

Why service portfolio and catalog are the gateway to GBS.ai

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1. The gateway to GBS.ai: Setting the stage for transformation

Service portfolios and service catalogs are essential for Shared Services Organizations (SSO), Global Business Services (GBS), and Global Capability Centers (GCCs). For simplicity, we will refer to GBS throughout this document. Their full impact is achieved when they utilize a common, consistent taxonomy and communicate services in the customer's language. This approach helps GBS leaders effectively convey the value their organization provides to the enterprise, resulting in a better experience for customers.

Many GBS organizations struggle with poorly defined service portfolios and catalogs. These resources are often inconsistently structured and use language, including jargon, that favors the GBS delivery organization rather than its customers. While some GBS organizations invest in a one-time effort to create these resources, they often fail to maintain them afterward.

Here we will demonstrate why a well-defined service catalog—GBS's customer-facing "menu"—and service portfolio—its strategic framework for managing services—are essential for the future of GBS, especially as it grows in process and functional scope. We will explore how to create these frameworks and how GBS can shift from reactive to proactive service delivery. By integrating AI, GBS can better anticipate business needs, foster innovation, and advance to the next phase of growth.

Join us as we outline the path to a more dynamic and responsive GBS.



2. The evolution of Global Business Services: The imperative of service portfolio and catalog

For years, GBS organizations have focused on achieving efficiency and cost savings through labor arbitrage and process optimization. Yet, as the traditional S-curve of growth flattens and the potential for major gains diminishes, leaders are left grappling with the future of GBS and how to unlock new value.

The answer lies in a strategic pivot: transitioning from a narrow focus on cost reduction to enhancing productivity, quality and customer experience while fostering innovation through the power of AI. Here, the service portfolio and service catalog play a pivotal role; they are not just operational tools but critical assets that unlock AI's potential for delivering predictive, proactive, and personalized value. Without these frameworks, GBS risks losing its relevance; with them, it can become a strategic leader within the enterprise.

GBS maturity evolution

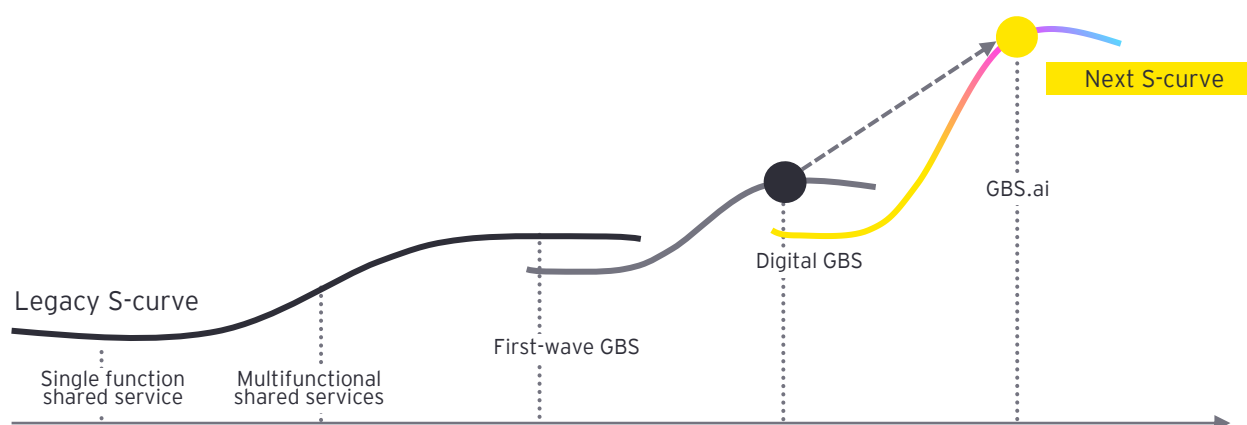


Figure 1: The Tipping Point: From Legacy to AI-Powered GBS

A recurring question is whether AI will render service portfolios and catalogs obsolete by automatically generating solutions on demand. While AI does enhance customer engagement and improve search and solve capabilities, it does not eliminate the need for these foundational elements. Service catalogs provide essential structure and clarity, ensuring that offerings align with customer needs and organizational standards. They remain vital for effective communication, governance, performance measurement and charge back model, even as AI transforms service delivery. AI makes bad service catalogs visible and good ones indispensable.

In the sidebars below, we take a 6 to 18 months fast forward view on how agentic AI may enhance practices – helping GBS leaders recognize the service portfolio and catalog as foundations for a self-governing future. While this is not the primary focus here, it is important to consider the limitations of AI as well.



Fast forward

The legacy S-curve of efficiency is dead – GBS must leap to a new frontier of enterprise value, powered by Agentic AI. These autonomous systems enhance prediction and personalization while working in tandem with human expertise to innovate and act. This collaboration transforms the service portfolio and service catalog from static tools into dynamic frameworks that adapt to evolving needs.

Without this evolution, GBS risks obsolescence; with it, GBS becomes a self-sustaining strategic engine.

Multi-functional GBS organizations often encounter significant challenges in achieving taxonomy alignment and establishing clear governance across diverse service portfolios. The challenge becomes even bigger in landlord GBS models if there is no strong central enabling service excellence team to steer consistency across process/functional towers. Such misalignment can create confusion and inefficiencies, undermining service delivery coherence.

For instance, in the retail sector, an apparel company may have various departments using inconsistent taxonomies for similar services, such as "employee onboarding" versus "staff induction." These discrepancies frustrate employees and negatively impact customer experience, as service requests may be misrouted or delayed.

Are service catalogs necessary for all GBS functions?	A global mobility player views a service catalog as essential only within the Procurement tower in GBS, deeming it unnecessary for Finance, HR, Digital Marketing and other areas. As a result, several Service Level Agreements (SLAs) were incomplete, and key performance metrics were missing.
Are service catalogs relevant for non-transactional functions?	A leading global food and beverage company overlooked the need for a service catalog for Financial Planning & Analysis (FP&A), assuming no one would seek FP&A services. This led to a lack of awareness about GBS offerings in FP&A, complicating performance reviews and resulting in duplicated efforts
Is the service catalog the same as the process taxonomy?	A large global consumer products company mistakenly copied its process taxonomy into the service catalog, causing confusion among users as several services were misclassified, complicating searches. It assumed users would know which process name each service is linked to.
Should service catalogs be centralized and accessible from a single portal?	Many large corporations maintain multiple catalogs across different portals, requiring employees to navigate through numerous clicks to find answers. This complexity can lead to dissatisfaction, causing employees to delay internal tasks hoping that someone else will provide guidance or has successfully navigated the process.

To address these challenges, organizations implement a clear, structured, and intuitive service catalog—akin to a well-designed and easy-to-navigate restaurant menu—can stimulate employees' engagement and streamline service delivery. By simplifying access to services, organizations can enhance employee satisfaction and improve overall operational efficiency.

3. Demystifying service portfolio and catalog: Essential concepts for GBS practitioners

The service portfolio and service catalog are the twin engines driving the service lifecycle of GBS. Picture the restaurant previously mentioned: the service catalog is like an intuitive menu that customers browse—enticing, tailored, and easy to navigate. In contrast, the service portfolio serves as the chef's playbook, detailing every dish, ingredient, and process, including those in development or retired. Together, these components ensure that GBS can effectively meet customer needs while maintaining operational excellence. The charts below illustrate this relationship within the GBS context and the role of *knowledge management*.

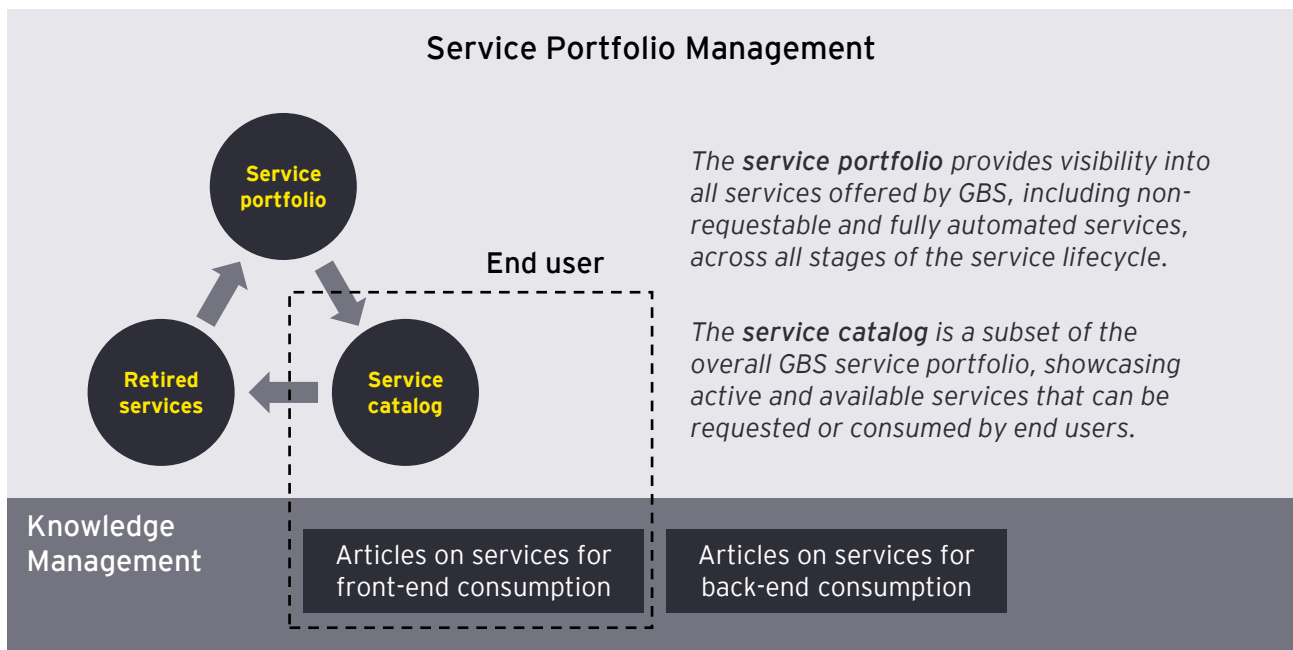


Figure 2: Relationship between the service portfolio and service catalog

The **service catalog** serves as the visible interface for GBS, with one Pharma GBS head describing it as 'three clicks to any service.' It provides a comprehensive view of all services available to users, including both directly requested services and automatically provided ones, such as scheduled services. This setup enables employees, business units, and external partners to easily access services tailored to their specific roles and needs. If the service catalog is poorly designed, it can create confusion, reflecting the internal divisions within GBS. However, when executed well, it becomes a powerful tool for AI-driven automation and insights, enhancing user experience and operational efficiency.

The **service portfolio**, though often less understood, is GBS's 'calling card' to enterprise leaders. It encompasses the entire service catalog, along with services that are still in development, being piloted, phased out, or retired. This portfolio serves as a comprehensive framework that aggregates these services to align with the organization's service delivery units. By doing so, it ensures that all offerings are strategically organized, facilitating better management and visibility.

We call out **knowledge management** because it plays a crucial role in enhancing our service portfolio and service catalog. By systematically capturing and sharing insights, best practices, and lessons learned, knowledge management ensures that all services are informed by the latest knowledge and expertise. This integration not only improves the quality and relevance of our service offerings but also empowers users to make informed decisions, ultimately driving greater GBS impact.

Together, the service portfolio and service catalog not only enhance user access to services but also provide a clear roadmap for the evolution of service offerings within GBS, ultimately driving greater value for the organization. The figure below shows how the two capabilities underpin the service lifecycle.

To maximize the effectiveness of both the service portfolio and service catalog, it is crucial to establish a continuous feedback loop with GBS's customers. Regular input from employees, business users, and external partners will help refine the offerings, ensuring they remain relevant and aligned with evolving needs. This user-centric approach not only improves usability but also fosters a sense of ownership and engagement among stakeholders, ultimately driving greater success for GBS.

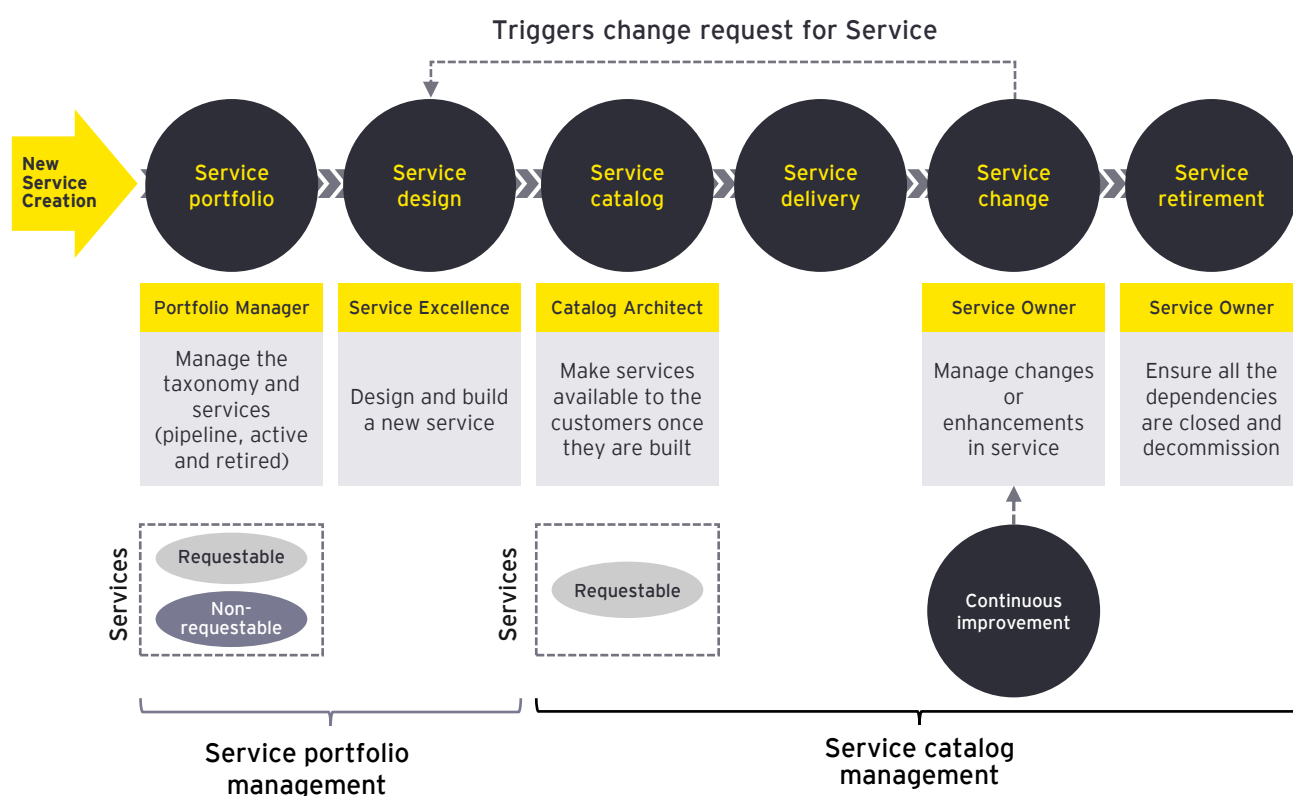


Figure 3: Service portfolio and catalog in the overall service lifecycle

Unlike requestable services, which can be actively sought out by employees, non-requestable services are typically automated, background processes that support the overall service delivery without requiring user initiation. Examples include automated IT system updates or compliance monitoring services, which operate continuously to ensure system integrity and regulatory adherence without user intervention; customer billing run and month end close are typical examples in finance.

In the context of GBS evolution, non-requestable services play a crucial role in enhancing operational efficiency and reliability. They embody the shift towards more automated and proactive service delivery models, allowing organizations to focus on strategic initiatives while ensuring that essential services run smoothly in the background.



Fast forward

Think of the service catalog as a smart menu that rewrites itself – Agentic AI doesn't just serve what's ordered; it predicts, suggests and delivers new options before customers ask.

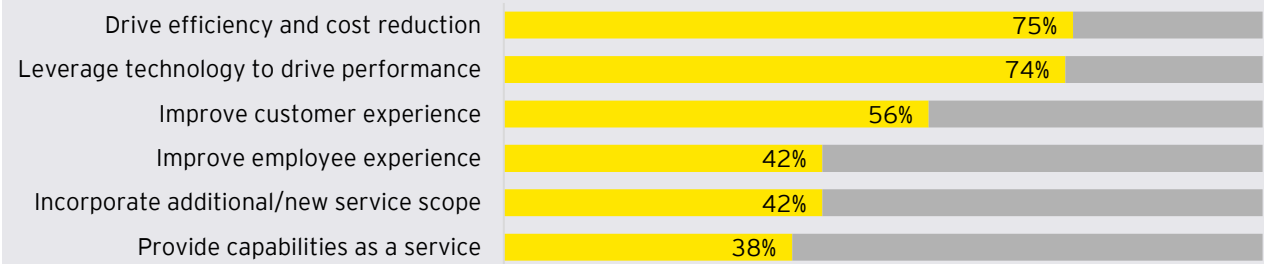
The service portfolio becomes a living whitepaper, where an AI chef autonomously tweaks recipes and retires flops.

Together, they form a self-governing lifecycle: the service catalog feeds Agentic AI real-time consumption data, while the portfolio empowers it to align offerings with strategic goals—innovating, not just optimizing.

4. The Role of Service Portfolio & Catalog: Cornerstones of Effective Operations

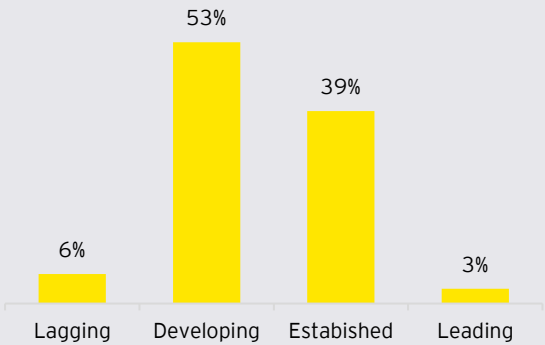
The need for GBS to prioritize customer experience (Cx) and employee experience (Ex) is undeniable. Research from SSON and EY (February 2025) highlights Cx and Ex as the top priorities for GBS over the next five years.

Figure 4: What are your GBS top priorities over the next five years?

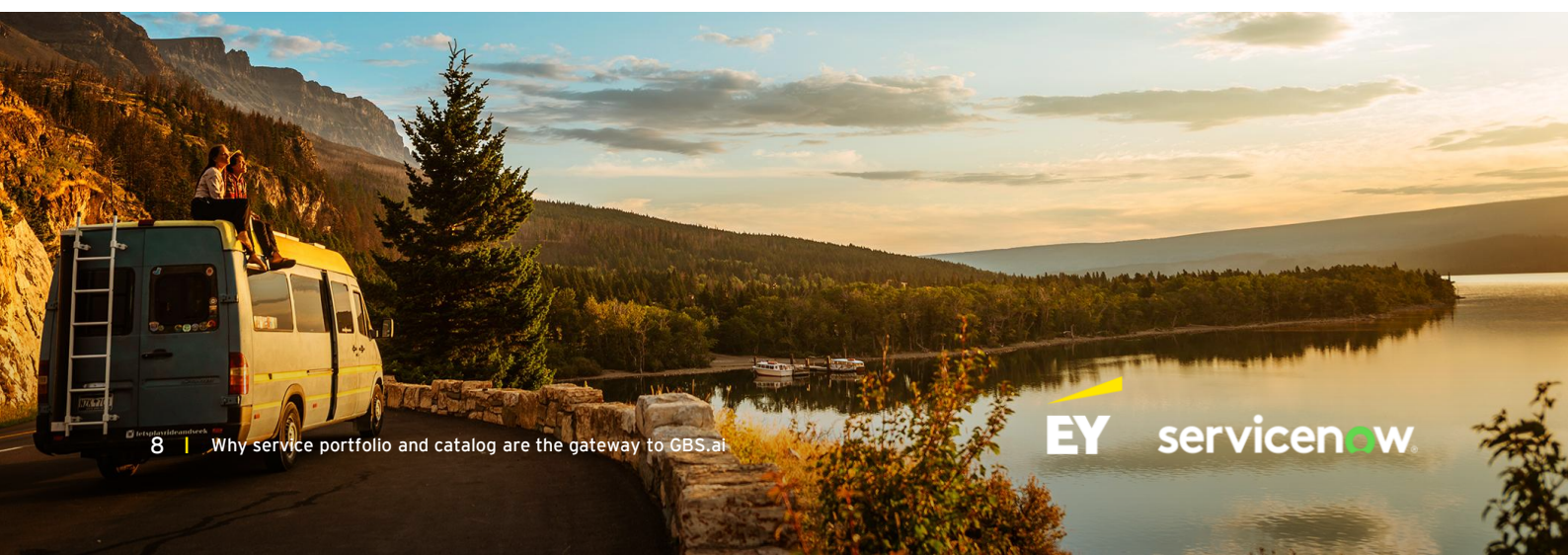


However, a significant gap exists; around 60% of GBS lack a unified service catalog, and less than one in three report having a common framework—often, the reality is even worse. For customers, this results in a confusing jumble of terms and offerings, akin to a 'Tower of Babel,' that obscures the value of GBS. Moreover, this lack of clarity hampers AI's ability to access the clean, consistent data needed for predicting trends, automating processes, and personalizing services.

Figure 5: How advanced are your Service Catalog management practices?



- **Lagging:** No service catalog exists
- **Developing:** Service catalog exists at least for part of the scope but are still fragmented
- **Established:** Standardized catalog globally with periodic updates for majority of the scope
- **Leading:** AI-driven dynamic service catalog with real-time updates and predictive recommendations



The Senior Vice President (SVP) and GBS Head at a leading global consumer goods company was challenged by the Board to articulate GBS's scope, value, and impact in plain terms. Despite successfully migrating thousands of activities and jobs into a multi-functional GBS, confidence in a \$100M business case declined. The root of the problem was a patchwork service catalog scattered across spreadsheets, lacking coherence. By aligning and unifying the service catalogs across the various functions within GBS, the SVP not only restored credibility but also established a foundation for AI to anticipate business needs, unlocking opportunities for proactive value creation.

A consistent, comprehensive, and customer-oriented service portfolio and service catalogs provide the following benefits:

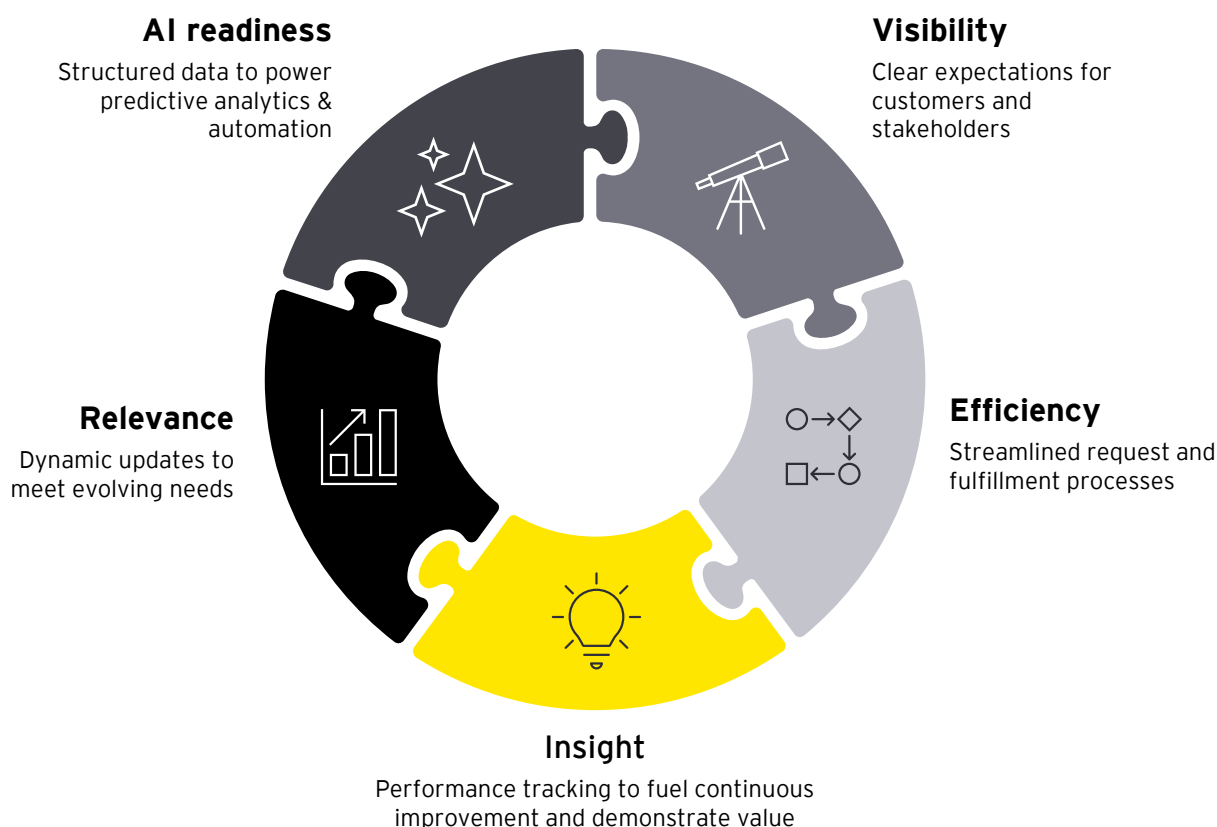


Figure 6: Benefits linked with state-of-the-art Service catalogs

Ultimately, these advantages enhance GBS's credibility, showcasing its organization, professionalism, and readiness for the AI era.



Fast forward

SSON and EY research underscore service excellence through improved customer experience as GBS's five-year north stars, with agentic AI playing a crucial role in accelerating this shift. Over 70% of GBS lack a unified service catalog taxonomy, creating a data chaos that cripples traditional AI.

Enter Agentic AI: it autonomously unravels this 'Tower of Babel', delivering a coherent service portfolio and service catalog that anticipate needs before they are voiced.

A consumer goods giant didn't just align functional catalogs manually – Agentic AI surfaced proactive insights, securing the \$100M case with self-generated credibility.

5. Creating the service portfolio and catalog: A step-by-step implementation guide

After a spinoff, a senior executive encountered challenges with a GBS that lacked a clear service catalog, hindering its value demonstration. He mobilized his leadership team to create a unified service portfolio, clarifying GBS's value and positioning it for AI-driven growth. This transformation converted data into predictive insights, gaining executive support for expansion. The following 8-step approach serves as a blueprint for others seeking similar success:

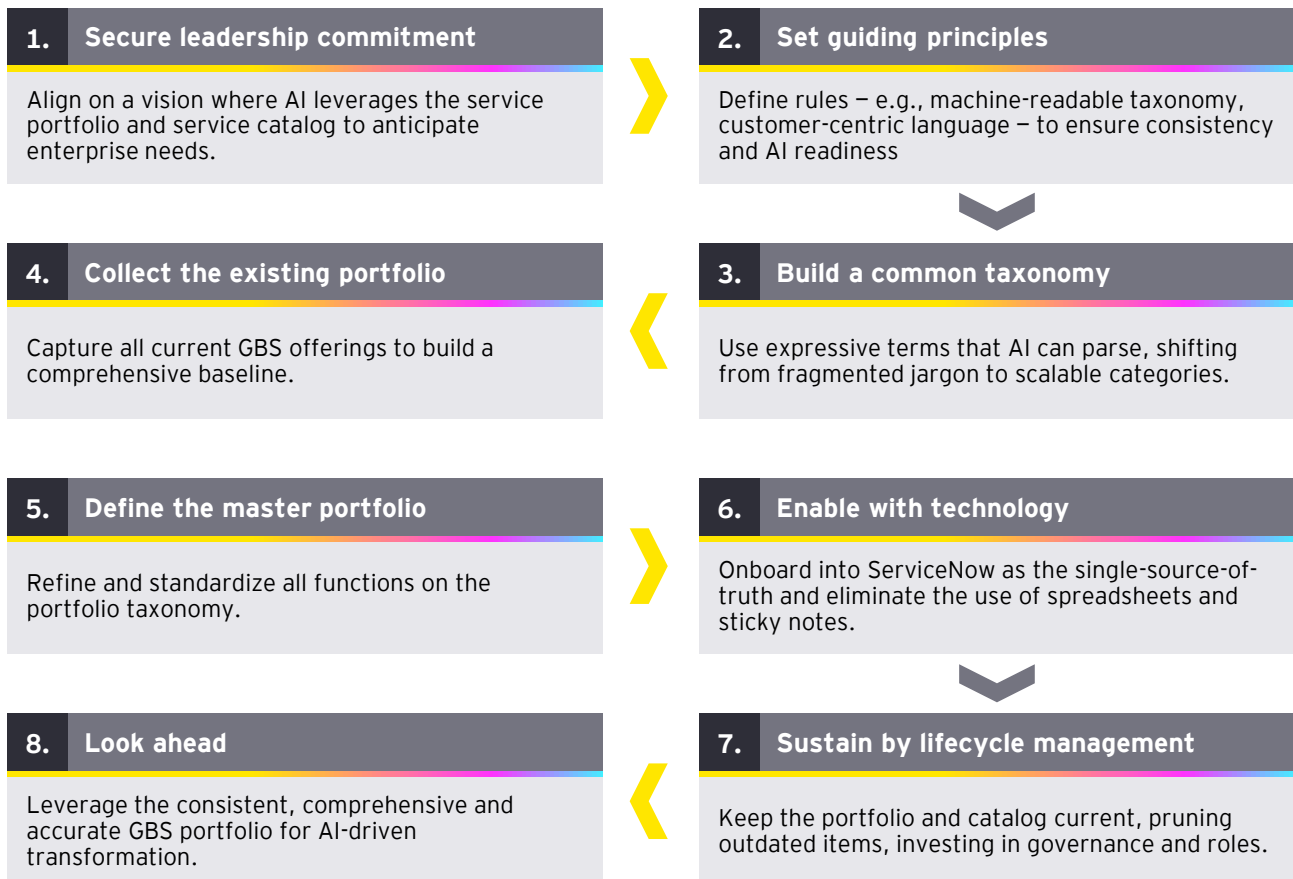


Figure 7: How to create and sustain a GBS Service Portfolio and Catalog

Step 3 requires significant effort to build a common taxonomy, especially given varying maturity levels across functions (IT and HR are typically more advanced). This step involves aligning existing taxonomies into a unified structure to ensure consistency and clarity.



Some golden rules - since a catalog is consumed by GBS' customers, it needs to be:

- *Comprehensive and current*: include all items to maintain user confidence.
- *Accessible and intuitive*: users should find it straightforward to use and easy to interpret.
- *Expressive and consistent*: clearly convey offerings with uniformity across services.
- *Searchable and expandable*: Support AI-enabled search and accommodate a flexible taxonomy for grouping services.
- *Relevant*: display only pertinent services based on user profiles.

Figure 8 shows a proven taxonomy that is both adaptable and aligns well with ServiceNow, as discussed in a later section. Levels 1 and 2 focus on aggregation, while Levels 3 and 4 are transactional. The naming of these levels will need to be adjusted to fit individual GBS branding, maturity, and cultural context, ensuring clarity and relevance for the organization.

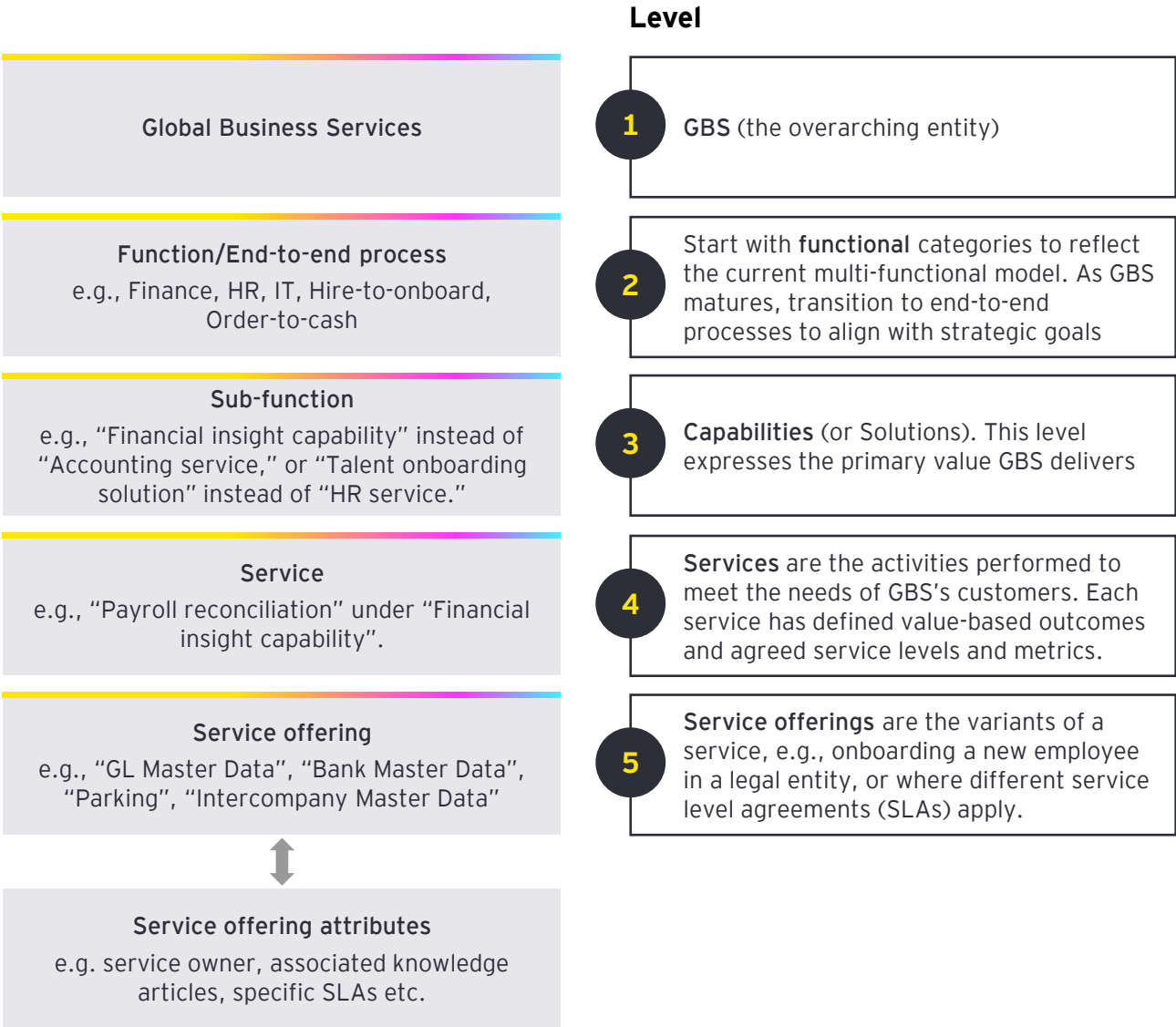


Figure 8: Proven taxonomy for GBS service portfolios



Fast forward

GenAI tools are valuable for extracting and normalizing data from legacy catalogs and proposing functional catalogs based on defined principles (Step 3).

In the future, an AI-powered portfolio can enhance value creation through:

- **Predictive Analytics:** Forecasting demand from portfolio adoption data (e.g., spikes in "Talent Onboarding Solution" requests).
- **Automation:** Linking portfolio items to AI workflows in ServiceNow (e.g., auto-generating performance reports).
- **Strategic Insights:** Analyzing trends to prioritize high-value capabilities.
- **Self-Generating:** Agentic AI can create a taxonomy, proposing 'Talent Onboarding Capability' from fragmented data.

6. Making service portfolio and catalog work: Single source of truth in ServiceNow

To establish a robust Service Portfolio and establish it as a single source of truth within ServiceNow, GBS must systematically collect, structure, and govern its capabilities. This approach ensures the Portfolio evolves alongside GBS—from a multi-functional foundation to an end-to-end transformation engine—while enabling AI-driven insights that enhance decision-making and operational efficiency. The following figure illustrates how the GBS taxonomy outlined in Chapter 5 maps to ServiceNow's data model.

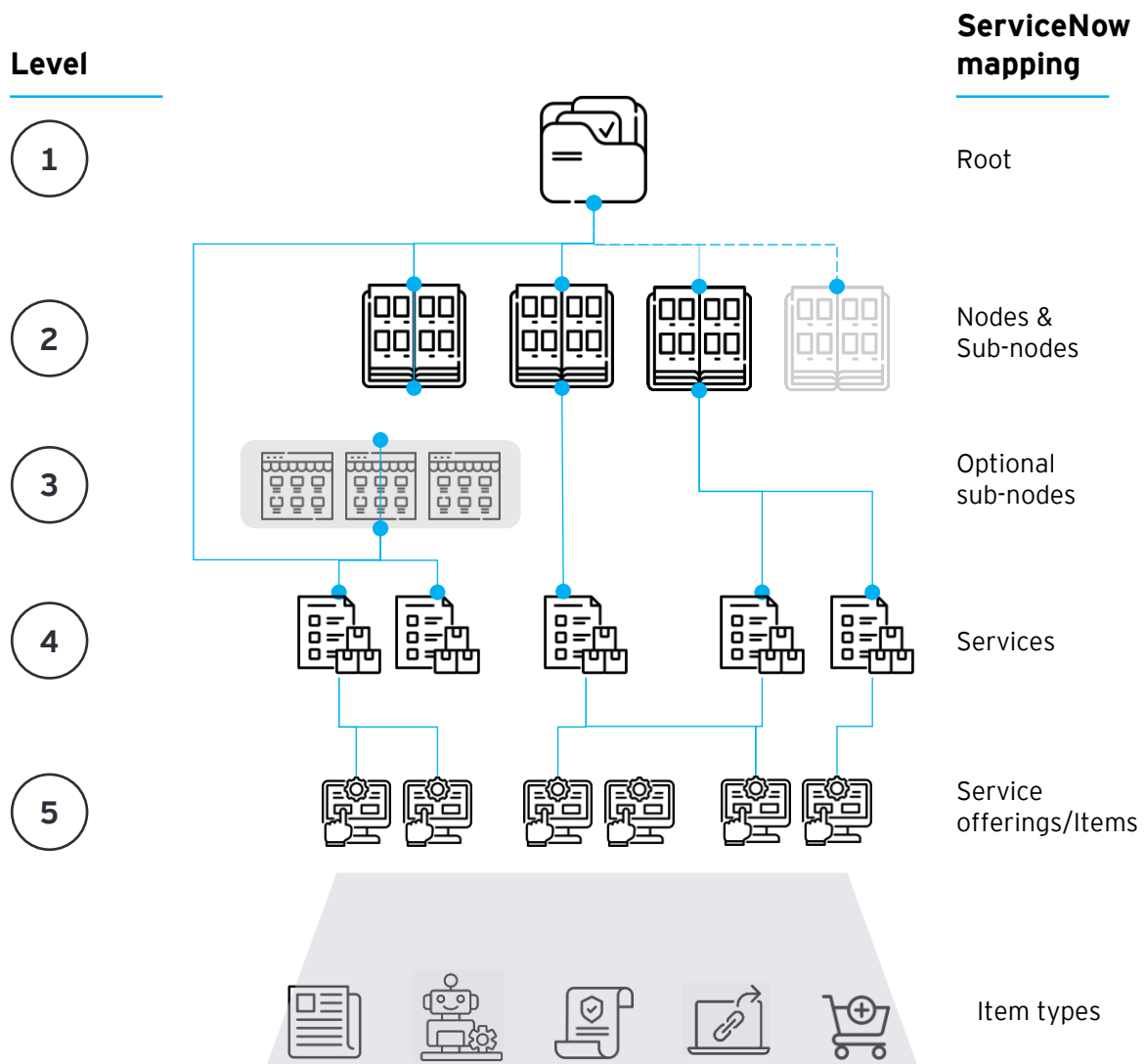


Figure 9: GBS taxonomy mapped to ServiceNow's data model



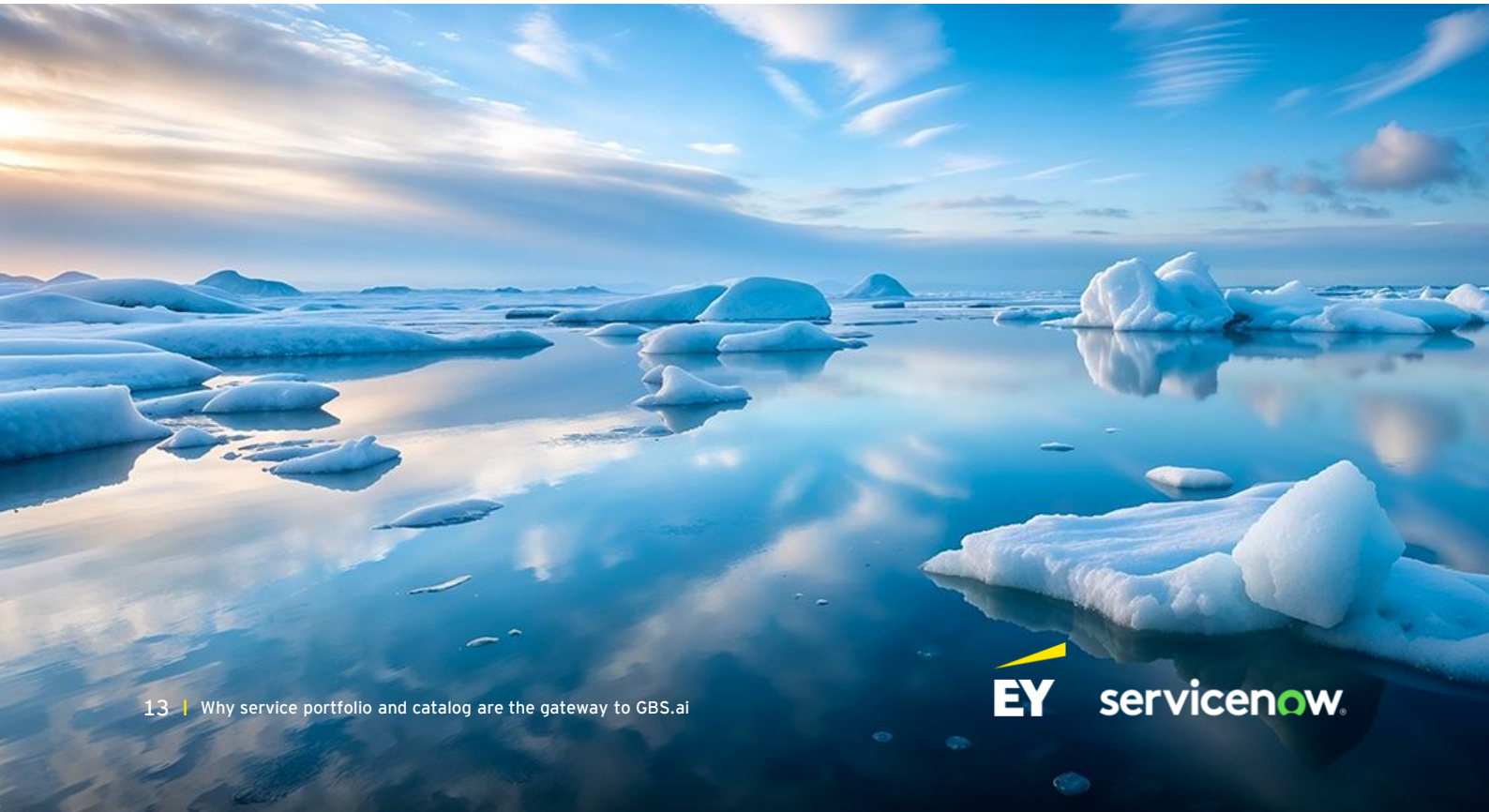
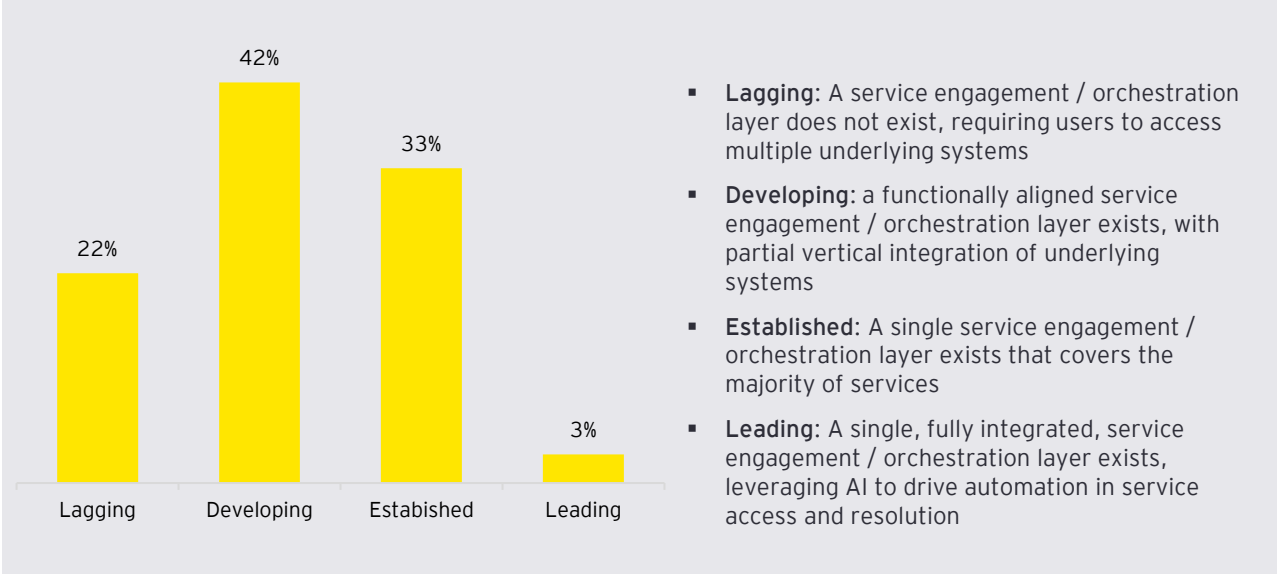
Fast forward

ServiceNow hosts self-managing AI agents that onboard, refine, and govern capabilities, turning GBS into an adaptive organism.

Successful implementation of the GBS service portfolio and taxonomy in ServiceNow requires deployment of the *Service Portfolio Management* and *Service Catalog Management* modules, with supporting use of *Knowledge Management* and *Request Management*. These modules must be configured to reflect the organization's taxonomy, ensuring a single source of truth, seamless user experience, and readiness for AI-driven insights and automation.

Sustained leadership commitment, along with incentives and training for local teams are essential - technology alone does not solve the 'Tower of Babel' problem. Equipping employees with the necessary skills to manage these tools effectively will maximize their potential and drive successful implementation. This includes not only understanding how to use ServiceNow but also fostering a mindset that embraces continuous improvement and innovation, which can lead to increased adaptability and enhanced problem-solving capabilities, enabled by the increased adoption of technology and AI.

Figure 10: How effectively are you applying technology including AI to service management?



7. No free lunch: Governance strategies for sustaining impact

Having created a single, consistent service portfolio and catalog mapped to ServiceNow as the single source of truth, the real-world challenge is to maintain and evolve them to preserve and extend their value.

Governance is key—embedding roles close to service evolution while empowering a central team to safeguard integrity.



Central governance

Ensure Data Management / Governance and knowledge sources are managed centrally across the enterprise



Scalable platform

Build a foundation based on which all AI capabilities can be launched from, knowledge sources being entered



Capabilities hub

Create an environment where employees can build their knowledge base to leverage AI capabilities

Figure 11: Organization requirements to accelerate and sustain AI impact



Fast forward

Service Owners review AI-proposed catalog updates, ensure customer experience fit, and validate agentic AI's autonomous catalog refinements.

Central Portfolio Managers set strategic goals for agentic AI to execute and define the outcomes agentic AI should achieve (e.g., adoption rates).

AI Specialists become Agentic AI Orchestrators, managing AI agents, tuning autonomy levels and ensuring agentic AI delivers cohesive, value-driven results.

For example, local and central roles collaborate through monthly syncs to resolve taxonomy disputes and share AI insights, with GBS leadership providing sponsorship.

Local GBS teams are responsible for maintaining catalog items and knowledge articles, ensuring that AI has fresh, accurate inputs. Their role is also to systematically gather, analyze and act on customer feedback.

Central Portfolio Managers enforce consistency, oversee the Portfolio as GBS's strategic 'calling card,' manage service lifecycles (active, planned, retired), and align services with enterprise goals. Looking ahead, they will leverage portfolio data to train AI on adoption trends and strategic gaps, ensuring AI outputs align with business priorities, such as consolidating overlaps.

Central Catalog Architects design and enforce a consistent, scalable catalog taxonomy, integrate with ServiceNow and other platforms, and ensure adherence to MECE¹ principles. They structure catalog metadata for AI readability (e.g., predictive search) and enable AI to seamlessly aggregate performance metrics across services.

An emerging AI specialist role could optimize algorithms using portfolio insights, ensuring AI delivers value by maintaining high-quality inputs for predicting demand spikes and adjusting models to prioritize high-traffic catalog items, thereby enhancing efficiency.

The above governance-with clear established roles-is the foundation to measure the organizational success of its service portfolios and service catalogs.

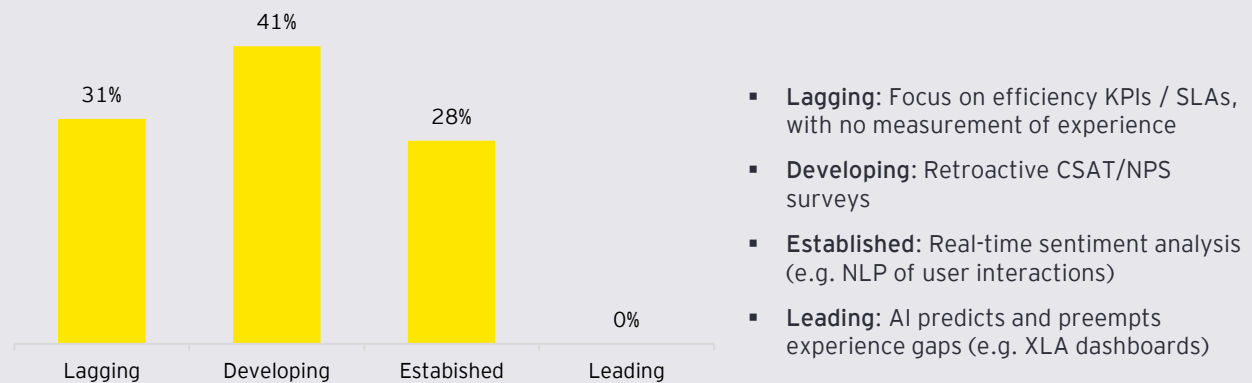
¹Mutually Exclusive and Collectively Exhaustive



8. Measuring success in GBS: Essential metrics for tracking progress

A robust service portfolio and catalog are only as valuable as the outcomes they deliver. Metrics and key performance indicators (KPIs) serve as the scoreboard, tracking adoption, ensuring transparency, and enhancing stakeholder credibility. However, EY research indicates that fewer than one in three organizations report having well-established predictive measurements.

Figure 12: How do you measure service performance?



KPIs illuminate GBS's performance, guide continuous improvement, and validate its readiness for AI-driven transformation. Here are a few examples that illustrate these concepts.

Metric	Description
Portfolio adoption rate	Percentage of active Service Portfolio capabilities (e.g., "Financial Insight Capability") utilized by business units or functions relative to the total available. ▪ Target: >80% adoption within 12 months of onboarding to ServiceNow. ▪ Why it matters: High adoption signals relevance and trust in GBS's offerings. Low adoption highlights gaps – e.g., outdated capabilities needing retirement. ▪ AI link: AI analyzes adoption trends to predict demand shifts, flagging underused items for review (e.g., a 20% adoption rate for "Legacy Reporting Capability" triggers consolidation). ▪ Example: If 90 out of 100 Service Portfolio capabilities are actively used, adoption is 90%.
Portfolio health score	Percentage of Portfolio capabilities aligned with current enterprise strategy, free of overlaps, and updated within the last quarter. ▪ Target: >90% health score. ▪ Why it Matters: A healthy Portfolio ensures GBS focuses on high-value, non-redundant solutions, reinforcing its transformation role. ▪ AI link: AI flags misaligned or duplicate capabilities (e.g., overlapping "Performance Insight" solutions across Finance and IT), enabling proactive pruning. ▪ Example: A score of 85% indicates 15% of capabilities need realignment or retirement.
Catalog adoption rate	Percentage of entitled users (by role, geography, etc.) submitting requests via the Catalog monthly ▪ Target: >75% adoption within 6 months of launch. ▪ Why it Matters: High adoption reflects an intuitive, valuable Catalog, reducing shadow requests outside the system. ▪ AI link: AI predicts request patterns, improving Catalog visibility (e.g., prioritizing "Payroll Accuracy Solution" for frequent users). ▪ Example: If 600 out of 800 entitled employees use the Catalog, adoption is 75%.

Depending on the company's maturity and readiness, Service Owners can consider more advanced, outcome-based metrics such as business impact, innovation rate, and customer NPS linked directly to the usage of the service catalog.



Fast forward

AI value creation: revenue or efficiency gains from agentic AI proposals (e.g., \$5M from a new capability).

Autonomous resolution rate: % of catalog requests handled end-to-end by Agentic AI.

Catalog usability score: shift to autonomous customer experience improvement rate—how fast agentic AI enhances satisfaction without human input.

Conclusions

As we enter a new transformative era in GBS, the service portfolio and catalog are essential catalysts for innovation and growth. AI enhances both: a structured service catalog provides clean data to predict demand and streamline requests, while the service portfolio aligns AI with strategic priorities and identifies innovation gaps. With these components, GBS becomes a foresight engine, enabling proactive decision-making and strategic growth.

Harnessing AI allows GBS to shift from a traditional support function to a strategic partner within the enterprise. This evolution requires clarity, consistency, and customer-centric service offerings.

The journey begins with a unified service catalog that simplifies access and consumption and enhances user experience, alongside a comprehensive service portfolio that aligns capabilities with business objectives. Together, they empower GBS to anticipate needs and deliver personalized value.

Organizations that prioritize AI integration with their service frameworks will enhance operational effectiveness and secure market leadership. Now is the time to act—embracing these changes will ensure GBS thrives in a future defined by innovation and service excellence.

Takeaways

- **Empowerment through clarity:** A unified service portfolio and catalog enable GBS to clearly articulate its value proposition, transforming complex offerings into accessible solutions for stakeholders.
- **AI as a strategic ally:** Integrating AI into the service portfolio and catalog allows GBS to shift from reactive to proactive service delivery, anticipating business needs and driving innovation.
- **Customer-centric transformation:** Prioritizing customer experience in service design fosters deeper engagement and satisfaction, positioning GBS as a vital partner in achieving organizational goals.
- **Data-driven decision making:** Structured and consistent data within the service catalog enhances AI capabilities, enabling predictive analytics that inform strategic decisions and optimize resource allocation.
- **Continuous evolution:** Regular updates and governance of the service portfolio and catalog ensure GBS remains agile and relevant, adapting to changing market demands and technological advancements.

Authors



Maria Saggese

Partner
EY Global and EY Europe West
GBS Solution Leader &
ServiceNow Alliance Leader
maria.saggese@nl.ey.com



Dr. Scott Mason

Partner
COO & Managed Services Leader
EY Switzerland
scott.mason@ch.ey.com



Andrew Zarenski

Partner
EY ServiceNow GBS Global
Offering Lead
Andrew.Zarenski@ey.com

Contributors:

Fausto Grelli

Head of Enterprise Service Management
McDonald's
fausto.grelli@ch.mcd.com

Rahul Chauhan

Director Enterprise Service Management
EY Switzerland
rahul.chauhan@ch.ey.com

Rui Cavalheiro

Associate Director & Product Owner - Service
Delivery Solutions
EY Portugal
rui.cavalheiro@pt.ey.com

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