EMBARK®

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The Great Plateau

Why GCCs are Unable to Reach Their Full Potential

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Foreword

India's GCC ecosystem has been defined by a decade of rapid growth, driven by talent depth and scale, cost efficiency, and expanding capabilities across engineering, digital, and AI.

However, as the ecosystem matures, a more nuanced reality is emerging.

Not all GCCs are evolving into strategic, embedded hubs. A meaningful share are plateauing i.e., operating at scale but without expanding mandate, deepening capabilities, or strengthening enterprise relevance.

This is not failure in the traditional sense. These GCCs continue to operate but without strategic growth. This report examines this under-recognised phase in the GCC lifecycle **"the mid-life plateau"** and explores:

- What it looks like
- Why it happens
- How leading organisations are breaking out of it



The next phase of the GCC story will not be defined by how many centers are built but by **how many remain strategically relevant.**

Executive Summary

The Shift: Scale Is No Longer Enough

India's GCC ecosystem continues to scale rapidly, with **~2,500 GCCs expected by 2030**

However, success is shifting from scale to ownership and enterprise impact.

The Emerging Risk: Plateau, Not Failure

~30% of GCCs[1] set up since 2021 are already plateauing or not realising their full potential.

The failure mode is shifting from shutdown to continued operation without strategic growth

Why GCCs Plateau

- **Enterprise shifts outpace GCC mandates,** especially toward AI and platform-led value creation
- **Execution-led charter limits ownership** of products, platforms, and outcomes
- **Limited leadership autonomy and integration** reduce influence and speed
- **Capability depth lags enterprise needs,** particularly in AI, data, and platforms
- **Weak tech and data foundations** prevent innovation from scaling

Breaking the Plateau Requires Structural Reset

- **Mandate:** From delivery to ownership of products, platforms, and value chains
- **Operating model:** From execution to outcome-driven, integrated delivery
- **Talent:** From scale to high-impact capability building
- **Tech:** From fragmented stacks to modern, scalable tech and data platforms

[1] Based on Embark-Unearth Analysis

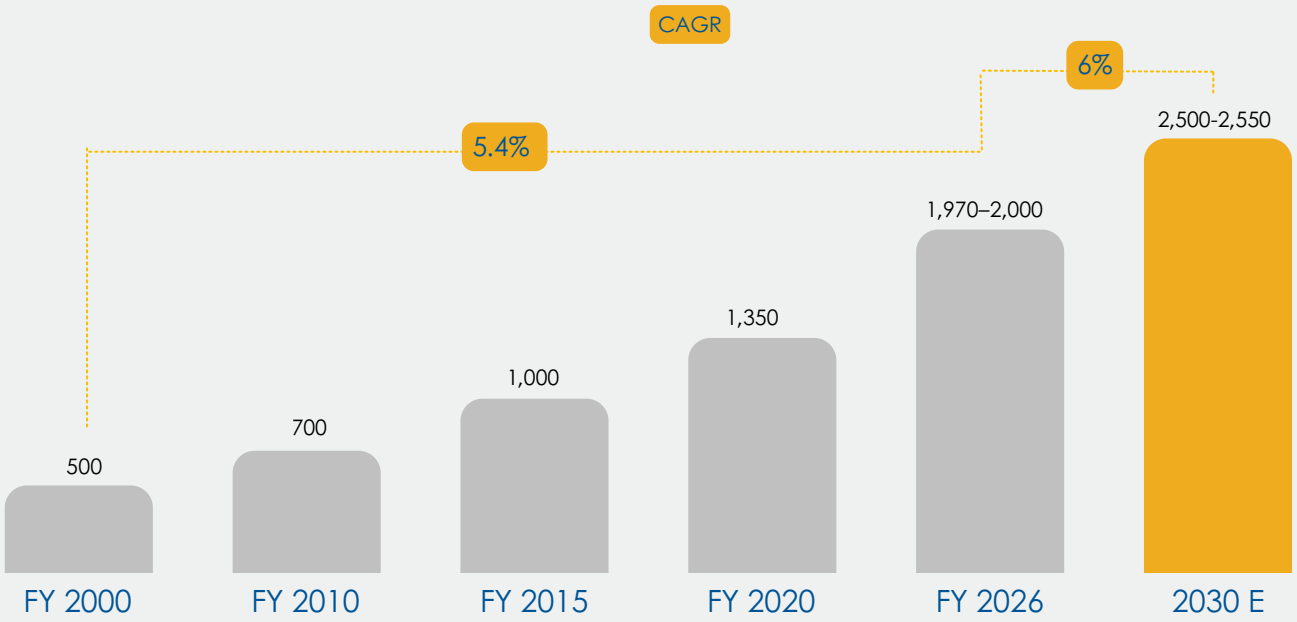
India's GCC Growth Story: Entering a New Phase of Evolution

India's GCC ecosystem has entered a new phase of accelerated growth, driven by a maturing ecosystem.

Over the past decade, India has built deep talent pools, proven delivery capabilities, and a robust partner ecosystem – significantly reducing setup risk and enabling rapid scale. As a result, 100+ greenfield GCCs were established in 2025 alone.

At the same time, the role of GCCs has expanded beyond cost-driven delivery to include product engineering, AI, digital platforms, and domain-led innovation. This convergence of ecosystem maturity and expanding scope is accelerating growth, with the total number of GCCs in India expected to be ~2,500 by 2030. This expansion will be underpinned by strong global demand, policy tailwinds, and rapid rise of next-gen nano-GCCs[1] anchored in AI, digital, and innovation-led functions.

Total # of GCCs in India



However, as the ecosystem scales, the nature of value creation is shifting. Expectations are moving from execution to ownership, and from cost efficiency to strategic impact. Not all GCCs are evolving at the same pace creating an emerging divergence in outcomes.

[1] Headcount less than 100

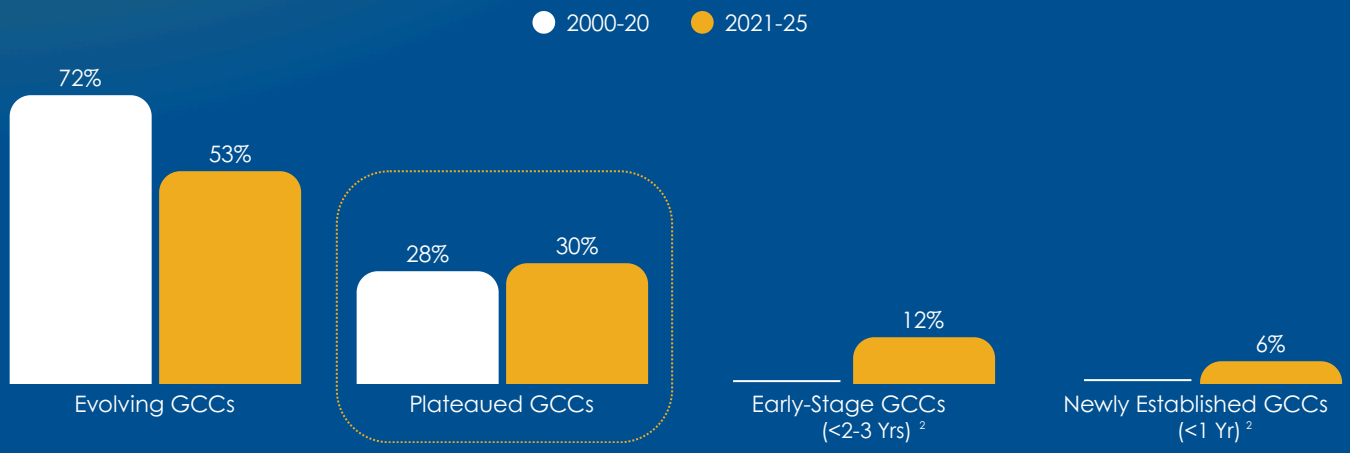
The Hidden Plateau: A Significant Share of GCCs Are Not Realising Full Potential

India's GCC ecosystem continues to scale rapidly, with 500+ new centers established since 2021. However, this growth is accompanied by an emerging divergence in outcomes.

Around 30% of the GCCs setup since 2021 have plateaued. This translates ~140-150 GCCs (and to ~360-370 in 2000-20), bringing the total to 500+ GCCs that are not fully realising their potential.

This is notable given the significant improvement in ecosystem maturity, availability of proven operating playbooks, and depth of talent over the past decade.

Divergence in GCC Outcomes[1] by Cohort (2000–20 vs 2021–25)



This reflects a shift in how GCCs are evaluated. Parent organisations now expect faster ramp-up, higher speed to impact, and rapid ownership of platforms and capabilities, and contribution to enterprise objectives.

[1] Classification based on a multi-factor framework evaluating growth trajectory, innovation maturity, leadership stability, cost-to-serve, and scale evolution. Refer to Annexure for detailed methodology
[2] Not applicable for GCCs set up in year 2000-20.

Early Warning Signs of a Plateaued GCC

1. Strategic Signals

Cost-center positioning persists: GCC continues to be viewed primarily as a cost lever, not a value creator
Mandate erosion: Ownership of platforms, products, and transformation remains outside the GCC; work shifts toward BAU
Weak enterprise integration: Limited participation in leadership forums and strategic programs
Portfolio misalignment: GCC investments remain concentrated in legacy areas while enterprise focus shifts to AI, cloud, and platforms

2. Operating Signals

Output stagnation: Business impact (revenue, cost savings, productivity) plateaus despite stable or increasing headcount
Rising execution friction: More governance layers, approvals, and centralisation slow decisions and reduce agility
Fragmented ownership: Overlapping roles across GCC, vendors, and HQ dilute accountability and slow outcomes
Eroding cost advantage: Fully loaded costs approach vendor or HQ benchmarks

3. Talent & Culture Signals

Layering without capability depth: Organisational layers increase without corresponding specialist skill growth
Selective attrition of high performers: Higher exits in niche and high-demand roles
Weak mission orientation: Limited exposure to product, customer, and outcome ownership reduces engagement
Constrained career pathways: Low global mobility and limited leadership opportunities reduces engagement

4. Tech, Process & Data Signals

Legacy system inertia: Majority of effort focused on maintaining legacy systems
Low innovation-to-scale conversion: High volume of pilots with limited production deployment
Fragmented tech and process landscape: Proliferation of tools and workflows with low adoption
Weak data credibility and governance: Inconsistent metrics, unclear ownership, and low trust in outputs

Global Automobile Manufacturer

Despite scale and longevity, the GCC lost its mandate anchor and strategic integration, gradually shifting into a delivery-only role

Strategic Signals

Enterprise-Level Triggers

Collapse of legacy mandate anchor: Sustained underutilisation (~20% capacity) and ~$2B cumulative losses led to exit from local manufacturing, removing the GCC's primary strategic anchor and forcing a shift to business services without a redefined enterprise mandate.

Shift in value creation model (Build vs Buy): As the enterprise pivoted to EV software, ADAS, and connected platforms, ownership of high-value capabilities was retained within HQ and external partners, excluding GCC in core product and platform roadmaps.

Recurring restructuring cycles compress mandate: Global restructuring and market exits triggered repeated resets in work allocation, with new mandates increasingly routed to HQ or vendors rather than expanding GCC ownership.

GCC-Level Implications

Cost-center positioning persists: GCC remains anchored in scale (10k+ FTEs) and functional delivery (engineering, data, operations) without ownership of platforms, products, or P&L outcomes; narrative continues to emphasise scale over enterprise impact.

Mandate erosion toward execution roles: Lack of CoEs (AI, EV, etc.) and IP creation negatively impacted GCC expansion amidst cost pressures. Many high-value roles moved to vendors in 2022, with the GCC increasingly concentrated in BAU, support, and execution-heavy roles.

Limited integration into enterprise strategy: Lack of representation in global transformation and product councils, with limited leadership rotation into global roles (<3 global roles over ~25 years). Leadership positioning remains site-centric rather than enterprise-integrated, constraining influence on strategic priorities.

Innovation productivity lags benchmarks: GCC generates fewer patents per $1M invested, compared to best-in-class GCCs (~3.2x higher)

Global Credit Company

Scaled delivery engine, but fragmentation, governance friction, and cost pressure limited translation of throughput into strategic impact

Operating Signals

Enterprise-Level Triggers

Platform fragmentation post large-scale acquisition: A ~US$3 Bn acquisition to expand into new business segment created a multi-cloud, multi-platform environment (15+ data products) across ingestion, governance, and security, increasing structural and operational complexities.

AI ambition outpaced data readiness: Enterprise pivot to AI-led data services (identity graphs, predictive analytics, ML) ran ahead of platform consolidation, with GenAI pilots launched before unified data platform stabilisation.

Explicit positioning of GCC as cost-reduction lever: GCCs positioned as a $120–140 Mn OpEx savings lever, anchoring India's role in cost takeout rather than capability ownership.

Make-vs-buy recalibration reopens vendor competition: AI-enabled, outcome-based vendor models became structurally competitive, reopening substitution risk for GCC

GCC-Level Implications

No ownership despite High Output: GCC was integral in driving cloud migration, consolidating 15+ legacy platforms. However, product, platform, and outcome ownership remained with US leadership, resulting in limited mandate.

Rising friction from centralised governance: Introduction of central risk committees added multi-step approval layers for GenAI deployment. India teams operate under < $1M autonomy thresholds, with larger initiatives requiring global approval, slowing scale-up beyond pilots.

Erosion of cost advantage and constrained investment capacity: Global debt reduction targets (~3.0x leverage) constrain GCC investment capacity. India GCC expansion funded through cost savings, not growth capital further positioning India as enterprise engine for execution and delivery

Global Networking Company

The GCC lost talent depth and stickiness with repeated restructuring, reduced product proximity, and limited global pathways

Talent & Culture Signals

Enterprise-Level Triggers

Repeated restructuring disrupted talent continuity: Major restructuring cycles with a reduction of 1/3rd workforce repeatedly reset roles for GCC. India's workforce (accounting for ~25% of the global workforce) saw fluctuation in relevance, weakening continuity and institutional depth.

Shift from build to sustain reduced "mission pull": Post 5G deployment, work shifted from product build to maintenance and optimisation, reducing exposure to innovation, product ownership, and high-impact engineering challenges.

Centralisation of next-gen capabilities at HQ: Ownership of 6G network development, AI, and optical platforms remained with HQ. India roles stayed downstream impacting global career progression and mobility.

GCC-Level Implications

Layering without capability depth: Along with the scale, the GCC accumulated 1,000+ overlapping managerial roles (account manager, account head, and program-lead). This limited growth in specialist capability and were made redundant following global restructuring.

Selective attrition of high-value talent: While the GCC was successful in reducing the overall attrition from 13% to 9%, it remained significantly high (at ~20%) in niche roles (cloud, 5G RAN) eroding critical skill depth.

Weak mission orientation: Shift towards support and compliance roles reduced product proximity and ownership. This weakened the engagement for high-end engineering talent to build new offerings from India.

Constrained career pathways: Limited global roles (<4 India-based compared to 12-15+ for peers) and <1–2% mobility reduced long-term attractiveness as a career accelerator.

Global Retailing Company

High activity but low enterprise impact due to rising tech investments without simplification or data readiness

Tech, Process & Data Signals

Enterprise-Level Triggers

Turnaround economics drove short-cycle ROI decisions: Multiple ownership and structural changes over the past 5 years led fluctuations in GCC investment. GCC added 200+ applications and platforms, with each funding reset layering new systems without decommissioning legacy ones, driving significant tool sprawl and data debt within the GCC.

Portfolio churn fragmented the technology stack: Multiple structural and ownership changes introduced new platforms, vendors, and integration demands without decommissioning discipline, expanding the GCC's tech footprint.

AI ambition outpaced data readiness: For last 3 years, AI/ML use cases (across merchandising, assortment planning, supply chain, and customer service) were launched ahead of a mature data foundation. 500+ PoCs were initiated despite fragmented data architecture, leading low production value.

GCC-Level Implications

Fragmented tech and process landscape: Multiple SaaS and automation layers were added without decommissioning legacy systems post structural changes. 20–40% excess tooling drives duplication, low adoption, and eroding ROI.

Weak data credibility and governance: Disjointed stack (legacy POS, e-comm, loyalty, AI tools) lacks unified lineage. 50–60% of effort spent on reconciliation, not value creation—limiting trust in GCC-led insights.

Legacy system inertia constrains modernisation: Supporting 650+ stores and mission-critical operations, GCC prioritises uptime over transformation. Narrow risk windows structurally delay platform renewal.

Low conversion of innovation to scale: Despite 20+ AI/ML pilots, <5% reach production. Innovation remains PoC-heavy due to weak data foundations and lack of enterprise integration.

Patterns across GCCs are structural, not incidental

Across industries, GCCs exhibit similar signals: mandate erosion, execution-heavy roles, fragmented operating models, and ability to attract and retain right talent.

These are not isolated failures, but outcomes of recurring design and governance gaps.

Why GCCs Plateau: Structural Root Causes



Parent / HQ Constraints (External Drivers)

- **Capital reprioritisation:** Cost and margin pressures reduce investment in GCC-led transformation, limiting expansion into higher-value work
- **Shifting enterprise priorities:** Moves toward AI, platforms, and new value pools deprioritise GCCs not aligned to future focus areas
- **Re-centralised decision-making:** Tighter governance pulls control back to HQ, reducing GCC autonomy and speed



Mandate & Operating Model Gaps (Design Issues)

- **Execution-led charter:** GCCs are designed for delivery, not ownership, constraining participation in product, platform, and outcome ownership
- **Strategic misalignment:** GCC priorities lag evolving enterprise strategy, especially in future-facing domains
- **Cost-centric positioning:** Over-reliance on cost arbitrage anchors GCC in lower-value work and limits strategic relevance



Leadership & Integration Gaps (Governance Issues)

- **Limited leadership autonomy:** Restricted decision rights limit GCC ability to shape investments, talent, and direction
- **Inconsistent sponsorship:** Changes in HQ leadership fragment strategic direction and reduce continuity of support
- **Weak enterprise integration:** Limited presence in core forums keeps GCC peripheral to decision-making and transformation agendas



Talent & Capability Gaps (Execution Capability)

- **Erosion of capability depth:** Loss of high performers and reliance on volume hiring dilute skill quality and expertise
- **Limited product and customer exposure:** Lack of end-to-end ownership restricts capability building and innovation depth
- **Weak capability evolution:** Underinvestment in AI, data, and platforms slows progression to higher-value work



Tech, Data & Innovation Debt (Infrastructure)

- **Legacy architecture constraints:** Dependence on legacy systems limits ability to build or own modern platforms
- **Fragmented technology and data landscape:** Lack of standardisation and integration reduces scalability and enterprise adoption
- **Limited pathways to scale innovation:** Absence of structured funding and scaling mechanisms keeps innovation at pilot stage

Breaking the Plateau

Breaking stagnation requires fixing five structural gaps: mandate, leadership, operating model, capability, and foundation

Pillar	Objective	Key Interventions
01. Redefine the GCC Mandate (Fix the "why")	Re-anchor GCC to enterprise value creation	• Align GCC to value creation across products, platforms, and processes • Shift to e2e process ownership • Reframe success to business impact (revenue, velocity, innovation)
02. Strengthen Leadership & Integration (Fix the "who")	Embed GCC into enterprise decision-making	• Establish clear executive sponsorship across business and tech • Elevate GCC leadership autonomy (investment, talent, roadmap input) • Embed GCC leaders into global transformation forums
03. Reset Governance & Operating Model (Fix the "how")	Move from delivery engine to outcome-driven system	• Define roles and ownership across GCC, HQ, and vendors • Shift to outcome-based accountability • Move to multi-year capability funding models
04. Rebuild Talent & Capability Engine (Fix the "what")	Restore depth, relevance, and mission pull	• Prioritise high-impact skills (AI, data, platform, domain, and industry) • Anchor teams to customer outcomes • Build clear & strong career pathways
05. Modernise Tech, Data & Innovation Foundation (Fix the "foundation")	Enable scale, speed, and credibility	• Accelerate platform modernisation (cloud-native, modular architectures) • Simplify fragmented tech stack • Strengthen data ownership, governance, and lineage • Shift to production-scale, reusable capabilities

Global SaaS Company

GCC stagnation reversed when India moved from supporting legacy workflows to owning deployment and evolution of the enterprise's AI platform



	Strategic	Operating Model	Talent
01. The Problem: AI shift exposed a structurally misaligned GCC	GCC remained anchored to legacy delivery; India excluded from platform ownership as AI build concentrated at HQ	Legacy support workflows were structurally disrupted by AI; ~50% of support tasks automated, putting ~10K roles in India at risk	Mission pull collapsed due to no AI mandate, no role pathways for engineers
02. The Intervention: Re-anchored GCC to the enterprise's AI transformation	Repositioned India as a build-and-deploy hub; reframed mandate to "AI innovation hub, not offshore support"	Deployed Forward Deployed Engineering (FDE) model, embedding India teams into production across architecture, integrations, and customer success	Created AI-native role families (Deployment Strategist, AI Architect, Conversational Designer) and established clear career pathways
03. The Outcome: GCC becomes central to AI execution, not peripheral to it	India established as core execution hub for enterprise AI rollout, owning deployment rather than downstream delivery	Support operations replaced by AI-led delivery at scale: • ~50% of legacy support automated • ~4,000 roles redeployed to AI and sales	1,000+ AI roles created; GCC repositioned as an AI build hub vs support center, restoring mission pull

Global Pharma Company

GCC moved up the value chain by expanding ownership into core R&D, clinical, and AI-led workflows



	Strategic	Operating Model	Talent
1. The Problem: Scale without mandate anchoring created a delivery-heavy GCC	15+ years in India, yet GCC identity remained anchored to GBS/IT services, not core R&D, clinical, or product value chains despite enterprise ambition to double revenue over 5-7 years	GCC scaled as an execution engine (space + headcount growth) without ownership; delivery expanded but remained downstream in the value chain	Mission pull weakened as roles concentrated in IT/GBS with limited proximity to drug discovery, clinical development, and AI vs peers
02. The Intervention: Re-anchored GCC to the enterprise's R&D and AI agenda	Committed ~$70M investment to tie India GCC directly to enterprise priorities (revenue growth and new medicines); repositioned India to AI and R&D innovation hub	Shifted to end-to-end workflow ownership aligned to drug pipeline velocity and patient outcomes spanning clinical research, trial data analytics, GenAI, pharmacovigilance, and regulatory submissions	Established structured global mobility and leadership pathways; redesigned roles toward AI and patient outcomes vs generic IT delivery
03. The Outcome: GCC becomes central to drug development and value creation	India established as the largest global GCC, directly anchored to the organisation's revenue roadmap and innovation agenda	India owns core regulatory, clinical AI, and pharmacovigilance workflows at scale (>50% of global work), directly influencing drug pipeline velocity and patient outcomes	Mission pull restored with high-impact R&D and AI roles; India repositioned as AI and R&D innovation hub with strong global mobility pathways

Global Automotive Company

GCC moved from legacy engineering support to owning next-gen software architecture



	Strategic	Operating Model	Talent
01. The Problem: Legacy mandate persisted as enterprise shifted to software-defined vehicles	25+ years in India, yet GCC mandate remained anchored to CAD/CAE and IT support, lagging the enterprise shift to software despite ~25% of R&D moving to software globally	GCC functioned as a delivery engine for upstream engineering, with limited ownership as the enterprise pivoted Software Defined Vehicles (SDV) and cloud-native platforms	Capability base skewed toward mechanical and legacy engineering (~40% of global engineering workforce); mission pull eroded as top talent moved to software-first ecosystems across peers
02. The Intervention: Re-anchored GCC to software-defined architecture	Re-chartered India from support roles to end-to-end SDV stack ownership (operating system, chip-to-cloud architecture, autonomous driving, infotainment, and charging systems)	Shifted to an ecosystem-led model (driven by peer-partnerships) to move from isolated execution to integrated software and systems development across the SDV stack	Repositioned GCC as connected, autonomous, electric, digital hub; strengthened AI and software talent pipelines through industry-specific programs and campus hiring
03. The Outcome: GCC becomes central to software architecture strategy	India established as largest R&D center outside HQ, directly contributing to enterprise software and connected ecosystem roadmap	Integrated SDV ecosystem deployed in production, enabling end-to-end development (including digital product, testing & simulation, data, and IT systems)	All engineering roles repositioned toward software-defined mobility with 400+innovation awards; mission pull restored as GCC anchors future platforms

Global Retail Conglomerate

GCC restored strategic relevance by owning high-growth fintech platforms



	Strategic	Operating Model	Talent
01. The Problem: Mandate collapse and portfolio diffusion pushed GCC into plateau	GCC built as core retail platform engine but mandate lost anchor after global structural change and CEO transition; India GCC lost the strategic sponsor and direction	Platform built for global org from India, but ownership remained with vendor; portfolio expanded across five business units without clear depth or control	Talent proposition diluted as engineers operated without clear product or platform ownership. Headcount declined by 10%
02. The Intervention: Re-anchored GCC to fintech platform ownership and IP control	Shifted anchor to high visibility fintech growth engines; positioned India as digital payments and financial services platform hub	Transitioned from SI-led co-delivery to GCC-led platform ownership; built internal capability to own architecture, delivery, and platform IP	Repositioned talent identity from retail engineering to fintech platform engineering; aligned roles to digital payments and financial services use cases
03. The Outcome: GCC becomes central to software architecture strategy	India re-established as core platform builder and backbone for multi-country operations	Built and scaled multi-tenant, cloud-native platform; scaled to serve 9+ countries	Talent repositioned toward fintech and platform engineering; Recognised externally (Technology Strategy Impact Award 2024) reinforcing India's capability positioning

Most GCCs are built for Day 0. Winners are designed for Day 1000.

If interventions fix plateau, these principles prevent it.

These are not actions to take, but design choices that prevent plateau from emerging.

Anchor to Business Outcomes
GCCs must be designed to own business outcomes, not just deliver work

Design for Governance Resilience
GCC mandates must be structurally anchored to outlast leadership cycles

Separate Build from Run
Innovation must be structurally protected from the pull of execution

Measure Relevance, Not Headcount
GCC success must be measured by ownership and impact, not scale

Build Talent for Relevance, Not Scale
Sustained relevance requires capability depth, not organisational scale

Embed Economics into Technology Decisions
Technology investments must be grounded in clear economic value from the outset

Most GCCs are built to scale delivery. Few are designed to sustain relevance. The difference is design strength along with execution discipline.

Authors

EMBARK®

Established in 2025, Embark is a premier, fully integrated platform dedicated to accelerating the establishment and expansion of Global Capability Centres (GCCs) in India.

Embark simplifies the expansion of global companies in India by serving as a single-source execution partner, providing global organisations with a seamless, end-to-end solution to design, execute, and evolve their India hubs with speed and strategic certainty. By integrating practitioner-led expertise with the institutional-grade workplace and infrastructure backing of the Embassy Group - a pioneer in Indian real estate with over three decades of experience – Embark's comprehensive service suite from Blueprint to Breakthrough encompasses strategy, operations, talent and workplace solutions, under a single accountable model.

Through this synergistic approach, Embark empowers global companies to thrive and scale in India's vibrant ecosystem while maintaining focus on their core innovation mission.

For more details visit https://embarkgrp.com/

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UnearthIQ

Founded in 2025, UnearthIQ is a research and intelligence-led advisory firm focused on the Global Capability Center (GCC) ecosystem. We combine practitioner expertise with proprietary market intelligence, benchmarking, and ecosystem insights to help global enterprises build, scale, and transform GCCs in India.

Our research spans GCC evolution, talent strategies, AI adoption, engineering maturity, operating models, and sector-specific transformation. Through leadership roundtables, competitive benchmarking, and ecosystem engagement, we deliver actionable insights that drive informed decision-making in the GCC.

What sets us apart is our dual focus on greenfield and brownfield GCC research. Beyond supporting new setups, we partner with established GCCs to assess maturity, benchmark against peers, and unlock opportunities for innovation, strategic ownership, and greater business impact.

For more details visit https://unearthiq.ai/

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Annexure

Framework to Assess GCCs Not Fully Realising Their Potential

Multi-parameter assessment across scale, growth, innovation, leadership, and cost efficiency

Dimension	Weight	Assessment Criteria
Scale Maturity	20%	GCCs reach a scale ceiling (~20–25% of global headcount) without corresponding expansion into new mandates, capabilities, or ownership areas
Growth & Value Realisation	20%	Limited revenue or transfer pricing growth (<5%) weakens the ROI narrative and reduces the ability to justify continued investment or expansion
Innovation & Capability Build-out	30%	Low creation of new capabilities or CoEs; innovation remains pilot-driven with limited enterprise-scale adoption or impact. No dedicated Innovation Head in India
Leadership Stability	20%	Frequent (>2) leadership transitions in short duration disrupting mandate continuity, weaken strategic direction, and slow decision-making
Cost-to-Serve Efficiency	10%	Cost advantage erodes due to governance complexity, rework, and increased reliance on shadow vendor structures