style-type: none"> • Some GPOs will welcome direct reports, and some may not. 	<p>Don't overweigh process knowledge.</p> <ul style="list-style-type: none"> • Process knowledge is nice to have, not need to have, if the GPO has a strong problem solving and analytics skill set as well as relationship building skills.
<p>Be clear if GPOs will be responsible for process/service delivery execution.</p> <ul style="list-style-type: none"> • Let them know what "ownership" means (i.e., the GPO model you've chosen). 	<p>Don't limit recruiting to internal candidates</p> <ul style="list-style-type: none"> • GPOs from the outside can bring fresh perspective and experience with technology and third-party outsourcing to the GPO job and be unencumbered by current state company bias.
<p>Make it clear who GPOs will report to.</p> <ul style="list-style-type: none"> • GPOs are typically senior-level director or above roles. They'll want to know that they will report to appropriate senior leaders. 	<p>Don't limit recruiting to particular locations.</p> <ul style="list-style-type: none"> • GPOs can work remotely and will likely be influencing change with people around the world. • Be upfront about the locational flexibility in your remote work policy. It is one of the most important screening criteria for applicants while shortlisting open positions to which to apply.
<p>Differentiate "must have" qualifications and preferred "nice to have" qualifications.</p> <ul style="list-style-type: none"> • Many preferred qualifications include entrepreneurship, proven ability to work cross-functionally and a consulting background. 	<p>Don't pigeonhole GPOs into specific projects.</p> <ul style="list-style-type: none"> • While some projects might be ready to go right away, GPOs should not be your primary project managers. Their role should be broader, and you won't want to consume them with a project at the expense of the more strategic and technology-driven process design decisions they need to make.

Source: Gartner

Evidence

This research is drawn from qualitative interactions with finance leaders to understand their challenges and identify practices and solutions that can apply to other organizations. We also drew on a review of Gartner research related to building job descriptions. Research was also informed by reviewing over 20 publicly available job descriptions for GPOs in various regions.

¹ Lenovo's "GPO" job description on LinkedIn

² NTT's "Vice President, Global Process Owner" job description on LinkedIn

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