

Benori Knowledge Series

BENORI

GCCs: The Globalization of Work

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S P E A K E R S



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AGENDA



India is Dominating the Globalization of Services

- Evolution
- Why India
- Key Trends



GCC Ecosystem – Needs and Solutions

- What GCCs need
- How Benori can help



Q&A

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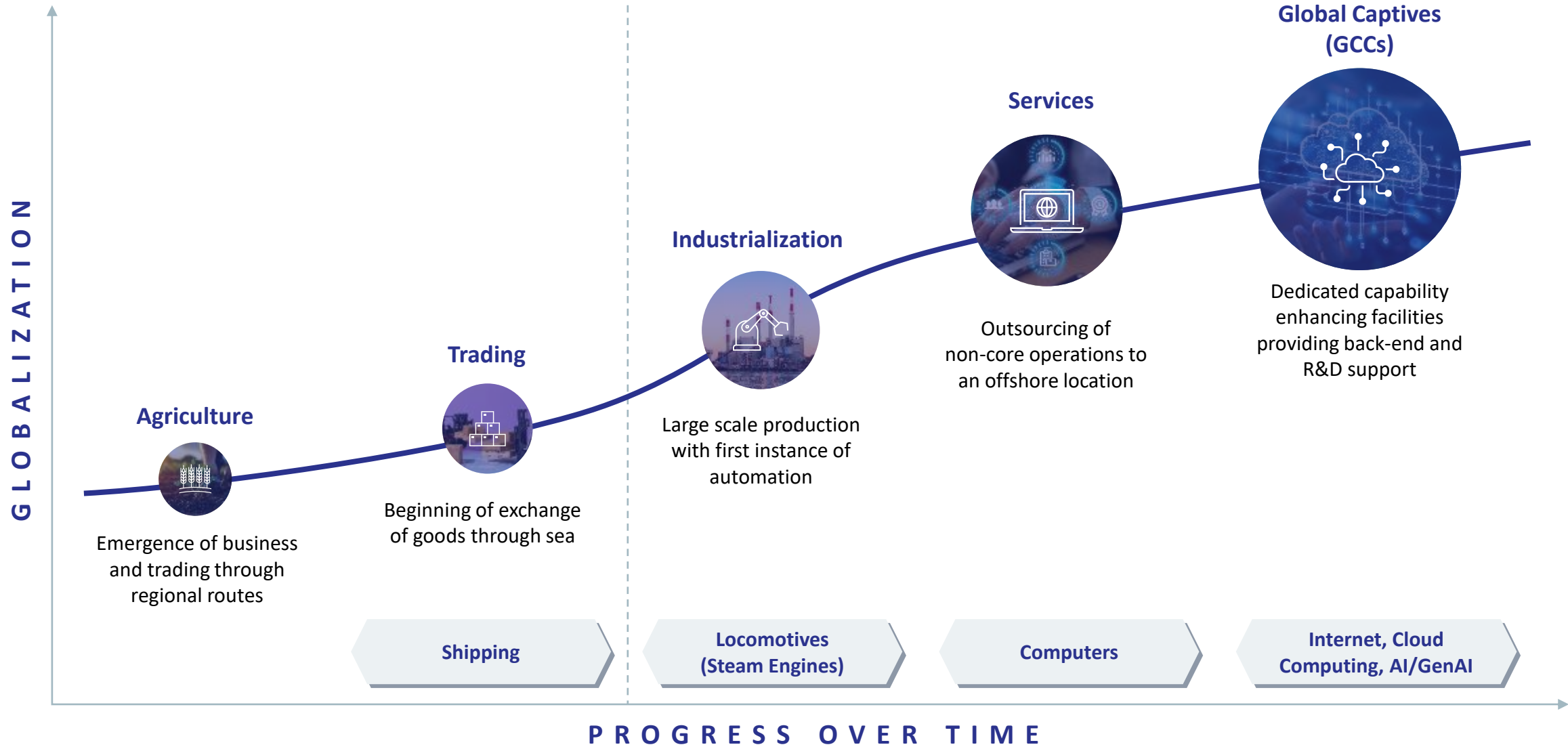
GCC Ecosystem – Needs and Solutions

- What GCCs need
- How Benori can help

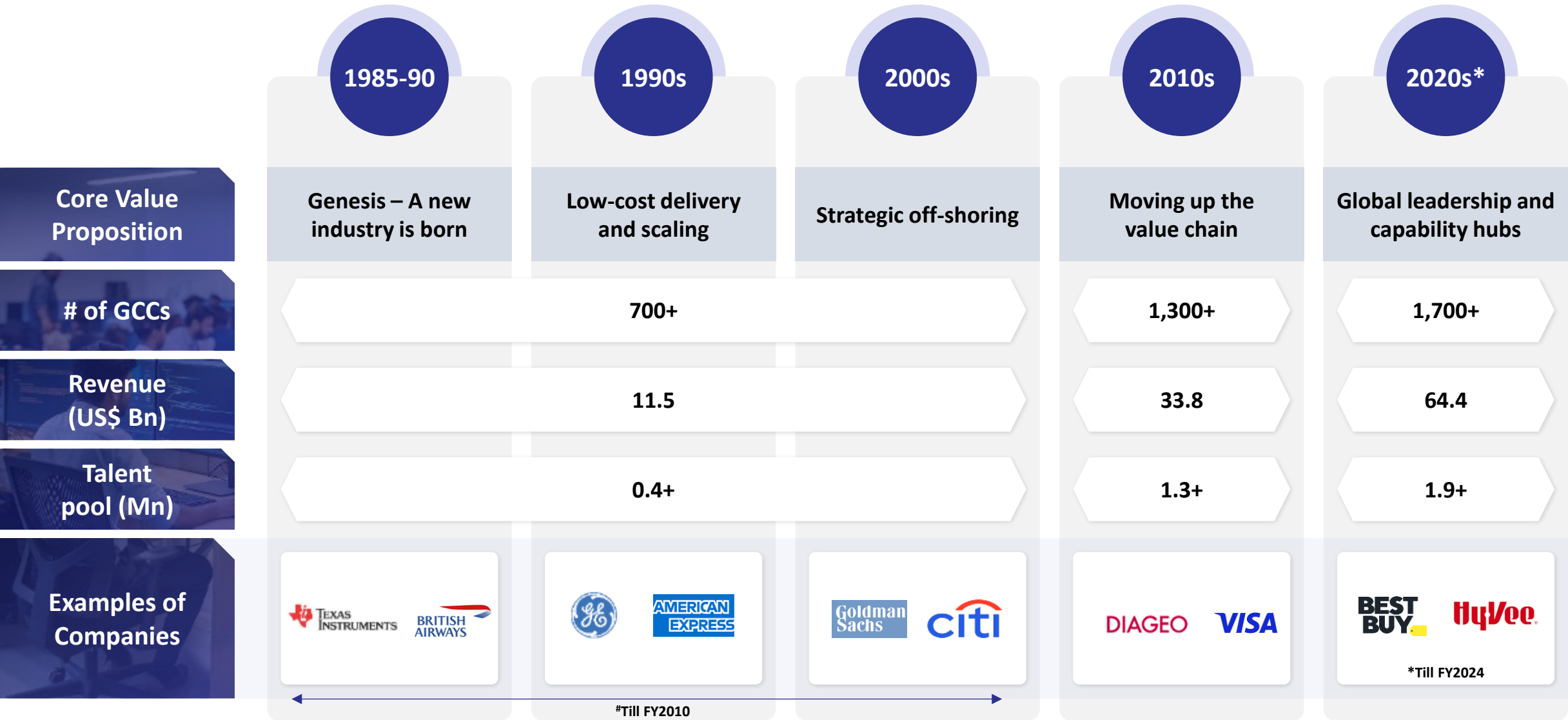
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Q&A

Globalization: From Agriculture to AI



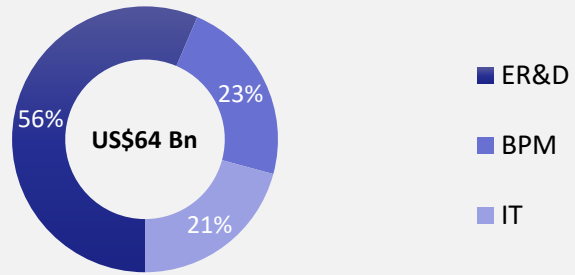
Evolution: GCCs in India



Current Landscape: GCCs in India

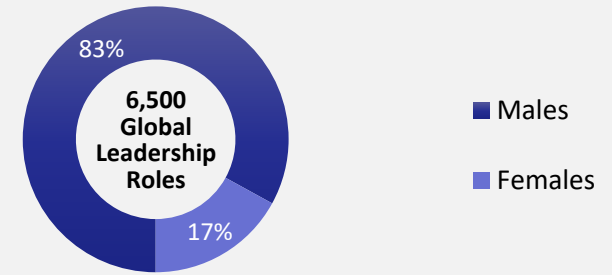
ER&D GCCs leading the way in revenue contribution

Revenue Split by Category (FY2024)



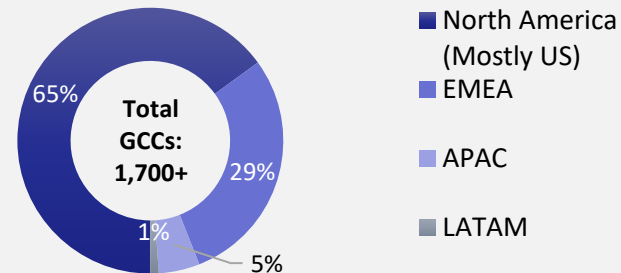
Expansion of global leadership roles in India and increased participation of women leaders

Indians Holding Global Leadership Roles in GCCs (FY2024)

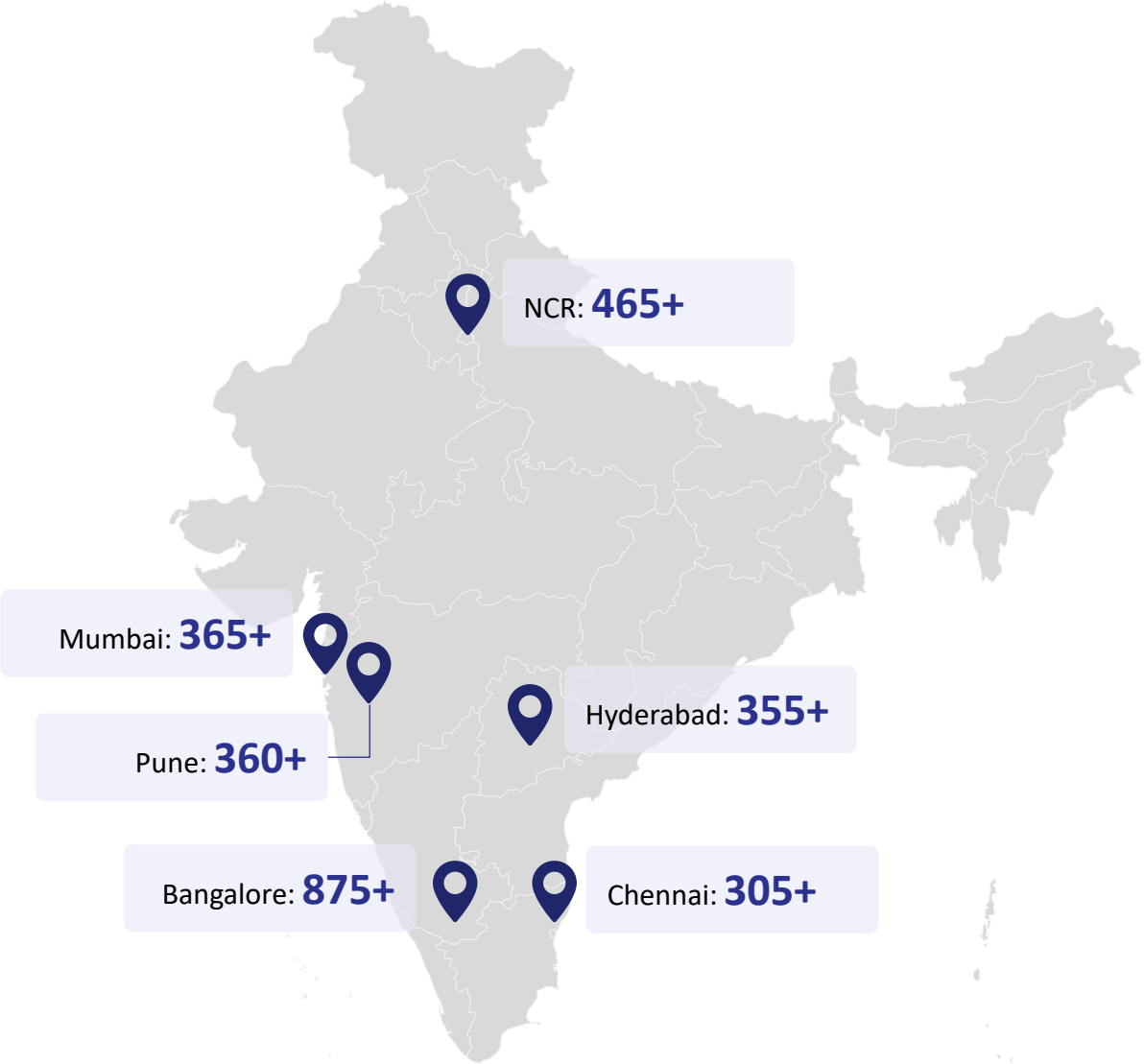


2/3rd of GCCs in India are from the US

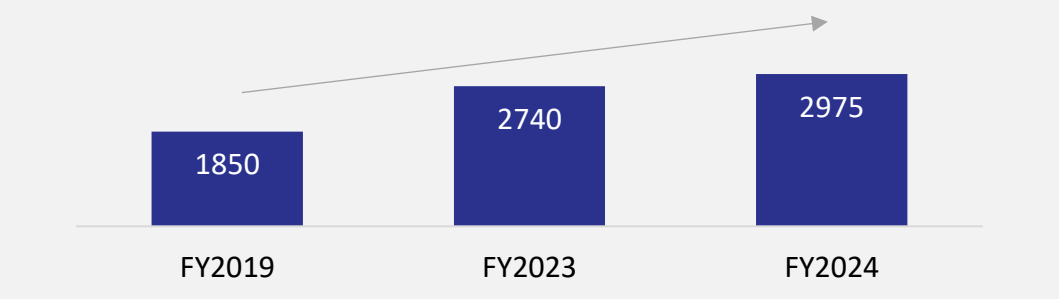
GCC Split by Region Based on HQ Location (FY2024)



Current Landscape: GCCs in India



60% growth in total GCC units* since FY2019



Metro and Tier 1 Cities (2,725+ GCC Units)

- **Bengaluru and Delhi NCR continue to dominate** with maximum number of GCC units
- Growth driven by robust innovation ecosystem, infrastructure and talent availability

Tier 2 and 3 Cities (220+ Units)

- Includes cities such as **Ahmedabad (35+), Kolkata (30+), Coimbatore (25+), Kochi (20+), Thiruvananthapuram (20+), Chandigarh (15+), and more**
- Offers significant cost advantages and access to a growing talent pool

*Units refer to the offshore service facilities handled by the GCC. A GCC may have one or more than one facilities under its operations


Why is India Dominating the GCC Industry



Access to a Vast, Diverse, and Young Talent Pool



Sustainable Cost Advantage



Enabling Ecosystem

Talent in India: Scalable, Sustainable and Adaptable

Access to a Vast, Diverse,
and Young Talent Pool

Sustainable Cost Advantage

Enabling Ecosystem

24%

Indian population in the 20-35 age bracket (2023)

**4.1
Mn+**

Enrolled students across UG, PG, and Doctorate programs in Engineering fields (2022)

35%

Indian student population in STEM fields (2023)

**1.25
Mn**

Projected growth of India's talent pool excelling in AI by 2027

51%

Employability of graduates increased from ~34% in 2014 to ~51% (2024)

60%

Tier 2/3 cities contribute ~60% to India's recent graduates from engineering, arts, and science colleges (2023)

Strategic and Sustainable Cost Advantage

Access to a Vast, Diverse,
and Young Talent Pool

Sustainable Cost Advantage

Enabling Ecosystem

India offers a sustainable 50% cost arbitrage



Attractive Office Rental Options

Access to large-scale, high-quality commercial space at low cost;
emerging trend of flexible workspaces

21 Mn sq feet leased area for commercial real estate
occupied by GCCs in 2023
Projected to lease 45-50 Mn sq feet of office space over the
next 2 years



Favorable People Cost

Hire freshers and mid-level professionals to ensure cost-
effectiveness; Option to explore Tier 2 and Tier 3 cities for even
further cost-related advantages

Productivity levels matching world class standards

Favourable Ecosystem

Access to a Vast, Diverse,
and Young Talent Pool

Sustainable Cost Advantage

Enabling Ecosystem

Stable Economy

- 5th largest economy; forecasted to grow by 7% in FY24/25, with strong growth prospects till FY26/27
- Political stability along with international cooperation and partnerships with other economies

Strategic Alliances

- Opportunity to tap into 31,000 active tech startups
- Accessing niche talent and R&D through strategic alliances and collaboration with associations, incubators, academic institutions (as innovation testbeds), and other GCCs

Government Policies

- National IT Policy (expected to be rolled out by the end of 2024) aims at strengthening GCCs, improving ER&D, and fostering employment generation
- Tax incentives (exemptions on income generated for a certain time period) and subsidies to companies' setting up their GCCs in Software Technology Parks (STPs)
- State-level GCC policies
 - Karnataka's Beyond Bengaluru GCC Policy (2024-2029)
 - Uttar Pradesh Global Capability Centers Policy 2024

Trends Shaping India's GCC Landscape



**GCCs leveraging
technology to drive
innovation**



**Emergence of Nano
GCCs**



**ER&D GCCs continue
to scale rapidly**

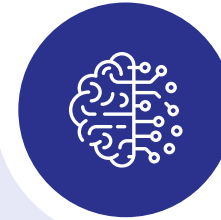


**GCCs continue to go
up the value chain**

GCCs Leveraging Technology to Drive Innovation

Powering Global Tech

Over 90% of GCCs in India are exploring innovation in technology and product engineering



AI/ML CoEs and Talent Pool

India is home to over 185 GCCs dedicated to AI and machine learning; supported by an overall talent pool projected to surpass 1.25 Mn by 2027, growing at a CAGR of 15% during 2022–28

GCC Leveraging Technology

Engineering and Technology Roles

One-third of global engineering roles and two-thirds of the global tech workforce are based in India—this concentration of talent underscores India’s strategic importance in global tech development



Collaboration with Startups

GCCs are collaborating with the thriving Indian startup ecosystem to reap benefits; for example, Samsung R&D Institute India, collaborates with startups to harness the potential of the Indian innovation ecosystem

Emergence of Nano GCCs

What and Why – Nano GCCs

Nano GCCs are small, specialized hubs that drive innovation in niche areas such as AI, IoT, cybersecurity, and space technology

Unlike larger GCCs, Nano GCCs hire smaller, specialized teams consisting of high-end technology-business talent



Government support plays a key role; Karnataka unveiled India's first GCC Policy in September 2024, aiming to establish 500 Nano GCCs by 2029

The expansion of nano GCCs into Tier-II and Tier-III cities broadens their impact on India's tech ecosystem, emphasizing the growing influence of these hubs in global operations

Nano GCCs offer India-based partners an opportunity to become Tier-2 suppliers, delivering specialized and scalable services

Key Examples

KAPITUS

Small Business Financing Solutions Provider

MobileDrive

Connected Car Solutions Provider

AST SpaceMobile

Space Cellular Network Provider

M31

Semiconductor IP Solutions Provider

memryX

Edge AI Accelerator Solutions Provider

Cockroach Labs

Distributed SQL Database Solutions Provider

ENOVIX

Advanced Silicon Battery Technology Provider

iMerit

AI Data Annotation Services Provider

illumina

Semiconductor IP solutions provider

valtech. mobility

Digital Solutions for Connected Mobility

d-Matrix

AI Compute Infrastructure Solutions Provider

ER&D GCCs Continue to Scale Rapidly

Future of ER&D in India

- The Indian ER&D GCC market is expected to witness double-digit growth during 2024–2030 (FY2023: USD 25.8 Bn)
- Software, automotive and semiconductor sectors are expected to contribute 60%+ to India’s share of ER&D sourcing by 2030
- Government’s push to establish India as a hub for semiconductor manufacturing is accelerating the design manufacturing ecosystem in India
 - Semiconductor ER&D sourcing share is expected to witness the highest jump from 9% in 2023 to 12% in 2030, making it the third-largest contributing sector by 2030, after software and automotive
- Additionally, academia tie-ups are being leveraged to promote ER&D
 - Ericsson R&D and IIT Madras collaborated to explore advancements in responsible AI through the latter’s Center for Responsible AI (CeRAI)

Key Examples



ER&D spending allocated to GCCs across sectors is influenced by the evolving nature of ER&D, the pursuit of talent, and cost dynamics

GCCs Continue to Go Up the Value Chain



Specialization

Indian GCCs are evolving into specialized centers for specific technologies such as cloud computing, AI, and ML

- Deep-tech, including space-tech and quantum computing, are set to be the next frontier, as seen with Pratt & Whitney's new Digital Capability Center and XeedQ's planned Quantum Information Technology Centers



Leadership Moves to Indian GCCs

As GCCs evolve, they need to define global standards and manage complexities through enhanced global roles

- This shift means that rather than individuals relocating from Indian GCCs to global headquarters, key functions will be established within Indian GCC
- Currently housing >6,500 global leadership roles, these GCCs are projected to exceed 30,000 roles within six years across engineering, IT, and shared services



"India +1" Strategy

Similar to the "China+1" strategy, the "India+1" strategy is gaining momentum as companies seek to diversify their operations by adding locations in Eastern Europe and Latin America

- IBM operates multiple GCCs in India, while also establishing centers in Eastern Europe and Latin America



Insourcing

Insourcing by large organizations is driven by the "More from less" principle

- By insourcing core functions such as R&D, data analytics, and IT, firms seek to enhance agility and strategic alignment

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Q&A

GCC Stakeholder Ecosystem

Parent Company

Global and regional headquarters that oversee the GCC operations, drive high-level decisions, and strategic agenda



Partners

- Startups
- Professional Services Firms (Consulting and KPO)
- Financial Services Firms
- IT Services Providers
- Legal Services Firms
- Industry Associations
- State and National Government

GCCs

Offshore office or subsidiary of a multinational corporation (MNC) that handles various business processes and services

Key Questions for GCCs

Why



- Why offshore?
 - Cost
 - Efficiency
 - Competitive Advantage
 - Scalability
 - Skilled Talent
 - Risk Management
 - Innovation

What



- What should be the offshoring strategy and the model?
- What processes to be offshored?
- What are the regulatory and policy areas to understand and comply with?
- What are the key incentives to offshore?
- What are industry and peer benchmarks to evaluate the GCC's performance?
- What are the strategies for scaling?

How



- How to orchestrate "change management"?
- How do you design the organizational structure?
 - Workforce
 - Performance metrics
 - Training
- How to find the right location?
- How to assess the talent and alignment with demographics, skill sets, and aspirations?
- How do you find the right partners to enable the transition and set-up?



Go No-Go Decision



Early Stage



Growth Stage



Business-as-Usual

Key Questions for Partners

GCCs as-a-Customer-Segment

Consulting and Advisory Firms

Technology Firms

Legal Firms

Financial Services & FinTech

Investors

Staffing Firms

Infrastructure Providers

Identify



Key Markets: Where are the key markets of origination, and which sectors to focus on?



Key Processes: What are the most offshored processes and why?



Key Stakeholders: Who are the right stakeholders to pitch the solutions to?

Assess



Market Opportunity: What is the total addressable market opportunity of the offshored process globally? How are global trends contributing to this growth? Which firms have recently set up their own GCCs within that niche?



Technology Capabilities: What technical competencies are required to handle such a process?



AI and Automation: How can AI and automation capabilities aid in process management?

How Benori Can Help

	Parent Firms	GCCs	Partners
Assess	<ul style="list-style-type: none"> Outsourcing opportunities across sectors in India for an investment firm Outsourcing potential in the gaming industry Exploring ER&D leaders' insights on the evolving roles of GCCs and ESPs 	<ul style="list-style-type: none"> Evaluating business expansion opportunities for the GCC market in India Identifying Scaling opportunities in the Actuarial and Broker Services segment Value-mapping GCCs to understand the future relevance, including roles in the parent company 	<ul style="list-style-type: none"> Assessing the GCCs Industry in India to assess the trends, needs, and growth plans
Benchmark	<ul style="list-style-type: none"> Benchmarking Design Center of Excellence of EPC companies, to enable data-driven decisions Assessing Indian cities to become the next IT/BPM hubs 	<ul style="list-style-type: none"> Reviewing organizational structure of GCCs of retail companies Peer-benchmarking work functions, resource strategy, tech adoption etc. in the asset management segment 	<ul style="list-style-type: none"> Delivering insights on competitor value for GCC-focused strategy and business pitches in the tertiary services segment
Track	<ul style="list-style-type: none"> IT and BPO outsourcing deals market in India and the US GCC-GIC segment Insights on the Shared Services Sector in India Technology spend survey across GCCs in the Healthcare, Finance and Retail sectors 		

Benori GCC Database



Key Statistics

Overview:	GCC Database
Country Focus:	India
No. of GCCs:	1,700+
Industry Verticals:	18



Focused Sectors

Professional Services	Manufacturing
Educational Services	Telecommunications
Automotive	Healthcare
IT	BFSI
Energy and Power	Media and Entertainment



Brief Description

The GCC database is compiled through thorough secondary research, listing the GCCs in India. It offers a comprehensive overview of these GCCs, including their vertical and sub-vertical classifications, headquarters, number of locations, and employee count, among other relevant information.

Key Coverage Areas



Split by cities in India



Split by verticals and sub-verticals



Workforce Intelligence



Key Financials



Details on Functions

Value Proposition

- The database offers competitive intelligence, providing insights for strategic business decisions
- The centralized view of India's GCC landscape gives information on the emerging sectors and regions, talent availability, required skill sets for GCCs, and others

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Our team of knowledge consultants is committed to minimising the challenges faced due to high costs, poor access and low quality of knowledge processes, and transforming them to deliver best-in-class actionable insights.

Headquartered in India, we serve clients across the world.

Simplifying Decisions.



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