

INDIA'S GLOBAL LEAP

The strategic appeal of setting up GCCs in India by Global organizations

- Geo-political Stability
- Quality Service Delivery
- Strong English Proficiency
- Global Timezone Coverage



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India's GBS/GCC Magnetism: Stability Meets Service Excellence

As organizations continue to optimize their global operations, the rise of India as a premier destination for Global Business Services (GBS) and Global Capability Centers (GCCs) shows no signs of abating. Valued collectively at over USD 46 Bn the nation's maturing GCC landscape boasts over 1.66 Mn talented professionals staffing GCCs across critical sectors, including Engineering Research & Development (ER&D), Healthcare, Analytics, Finance, and more.

With the Indian GCC ecosystem consistently growing at about 6% each year, it's no wonder organizations are eager to tap into such a thriving environment. What is fuelling this sustained gravitational pull?

We surveyed enterprise functions leaders and business heads to understand the most important factors driving GBS/GCC setups in India. The responses revealed two overarching parameters that have firmly established India's prominence in the GCC/ GBS space – a unique convergence of geopolitical stability and exceptional service delivery capabilities.

We see India's GCC expansion is standing on these two strategic pillars nurtured over decades since liberalization began:

1. **Pillar 1:** Geopolitical stability coming from steady political and economic environment along with supportive government policies.
2. **Pillar 2:** Service delivery excellence resulting from a rich pool of talented professionals capable of performing complex tasks, and a strong commitment to delivering high-quality work, monitored through clear models and guided by visionary leadership that have been instrumental in guiding country's growth in international capabilities across various sectors.

Geopolitical Stability: The Bedrock Advantage

50% of the survey respondents cited India's geopolitical stability as the crucial determinant for their GBS/GCC footprint. In a world troubled by socio-economic upheavals, political volatility, and supply chain disruptions, India has steadfastly remained a haven of constancy.

With a robust democratic framework, predictable policy regimes, and concerted efforts towards ease of doing business, India provides all the essential ingredients for sustainable global operations.

For GBS/GCC entities dealing with time-critical processes, IP/data security, sustainability goals, and business continuity, this stability quotient is valuable. India has established itself as a stable country for offshoring functional processes due to several key factors:

- **Stable Political and Economic Environment:** India has a stable political environment with a democratic system that provides a conducive atmosphere for business operations. Its growing economy and steady GDP growth further bolster confidence in its stability as an offshoring destination.
- **Supportive Government Policies:** The Indian government has implemented policies and incentives to encourage foreign investment and offshoring activities. These include tax benefits, regulatory support, and initiatives to promote digital infrastructure development.
- **Robust IT Infrastructure:** India has invested significantly in its IT infrastructure, ensuring reliable connectivity and technological support necessary for offshoring operations.
- **Skilled Workforce:** India boasts a large pool of skilled professionals across various domains, including IT, finance, engineering, and customer service. This skilled workforce is adept at handling complex functional processes efficiently.
- **Cost Efficiency:** Offshoring to India offers cost savings for companies, primarily due to lower labour costs compared to many developed countries. This cost advantage remains a significant attraction for businesses looking to optimize their operational expenses.
- **English Proficiency:** English is widely spoken and used in India, making it easier for companies from English-speaking countries to communicate seamlessly with their offshore teams. This linguistic compatibility enhances operational efficiency and reduces language barriers.
- **Time Zone Advantage:** India's time zone (UTC+5:30) allows for significant overlap with both Eastern and Western time zones, facilitating real-time communication and collaboration between offshore teams and their counterparts abroad.

- **Established Ecosystem:** India has a mature outsourcing ecosystem with a large number of established outsourcing service providers and IT companies offering a wide range of services. This ecosystem provides scalability and flexibility to meet diverse business needs.

An added advantage is India's remarkable resilience through pandemic lockdowns, which enabled the GBS/GCCs to pivot to virtual models while delivering seamless service.

No wonder it's the world's #1 global services destination, housing over 1,300 GCCs.

Service Delivery Excellence: The Force Multiplier (50%)

Tied for first is India's globally benchmarked service delivery prowess - a hard-earned reputation for quality, efficiency and customer-centricity. It is no accident that India-located GBS/GCC hubs have consistently ranked #1 across key vector like quality certifications, process maturity, talent availability, and cost optimization.

What underpins this service par excellence? A confluence of key business drivers:

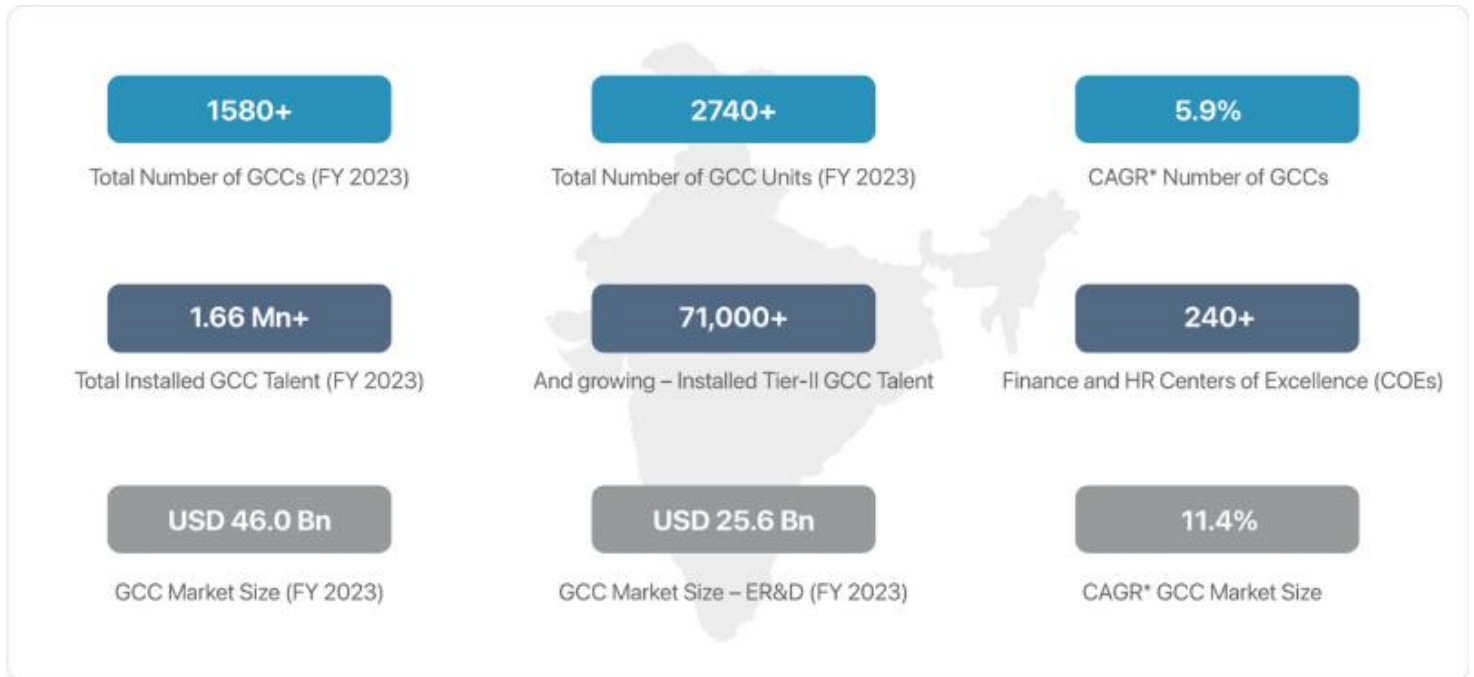
- ✓ Vast globally integrated talent pool (5+ million employed)
- ✓ Stringent process/quality management systems (e.g. COPC, Six Sigma)
- ✓ Pioneering adoption of next-gen technologies like RPA, AI, GenAI and Analytics
- ✓ Deep domain capabilities across verticals like BFSI, Manufacturing, Retail
- ✓ Multilingual support, with English being the established corporate lingua franca
- ✓ Visionary leadership with stringent monitoring models

The Future: Replicating India's GBS/GCC Triumph



The results make it abundantly clear – geopolitical stability paired with consistent service excellence makes India virtually unbeatable for GBS/GCC operations. This integration of security and quality is the holy grail that global organizations relentlessly seek.

A snapshot of the GCC Ecosystem in India:



Source: Zinnov Research & Analysis

*CAGR calculated from FY2015-FY2023

As India cements its innovation leadership across emerging technologies, the India based GBS/GCCs have ascended the value chain swiftly, spanning from advanced analytics to ESG initiatives. Demonstrating its innovative prowess, India is forging ahead into the realms of the metaverse, blockchain, Industry 4.0, and beyond. This solid foundation has paved the way for expanding global responsibilities, projected to grow to 20,000 roles by 2030 within maturing GCCs. These centres are reshaping global enterprise competition, broadening their mandates each year to seize additional opportunities for value creation, bolstered by deep insights into local markets. India's rapid transformation into the premier hub of GCCs is powered by these cumulative advantages honed over more than two decades.

In an era of persistent disruption, India has demonstrated that fortifying operational resilience and fostering sustained transformation capabilities are the dual centrifugal forces propelling the world's most formidable GBS/GCCs. An enviable recipe that the world is scrambling to decode and replicate.

If you want to **Set-up a GCC** or an **Offshore Captive Centre** in **India**, or want to just transform your **Enterprise Functions**, contact us today at contact@quintessglobal.com

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