

DESIGNING A RESILIENT FUTURE



A Knowledge Paper by SSF Global

**INDIA AS THE GLOBAL HUB FOR GCCs
NAVIGATING OPPORTUNITIES, CHALLENGES,
AND STRATEGIC GROWTH**

Designing a Resilient Future

India as the Global Hub for GCCs – Opportunities Navigating, Challenges, and Strategic Growth

Opportunities Driving GCC Growth in India

1. Talent Advantage

India's vast and highly skilled workforce continues to be the foundation of its GCC success. With a strong base in technology, finance, analytics, and emerging technologies such as AI and blockchain, the Indian workforce is well-positioned to take on complex global roles. India produces a vast pool of graduates every year – around 10 million, all proficient in English and well-versed in digital technologies. It includes ~1.5 million engineers, 1.2 million science graduates and a similar number of graduates from the commerce stream. This creates a strong base of experienced professionals, ensuring a continuous influx of both skilled talent and industry-ready expertise into the ecosystem.

2. Digital & AI-Powered Transformation

In the fiscal year 2024, India's IT industry continued its upward trajectory, with total revenues marking a 3.8% year-on-year growth. The domestic market also demonstrated robust performance, contributing over \$54 billion, which represents a 5.9% growth year-on-year. India-based GCCs are at the forefront of enterprise digital transformation. The adoption of AI/ML, hyper-automation, and cloud computing is enabling companies to drive efficiencies, enhance customer experiences, and deliver high-value insights

to global stakeholders. This shift from transactional to transformational work is a key driver of India's growing influence in the GCC space.

3. Cost Efficiency & Scalability

India continues to offer a significant cost advantage compared to most other geographies. The ability to scale operations at a lower cost while maintaining high service quality makes India an attractive destination for multinational corporations. This includes cost of employees, infrastructure, telecommunication, cost of capital, etc. India's cost advantage for GCCs is evident when comparing operational expenses across various countries. A detailed analysis reveals that establishing and running a 30-member GCC team in India incurs significantly lower costs than in the USA, UAE, Germany, or even Malaysia.



Introduction

India has emerged as the premier destination for Global Capability Centres (GCCs), leveraging its deep talent pool, cost advantages, and rapidly evolving digital infrastructure. This report explores India's rise as a GCC hub, analysing key opportunities, challenges, and strategic imperatives that will define its future. With global enterprises increasingly relying on India for high-value services, the need for sustainable talent strategies, technology-driven transformation, and innovation-led business models is more critical than ever.

India's Rise as a Global GCC Hub

Over the past two decades, India has transitioned from being a cost-driven outsourcing destination to a global hub for enterprise innovation, digital transformation, and strategic business operations. Today, over **1,700 GCCs** operate in India, employing more than **1.6 million professionals**. With a shift from traditional business process outsourcing to high-value functions such as artificial intelligence (AI), automation, cybersecurity, and analytics, India is redefining the GCC landscape.

COST COMPARISON FOR A 30-MEMBER GCC TEAM:

Cost Category	India (USD)	USA (USD)	UAE (USD)	Germany (USD)	Malaysia USD
Labor Costs (Annual)	\$450,000	\$2,550,000	\$1,890,000	\$1,239,600	\$20,000–\$30,000
Real Estate Costs	\$36,000	\$338,000	\$314,211	\$85,020	\$2–\$3 per sq. ft per month
Operational Costs	\$240,000	\$1,200,000	\$100,000	\$300,000	Higher than India but offers strong regional connectivity and government incentives.
Total Annual Costs	\$726,000	\$4,088,000	\$2,304,211	\$1,624,620	Overall, higher than India

Source: Wisemonk

It is generally seen that amongst others, certain key factors, such as labour costs contribute to India's cost advantage to an extent of 30-40% less with no compromise on skill or expertise. The cost advantage of real estate and infrastructure are significantly lower – up to 50-70% less in certain cases. GCCs in India benefit from economies of scale, streamlined processes, and a favourable business environment, further reducing operational expenses.

These cost advantages, combined with India's vast talent pool and supportive government policies, make it an attractive destination for multinational corporations looking to establish or expand their GCC operations.

4. Start-up Eco-system & Innovation Partnerships

Ensuring low-cost opportunities in partnership involving innovative solutions. India's thriving startup ecosystem provides a significant advantage for GCCs seeking to drive innovation and digital transformation. With over 100,000 startups, including 100+ unicorns, India offers a dynamic environment for GCCs to collaborate with emerging tech firms, leverage cutting-edge solutions, and co-develop innovative products. The availability of incubators, accelerators, and venture capital funding further enhances India's attractiveness as a hub for business experimentation and next-generation technology development.

5. Policy & Regulatory Support

The Indian government has been proactive in fostering a favourable business environment for GCCs. Policies supporting ease of doing business, tax incentives, and reforms in data protection and labour laws are enhancing India's competitiveness as a global service hub.

In fact, quite recently, as an acknowledgment of the crucial role that tech advancements, Enterprise Services & GCC industry are playing in contributing towards the growth of the country's GDP, the government announced a national framework for supporting the GCCs and a Rs 500-crore AI Centre of Excellence for education in Budget 2025. Additionally, India's political stability, consistency in policy, favourable financial position, well-balanced foreign policy, and strong GDP growth trajectory – both demonstrated and projected – further enhance its appeal as a resilient and future-ready global hub for enterprise services.

Challenges in India's GCC Ecosystem

1. Talent Shortages & Skill Gaps

While India has a strong talent base, there is a growing demand-supply gap in niche skills such as AI, cybersecurity, and advanced analytics. The rapid and almost sudden shift in the required skills has created a significant challenge for GCCs in India. While the country possesses a strong talent base, there is an increasing shortage of niche skills such as AI, cybersecurity, and advanced analytics. Moreover, there is a pressing need for generating actionable insights with accountability, as many organizations struggle with a lack of data fluency and effective data analytics.

India often acts as the first 'Guinea Pig' in testing lower-cost models, which can sometimes lead to compromises in operational quality. Many industry leaders have pointed out that GCCs are expected to be agile and serve as a bridge between business units, ensuring that strategic initiatives are well-integrated across functions. Additionally, underutilization of ERP systems further hampers process optimization and strategic decision-making, creating a disconnect between the cost of people and the quality of work delivered.

Additionally, high attrition rates, an unsustainable talent war, and a lack of leadership capabilities pose real concerns for the industry's future.

What can the leaders do?

Given time and the commitment of Indian leadership, this skill gap can be bridged through structured upskilling initiatives, ensuring India's continued dominance in the GCC landscape. To empower the GBS/ GCCs A comprehensive, multi-pronged strategy must be adopted to not only overcome current challenges but also set new benchmarks for global excellence.

👉 Invest in your own '**Excellence Academy**' to ensure robust upskilling and continuous learning possibility for the people. This can be possible by partnering with academic institutions and industry experts. Organizations can build a culture of data fluency and technical excellence, over a period.

👉 Prioritize establishing **dedicated centres of excellence (CoE)** focused on innovation and digital transformation. This can help to bridge the gap between cost-efficiency and quality of work and enable complete utilization as well as integration of ERP to business processes, ensuring seamless data flow and accountability, and transforming raw data into actionable insights.

👉 Set up **cross-functional teams** that act as agile connectors between business units. GCCs can more effectively align strategic priorities and drive measurable results, while ensuring resource fungibility so that talent remains flexible and ready to fill any role.

👉 Redefine career paths through **clear progression frameworks**. Rewarding innovation can help overcome the perceived glass ceiling, ensuring that the talent remains motivated and engaged in a rapidly evolving ecosystem.

2. Regulatory & Compliance Complexities

With increasing global scrutiny on data security and compliance, GCCs in India must navigate complex regulatory landscapes, particularly in Intellectual property (IP) laws and cross-border governance standards, which apply universally to all offshore entities and are not unique to India.

What can the leaders do?

Leaders can transform regulatory challenges into strategic enablers, ensuring that GCCs not only meet global compliance standards but also leverage these processes as a competitive advantage by following some practices.

👉 **Establish a Dedicated Compliance Center of Excellence (CoE):** Create a centralized hub that brings together legal, risk management, IT, and operations teams. This CoE can monitor emerging regulatory changes, manage compliance documentation, and coordinate across functions to ensure a unified strategy for data security, IP protection, and cross-border governance.

👉 **Leverage RegTech Solutions:** Invest in regulatory technology to automate compliance reporting and real-time monitoring. Advanced RegTech tools can streamline the tracking of regulatory updates and ensure timely adherence to new policies, reducing the risk of non-compliance.

👉 **Foster Cross-Functional Collaboration:** Build agile teams that connect corporate legal, IT, and business units. By ensuring these teams act as agile connectors, leaders can effectively align regulatory initiatives with business objectives. This integrated approach not only supports compliance but also drives value by embedding governance into everyday operations.

👉 **Strengthen Partnerships with Regulatory Bodies:** Proactively engage with global and local regulatory authorities. By establishing these relationships, organizations can gain early insights into upcoming regulatory changes and adapt strategies accordingly.

👉 **Invest in Training and Scenario-Based Simulations** Develop comprehensive training programs focused on data governance, compliance best practices, and risk management. Scenario-based simulations and periodic audits can prepare teams for real-world challenges, ensuring that compliance becomes a part of the organizational culture.

👉 **Adopt a Proactive Risk Management Framework** Implement robust data integrity checks, periodic audits, and integrated dashboards that provide real-time insights into compliance status. This framework allows leadership to swiftly address potential issues before they escalate, ensuring sustained operational resilience.

3. Evolving Expectations in Value Creation

GCCs are no longer just cost centres, as we knew them to be. Today they are expected to drive strategic value for their parent organizations. The shift towards innovation, customer experience enhancement, and end-to-end digital transformation presents new challenges in redefining operating models. Furthermore, GCCs are now expected to demonstrate agility, serving as bridges between business units and delivering insights with accountability.

What can the leaders do?

Implement strategies that can transform GCCs into agile, accountable, and strategically aligned engines of value creation, positioning them as integral partners in driving innovation and competitive advantage.

👉 **Break down silos** - an aspirational goal for many organizations. Creating agile, cross-functional teams that can rapidly understand diverse business needs, can become the connective tissue between various business units, ensuring that the strategic objectives are aligned and that insights are shared seamlessly.

👉 **Cultivate a culture of continuous learning and innovation,** agile learning methodologies and leadership development initiatives will empower teams to adapt to drive sustained value creation.

👉 **Embed data accountability with data governance frameworks** to ensure timely data-driven insights that are tied directly to business outcomes. This can be achieved by setting up performance dashboards, regular audits, and a culture that prioritizes data integrity and actionable insights.

4. Competition from On-shore, Near-shore and other Geographies

As global enterprises evaluate multiple service delivery models, India faces competition from onshore and nearshore locations that offer localized advantages. While India remains a cost-effective and scalable hub, the rising investments in automation and AI-driven efficiencies in other geographies pose a challenge that needs to be countered with continuous innovation and value-driven service delivery.

What can the leaders do?

Leaders must be able to convey to their HQ about the advantages of selecting India as a destination over onshore or nearshore destinations for setting up the GBS/ GCCs. This can be achieved if business leaders.

✚ Embed a blend of **skilled talent and advanced analytics technology** to transform outcomes from India GCCs into real and meaningful business results.

✚ **Invest in Thought Leadership** – Be a part of the global conversations - publish whitepapers, blogs, and POVs on global trends - especially around tech, digital transformation, and operating models.

✚ **Strengthen Ecosystem Collaboration** by partnering with academia & skilling platforms: Influence curriculum, fund R&D, and sponsor innovation programs.

✚ **Adopt continuous learning and agile practices** within teams to ensure rapid adaptation and effective responses to evolving business needs.

Strategic Imperatives for Sustainable GCC Growth

As GCCs aim for sustained growth and long-term success, they must adopt forward-thinking strategies that address the evolving enterprise landscape. The following strategic imperatives provide a roadmap for achieving this:

Building Future-Ready Talent Strategies

- › Establishing **structured skilling programs** in collaboration with universities.
- › Implementing AI-driven learning pathways for continuous employee development.
- › Creating leadership development initiatives to build a resilient talent pipeline.

Enhancing Digital & AI Capabilities

- › Investing in AI-powered automation for operational efficiencies.
- › Driving cloud adoption and intelligent data management.
- › Implementing cybersecurity frameworks to enhance data security.

Strengthening Industry-Academia Collaboration

- › Developing work-integrated degree programs aligned with industry requirements.
- › Encouraging **joint research initiatives** between corporates and academic institutions.
- › Promoting **internship and apprenticeship** models for real-world exposure.

Creating Innovation-Led GCC Models

- › Encouraging cross-functional **innovation labs** within GCCs.
- › Building **AI & Analytics CoE** (centres of excellence) to drive enterprise insights.
- › Driving agile working models to foster **collaboration** and speed of execution.

Success Stories of Leading GCCs Transforming in India



1. AI-Driven Finance Transformation

A global investment bank leveraged its India GCC to build AI-powered financial analytics models, leading to a **20% improvement in risk assessment accuracy** and a **30% reduction in operational costs**.



2. Intelligent Automation in Healthcare GCC

A healthcare GCC in India implemented robotic process automation (RPA) for medical claims processing, achieving **50% faster turnaround times** and a **40% reduction in manual errors**.



3. Cloud-Powered Customer Experience Enhancement

A Fortune 500 retail company's India-based GCC leveraged AI-driven cloud solutions to personalize customer interactions, leading to a **25% increase in customer satisfaction scores** and a **35% improvement in response time** across digital channels.



4. Next-Gen Cybersecurity Hub

A global banking major set up a cybersecurity CoE (centre of excellence) in its India GCC, deploying automated threat detection systems that resulted in a **40% reduction in security breaches** and a **60% improvement in incident response times** through automated threat intelligence.



5. A Story of a Different Kind

A multinational corporation implemented Agentic AI in its Accounts Payable process aiming for automation and efficiency. However, the project failed due to poor integration with legacy systems, inadequate training data, and insufficient human oversight. These shortcomings led to processing errors and workflow disruptions, ultimately undermining the intended cost and efficiency benefits.

Learnings:

- › Robust Integration is the key to success. Hence, ensuring that new AI systems integrate seamlessly with existing legacy systems will help avoid operational disruptions.
- › Quality Training Data that is comprehensive as well as context-specific is key to train AI models effectively.
- › Maintain sufficient human oversight to catch errors early and refine processes.
- › Pilot testing of the solution and engaging stakeholders to manage change successfully is a key success factor for all automation initiatives.

Actionable Recommendations for Building Value-driven Global Innovation Hubs

To sustain the leadership in the GCC landscape and reinforce its status as the world's preferred GCC destination, India must take a proactive approach in shaping its long-term strategy. This involves:



Redefining Talent Strategies – Moving from capacity-based hiring to skill-based workforce planning, ensuring that employees are equipped with future-ready digital, analytical, and leadership skills.



Fostering a Culture of Innovation – Creating a structured environment that nurtures emerging technologies, accelerates digital transformation, and builds new business models for value creation.



Investing in AI & Automation – Scaling AI-driven operations to enhance efficiency and create high-value business impact while ensuring workforce adaptability.



Strengthening Industry-Academia Partnerships – Engaging with universities and skill-development bodies to produce job-ready professionals who meet the specific needs of GCCs.



Building Resilient and Agile Operating Models – Adopting a flexible and scalable approach to navigate economic and regulatory changes while ensuring sustainable business growth.



Enhancing Regulatory Compliance and Data Security – Staying ahead of evolving global compliance frameworks to build trust and mitigate risks associated with cross-border operations.

With these guiding principles, GCCs can drive transformation from being traditional service delivery centres to becoming strategic enablers of business growth. This will ensure that India remains a resilient and competitive GCC destination, fostering sustained global leadership in enterprise services.

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