

Business services are usually at the core of organizational endeavors, structured to build and manage a variety of workflows and dependencies in a concerted manner. The end goal for all such services is the smooth functioning of an organization, built around some strategic goals usually manifested in revenues, growth, competitiveness and shareholder value. Over the course of more than two centuries, industrial advancements - enabled through scientific and technological innovations – have assisted with building and sustaining complex workflows, products and services. Alongside such changes organizations have endeavored to enhance agility and flexibility, compliance and discipline, competitiveness and customer centricity, market presence and growth, knowledge and intelligence.

Growing networks, and globalization has assisted organizations build resilience through collaborative partnering, for a variety of reasons, spread across the entire gamut of activities within. Sophisticated models continue to be developed by enterprising individuals and entities in fast-paced environments. Both internally and externally, organizations continue to contend with challenges manifested as inextricable complexities, increasing dependencies that tend to create unsustainable rigidity, and competitive pressures to remain at the forefront of customer demands. From simple mechanical structures to extremely complex engineering innovations, from physical networks to virtual presence, from responsive/ reactive management to predictive governance, the industrial world has come a long way since we started in the 1850s.

Of particular interest is the current Kondratieff where concerted investments in research, development, scientific discoveries and innovations around materials, computing systems, mathematics and the like have enabled us to liberate the industrial world from the shackles of labor and capital as principal drivers/ indicators alone. Today's technologies continue to surprise many, not because they are new, but because they are helping us – finally – find answers to vexing questions that have been around for too long. Their ability to distill issues is much touted as liberation by many, much to the chagrin of the unsung heroes in the background who actually endeavored in finding answers to such questions in the first place.

The world of technologies that we often hear and discuss are firmly anchored in the realm of retail consumption. Too often, what goes unheard are the innovations and scientific attainments across a variety of fundamental disciplines. For instance, any discussion on 3D printing ends up with animated conversations around the machines. Yet scant regard is given to the fact that innovations in material sciences has actually made it possible to print almost any product one can imagine today. Likewise, while many wax eloquent about unlimited storage capabilities (in both the physical and virtual realms), none speak about the sophisticated mathematical modeling that permitted for such compression technologies to see light of day in the first place. There are hundreds of such examples if one were to just look around.

The conundrum seems to be about the “popular” while the “important” unfortunately gets lost in translation. This is precisely the case today with the world of global sourcing (or more eloquently known today as the Global Business Services industry). Further compounding one's understanding of the evolution of the industry from discrete services to multi-functional integrated solutions, is the assumption that technologies like Big Data, IOT etc are the true saviors of organizations. The arguments go way further – in parading false propaganda that

companies would literally be consecrated to oblivion if they didn't rigorously adopt these technological breakthroughs.

Is it true? Is there a fundamental disconnect that we are either not visualizing, or are unwilling to acknowledge? I believe it is more of the latter. Of course, I am cognizant that too many believers of the former would result in a non-fact being treated as a fact or undeniable reality, thereby compounding the marketplace on the one end, and signing on more believers on the other end. Nevertheless, these are all symptoms, not root causes for lack of understanding.

Today's complex relationships amongst organizations are typically built around collaboration, mutuality, and co-creation. End goals may be many, and distinct among partnering entities. However the common thread binding them cohesively is an agreed objective to build value for the future. Outcome-centric collaborative endeavors have, and continue to deliver substantial (and at times unimaginable) value to customers, employees and shareholders. To remain now at the forefront of such gains, organizations look continually toward enhancing their own view to the marketplace, while remaining cognizant of competition, changing consumer preferences, and inherent dependencies that may manifest as hidden opportunities from within their supply chains.

I would like to think that sourcing models have the ability to contribute to such endeavors, subject to collective maturity among partnering entities in the first place about the value being perceived. On the contrary, the replicators are almost always interested in leveraging principal opportunities built by lead organizations, since in general there is room for many. The consequential number of provisioning entities may be perceived (most times inaccurately) as the growth of an industry on its own accord. What remains hidden is the evident clutter created, where replication of inputs alongside sophisticated marketing creates an illusion of normalcy, or worse growth of an industry. There are sufficient examples to the contrary when such endeavors were pursued with abandon around the world. We shall not discuss them here as they are beyond the remit of this paper. Suffice to say that input-factor equalization has resulted in almost zero value, apart from a supply clutter.

Interestingly though, end-user organizations looking to grow and expand into new markets continue to contend with not just sophisticated business and cultural environments, but also attendant internal rigidities built over time. Decisions in the past may no longer hold good for a particular market, or consumer group. Further, traditional management models with "need-to-know" structures and silo functional environments have proven sufficiently detrimental to growth and resilience. Organizations that refuse to rid themselves of command-and-control hierarchies are becoming increasingly irrelevant, while those that are aggressively adopting the mantra of "agility and flexibility" are seeing their fortunes turn immensely. Within this environment are substantial number of opportunities for provisioning entities to do the right things. Of course, it has to first commence with acknowledging that end-user organizations with multi-functional environments, siloed operating models and outmoded governance structures need help in removing such walls. It starts with acknowledging the existence of these rigidities. Next would be to determine all the changes necessary to be incorporated across policy, infrastructure, resourcing, governance, investments, reporting relationships, product development and other

support functions. Only then can an organization transform itself into a nimble, market-facing, proactive entity that can build for the future.

Technologies that are paraded around today - as the next best thing that has happened to humanity – are just enablers to larger and complex, intertwined relationships within and across organizations. Unfortunately however, the nature and kind of deliberations that we encounter today are all about technology, for its own sake. I am party to conversations where I am told that the Global Business Services industry is all about disruptive technologies. A little bit of inquiry into understanding the logic, and you are confronted with doomsday conversations that predict demise of organizations without a big data strategy, or irrelevance of entities without an IOT endeavor. The same conversation holds true to nation states as well (just substitute the word organization with the word country). I am – disappointedly – reminded of similar conversations in the early years of this millennium where outsourcing and impact sourcing models were slated to change the fortunes of the developing world, particularly in Africa and Asia-Pacific. We know how those marketplaces look today.

I would encourage concerted, honest conversations around the role of technologies, not because they are positioned as disruptive. Instead, I believe they have a role to play – sometimes significant, sometimes marginal – as it relates to organizational (and economic) transformation. Multi-functional integration, end-to-end perspectives and predictive growth of organizations is not premised on instituting some random technology and then hoping transformation will happen. We need to put into perspective a variety of aspects, namely (a) existing rigidities within organizations, (b) current relationships and structural aspects, (c) governance and management environments, including regulatory aspects, (d) customer preferences, (e) workflows within and amongst collaborating entities, (f) value being pursued or sought, (g) risk to value perceptions and goals, (h) supply chains and attendant dependencies (both constructive and interecine). These are not exhaustive aspects, but broad indicators that transformation of organizations isn't a discrete "plug-a-technology-and-play" model. Rather, the veritably intricate value flows within organizations need to be understood, and opportunities created/ addressed. Should a few of these disruptive technologies be perceived as valuable enough to be deployed, then so be it.

In parting, I would strongly urge that we invest in understanding organizational complexities first, and reduce the rhetoric surrounding disruption from technologies. I strongly believe that GBS is an evolved component of sourcing, which is not and never will be a slave to technologies but to human endeavors at transforming organizations from within and without.

ABOUT THE AUTHOR



Bobby Varanasi is one of the acknowledged **Top 25 Globalization Leaders** in the global sourcing space and the Founder of **Matryzel Consulting** – an independent advisory firm that has been acknowledged as one of the **World’s Best Outsourcing Advisory Firms** three years in a row (2013, 2014 and 2015). He brings with him two decades years of experience in consulting and management across IT, Business Services and building global operations. He advises federal governments across four continents on ICT sector development with particular emphasis on policy development, industry-government partnerships aimed at creating domestic resilience through increasing productive (and inclusive) faculties of entrepreneurs. Bobby also advises Fortune 500 customer organizations and emerging market entrepreneurs on strategy, growth, sourcing and expansions. He is often quoted and published in Forbes, fDi, Economist, The Outsourcing, ICT Media BV, Ratio Magazine Africa, etc.

Bobby holds Board positions with the **International Association of Outsourcing Professionals (IAOP)** – a global standard setting organization for the sourcing industry; the **Global Sourcing Council (GSC)** - an entity focused on sustainable and socially responsible sourcing practices (both headquartered in New York); and the **Malaysia Australia Business Council (MABC)** – an entity focused on cross-border trade enablement. He is an Assessor & Mentor, Product Development & Commercialization Fund (PCF), established and managed by **Multimedia Development Corporation**, Govt. of Malaysia that focuses on new technologies, new trends and entrepreneurship development.

He is author of a book titled **“Humanomics – Making Sense of Socio-economic Impacts of Global Sourcing”** published by Author House (a Penguin Random House company), which is available on Amazon, Google Books etc. An avid scuba diver and basketball player, he currently splits his time between Newark, DE, USA and Kuala Lumpur, Malaysia with his wife and two sons.