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**THE NEXT AND NEW IN GCC
CHARTING THE COURSE FOR VALUE IMPACT**

EXECUTIVE SUMMARY



Global Capability Centres (GCCs) in India are undergoing a significant transformation – from traditional cost-focused support units to strategic hubs driving enterprise innovation and value creation. With over half of the world's GCCs now based in India and projections pointing to continued growth, these centres are increasingly taking on global mandates and leading functions such as R&D, digital transformation, and advanced analytics. Enabled by AI, automation, and cloud technologies, GCCs are becoming reinvention engines for their parent organizations. This evolution is reflected not just in the tech they deploy but also in how they build talent pipelines, with focus on continuous upskilling, leadership development, and human-AI collaboration, especially as Gen Z enters the workforce in larger numbers.

To maximize impact, GCCs are embedding themselves into broader innovation ecosystems by partnering with startups, academic institutions, and tech advisors. These collaborations allow them to co-create scalable, future-ready solutions while tapping into new sources of talent and ideas. Internally, the shift is toward agile operating models and outcome-based metrics – where success is measured by business results like faster product launches, innovation output, and revenue contribution, rather than just cost savings or headcount.

This paper emphasizes that the next wave of GCC value will come from centres that integrate technology, talent, and collaboration holistically, becoming true strategic partners in shaping the future of the enterprise.



INTRODUCTION

The Global Capability Centres (GCCs) have expanded dramatically as companies seek strategic value beyond cost arbitrage. The number of GCCs in India grew from roughly 750 in 2010 to about 1,750 in 2020, with forecasts approaching 2,400–2,550 centres by 2030. These centres now span diverse industries: while IT still dominates (~42–45% of GCCs) and financial services/BFSI about 20%, firms from healthcare, manufacturing, automotive – and even newer sectors like quick-service restaurants, airlines and agriculture – are establishing GCCs in India.

In short, India – often called the “**GCC capital of the world**” (hosting over half of all global GCCs) – has become the world’s hub for these in-house centres. This paper examines how GCCs can sustain this growth and maximize value by evolving from support centres into strategic innovation engines – integrating advanced technologies, transforming talent and organizational culture, leveraging partner ecosystems, and adopting outcome-driven metrics.



THE EVOLVING ROLE OF GCCs IN STRATEGIC VALUE CREATIONS



Traditionally seen as offshore cost centres, GCCs have rapidly shifted toward strategic value creation. Industry research notes that modern GCCs recalibrate an organization's future – moving from back-office support facilities to dynamic innovation hubs. They increasingly perform high-impact functions (IT, R&D, digital services, finance, etc.) and often house core capabilities like product development and cybersecurity.

In India, this trend is striking – with over 50% of the world's GCCs located here, with many assuming “global mandates” rather than isolated tasks. For example, mature GCCs are now measured by their **capability maturity** – the extent to which they own end-to-end projects independently – instead of just headcount or transaction volumes.

In essence, GCCs in India have become versatile assets that sharpen competitive edge to the organizations' core business, as leaders invest in building broad digital and engineering competence onshore.

TECH-INTEGRATED ENTERPRISE SERVICES AND THE NEXT LEAP IN CAPABILITIES



The technology profile of GCCs has evolved from basic IT and BPO to cutting-edge enterprise services. In the 2000s, offshore units mainly handled infrastructure and routine processes, but by 2010–2015 they took on strategic functions like customer service and research while adopting cloud and mobility. From 2015 onward, automation and AI became pervasive and India-based offshored in-house captive units started to lead deployments of Robotic Process Automation (RPA), intelligent analytics and AI tools to streamline workflows. Today's GCCs often function as 'reinvention engines' – using AI and hyper automation to transform processes end-to-end.

There are many success examples to confirm the above.

-  A leading European bank's India GCC formed an internal startup team of fintech experts to build a **pioneering digital payments platform**, significantly enhancing customer experience globally.
-  A major life-sciences firm leverages its India GCC to support over \$4 billion in oncology drug launches. The GCC in Bengaluru applies advanced analytics and AI for sales forecasting and dynamic pricing in new markets.
-  In manufacturing, Advance Auto Parts' Hyderabad GCC dramatically increased impact. It generated \$167 million in savings since inception and drove a 12% gain in revenues (with 140% growth in its direct-to-consumer channel) by digitizing its sales and supply chains.

There are several such case examples that emphasize that GCCs are adopting next-generation technologies (data science, AI/ML, IoT, etc.) to drive innovation and agility at scale, rather than merely processing transactions.

TALENT TRANSFORMATION AND THE FUTURE WORKFORCE FOR GCCS



Building advanced capabilities requires transforming how GCCs attract, develop and retain talent. Today's GCC workforce is vastly more skilled and diverse – they need data scientists, AI engineers and design thinkers, not just transaction processors. A key trend is human-AI synergy in skills development. By 2025, GenZ will be ~30% of the global workforce and demands personalized, technology-driven learning. For instance, a tech-enabled GCC launched a gamified AI-driven training app for junior employees. Within six months, course completions rate jumped 40% and participation in innovation projects rose to 25%. Such initiatives reflect the imperative to blend machine tools with human creativity and critical thinking.

GCCs are also tapping new talent pools. Post-pandemic, many firms are setting up or expanding centres in Tier-2 Indian cities to access untapped engineering and science talent at lower costs. This 'second wave' of GCC growth means building local campuses and communities beyond Bengaluru/Hyderabad. Importantly, success metrics for talent are shifting, rather than headcount or attrition, leaders track skill-growth metrics – the rate at which employees acquire new capabilities through diverse project exposure – and diversity of expertise.

GCCs now emphasize fungibility or internal mobility and reskilling (in AI, cybersecurity, etc.) as core to competitiveness. In short, the GCC workforce of the future is a learning ecosystem that continuously upgrades itself, melding digital fluency with soft skills to deliver sustained value.

COLLABORATION AND ECOSYSTEM PLAY



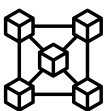
GCCs today are not isolated outposts but active nodes in both internal and external ecosystems. They routinely collaborate with global teams, business units and external partners to drive innovation. Externally, many GCCs engage with local universities, research institutions and startups to co-create solutions. A crucial highlight is a growing 'partner ecosystem' strategy, where GCCs form mutually beneficial ties with academia and tech incubators to access cutting-edge technology and relevant talent.

An upcoming business process excellence advisory company has a robust 'Tech Startup Ecosystem' to procure new tech which are beyond customizable. They are built as 'best-in-context' tech and deployed and managed by the advisory firm, thereby resulting in a win-win scenario for all 3 companies - Advisory, GCC and Tech Provider. Similarly, the advisory firm has several tie-ups with multiple academic institutions where they have lent their curriculum which has been written from the experiential learning of the senior experts and business services/GCC practitioners and provide opportunities for lectures from these experts and practitioners including mentoring and placement by them - giving a constant supply of people who come with expertise and have a low incubation period in the business.

Even GCCs are forging tie-ups with academia to ensure talent readiness. For instance, an auto-component GCC teamed with IIT Madras on complex R&D projects focused on new product design. Likewise, a pharmaceutical GCC collaborated with IIIT Bengaluru on AI-enabled solutions. These alliances allow rapid prototyping of high-impact solutions without heavy upfront investment, effectively extending the innovation pipeline of both the company and its partners.

Internally, top enterprises are breaking the 'us vs. them' silo between headquarters and GCCs by embedding GCCs into their global strategy. Leading companies now share KPIs (like time-to-market, revenue objectives) between the home office and GCC, fostering true co-ownership of outcomes. They may also co-locate innovation labs or centres of excellence (CoEs) where GCC staff work side-by-side with R&D teams. In essence, GCCs have become gateways to a blended ecosystem, linking corporate leadership, global employees and local innovators, all aligned to common goals. This collaborative model multiplies impact - GCCs amplify their parent's capabilities, while local partners gain industry insight and funding.

MEASURING IMPACT: EVOLVING SUCCESS METRICS FOR THE GCC JOURNEY



As GCCs mature, traditional success metrics (like cost savings, headcount) are giving way to outcome-based indicators. Modern scorecards blend lead and lag measures. On the other side, organizations track metrics like product **time-to-market**, speed of technology deployment, and the volume of innovation (PoCs or new solutions originated) from the GCC. They also measure talent acquisition in niche areas and employee skill development rates. Lag indicators still matter (operational cost reduction, cycle-time improvements, quality and compliance targets), but these are balanced with metrics on customer and business impact.

A key concept gaining traction is **capability maturity**, where mature GCCs are assessed by their ability to own and deliver complex,

high-impact projects independently. For example, a GCC's responsibility for core functions (digital transformation, engineering, analytics) is valued more than back-office support roles. People and culture metrics are increasingly included: GCCs are evaluated on how well they develop talent (skill/competency growth) and align with organizational values and decision-making processes. Likewise, value-generation metrics (often using zero-based budgeting or vitality indices) show whether the GCC is continually adding new capabilities and accountability. In short, forward-looking organizations use balanced scorecards that integrate GCC and HQ goals, ensuring that centres are measured by both efficiency and strategic impact.

ACTIONABLE TAKEAWAYS: DRIVING SUSTAINED VALUE FROM NEXT AND NEW

 **Elevate the GCC's Strategic role:** Empower local leadership and clear governance to transform the GCC from a back-office cost centre into an enterprise innovation hub. Align the GCC's priorities and metrics with overall business strategy – not just headcount or budget targets – so that its initiatives directly drive high-impact outcomes.

 **Accelerate technology-driven services:** Embed advanced automation, AI and cloud capabilities across GCC operations to create a tech-enabled centre of excellence. Leverage AI-driven analytics and generative AI tool to deliver real-time insights and handle routine work, freeing the GCC workforce to focus on higher-value innovation tasks.

 **Build a future-ready talent pipeline:** Invest in continuous upskilling, leadership development and rotational programs so that the GCC produces a significant share of the enterprise's next-generation skills and leaders. Cultivate specialized capabilities in areas like AI, cloud, digital product development and data science through targeted training and hiring, ensuring the workforce can support cutting-edge initiatives.

 **Activate collaborative partner ecosystems:** Forge strategic partnerships with startups, academic institutions and technology specialists to co-create solutions and accelerate innovation. Use these external alliances for both incremental improvements (optimizing existing services) and disruptive pilots (new business models), tapping fresh ideas and shared resources to boost the GCC's impact.

 **Adopt outcome-based performance metrics:** Shift from traditional activity metrics to outcome-focused KPIs, like OKRs (Objectives and Key Results) so that success is measured by business impact. Implement transparent dashboards and real-time feedback loops to keep the GCC's initiatives aligned with enterprise goals, enabling quick adjustments and continuous learning as value is delivered.

 **Implement a cloud-first, agile operating model:** Migrate GCC IT infrastructure and services to scalable platforms to enhance security, agility and cost-efficiency. Embrace multi-location or hybrid delivery models (in partnership with providers or through greenfield investments) to diversify risk, tap into specialized talent pools globally, and ensure the GCC can rapidly adapt and scale to meet evolving business needs.



CONCLUSION



The continued growth of GCCs in India and globally hinges on turning scale into sustained value. Current projections – for instance, a global GCC market of \$413 billion by 2030 and India’s ~\$110 billion opportunity by 2030, emphasize their importance. However, value will come to those centres that evolve holistically by embracing cutting-edge enterprise tech, building future-ready talent ecosystems, and knitting themselves into broader innovation networks. More importantly, success will be gauged not just by cost efficiency, but by real business outcomes – faster innovation cycles, revenue contribution, customer satisfaction and strategic differentiation. By adopting modern KPIs and fostering deep collaboration, GCCs can remain ‘value engines’ of their enterprises. In the years ahead, organizations that empower their GCCs as strategic co-owners of growth will ensure these centres are not only sustainable but catalysts of continuous impact for the industry at large.



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SOURCES:

The recommendations in this paper are grounded in industry research and best practices for next-gen GCC/GBS operations. Authoritative industry and research publications, and insights from industry analyses and GCC case studies across sectors by SSF Global, McKinsey, PwC, EY, Quintes Global, etc., have been referred.



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