

NAVIGATING THE GCC IMPERATIVE: HOW MANUFACTURERS MUST ADDRESS THE SHIFT FROM COST CENTERS TO VALUE CREATORS



The manufacturing sector is undergoing a seismic shift. It's moving from a core manufacturing process into complementary high growth, high margin digital products. This results in a dual mandate for the organization – an urgent need for cost efficiencies, productivity and resilience for the traditional IT and engineering work, enhance or build core capabilities to lead in the digital products. At the forefront of this transformation? Global Capability Centers (GCCs). There are new strategic powerhouses.

But what does this mean for manufacturers today? How can GCCs help you stay competitive while navigating economic headwinds and operational challenges? This PIV dives into the critical role GCCs play in manufacturing and offers actionable insights for leveraging their full potential.

The Evolving Role of GCCs in Manufacturing

Once seen merely as 'back offices' focused on cost arbitrage, GCCs are now instrumental in driving revenue and bolstering innovation and also serve as a competitive advantage. This shift isn't just happening; it's a necessity driven by the evolving dynamics within manufacturing. Here's how GCCs are reshaping the landscape:

The Hub-and-Spoke Model: Modern GCCs operate as centralized hubs with strategic spoke locations worldwide. This setup enables streamlined service delivery while ensuring local relevance and adaptability.

From Cost Savings to Value

Creation: GCCs are no longer limited to cutting operational expenses. They are actively spearheading net-new revenue generation, driving product development, enhancing customer experience, and fostering groundbreaking innovation.



AI-powered Operations: By leveraging AI and advanced analytics, GCCs optimize processes, improve decision-making, and unlock efficiencies that were previously unattainable.

For manufacturers, partnering with GCC experts to build or scale these centers isn't just beneficial – it's crucial for long-term success.

Tackling Manufacturing's Toughest Challenges

Integrating a GCC model comes with its own set of challenges, but these are precisely where GCCs shine. Manufacturers must strategically address these pain points to fully harness their operational potential:

	Talent Scarcity	Innovation Readiness	Bottom Line	Business Resilience
Challenge	Industry reports consistently indicate that a significant majority of CXOs struggle to acquire and retain high-skilled talent in core markets.	Staying ahead in manufacturing demands continuous technology adoption and intellectual property (IP) creation.	Intense margin pressures often require manufacturers to achieve a 20–30% reduction in operational costs	The manufacturing sector has been acutely affected by disruptions—from pandemics to supply chain breakdowns and geopolitical instability.
Solution	GCCs in strategic locations provide access to broader, more cost-effective talent pools. At Infosys, we leverage partnerships academic institutions and our Leading training capability to fuel a consistent GCC staffing pipeline.	GCCs serve as dynamic innovation hubs, housing research labs and cultivating cutting-edge technologies like IoT, AI, predictive maintenance, and 3D printing.	By standardizing processes and leveraging automation, GCCs streamline supply chain management, reduce waste, and dramatically improve cost-efficiency.	With GCCs supporting global operations, manufacturers can diversify risk, enhance supply chain resilience, and ensure seamless business continuity.

Our Value Proposition for Manufacturing GCCs

The undeniable value of GCCs in the manufacturing industry rests on three core pillars:



**BUILD WITH
END-TO-END
FLEXIBILITY**

With varied models like BOT, BOTT, JV, and hybrid GCCs, among others, GCCs bring a structured approach to process improvement, relentlessly focusing on automation, consolidation, and standardization. Infosys, for instance, has implemented AI-led transformations in GCCs, achieving up to 40-50% cost savings in operations.



**INNOVATE WITH
FUTURE-READY
TALENT**

GCCs also serve as breeding grounds for the next generation of manufacturing leaders. They provide structured, AI-augmented talent development programs to equip staff with cutting-edge skills and certifications. Infosys' digital learning platforms, for instance, ensure continuous upskilling tailored to specific industry demands.



**TRANSFORM
WITH AI AT THE
CORE**

GCCs are rapidly becoming hotbeds of AI-powered innovation. Micro GCCs are set up for extremely specialized, high end digital and engineering work. With dedicated Living Labs and AI-powered solutions, they enable the piloting of new manufacturing models and systems. For example, Infosys partnered with a leading aviation company to set up an AI-driven GCC that dramatically accelerated new product development.

Infosys brings proven expertise in designing, launching, and operating global capability centers that align with evolving enterprise priorities. Through structured operating models, modular execution, advanced AI platforms, and a strong partner ecosystem, we deliver endtoend enablement. As an integrated execution partner, we combine deep delivery capabilities with lifecycle alignment and operational agility to accelerate GCC value from day one.

Building an Effective Global Capability Center for Manufacturing: A Strategic Blueprint

Establishing or enhancing a Global Capability Center (GCC) is a powerful move for manufacturers aiming to stay competitive and drive growth. But it's not enough to simply set one up; you need a strategic approach to maximize its impact. Here's a detailed blueprint outlining the essential steps:

1

Step 1: Define Your Clear Objectives

Before you even think about location or team size, you must pinpoint the primary purpose of your GCC. Is your core objective cost reduction and operational efficiency? Or are you focused on driving innovation and developing new products or processes? Perhaps enhancing resilience and ensuring business continuity across your global operations is paramount? As for yourself this: What specific pain points in your current manufacturing operations can a GCC address most effectively? Which strategic goals will it directly support?

The answers to these questions will dictate everything, from the functions housed within the GCC to its location and the technologies you'll prioritize. This detailed strategic planning is vital for understanding the full scope, structure, and ultimate success of your GCC. Without clear objectives, your GCC risks becoming just another cost center rather than a true value driver.

2

Step 2: Choose the Right Setup Model

Once your objectives are crystal clear, the next critical decision is selecting the optimal operating model for your GCC. This choice significantly impacts your control, risk, and speed to market.

- **Build, Operate, Transfer (BOT):** This model is ideal if you want to establish a GCC quickly and efficiently, leveraging the expertise of a specialized partner. A partner like Infosys will build the infrastructure, operate the center with their established processes and talent networks, and then transfer ownership to you once it's mature and stabilized. This significantly reduces your upfront risk and accelerates time-to-value.
- **Joint Ventures:** Consider a joint venture if you're looking to share risks and rewards with a trusted GCC partner. This collaborative approach can provide access to specialized capabilities, market insights, and shared investment, fostering a symbiotic relationship for long-term growth.
- **Private GCCs with External Support:** For manufacturers who prefer full ownership and control, setting up a wholly-owned private GCC is the way to go. However, you can still gain significant advantages by engaging external experts for guidance on crucial aspects like recruitment, infrastructure setup, and process optimization. This hybrid approach allows you to maintain control while benefiting from proven best practices.

Step 3: Leverage Advanced Technologies from the Outset

3

An effective manufacturing GCC isn't just about people and processes; it's about intelligent automation. To truly empower decision-making, boost productivity, and unlock unparalleled efficiencies, you must integrate cutting-edge technologies from day one.

- This includes robust automation platforms for repetitive tasks, Artificial Intelligence (AI) for predictive analytics and process optimization, and advanced data analytics tools to derive actionable insights from your vast operational data.
- By embedding these technologies into your GCC's core operations, you create a hub that's not just supporting manufacturing but actively transforming it, driving smarter operations and faster innovation cycles.

Step 4: Ensure a Robust Talent Pipeline

4

The success of any GCC hinges on its people. Talent scarcity is a pervasive challenge in manufacturing, making a proactive approach to recruitment and development essential.

- Partner with experts who possess a deep understanding of the global talent landscape and can accelerate the recruitment and onboarding process. Firms like Infosys have extensive experience and strategic talent acquisition frameworks, enabling them to recruit tens of thousands of FTEs for GCC clients, even under tight deadlines.
- Focus on building a diverse and skilled workforce and invest in continuous learning and development programs. Your GCC should be a hub for upskilling and reskilling, ensuring your team has the cutting-edge capabilities needed for advanced manufacturing.

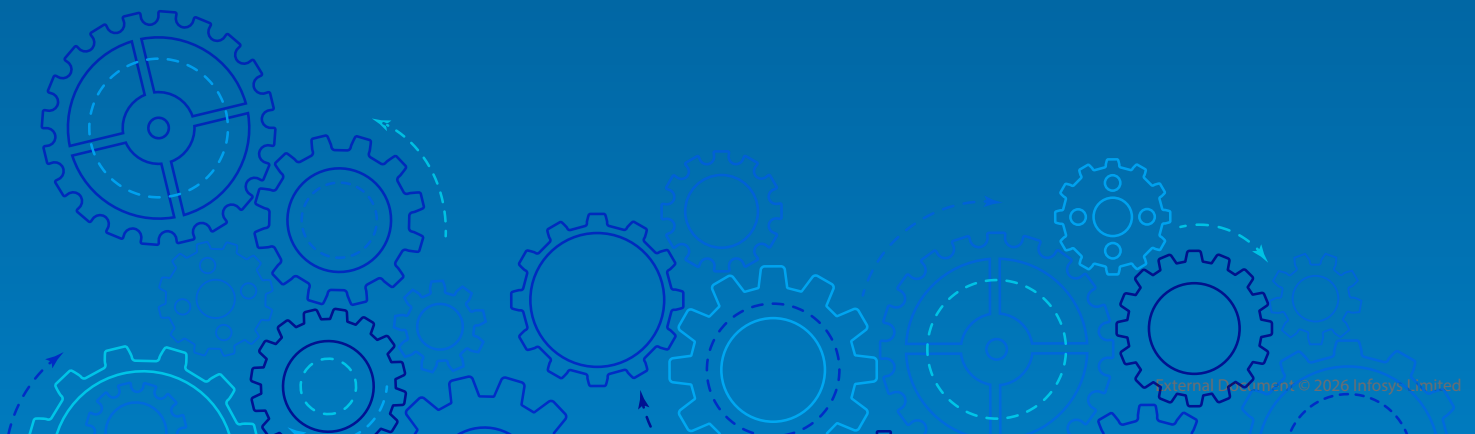
Step 5: Standardize Processes Globally

5

To achieve true operational excellence and consistent quality across your distributed manufacturing ecosystem, standardization is non-negotiable. Your GCC plays a pivotal role in driving this.

- Establish clear frameworks for process re-engineering, ensuring that best practices are identified, documented, and consistently applied.
- Implement common tools and technologies across all relevant operations, minimizing fragmentation and maximizing interoperability.
- Develop robust performance management systems that provide clear metrics and foster accountability.

By standardizing processes, your GCC transforms into a control tower, ensuring that quality, efficiency, and compliance are maintained globally, leading to predictable outcomes and enhanced overall performance.





GCC Success Stories

Here's how Infosys is delivering tangible results through GCCs:

Case Study 1:

A US-based manufacturer of lab equipment and software products trusts Infosys to lead their 300 employee strong GCC in Bengaluru. The hub acts as a center of excellence, with a talent pool taking charge of informatics, ecommerce and IT infrastructure.

Case Study 2:

A leading European carmaker has established a technical hub for the co-creation of in-vehicle infotainment, ADAS and other critical software products for its next-gen automobiles.

The Future of GCCs in Manufacturing

Manufacturers who unlock the full potential of GCCs are strategically positioning themselves as leaders in operational efficiency, technological advancement, and market responsiveness. The data is clear: GCCs are no longer optional but essential for staying competitive in today's global manufacturing environment.

It's time to rethink what's next for your organization. Are you prepared to revolutionize your operations using a tailored GCC approach? Infosys is ready to help you make that leap.



Authors



Algy Ramasamy

SVP of Industrial Manufacturing and Distribution, Regional Head – Americas, Infosys



Gurdeep Singh

AVP and GCC Sales Lead - Manufacturing , Infosys

Scan to know more



For more information, contact askus@infosys.com



© 2026 Infosys Limited, Bengaluru, India. All Rights Reserved. Infosys believes the information in this document is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of other companies to the trademarks, product names and such other intellectual property rights mentioned in this document. Except as expressly permitted, neither this documentation nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, printing, photocopying, recording or otherwise, without the prior permission of Infosys Limited and/ or any named intellectual property rights holders under this document.