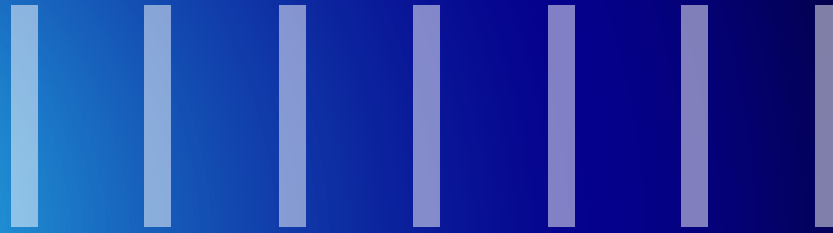


INNOVATION FIRST: HOW GLOBAL IT SERVICES FIRMS CAN ACCELERATE GCC GROWTH



In June 2025, a global airline had cut the ribbon on their new 500-seater GCC in Bangalore, India. The focus of the new facility is on optimizing operations, developing software for critical functions, and enhancing passenger experiences. Competencies needed for the GCC range from power programmers and DevSecOps specialists to usability experts and transportation flow analysts. During the initial review, the global CEO was impressed by the center's rapid scale-up, reaching full capacity in under 45 days. The number of AI experiments per week is four times that of similar efforts in the parent HQ.

Welcome to the new era of globalization. 2025 marked the rise of Global Capability Centers (GCCs) across the enterprise ecosystem. These hubs of innovation and digital transformation are housed in countries like India, the Philippines, China, Mexico, Poland, and other emerging economies. India is the leader of the pack with over **1,700** such centers^[1].

GCCs are offshore offices set up by multinational giants that specialize in functions integral to the parent company, including Artificial Intelligence (AI)-driven innovation activities, cybersecurity, product engineering, research and development (R&D), shared services, and more. Increasingly, mid-market companies (of revenue size \$100 million to \$5 billion) are entering the fray as well.

While the GCC era has its roots in cost arbitrage, the play has increasingly morphed into a global hunt for niche talent in specialist areas like AI and Machine Learning (ML). This is being done in a quest to harvest operational efficiencies in newer, flat structures, toward strategic alignment with the parent's innovation gambit.

As GCCs proliferate, the manner in which they are established and nurtured is shifting as well. A few years ago, less than a quarter of GCCs involved providers. As of this writing, about half of all GCCs are built in partnership with providers. Analysts expect this number to only grow^[2].

Many GCCs are being established with the support of local partners who are specialist partners excelling at GCC setup, whether it's for zeroing in on the right location, building the talent base, negotiating local laws, or ramping up speedily. However, Global IT Services firms have also proven their mettle at partnering for GCC development by bringing in their delivery muscle, their own Intellectual Property (IP), as well as scalable platforms that accelerate the Return on Investment (ROI).

As ecosystem watchers discuss the pros and cons of partnering with different players, it is essential to understand the strengths and weaknesses of each, especially when mapped to different stages of the GCC lifecycle and the unique strategic objectives of each GCC parent.



CHALLENGING THE TRADITIONAL GCC SETUP NARRATIVE

The traditional narrative has been about seeking GCC specialists as partners whenever an enterprise seeks to build a center. Specialist partners have particular strengths, whether it is expertise in pure-play GCC building-block setup or bringing up operational capabilities speedily by ramping up hiring, these companies excel in the workflow. Specialists navigate the regulatory landscape of the destination geography well, using their knowledge of local conditions. Infrastructure setup becomes seamless with specialist partners too.

Getting all the GCC building blocks does not automatically imply strategic transformation, which is the overall goal of the parent enterprise setting up the GCC. When the aims are innovation acceleration and integrated capability building for global teams, just building the GCC shell and staffing it with FTEs will not suffice.

The marketplace views professional services consultants as transformation leaders. However, they may find it tougher to bridge the gap from strategy to execution. While some do take on implementation projects opportunistically, the strategy playbook-to-execution paradigm is not something that global consultants usually prefer to pursue.

This is where Global IT services firms bring in a distinct and unique value proposition. While they support the baseline setup (GCC shell) and staff up with delivery muscle in Build-Operate-Transfer (BOT) mode, they are able to bring an ethos of strategic innovation to the table. With proven transformation methodologies, IT services partners like Infosys can integrate emerging technologies from Day 1. What's more, drawing upon their heritage of supporting enterprises with critical transformation efforts for decades, IT services firms have access to global best practices and patterns that can accelerate innovation efforts.

^[1] <https://www.ibef.org/news/india-houses-more-than-half-of-the-world-s-global-capability-centres-gccs-report>

^[2] <https://www.everestgrp.com/shared-services-global-business-services-centers/the-evolution-and-growth-of-global-capability-centers-gccs-and-the-critical-role-of-providers-blog.html>



THE LEVERAGE OF COST TO VALUE

Analysts track the industry report on measurable improvements in business outcomes that are enabled through GCCs. These include speedier productivity ramps, accelerated innovation, and superior cost-to-value ratios.

Research in industries such as insurance ^[3] points to the gains of working with providers in a Build-Operate-Transfer (BOT), Build-Operate-Transform-Transfer (BOTT), or Capability Center-as-a-Service (CaaS) model. It typically takes three to six months for such centers to develop, versus typical enterprise-owned GCCs that may take 12–18 months, with considerable upfront investments. The shortened timelines allow for validation of the value proposition during the provider-managed phases before permanent investments are made.



THE SECRET COMPONENT POWERING GLOBAL INNOVATION

An often-underestimated component of building global innovation-centric teams is the Employee Value Proposition (EVP). A successful GCC that can become an integral part of global innovation teams needs to integrate the parent organization's culture into the organization from inception. This is a hidden muscle that IT service providers, with their legacy of multi-decade relationships with Fortune 500 companies, can employ. A track record of ethics, integrity, and transparency allows them to bake in the customer's EVP into the GCC.

- ▶ Multicultural operations experience across the globe, with multiple joint ventures
- ▶ Staff takeover and integration expertise over the decades
- ▶ Proven frameworks, runbooks, and playbooks

With a mature partner fluent in multicultural environments, the work of aligning purpose, mission, and values with global teams can be undertaken seamlessly. Global citizenship and Corporate Social Responsibility (CSR) norms are de facto, giving GCCs that are led by global IT service providers, a unique advantage in meeting their transformation and innovation goals.



LOOKING AHEAD

As the year passes by, it is undeniable that neither access to the GCC playbook nor just the setup capability will determine the right partner for GCC growth. The correct partner in many cases could be a Global IT service provider who can bring in both the transformation vision and execution muscle.

A Build-Operate-Transform (BOT) model ^[4] with an IT services provider has distinct advantages for the parent enterprise.



Execution from Day 1, leveraging own assets and employees, and a network of execution partners



“Seed” an early team of tenured employees along with future-ready niche talent



Creating a “GCC shell” to provide end-to-end support for setting up, including HR, taxation, payroll, facilities, IT, and infrastructure



Seamless legal entity creation and efficient handling of regulatory and compliance requirements



Flexibility to balance GCC portfolio and scale up or scale down by rebadging to the IT services providers and vice versa



Seamless transition and change management, involving a full spectrum approach of setting up, operating, and transforming that underwrites the innovation desire



Building a culture of innovation into the center's DNA from Day 1

As per industry insiders, the GCC landscape will look very different by 2027. The model is shifting from “launch and scale” to “transform and own.” Global IT service providers are built to deliver the most value in this race for innovation. With reusable IP, future-ready talent enabled by world-class learning and development, AI platform plays, and hyperscaler partnerships, they are set to provide a full-stack capability that enterprise CXOs can rely on.

^[3] https://ei.isg-one.com/Research/_Document?dashboardID=201a11ca-c115-4a33-a9f7-941eceeefbbd1&documentId=9du-l0GPpK

^[4] <https://www.infosys.com/services/global-capability-centers.html>

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