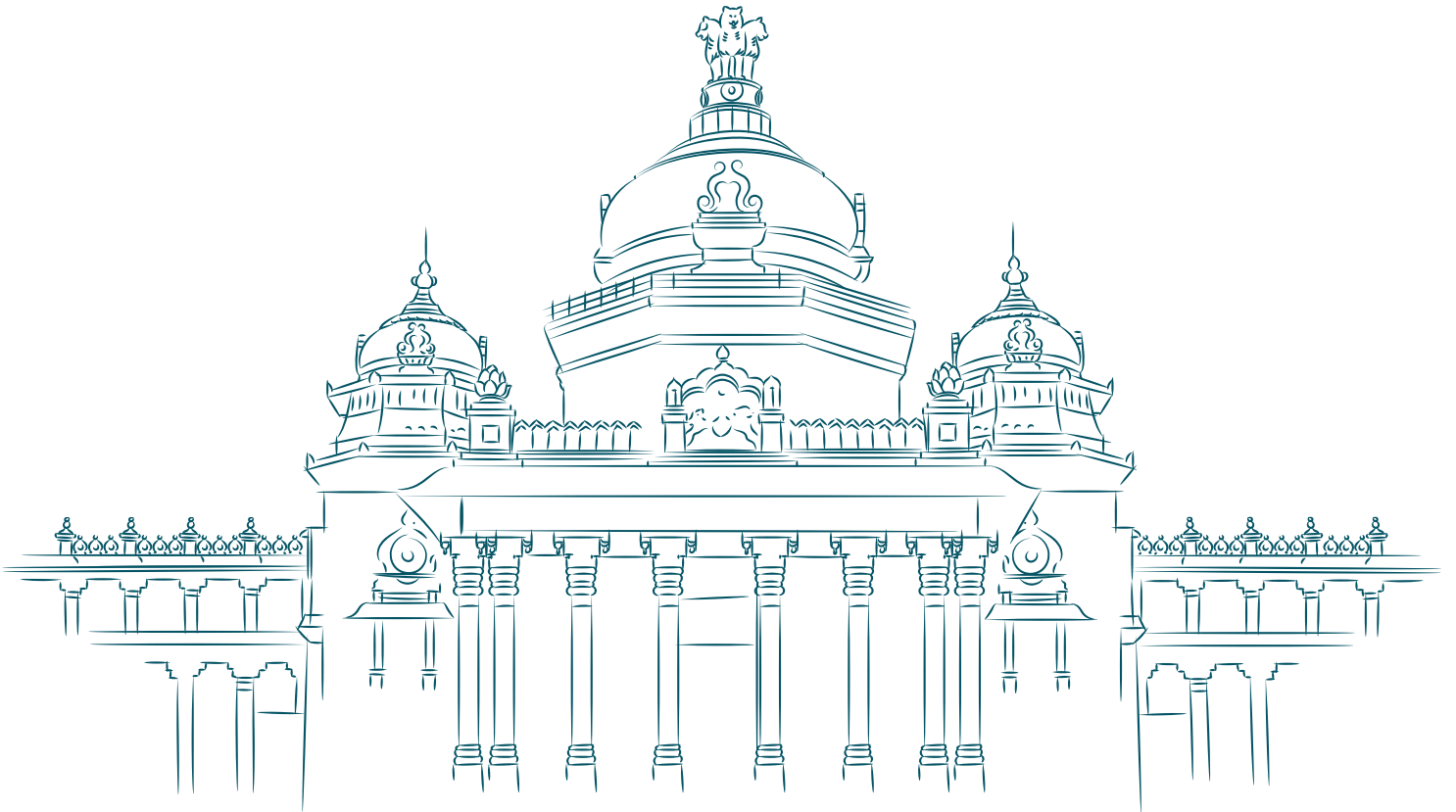


KARNATAKA

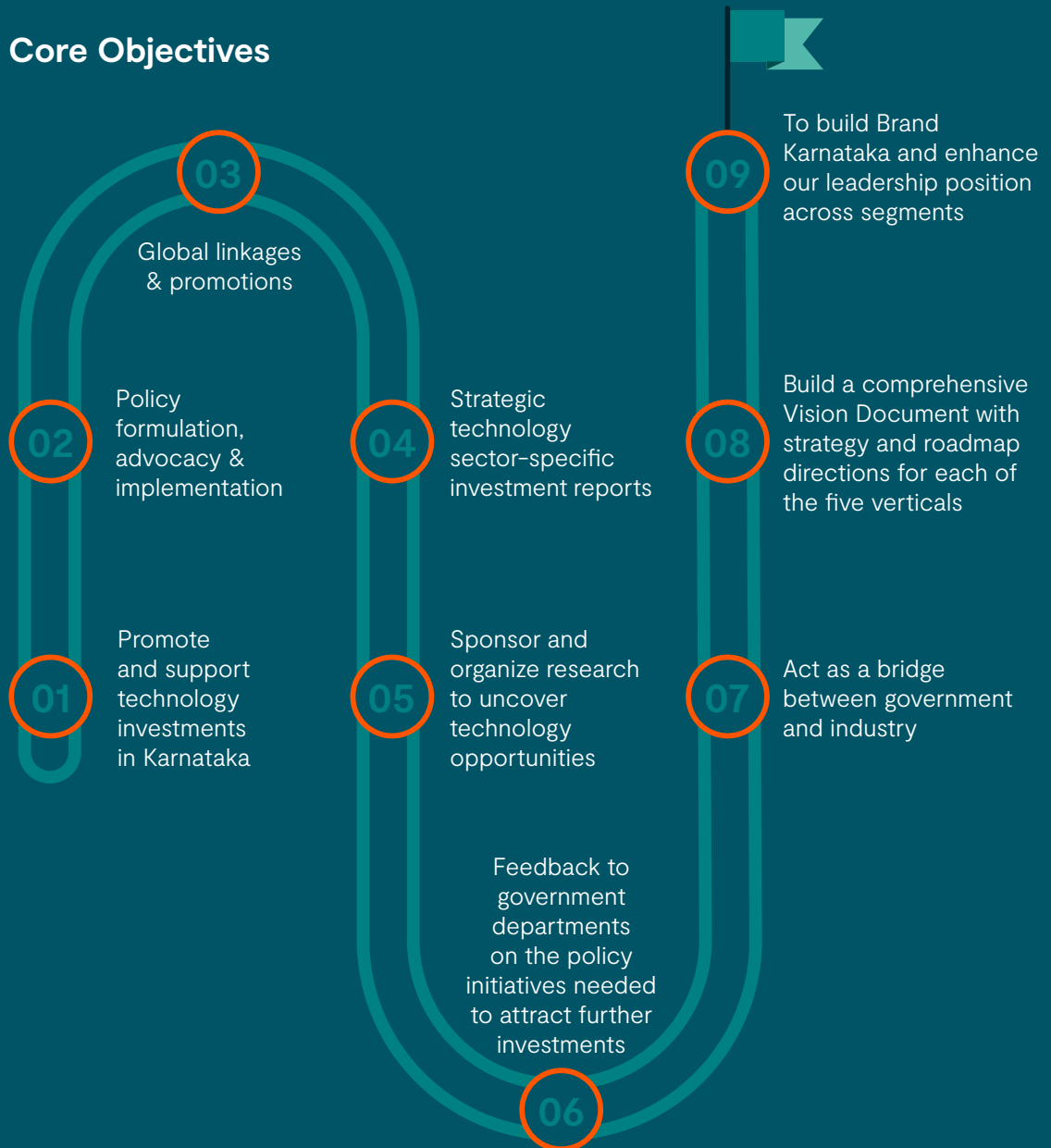
Leading the Way for
Global Capability Centers (GCCs)
2024



ABOUT Karnataka Digital Economy Mission

Karnataka Digital Economy Mission (KDEM) is a Section 8 organization designed to function as the knowledge bridge between the Government of Karnataka (GoK) and industry with a view of accelerating the growth and investments of the IT, BT and S&T (Digital Economy) sectors in Karnataka. The Karnataka Digital Economy Mission promises to harness the unlimited potential of the digital economy of Karnataka to transform the lives of the people in the State. Our focus areas are **IT, ITes, BPM & GCC, Innovation & Startups, Electronics System Design Manufacturing, Beyond Bengaluru, and Talent Accelerator.**

Core Objectives



Cluster presence:

Mysuru, Mangaluru,
Hubballi-Dharwad,
Belagavi

Upcoming clusters:

Kalaburagi,
Shivamogga, Tumkur

Reach out to KDEM:

info@karnatakadigital.in

ABOUT ANSR

ANSR is the market leader in enabling organizations to build, manage, and scale global teams through Global Capability Centers (GCCs). ANSR's suite of end-to-end AI-enabled products and offerings are trusted by the world's best companies to help them set up, manage, and run their high-impact technology centers.

125+

Customers

125K+

FTEs

12M+^{sft}

Real Estate

\$2B+

Investment



Industry

Retail/CPG, Banking & Financial Institutions, Insurance, Healthcare, Travel & Transport, etc.



Team Size

From ~20 to >10,000 employees



Client Profile

High growth product companies, SMBs, Fortune 500

Business Operations

Areas of expertise include Finance, Tax, & Regulatory and Employee Lifecycle Management (Offer and Onboarding, Background Verification, HR, Compliance, Offboarding & Exit Management)

Market Advisory

Empower organizations to accelerate capability development, navigate transitions, & drive change management effectively



Workspace

Premium, customized, branded & fully managed office solutions. Areas of expertise include Workspace Strategy, Leasing & Research, Workspace Design & Insights, Build & Construction, and Integrated IT Infrastructure

Workforce Management

Areas of expertise include Talent Intelligence, Talent Sourcing, AI-led Screening, Talent Management, & Total Rewards

Global Offices:

Dallas, New York, Miami, London, Abu Dhabi, Krakow, Bengaluru, Hyderabad

Reach out to ANSR:

marketing@ansr.com

Karnataka – Leading the Way for Global Capability Centers (GCCs)

TABLE OF CONTENTS

01	Foreword	05
02	Executive Summary	12
03	GCC Landscape	14
	· India GCC Landscape · Forbes Global 2000 GCC Landscape · Karnataka GCC Landscape · Sector-Wise GCC Landscape	
04	Location Analysis of Major Matured GCC Hubs	21
05	Capabilities Built at Forbes Global 2000 GCCs in Karnataka	25
06	Framework for a Successful GCC Set-up	37
07	Karnataka – A Growth Enabler	45
08	Karnataka – Forecast of Forbes Global 2000 by 2030	49
09	Way Forward	51



Mr. Priyank M. Kharge

Hon'ble Minister, Dept of EI, IT & BT
and Rural Development & Panchayat Raj

Karnataka stands at a pivotal juncture within the GCC/IT/ITeS industry, having established itself as the nation's premier hub for knowledge and technology on the global stage. The State has emerged as a driving force behind India's industrial growth, spanning GCC/IT/ITeS, electronics, biotechnology, nanotechnology, pharmaceuticals, and aerospace sectors. Bengaluru, in particular, holds a commanding 39% of the larger GCC market share in India, a testament to its position as the market leader and the largest hub for GCC operations.

The Government of Karnataka (GoK) has embarked on numerous initiatives to solidify its position as a preeminent high-tech state, taking the lead in attracting investments from both domestic and international sources in transformative technologies like AI/ML, Automation, Data Analytics, 3D Printing, and Robotics, among others. This includes the implementation of a range of business-oriented initiatives such as the IT Policy 2020-25, ER&D Policy 2021, Cyber Security Policy, and Data Center Policy, helping the State achieve the top position in investment attraction. Notably, it captured an impressive 53% share of the total foreign direct investment (FDI) in the computer hardware and software sector during the fiscal year 2021-22.

Bengaluru's prime position as a leader is supported by its unique mix of sectors, including Retail, Banking, Manufacturing, Healthcare, Life Sciences, and more. Known as the startup capital with over 26K+ active startups, Bengaluru offers access to unique talent and ~40% of India's unicorns, contributing to its status as the talent capital for enterprise-ready talent in India. This combination of diverse industries and exceptional talent makes Bengaluru a key draw for organizations aiming to build scale, drive transformation, and achieve value multiplication.

To establish a resilient business and operational ecosystem for GCCs, the State is implementing strategic interventions and facilitators. Initiatives such as Beyond Bengaluru envision the evolution of designated clusters into vibrant IT hubs, supported by various facilitative measures and apt infrastructure. The Karnataka Digital Economy Mission represents a progressive stride in fostering dialogue between the GCC/IT/ITeS industry and the Government, aimed at advancing the digital economy not only within Bengaluru but also beyond its boundaries.

The comprehensive report, spotlighting the State's policies, existing GCC ecosystem, and abundant talent pool, serves as a promising foundation for positioning Karnataka as an indispensable destination for establishing GCCs.



Mr. B V Naidu

Chairman, Karnataka Digital
Economy Mission

Global Capability Centers (GCCs) are playing a pivotal role in the Indian economy today, significantly contributing to job creation, technology adoption, and skills development. The rise of GCCs has firmly established India as a key player in the global IT and business services industry. Notably, the country has become a world leader in technology services, witnessing a remarkable boom in unicorns in recent years. Impressively, 40% of these unicorns have been based out of Bengaluru, showcasing the city as a premier landscape for developing disruptive technologies. Bengaluru has been ranked eighth among the top 10 cities in leading technology innovation hubs outside Silicon Valley, San Francisco.

Karnataka, as a state, stands tall on the global stage, being the world's fourth-largest technology and innovation cluster. It is home to over 500 GCCs, underlining its prominence in the global GCC landscape. The Government of Karnataka has been proactive in fostering a conducive environment for the growth of GCCs through a variety of forward-thinking policies. These policies are specifically targeted at the GCC/IT/ITeS sector, R&D, ESDM, AVGC, Cybersecurity, and startups, thus enabling a surge in innovations.

In addition to policy support, the State offers unique incentives to engage entrepreneurs throughout their journey. These include rental reimbursement, recruitment assistance, PF/ESI reimbursement, reimbursements towards marketing costs, quality certifications, and patents. Such incentives have been instrumental in reducing operational costs for companies, allowing them to focus on enhancing innovation and competing on a global stage.

This comprehensive report will delve into the GCC landscape of Karnataka, showcasing the state's commitment to fostering an environment where GCCs can thrive and drive unprecedented organizational success.

Foreword from CO-CHAIR, KDEM



Dr Ekroop Caur, IAS

Secretary, Dept of Electronics IT
Bt and ST & Co-Chair, Karnataka
Digital Economy Mission

As the digital landscape continues to evolve at an unprecedented pace, it is imperative for regions to adapt swiftly to harness the opportunities that emerge. Karnataka stands as a beacon of innovation and technological advancement, carving out a distinct identity as a global leader in the fields of Electronics, Information Technology (IT), Biotechnology (BT), and Science & Technology (ST).

In this era of rapid digitalization, the Government of Karnataka has remained steadfast in its commitment to foster an environment conducive to the growth of Global Capability Centers (GCCs). Through strategic policies and targeted initiatives, we have positioned Karnataka as the preferred destination for organizations seeking to leverage cutting-edge technologies and tap into a rich pool of talent.

The GCC report serves as a testament to the collaborative efforts between the industry and the government in nurturing a thriving ecosystem for technological innovation and business excellence. It highlights the strategic interventions and facilitators put in place to support GCCs, emphasizing our unwavering dedication to creating a resilient and dynamic business environment.

As we navigate through the challenges and opportunities presented by the digital age, I am confident that the insights provided in this report will serve as a valuable resource for stakeholders looking to establish and grow their presence in Karnataka. Together, let us continue to push the boundaries of technological innovation and drive sustainable growth for the benefit of all.

Foreword from CHAIRMAN, STARTUP VISION GROUP



Prashanth Prakash

Chairman, Startup Vision Group
& Partner Accel

In the dynamic landscape of innovation and entrepreneurship, Karnataka has emerged as a fertile ground for startups to thrive and flourish. The interdependent relationship between Global Capability Centers (GCCs) and startups exemplifies the transformative power of collaboration, driving innovation and fostering robust economic growth within the ecosystem. The convergence of talent, resources, and a supportive ecosystem has propelled the state to the fore front of the startup revolution, attracting visionary entrepreneurs and investors from around the globe.

As Chairman of the Startup Vision Group, I am honored to witness the relentless spirit of innovation that permeates our startup community. From disruptive technologies to groundbreaking business models, Karnataka's startups are redefining industries and shaping the future of commerce and society.

This report provides testament to mutual relationship between startups and Global Capability Centers (GCCs) underscores the collaborative ethos that defines Karnataka's innovation ecosystem. By fostering strategic partnerships and knowledge exchange between startups and GCCs, we are unlocking new avenues of growth and driving unparalleled innovation.

The success stories are a testament to the transformative power of collaboration. Whether it's through mentorship programs, co-innovation initiatives, or talent exchange platforms, startups and GCCs are forging new frontiers of possibility and driving sustainable growth.

As we chart a course towards a future defined by innovation and resilience, I am confident that this report will serve as a guiding light for stakeholders looking to harness the full potential of Karnataka's startup ecosystem. Together, let us continue to push the boundaries of what's possible, and build a future where innovation knows no bounds.

Foreword from CEO, ANSR



Mr. Lalit Ahuja

Founder & CEO, ANSR

GCCs are currently in a phase characterized by an accelerated, qualitative leap forward, evolving into ‘digital twins’ of their headquarters. With a focus on innovation, efficiency, and strategic synchronization with enterprise objectives, the next generation of GCCs aspires to set new gold standards of excellence. They strive to cultivate exceptional talent pools and foster impactful partnerships within the ecosystem to drive unprecedented organizational success.

Karnataka stands out among India’s major states, hosting over 500 GCCs established in the country. Bengaluru, in particular, emerges as the preferred destination for setting up GCCs, thanks to its rich pool of contextually skilled talent and its vibrant ecosystem comprising tech start-ups, service providers, and product companies. Furthermore, Karnataka hosts GCCs of ~275 Forbes Global 2000 companies employing more than 550K professionals. The city boasts a robust digital infrastructure and an impressive mix of talent, including IT specialists, engineers from various disciplines such as aeronautical, mechanical, and chemical, as well as professionals in biotechnology, semiconductors, and more. Bengaluru is home to more than 25% of India’s digital talent of more than 325K professionals. This diverse talent pool, equipped with cutting-edge skills and a multidisciplinary approach, is precisely what GCCs are seeking to drive innovation and transformation.

Moreover, Bengaluru’s ecosystem of service providers and startups creates an unparalleled environment for the thriving of new-age GCCs. The collaborative synergy between GCCs and this ecosystem fosters a culture of continuous innovation and excellence, making it an ideal location for organizations aiming to stay ahead in the competitive global market.

The Government of Karnataka (GoK) has introduced incentives, regulations, and new policies supporting GCC setups in both Bengaluru and non-metro cities such as Mysuru, Hubballi, and Mangaluru. These measures are poised to attract the next wave of enterprises aiming to enhance their digital capabilities.

KDEM and ANSR strongly believe that the State Government’s support in infrastructure development, market growth, ecosystem engagement, talent development, and enhancing the ease of doing business will significantly drive global companies to establish their GCCs in Karnataka.



Mr. Sanjeev Gupta

CEO, Karnataka Digital
Economy Mission

Karnataka stands at a pivotal juncture in the GCC/IT/ITeS industry, with a thriving ecosystem that extends far beyond Bengaluru. Our state has long been recognized as a premier hub for technology and innovation, and now, we are harnessing the potential of talent distributed across Karnataka to drive further growth.

The Karnataka Digital Economy Mission (KDEM) is committed to expanding this ecosystem through our Spoke–Shore strategy. This approach encourages Global Capability Centers (GCCs) to establish satellite offices in clusters beyond Bengaluru, tapping into the rich, diverse talent pool available throughout the state. This strategy, supported by Karnataka’s favourable business environment, livability, and abundant talent, is set to significantly contribute to the state’s growth.

The Beyond Bengaluru initiative is central to our mission of expanding the digital economy into identified clusters outside Bengaluru. By fostering a product-based ecosystem, we are building a vibrant community of key industry players, entrepreneurs, start-up owners, academia, accelerators, and the student community. This program is not only attracting investments but also generating employment in these emerging tech clusters.

Our government’s IT policy focuses on strengthening digital infrastructure and supporting remote and distributed workforces in these clusters. We have engaged with real estate developers and co-working space providers to create a comprehensive database of available spaces. Additionally, we are facilitating incentives for companies establishing operations in Beyond Bengaluru clusters, positioning these cities as the next prime destinations for IT companies.

As a result, over 25 companies, including IBM and GlowTouch, have begun functioning in the Mysuru, Mangaluru, and Hubballi clusters, generating employment for more than 5,000 people. Additionally, in measures to create about 10,000 start-ups by 2030, KDEM is working on augmenting the start-up ecosystem in the existing and planned clusters through the ‘Beyond Bengaluru Startup Grid’. KDEM is enabling future digital jobs across artificial intelligence and cyber security in Mysuru, Hubballi, Mangaluru, Kalaburagi, and Belagavi, with 2,000+ opportunities. It is also spearheading innovation by implementing various specialized Centres of Excellence.

Together, we are poised to grow Karnataka’s thriving GCC ecosystem beyond Bengaluru, driving innovation and economic growth throughout the state. The Karnataka Digital Economy Mission remains committed to supporting this transformation and ensuring that Karnataka continues to lead as a premier destination for technology and innovation.

ACKNOWLEDGEMENTS

We extend our thanks to all the team members who invested their valuable time to provide inputs and contribute to this report.

We thank GoK, Department of IT, BT & S&T, and Karnataka Innovation Technology Society (KITS) for commissioning the study. We extend sincere thanks to KDEM Partners – STPI, IACC, IESA, ASSOCHAM, NASSCOM for supporting us in our endeavors.

Our special thanks to the review panel for their strategic direction from conceptualization to the launch of the report.



Darshan HV
IAS



Ruchi Bindal
IAS



Smitha Hemmigae
ANSR

ANSR Team



Ashutosh Bisht



Shekhar Anand



Clint Thomas



Prem Kumar



Shefali Bhasin

KDEM Team



Chetan Dixit



Gaurav K Punjabi



Bharath Chandra



Aparna Rajesh



Abbreviations

GCC	Global Capability Center	UI/UX	User Interface/User Experience
EMEA	Europe, Middle East, Africa	BT	Biotechnology
APAC	Asia Pacific	S&T	Science & Technology
ER&D	Engineering Research & Development	ESDM	Engineering System, Design, & Manufacturing
AI	Artificial Intelligence	PoC	Proof of Concept
ML	Machine Learning	TPO	Training & Placement Officers
IoT	Internet of Things	ITeS	Information Technology Enabled Services
RPA	Robotic Process Automation	API	Application Programming Interface
AR/VR	Augmented/Virtual Reality	GoK	Government of Karnataka
BPM	Business Process Management	GoI	Government of India
IT	Information Technology		

Definitions and Notes

Acronyms	Detail / Definition
Global Capability Center (GCC)	- Entity in an offshore/nearshore (talent rich hub) location that provide services exclusively to the parent - All service providers such as Infosys, Capgemini; companies headquartered in India; companies supporting ER&D for India market have been excluded from the definition
Forbes 2000/ F2000	- Forbes Global 2000 is an annual ranking of the top 2000 companies in the world using a weighted assessment of four metrics: sales, profit, assets, & market value. - Forbes Global 2000 ranking of 2023 (https://www.forbes.com/lists/global2000/) has been considered for the analysis

STUDY METHODOLOGY

KDEM along with ANSR embarked on the journey to focus on analyzing large enterprises i.e., Forbes Global 2000 that have made Karnataka their home.

01

Data Discovery

- Identify GCC setups & gather insights around service delivery capabilities, headcount
- Identify digital initiatives and adoption of digital technologies across GCCs

02

Data Gathering and Research

- Aggregation of data sources (proprietary ANSR GCC database, Karnataka government industry websites)

03

Analysis

- Extensive leverage of secondary sources (~70%) to understand capabilities built by Forbes Global 2000 enterprises in Karnataka
- Analyze pillars for successful GCC through primary interviews with GCC leaders (~30%)
- Highlight initiatives undertaken by Karnataka government to promote GCC sector

04

Report Creation

- Mapping of GCCs on capabilities across business & technology functions as well as digital capabilities
- Instilling MNCs' interest in Karnataka for GCC setup

EXECUTIVE SUMMARY

GCCs Becoming Mainstream

GCCs have significantly evolved over the past three decades, driven by technological advancements and the increasing demand for digital skills, diversifying their portfolios with cutting-edge offerings. Today, they are transforming into ‘digital twins’ of their headquarters, marking a profound shift in their role. This digital twin concept signifies that GCCs now replicate and integrate all functions and operations of the headquarters, creating a mirror-like digital representation. This convergence fosters an interconnected ecosystem, eliminating any operational gaps between GCCs and their headquarters.

Furthermore, GCCs are increasingly becoming centers of excellence in areas like AI/ML, data analytics, cloud, AR/VR, robotic process automation (RPA), Internet of Things (IoT), and blockchain. The presence of global leaders within GCCs accelerates this transformation, facilitating strategic alignment and fostering innovation. As companies recognize that skills and innovation can traverse geographic boundaries, and that diversity in leadership enhances innovation, they are increasingly relying on their GCC teams to spearhead these efforts.

Karnataka Leading the Way

Karnataka stands out as a magnet for Global Capability Centers (GCCs) in India, attracting the highest number of these strategic hubs. The state’s capital, Bengaluru, is the epicenter of this trend, and several factors contribute to Karnataka’s appeal:

**Technology Hub**

Bengaluru, widely recognized as the “Silicon Valley of India,” possesses a strong ecosystem for technology and innovation. Additionally, Mangaluru, Hubballi-Dharwad, Belagavi, and Mysuru have been identified as emerging tech clusters within Karnataka. To support their development, task forces have been established to build and enhance the necessary ecosystems in these regions.

**Skilled Workforce**

Bengaluru is a hub for skilled professionals, with a workforce of over 550,000 employed in GCCs. These individuals bring diverse talents and expertise to the table, particularly in high-demand fields like information technology, engineering, and research. The state benefits greatly from its prestigious educational institutions, which play a pivotal role in nurturing and supplying skilled professionals to the workforce.



Pro-Business Environment

The Karnataka government has actively fostered a business-friendly climate by offering incentives and support to attract international companies. State policies prioritize facilitating smooth business operations and nurturing a conducive environment for the establishment and expansion of Global Capability Centers (GCCs).



Robust Infrastructure

The state has made substantial investments in infrastructure development, guaranteeing dependable connectivity, meticulously planned technology parks, and modern amenities.



Cultural Diversity

The cultural diversity of Karnataka, combined with a cosmopolitan atmosphere in Bengaluru, creates an inclusive environment.



Start-Up Ecosystem

Karnataka has a formidable industrial ecosystem hosting startups from various sectors. With 26K+ active startups, more than half of which are tech-oriented, the state serves as a thriving hub for innovation.

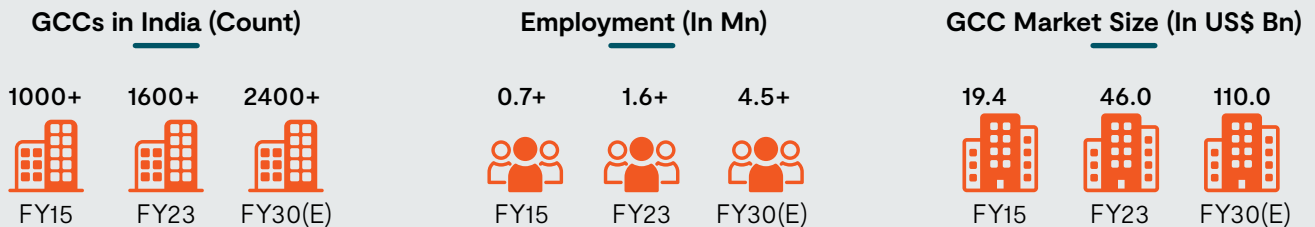
In conclusion, Karnataka's dominance in hosting the highest number of GCCs in India can be attributed to its technological prowess, skilled workforce, pro-business environment, robust infrastructure, and a holistic ecosystem that fosters innovation and growth.

GCC Landscape

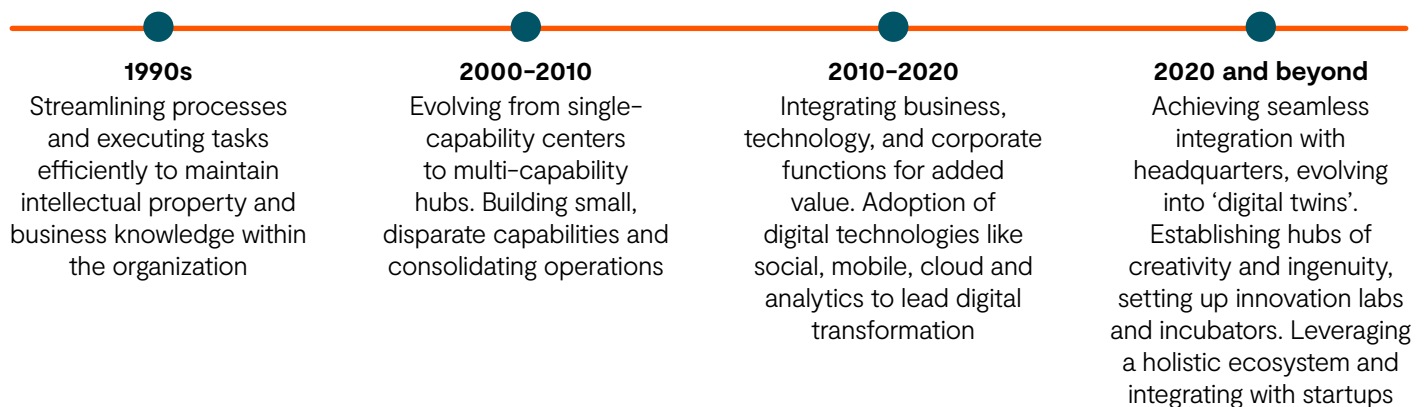


India

Global GCC Capital



GCCs have emerged as strategic hubs for organizations seeking to harness India's abundant talent pool and favorable business environment. At present, GCCs in India account for more than 1% of the country's GDP and the share is expected to grow further.

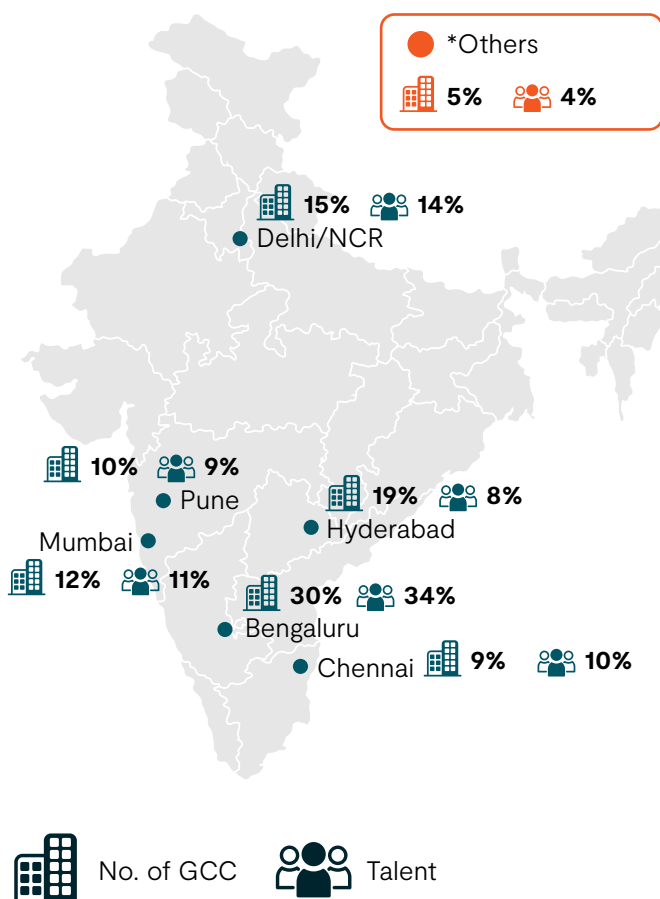


India has emerged as the GCC capital of the world, hosting a thriving ecosystem of multinational companies leveraging its diverse talent pool and favorable business environment. Renowned for its skilled workforce in information technology, engineering, research, and development, India attracts organizations seeking operational excellence and innovation.

Six Matured Hubs

Houses over 90% of GCCs and Talent

Geographical Reach of GCCs & Talent (FY23)



- **Bengaluru** – Hotspot for GCC buildouts, hub for startups and preferred choice for platform engineering owing to access of 25% of India's digital talent
- **Hyderabad** has emerged as a strong contender to Bengaluru as the city has witnessed growth in high quality talent, world class infra, fueled by business-friendly policies
- **Delhi/NCR** is the leading hub for professional services and houses key BFSI GCCs. A matured startup ecosystem (37 unicorns), and abundant access to product management professionals have led multiple firms to set up their tech & innovation centers in the region
- **Chennai** has a thriving education ecosystem, abundant availability of high-quality tech and business talent, progressive state administration, and lower cost of operations are key drivers for the city's growth.
- **Mumbai** is dominated by BFSI and Retail/CPG GCCs. The city is a major commercial and financial hub, with a vast pool of educated and skilled professionals, including graduates from prestigious universities and engineers trained in various technological fields.
- **Pune** stands as the favored choice for automotive and industrial GCCs. Diverse talent pool, growing infrastructure, product development capacity, and a robust developer community are some key enablers for growth

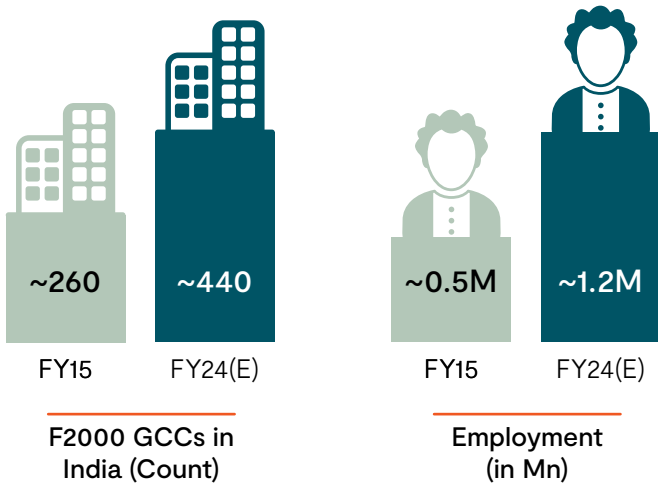
GCCs have presence in **15+ locations** apart from these 6 Metro hubs – high attrition, rising inflation in matured hubs driving GCC setups in Non-Metro cities. **Ahmedabad, Coimbatore, Bhubaneshwar, and Vadodara** leads the non-metro clusters

*Non-Metro cities: Ahmedabad, Bhubaneswar, Kochi, Kolkata, Jaipur, Indore, Nagpur, Trivandrum, Vizag etc.

Decoding Forbes Global 2000

A Comprehensive Overview

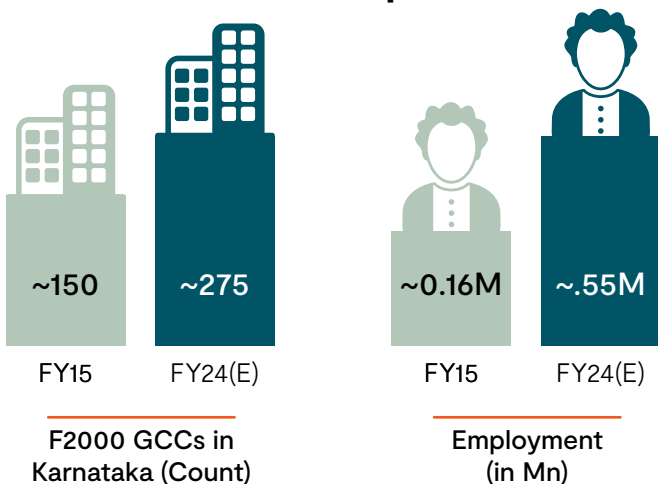
Forbes Global 2000 India Landscape



- 22% Forbes Global 2000 companies are present in India
- These enterprises leverage India as global skill hub to enhance their digital journey to stay competitive in the digital era
- The new age F2000 GCCs prioritize digital capabilities buildouts, advancing R&D, and driving innovation pipeline for their HQs

*F2000: Forbes Global 2000 2024 list is considered for the analysis

Forbes Global 2000 Karnataka Landscape

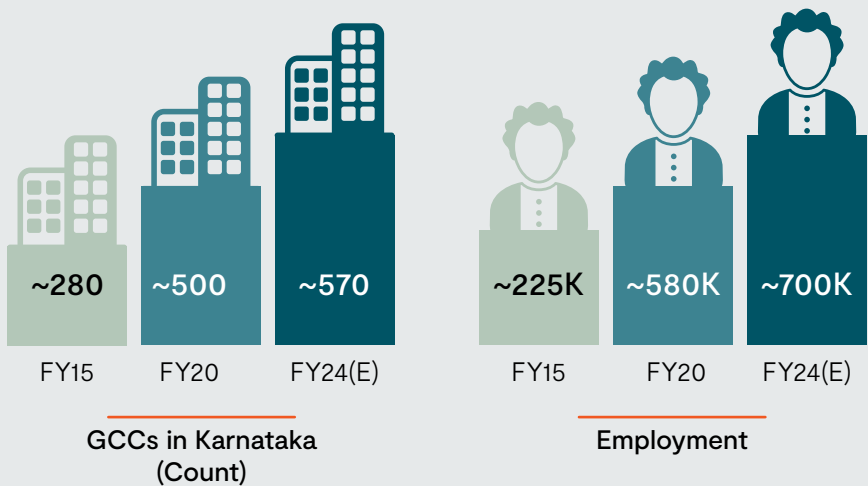


- 60% of F2000 companies who have GCCs in India have their setup in Bengaluru
- These centers play pivotal role in advancing digital transformation agenda for enterprise
- Furthermore, the ample accessibility to specialized technological skills such as AI/ML, AR/VR, blockchain, material science, quantum computing, 3D printing, etc. acts as a prime catalyst for digital transformation

*F2000: Forbes Global 2000 2024 list is considered for the analysis

Karnataka

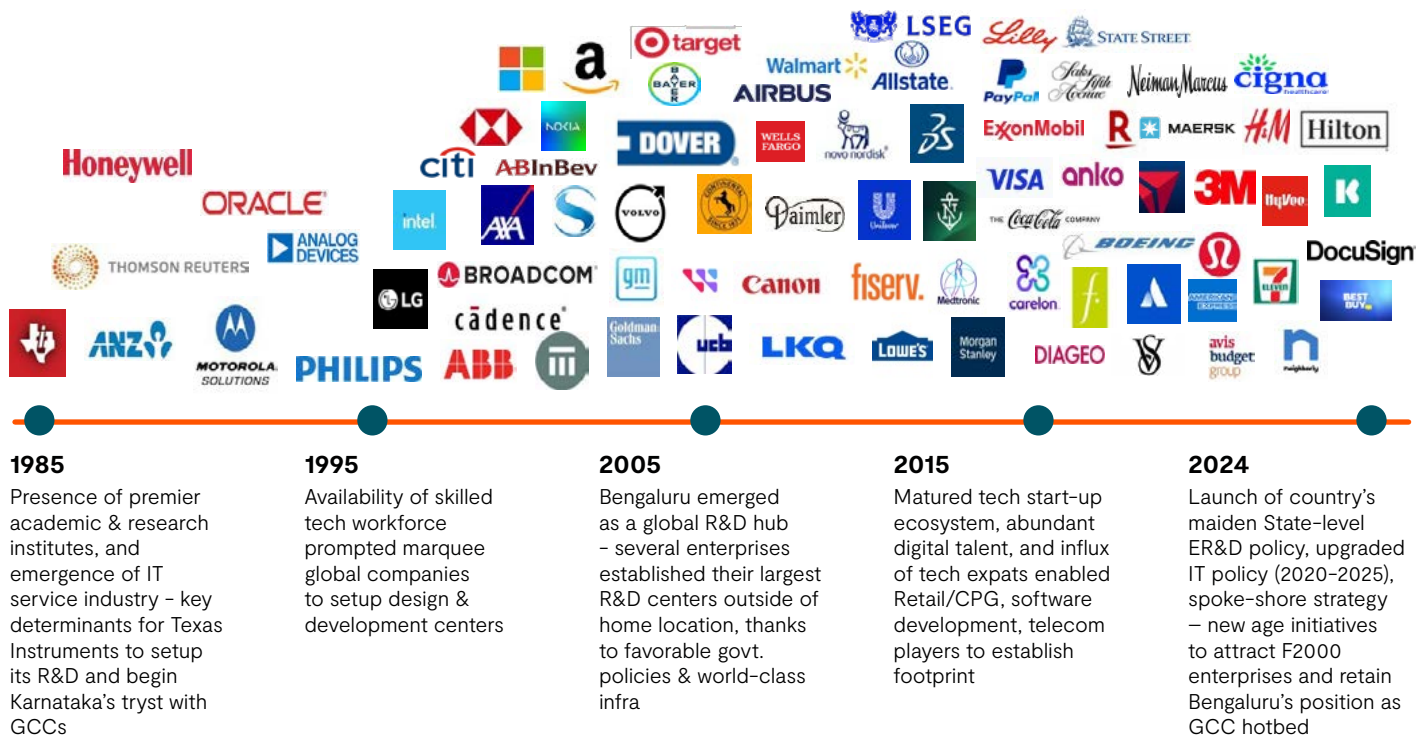
India's Leading GCC Destination



Karnataka: India's GCC Capital

- Home to ~570 GCCs in India
- Leads the GCC talent market by a large margin; 2x enterprise-ready talent compared to the next largest location
- Hotspot for enterprises building digital capabilities, software product innovation, & platform engineering
- Home to ~275 of Forbes Global 2000 companies

Evolution of GCCs in Karnataka



Key Facts



Digital Talent Hub

- Bengaluru is home to more than 25% of India's digital talent of more than 325K professionals.
- Bengaluru is the world's 2nd largest hub for AI talent pool. It is now being recognized as Global AI hub.



Leading Startup Ecosystem

- Karnataka is home to 26K+ active startups, in which more than 50% comprise of tech start-ups.
- Bengaluru is the Unicorn capital of India with ~40% of Unicorns located in the city.

Sector-Wise GCC Landscape

Key Sectors having GCC Presence in Bengaluru



42%

of Retail/CPG GCCs
(35+) in Bengaluru



Bengaluru stands as a premier destination for Retail/CPG GCCs, hosting over 42% of such entities. Robust talent pool possessing deep contextual expertise, particularly in critical areas like digital, data analytics, and AI/ML empowers Retail/CPG GCCs to achieve operational excellence and drive innovation. Also, the maturity demonstrated by Retail/CPG GCCs in Bengaluru, especially in managing core-business and corporate functions—such as merchandising, finance & accounting, store operations, marketing, and supply-chain & logistics—underscores the city's strategic advantage. This maturity, along with the availability of specialized tech talent, offers substantial opportunities and skill availability for other Retail/CPG GCCs contemplating establishing a GCC in Bengaluru.



33%

of BFSI GCCs (90+)
in Bengaluru



Bengaluru is a hub for BFSI GCCs, with a significant presence of major global financial institutions. The number of BFSI GCCs and their employee base has been steadily growing in Bengaluru in recent years. BFSI GCCs focus on high-value services such as process automation, risk modeling, cybersecurity, and data analytics, etc. Additionally, BFSI GCCs in Bengaluru drive key business functions, including regulatory reporting, compliance, and credit/risk analysis, by adopting advanced technologies.

The fact that some of the biggest Fortune 500 companies in the BFSI sector including Goldman Sachs, JP Morgan Chase, American Express, Morgan Stanley, Citi, PayPal, and Wells Fargo, etc. have set up their GCCs in Bengaluru is testimony to city's sheer technological and talent prowess. The presence of a mature ecosystem of established BFSI GCCs in Bengaluru offers several advantages to other BFSI firms looking to establish its GCC in the city.

The Logos are for representational purpose only

Source: ANSR

Sector-Wise GCC Landscape

Key Sectors having GCC Presence in Bengaluru



31%
of Healthcare & Lifesciences
GCCs (75+) in Bengaluru



The healthcare and life sciences industry is adopting digital technologies for research, development, and commercialization. Healthcare and life sciences GCCs in Bengaluru are at the forefront of this transformation, leveraging advanced digital solutions, including data analytics and AI/ML, to expedite critical processes such as drug discovery, clinical trials, pharmacovigilance, risk management, and safety reporting. By integrating these cutting-edge technologies, Bengaluru's healthcare and life sciences GCCs are not only accelerating the drug development timeline but also enhancing accuracy, efficiency, and regulatory compliance, thereby solidifying the city's strategic importance in the global healthcare landscape.



27%
of Manufacturing GCCs
(50+) in Bengaluru



Bengaluru's advanced digital ecosystem, encompassing IoT, AI, and robotics, positions it as a prime location for modern manufacturing GCCs. The city fosters a culture of continuous improvement through its numerous R&D centers and innovation hubs, attracting manufacturing companies seeking to integrate cutting-edge solutions.

Bengaluru's vibrant ecosystem of startups, established tech firms, and academic institutions provides ample opportunities for collaboration and knowledge exchange. This ecosystem supports the development and implementation of innovative manufacturing solutions. Also, proactive government policies and incentives aimed at promoting the manufacturing sector have further bolstered Bengaluru's attractiveness as a hub for GCCs. These policies include initiatives to enhance skill development, infrastructure, and technological adoption.

Location Analysis

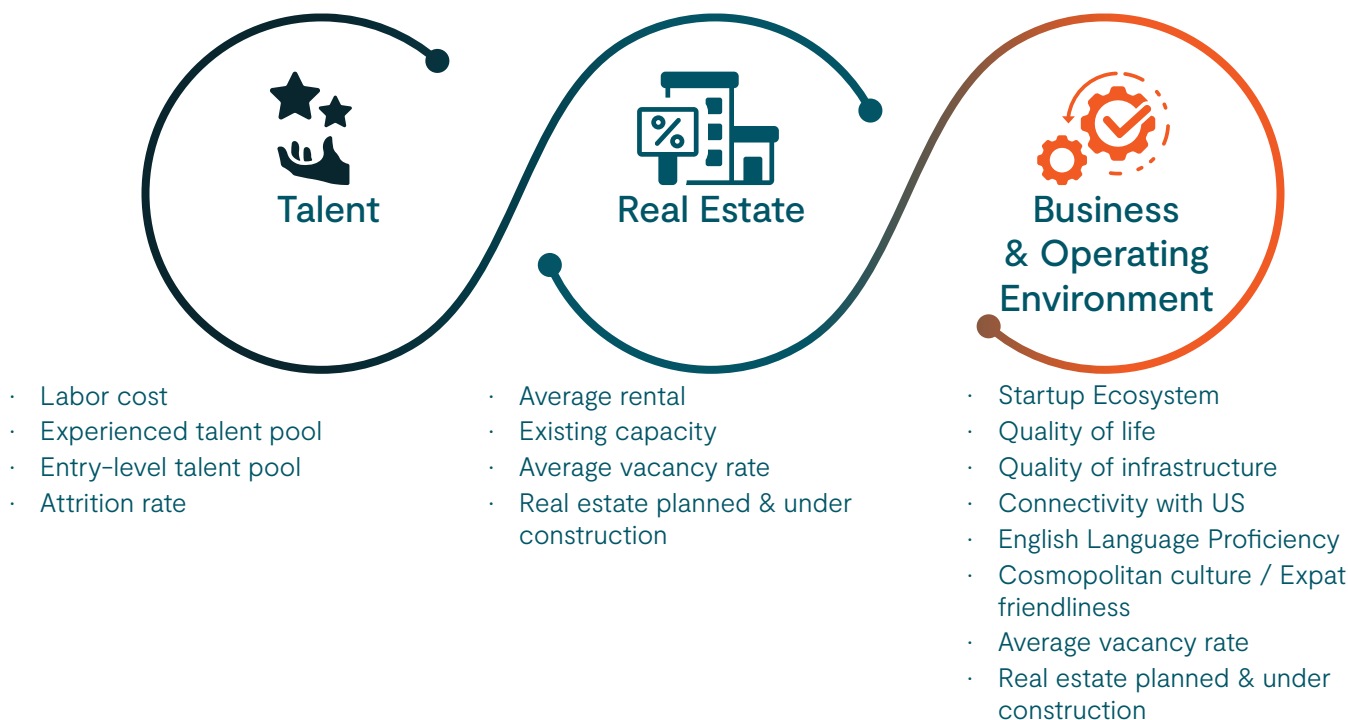
Major Matured
GCC Hubs



Location Analysis

Major Matured GCC Hubs

Location Analysis Criteria



Talent

Legends: ■ Highly favorable ■ Moderately favorable ■ Highly unfavorable

	Labor Cost (Indexed to Bengaluru)	Experienced Talent Availability: Generic Skills	Experienced Talent Availability: Niche Skills	Entry-level Talent Supply: (STEM Graduates/year)	Talent Attrition Rate	Talent Rating
Bengaluru	100 			32-37K 		
Hyderabad	95 			27-31K 		
Chennai	90 			31-35K 		
Delhi/NCR	100 			32-36K 		

- **Salary Normalization:** Remote work has diminished the traditional cost advantages of Non-Metro cities. The salary differential between Bengaluru (most expensive) and Chennai is around 10%.
- **Talent Pool Depth:** Bengaluru boasts the deepest talent pool across all experience levels, from seasoned professionals to graduates. This advantage is further amplified by its status as a leading educational hub as well as global technology epicenter due to the largest concentration of startups.
- **Skill Specificity:** All major cities possess a robust talent pool for generic tech skills. However, Bengaluru stand out for their concentration of high-end and niche tech talent.

Location Analysis

Major Matured GCC Hubs

Real Estate

Legends: ■ Highly favorable ■ Moderately favorable ■ Highly unfavorable

	Average Rental (Q4 2023) (USD/sq. ft./annum)	Total Stock (Q4 2023) (million sq. ft.)	Vacancy Rate (Q4 2023)	Real Estate Under Construction* (Q1 2024) (million sq. ft.)	Real Estate Rating
Bengaluru	13.6 	203 	17.4% 	3.4 	
Hyderabad	10.8 	103 	22.7% 	4.6 	
Chennai	10.7 	80 	16.3% 	0.4 	
Delhi/NCR	13.9 	134 	19.9% 	3.2 	

- Bengaluru's booming office space offers a winning combination for GCCs. The city boasts a wide range of options, from traditional leased spaces to flexible co-working solutions.
- On top of that, Bengaluru features state-of-the-art facilities in many of these spaces, catering to the needs of a modern workforce and fostering an environment that drives innovation and productivity. This accessibility and focus on cutting-edge amenities make Bengaluru a prime location for GCCs looking to establish themselves in India.
- The superior quality of new office spaces commands higher rental; however, a well-equipped office space and amenities creates a desirable work environment.

*Real Estate Under Construction : Upcoming Real Estate in 1Q 2024
Note: All the above figures are for Grade A Real Estate Office Spaces

Business & Operating Environment

	Start-Up Ecosystem	Traffic Congestion	Quality of life	Air Connectivity with major international hubs	Expat friendliness perception/ Cosmopolitan Culture	Business & Operating Environment Ranting
Bengaluru						
Hyderabad						
Chennai						
Delhi/NCR						

- Thriving Startup Hub: Bengaluru, India's Silicon Valley, boasts a robust startup ecosystem, ranking among the top 20 globally [according to Global Startup Ecosystems Report (GSER) 2023 rankings]. The city is a breeding ground for innovation, with nearly 40% of India's unicorns headquartered there.
- Excellent Quality of Life: Bengaluru offers a high quality of life, consistently ranking among the best metro cities in India. It boasts well-developed infrastructure, strong connectivity, and a well-planned urban layout, addressing concerns like traffic congestion and water management that some other major cities face.
- International Appeal: Bengaluru features a vibrant and established expat community, while Hyderabad's expat community is on the rise, offering a welcoming environment for newcomers.

Source: ANSR

Location Analysis

Major Matured GCC Hubs

Summary

Legends:

Highly favorable

Moderately favorable

Highly unfavorable

	Talent	Real Estate	Business & Operating Environment	Overall Rating
Bengaluru				
Hyderabad				
Chennai				
Delhi/NCR				

Bengaluru: An Established Powerhouse

Bengaluru stands as a beacon of progress, renowned as an established powerhouse in the global arena. The city pulsates with a vibrant energy fueled by innovation and entrepreneurship. Its robust talent pool, nurtured by prestigious educational institutions, fuels its reputation as a technology hub. The city’s infrastructure, marked by modern amenities and efficient transportation networks, lays a solid foundation for growth.

Moreover, Bengaluru’s dynamic business environment fosters creativity and collaboration, attracting both startups and multinational corporations alike. With its blend of tradition and modernity, Bengaluru continues to shine as a beacon of success and opportunity in the 21st century

Capabilities

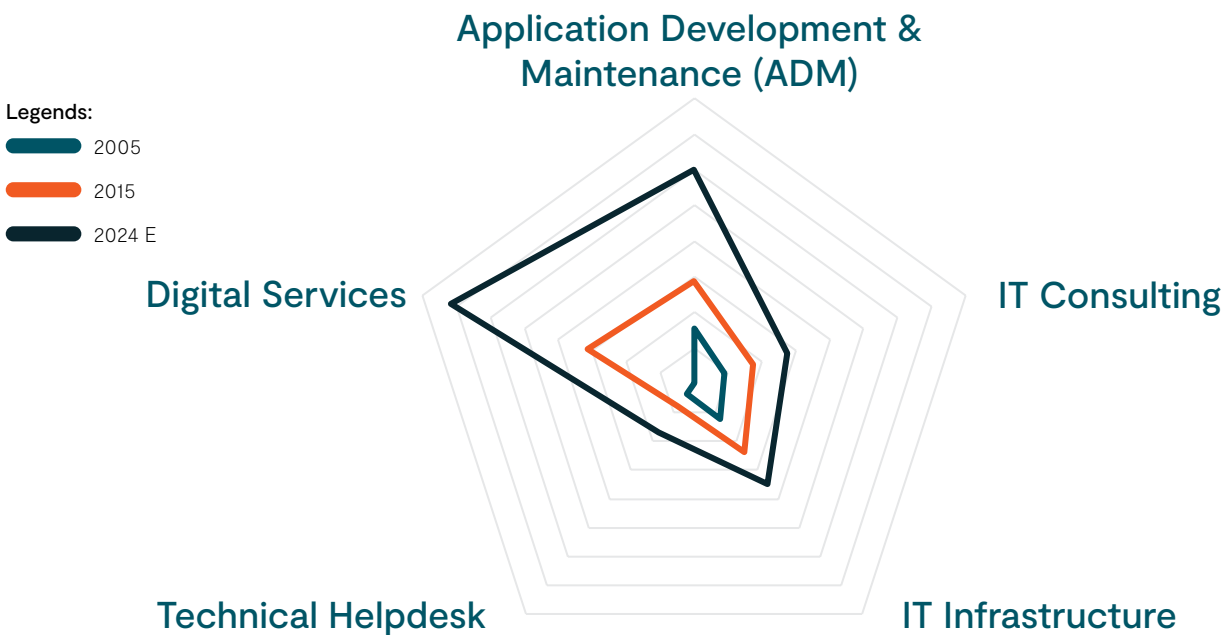
Built at Forbes Global 2000
GCCs in Karnataka



GCC Priority

Identify Technologies with Future Potential for the Enterprise

Number of Forbes Global 2000 Delivering Technology & Digital Services in Karnataka



Application Development & Maintenance (ADM)

GCCs have achieved a high level of maturity in delivering ADM services due to their control over processes and intellectual property. Organizations are strategically focusing on retaining core functions within the organization. The in-house teams at GCCs handle the entire software development life cycle, from architecture and blueprinting to design, coding, and initial deployment. These core activities are critical to the organization and thus remain within the GCCs to ensure alignment with business objectives and maintain control over intellectual property.

While GCCs excel in managing the value-driven aspects of ADM, routine build-out and ongoing maintenance tasks are often outsourced to service providers. This approach allows GCCs to concentrate on high-value activities that are integral to innovation and competitive advantage.

A US retailer is building best-in-class tech products for its customers. GCC in Bengaluru built a tech platform that powers checkout experiences across the company's website, mobile app, and stores. The platform allows guests to seamlessly switch between shopping channels. The team has maintained & developed 200+ apps leveraged across its ~2,000 stores.

Source: ANSR

GCC Priority

Identify Technologies with Future Potential for the Enterprise

Digital Services

GCCs of today enable a wide range of critical business goals in their roles as ‘centers of excellence’, leveraging GenAI, machine learning, data analytics, augmented reality, robotic process automation, and many other such disruptive technologies to develop vendor portals, intelligent chatbots, CRM tools, and other similar applications.

GenAI and Global Capability Centers (GCCs) are forging a powerful alliance. Companies are utilizing GCCs as a sandbox environment to develop proofs of concepts (POCs) that accelerate their digital journey by leveraging GenAI across relevant domains. From personalized user experiences and predictive analytics to operational efficiency enhancements and risk management, the potential applications span various industries.

IT Consulting

GCCs in India are gradually building their capabilities in IT consulting, though this function typically remains closer to the customer in the home country. While traditionally considered a low maturity function within GCCs, some highly mature GCCs are beginning to offer strategic guidance, technology advisory services, project management, and expertise in IT governance and optimization. These advanced GCCs leverage their growing expertise to support IT consulting functions, contributing to the company’s overall strategic goals while continuing to evolve in this capability area.

The Bengaluru-based GCC of a Chilean multinational retailer introduced GenAI-driven enhancements to their ecommerce website, which led to major improvements in the customer journey. CTR surged by approximately 5% due to improved search relevance, while product recommendations, another critical aspect of the retail business, saw a 20% boost in revenue.

A European bank’s GCC in Bengaluru is driving digitalization by adopting a dynamic cloud-based development solution. A team of 4,000 engineers enabled the adoption of a third-party cloud platform. By implementing agile methodologies, engineers are driving the cultural change that enables shorter development cycles and faster innovation.

GCC Priority

Identify Technologies with Future Potential for the Enterprise

IT Support

While IT support functions in GCCs are being adopted by some companies, although the overall adoption rates are relatively lower compared to other functions which are core to the organization. Many GCCs in India primarily outsource their IT support functions, focusing on higher-level strategic activities instead.

Most companies delegate first-level (L1) and second-level (L2) support to external service providers, who handle common issues. GCCs themselves typically engage in very little third-level (L3) support, which involves more complex problem resolution. This approach allows GCCs to concentrate on core functions and leverage specialized external expertise for routine IT support needs.

IT Infrastructure

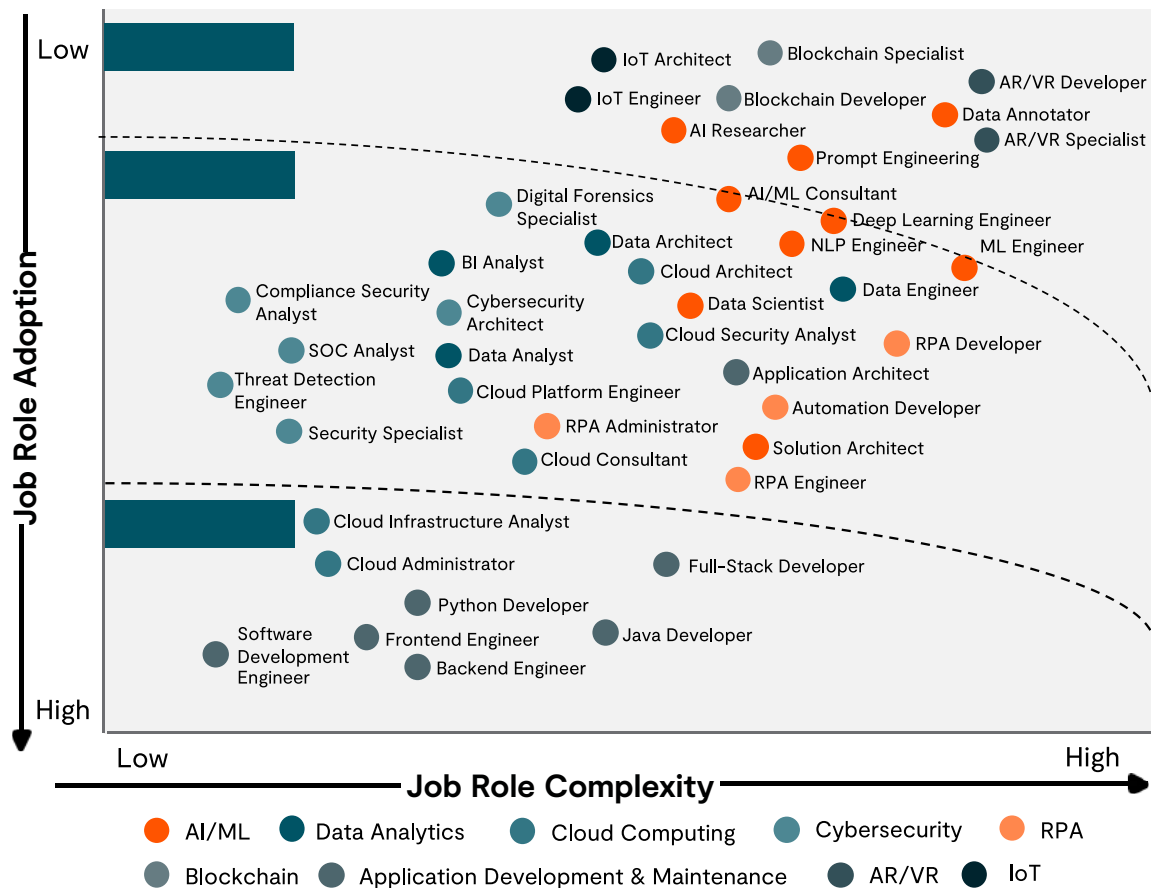
GCCs in India play a pivotal role in IT infrastructure management, particularly with the shift towards cloud and hybrid cloud environments. GCCs now focus on creating and managing command centers or nerve centers that oversee interoperable hybrid cloud infrastructure. They work extensively with platforms like AWS, Azure, and Google Cloud, building and optimizing virtual instances to enhance performance and cost-efficiency.

In this advanced infrastructure landscape, GCCs drive value through process optimization, automation, and robotic process automation (RPA). They elevate their role beyond managing networks and storage, focusing instead on integrating and automating infrastructure processes to ensure seamless operations. This approach includes monitoring and maintaining cloud-based infrastructure, ensuring high availability and scalability.

A large airline company's technology center in Bengaluru has helped modernize its technical infrastructure by migrating 90% of applications & databases to cloud. The Software engineering team at Bengaluru has been involved in migrating over 3000+ applications to cloud.

High Demand Technology & Digital Skills

Top in-demand Roles in GCCs



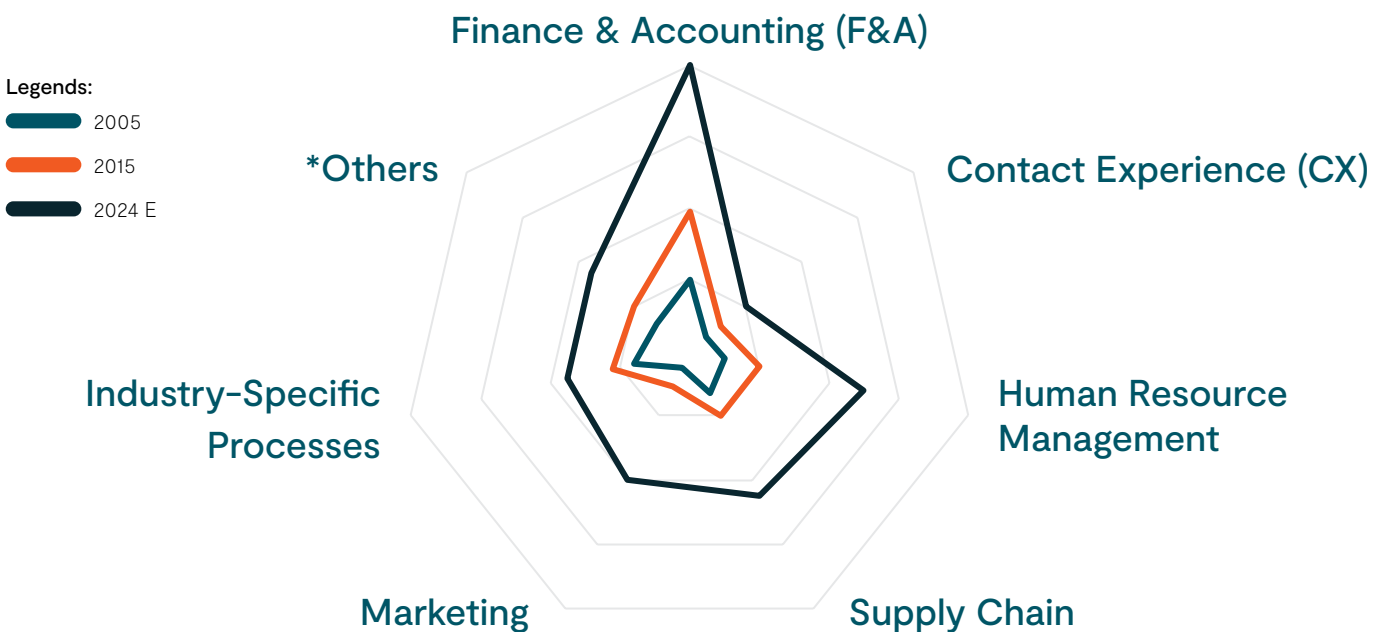
Key Takeaways:

- **AI/ML:** The paradigm shift introduced by AI and ML technologies is profoundly impacting industries. The heightened demand for AI/ML experts underscores their pivotal role in catalyzing innovation at scale.
- **Data Analytics:** Data analytics professionals drive informed decision-making, uncovering valuable insights, improving efficiency, and enabling strategic growth for organizations through insights-driven solutions.
- **Cybersecurity:** In a cyber-threat landscape, cybersecurity professionals are vital guardians of sensitive information. GCCs actively seek experts to protect customer data, secure financial transactions, and maintain trust and compliance.
- **Cloud Computing:** Cloud computing professionals are vital for organizations, ensuring efficient data storage, seamless scalability, enhanced security, and innovative solutions, fostering digital transformation, agility, and competitive advantage.
- **Robotics Process Automation (RPA):** RPA skilled professionals streamline workflows, enhance efficiency, and reduce errors, enabling organizations to achieve cost savings and operational excellence.

GCCs in Karnataka Move Beyond Business

Functions to Create Centers of Excellence

Number of Forbes Global 2000 Delivering Domain–Centric Processes in Karnataka



Finance & Accounting

With over 60% of the GCCs delivering F&A, it is the most matured function. Procure-to-Pay, followed by Order-to-Cash, are the most common business processes due to their significant potential for efficiency improvement & standardization. Evolved GCCs have moved beyond transactional services to establish process-specific Centers of Excellence (CoEs), such as FP&A (Financial Planning and Analysis), Tax, and Global Payments CoEs, to streamline processes, drive innovation & improve overall performance in the specific domain.

A large US retailer's GCC in Bengaluru is driving operational excellence through Centralized Financial Leadership. The company has established a Finance CoE with complete ownership of FP&A, tax & treasury, audit, & compliance services. With 400+ FTEs, the team manages ~85% of enterprise finance operations.

GCCs in Karnataka

Move Beyond Business Functions to Create Centers of Excellence

Human Resource Management

The significant potential for automation within HR functions, including HR operations, payroll, and talent acquisition, has led companies to transition these processes to the GCCs. Moreover, the ample availability of skilled analytics professionals has prompted several GCCs to proficiently & seamlessly deliver HR analytics & reporting services making it the second-most matured function.

A US home improvement company's GCC in Bengaluru initiated its HR shared services journey in 2021, currently delivering substantial business value. The Bengaluru center delivers core HR services such as L&D, payroll, workforce analytics, HR systems, & HR operations. A team of 120+ members is entirely responsible for the Hire-to-Retire lifecycle management, handling 80% of all call volumes, ticketing, and case management within a 24-hour SLA.

Supply Chain

The adoption of supply chain processes within GCCs has doubled in the last eight years, driven by enterprises' pursuit of operating cost reduction, process compliance, benchmarking, and standardization. The integration of automation & analytics into supply chains has empowered Retail/CPG and consumer durables firms to gain real-time insights into consumer behavior, demand patterns, and inventory management, leading to more informed decisions. As these brands operate globally, centralizing supply chain management becomes a pivotal strategy, ensuring both consistency and cost optimization across diverse regions.

An Australian retailer has successfully built competitive capabilities and serves as a pivotal force in driving retail excellence across its brands. The inventory management team, stationed in Bengaluru, is dedicated to optimizing the supply chain and expediting deliveries. By introducing a vendor-managed inventory program, the India team managed to reduce lead times from order to shelf by an impressive 60%, resulting in a substantial \$40 Mn profit increase in 2021.

GCCs in Karnataka

Move Beyond Business Functions to Create Centers of Excellence

Industry-Specific Process

The transition of industry-specific processes from HQ to GCCs has witnessed a growth of ~10% in the past decade. BFSI and Retail/CPG GCCs have emerged as pioneers in delivering industry-specific processes. The swift adoption of key digital technologies such as automation, AI/ML, cybersecurity, & information security has empowered these GCCs to offshore transactional and moderately complex tasks to their centers, thus fostering value creation.

Within Banking GCCs, services such as customer due diligence, anti-money laundering, trade surveillance, and credit card services have reached a matured stage. For insurance firms, underwriting, policy acquisition & servicing, and claims management stand as matured services.

Marketing

Technological advancements and data-driven marketing are prompting leading companies to shift marketing operations to Indian GCCs. Historically reliant on design firms and global agencies, many of which have substantial operations in India, it made strategic sense to consolidate marketing functions within their GCCs. The availability of skilled talent across various marketing functions, including campaign design, analytics, and content production, is a key driver for this transition. This shift has led to the development of advanced marketing capabilities within GCCs, encompassing campaign design and execution, performance evaluation, marketing and sales analytics, content production, and loyalty strategy execution. The maturity of these functions is evident in the sophisticated management of digital platforms, such as e-commerce sites and retail media networks.

A leading American multinational financial services company leverages GCCs for credit risk & advisory practices. The team leverages data analytics enabled data-driven decision-making engines to facilitating accurate risk assessment and strategic portfolio adjustments. The team oversees more than \$120 Bn fixed income investment portfolios.

A US retailer has built a marketing CoE in Bengaluru & works directly with HQ on global mandates. The India team oversees marketing communication for stores and the website, handles promotional marketing, brand design, and digital marketing activities. The Bengaluru team currently holds the responsibility for crafting marketing campaigns to bolster the launch of new stores across North America. Packaging work on one of its food & beverage brand (worth >US\$1 Bn) was done in the center.

GCCs in Karnataka

Move Beyond Business Functions to Create Centers of Excellence

Customer Experience (CX)

The adoption of CX operations in GCCs in India is evolving, with many advanced centers leveraging analytics to enhance non-voice services. While traditional CX functions are often managed by service providers, GCCs are now focusing on building comprehensive omnichannel experiences. By integrating customer analytics, GCCs can predict call volumes, wait times, first call resolution rates, and customer satisfaction rates, thereby improving agent performance and reducing customer churn. GCCs are helping ensure seamless engagement across various channels, providing a cohesive and satisfying customer journey. The focus is on creating high-end, integrated CX solutions that enable businesses to engage effectively with customers across multiple touchpoints, enhancing overall customer satisfaction and loyalty.

A leading UK-based grocery retailer runs customer engagement center from its GCC in India. The team has helped reduce operational cost by GBP 25 Million (as of 2021) and helped increase customer satisfaction by 6%.

Karnataka

Land of Immense Opportunity for Innovation & Product Development

Number of Forbes Global 2000 Delivering Product Development and R&D in Karnataka



Digital Product Development

GCCs engage in comprehensive end-to-end product lifecycle management, encompassing conceptualization, design, development, testing, deployment, and ongoing maintenance. GCCs assemble cross-functional pods with diverse skills, including software developers, testers, UX/UI designers, and product managers, ensuring thorough expertise in digital product development. Embracing principles of scrum and agile methodologies, GCCs facilitate constant iterations at the end of each scrum cycle, enabling rapid validation and feedback integration. This iterative approach allows GCCs to swiftly adapt and refine digital products, ensuring they meet organizational goals and user needs effectively. Such agility and responsiveness are crucial for successful digital product development, positioning GCCs as key partner in innovation.

Bengaluru is the innovation hub for Forbes 2000 – 65% GCCs have digital product delivery capability. Emergence of deep-tech start-up ecosystem & abundant availability of digital talent are the key drivers. There is 2X availability of digital talent in Bengaluru compared to other hubs (Hyderabad, Delhi/NCR, Mumbai).

Karnataka

Land of Immense Opportunity for Innovation & Product Development

Mechanical Research & Development

Karnataka has a large pool of skilled mechanical engineers and researchers. GCCs tap into this talent pool to assemble teams capable of handling various aspects of mechanical R&D. GCCs engage in product design and development, collaborating with global teams to create innovative mechanical solutions. This may include designing new products or improving existing ones. Many GCCs work in tandem with global R&D teams, fostering collaboration across different time zones. This collaborative model allows for continuous progress on projects and a diverse range of perspectives.

~15% GCCs deliver mechanical R&D. Automotive & Aerospace GCCs are creating mechanical design CoEs within Bengaluru. The GCCs in Bengaluru are involved in the design and analysis of complex aerodynamics for new aircraft models and the development of next-generation flight control systems.

A major European automotive manufacturer is making a significant contribution to the future of transportation. Center is building trucks for its global market from its Bengaluru R&D center from concept to design to execution. R&D is playing a crucial role in achieving enterprise target to sell 50% of electric trucks (volume wise) by 2030 and aims to cut 40% of CO2 emission from its trucks.

A European aircraft manufacturer playing an integral part in driving advance aerospace research. Bengaluru center supports the design of most of its commercial & cargo aircraft. Team is working towards building zero-emission commercial aircraft.

Karnataka

Land of Immense Opportunity for Innovation & Product Development

Embedded/General Research & Development

GCCs in India actively contribute to innovation by exploring new concepts and technologies, particularly in the semiconductor space. They play a pivotal role in patenting and protecting intellectual property resulting from embedded R&D efforts. In the semiconductor sector, GCCs are involved in advanced chip design, verification, and testing, driving the development of cutting-edge semiconductor solutions. These centers collaborate with global R&D teams to ensure a seamless exchange of ideas, expertise, and resources, fostering innovation and efficiency. This collaborative model enables distributed teams to work on complex embedded projects, including the development of next-generation processors, system-on-chip (SoC) designs, and advanced microcontrollers. By leveraging India's skilled talent pool and robust technological infrastructure, GCCs are instrumental in advancing semiconductor research and development, solidifying their role as key contributors to the global semiconductor industry.

~25% GCCs deliver embedded research and there is high adoption among Semiconductor, Telecom GCCs. R&D teams in GCCs focus on wireless communication technologies for embedded systems, including Bluetooth, Wi-Fi, Zigbee, and other protocols. This is crucial for enabling connectivity in IoT and embedded applications.

A South Korean conglomerate is building world class products for its consumers globally. Center has built five CoEs – wireless communications, multimedia technology, On-device AI, voice interface, and IoT. Voice over LTE (4G mobile communication channel) was developed in the center. The single take camera feature (enables capturing videos, picture, GIF-style clips at one go) on their phone device was built in-house. Center has filed 7,500+ patents globally and 3,500+ patents in India

A large American conglomerate has built the 2nd largest R&D center to innovate diversified products. Center has contributed 3,500+ patents for its enterprise across various industries such as aviation, energy, healthcare.

Framework for a Successful GCC Set-up



ANSR's Proprietary “Constellation” Framework for a Successful GCC Setup

Before establishing a GCC, the enterprise must evaluate its strategic imperatives on six broad parameters:



Sponsorship

i.e., active support of CXO leadership



Talent

i.e., availability of talent in GCC location vs headquarters



Ecosystem

i.e., openness to partnerships with academia & research institutes



Culture & Ways of Working

i.e., cultural orientation of existing employees towards the GCC location



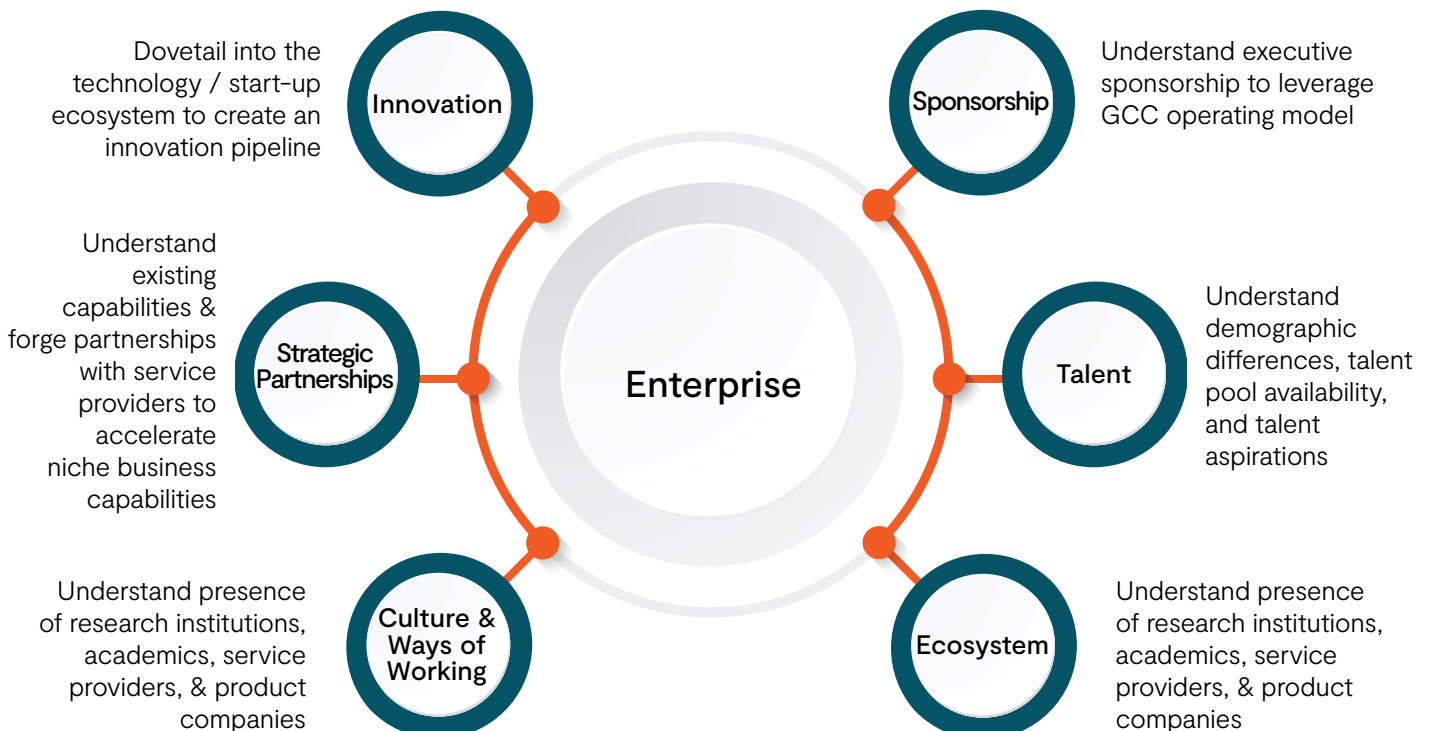
Strategic Partnerships

i.e., understands existing service provider relationship and affinity to co-locate service provider resources in the GCC



Innovation

i.e., understand maturity of the start-up ecosystem in the GCC location & openness to innovation



Sponsorship

Key to Success: Senior Stakeholder Engagement & Sponsorship

An executive sponsorship refers to the active & visible support provided by CXO leadership to drive the establishment, development, and success of the GCC. Key aspects of executive sponsorship for a GCC include:

Strategic Alignment:

Ensuring that the center's objectives, functions, and services align with the overall strategic direction of the organization

Resource Allocation:

Providing adequate funding for infrastructure, hiring & training talent, and acquiring technology tools

Seat at the Table:

Providing the center with decision-making authority & autonomy within its defined scope

Change Management:

Managing the organizational change associated with the establishment of the GCC to address potential resistance, promote a culture of acceptance, and facilitate a smooth transition

Visibility and Advocacy:

Advocating GCC's value to key stakeholders both within & outside the organization, thereby, building credibility for the GCC's initiatives

Case Study

- The global groceries and general merchandise retailer started its GCC journey in Bengaluru almost two decades back with complete support from the senior leadership to simplify and improve process efficiencies.
- Under strong **leadership advocacy**, the India GCC has driven significant value, contributing to millions of dollars through its comprehensive media services, thereby establishing its credibility and importance within the organization.
- **Strategic Alignment:** The HQ has strategically positioned the India GCC as a key driver in executing its global roadmap, ensuring that the center's efforts are directly aligned with the company's growth objectives, reflecting robust leadership support and sponsorship.



25% Workforce

Substantial resources enabled the GCC to represent 25% of the global workforce



6,800+ Stores

GCC autonomously handles the planning and design of 6,800 stores, showcasing its central role in the organization



3.5X

With ongoing executive sponsorship, the center has matured into an engine unlocking value at 3.5 times its operating cost.

Talent

Nurture the Foundation: Cultivate High-Performance Teams through Global Talent

When contemplating the establishment of a GCC, the significance of talent takes center stage in the selection of the ideal location. The factors underpinning the examination of talent encompass:

Skill & Expertise:

A location with a pool of highly skilled professionals in relevant domains can ensure that the center operates at a high level of proficiency

Cultural Diversity:

The global talent hub can enhance creativity, improve communication, & lead to a more inclusive work environment

Talent Development in Advanced Capabilities:

As GCCs mature and move up the value chain, they will transition from technology and business hubs to integrated business outcome accelerators delivering exceptional value. This evolution necessitates a very differentiated talent strategy where recruitment focuses on individuals with a diverse skill set, including a blend of technical expertise, business acumen, and strategic thinking.

Case Study

- Prior to establishing the GCC in Bengaluru, a major US home improvement firm relied heavily on third-party vendors for technology skills. Currently, the India GCC is at an inflection point w.r.t rethinking the tech stack ground up
- As a result of this transition, the talent management function has evolved to become more data-driven, with the implementation of innovative hiring practices:
 - Pan-India hackathon; open houses; technology & industry roundtables hiring programs to foster diversity & inclusion – military veterans, women; & alumni program to attract top talent
- The center has established strong ties with universities and TPOs, improving the candidate experience & providing pre-onboarding training for campus hires to align with company's continuous learning ethos
- The GCC mirror their HQ by aligning shared goals, unified culture, and standardized job roles, while embracing agile structures, hybrid work models, and AI-driven shifts to foster a future-ready, cohesive workforce



5,000+
Headcount

sharp growth from
58 members in 2014



70%

engineering work delivered by
half of the workforce based in
India



120+

global roles based in India managing
portfolios and teams across time zones

Ecosystem

Harness the Ecosystem: Fuel Collaboration-based Growth

An ecosystem refers to the interconnected network of institutions, organizations, infrastructure, and supportive elements that collectively contribute to a conducive environment for business growth and development. The ecosystem empowers the GCC to flourish through the following avenues:

Collaboration with Startups: Case Study

This symbiotic relationship between GCCs and startups is poised for success because it offers multiple benefits to both sides. By partnering with startups, GCCs combine external viewpoints with in-depth industry expertise, facilitating accelerated innovation for enterprises and enhanced scalability for startups.

Innovation and R&D:

Ecosystems encourage innovation through the availability of research facilities, innovation hubs, and a culture of entrepreneurship. The GCC can tap into these resources to drive research and development initiatives

Co-innovation Teams:

Some companies within their GCCs have recognized the power of collaboration. They have established dedicated teams and programs focused on co-innovation with partners and suppliers. Learnings and successful collaboration models are shared across the ecosystem, fostering a culture of continuous improvement. By working together, GCCs could tackle common challenges faced by the industry, finding more effective solutions that benefit everyone.

Collaboration Opportunities:

Collaboration with academia & research institutions can provide the GCC with opportunities to engage in research partnerships & knowledge sharing, which can lead to innovative solutions & a competitive edge

Source: ANSR

- The Bengaluru center of a European Fortune 500 banking company runs accelerator program that includes fintech, technology startups, innovation experts, and academic institutions to deliver solutions for banking challenges
- The GCC partners with selected startups to develop Minimum Viable Product (MVP) aligned to bank's IT architecture standards. Post accelerator period, the GCC chooses select MVPs & sign the contract
- Example: A Bengaluru-based startup has developed a SmartKYC application to automate KYC memo preparation in the client onboarding process. The app helps write a negative news search report on the Board of Directors and collate relevant information from various websites using Artificial Intelligence.



Accelerated
69 startups
since inception



Co-create MVP
with selected startups to
address business challenges



Tailored solution for
**72 business
challenges**

Culture & Ways of Working

Maintain Company Culture & Work Approaches: Foster Collaboration & Inclusivity

Having unified culture and understanding ways of working is crucial to facilitate effective communication, foster unified culture, promote collaboration, & contribute to an inclusive work environment that can drive the GCC's long-term success and impact.

Unified Culture:

It is crucial to cultivate a unified culture across GCCs and the headquarters, advocating for continuous upskilling and reskilling of the workforce. Organizations must maintain shared goals, missions, and visions between their HQ and GCCs. Additionally, many organizations standardize job roles and titles across all locations, fostering significant accountability among teams situated in various geographies.

Talent Retention:

The GCC that respects and accommodates various cultural norms is more likely to retain top talent from diverse backgrounds

Alignment with Expectations:

Ways of work expectations refer to the norms, practices, and work habits that employees from different cultures bring to the GCC. Understanding these expectations can lead to increased job satisfaction & overall productivity

Case Study

- A top athleisure brand's Bengaluru-based GCC offers a compelling case study in leveraging DE&I to cultivate a thriving workplace. Their commitment goes beyond mere rhetoric, translating into actionable programs that address the specific needs of their diverse workforce.
- **Tailored Onboarding for a Diverse Talent Pool:** Recognizing the challenges faced by employees from vernacular medium education backgrounds, The GCC prioritizes language and soft skills training. This ensures a smooth transition and empowers all staff to excel, regardless of their prior educational language.
- **The “Design Your Day” Program:** A rigid work schedule can be a barrier to working parents, and all employees for that matter. To address this, they implemented the “Design Your Day” program that empowers employees to structure their workday around their personal needs. This dismantles the previously ingrained expectation of a traditional 9-to-5 schedule, fostering a culture of trust and flexibility. By allowing employees to achieve a healthy work-life balance, the GCC unlocks their full potential and fosters a highly engaged workforce.



3X+ growth

in FTEs planned in 3-5 years
from current 300 FTEs



**Partnerships
to improve D&I**

With Pride Circle & Women
Committee – Aspire for her to
increase diversity across the board



46%

women representation in India GCC,
way higher than GCC average of 35%



**Attrition
rate of 2%**

The GCC has one of the lowest
attrition rate compared to any
Indian GCCs

Strategic Partnerships

GCC & Service Providers:

Forging a win-win Partnership

Forming partnerships with service providers empower the center to deliver value more efficiently, effectively, and expansively to meet the evolving needs of the organization. Several compelling reasons for GCCs to forge strategic partnerships encompass:

Best-Sourcing:

GCCs currently are on a revolutionary phase characterized by an accelerated, qualitative leap forward, leveraging the holistic ecosystem. It emphasizes flexible and adaptable structures, where GCCs can quickly access specialized talent and expertise from service providers, allowing for rapid scaling. In-house teams focus on core competencies while collaborating with external service providers on strategically allocated activities

Innovation:

External partnerships can help with cross-pollination of ideas to foster a culture of innovation within the GCC and enables it to stay competitive

Time-to-Market:

Collaborating with service providers who already possess knowledge & resources can significantly reduce the time required to develop & deploy new business capabilities. This swiftness enhances the GCC's agility in responding to market demands

Scalability: Collaborating with service providers provides the GCC with the flexibility to scale up or down based on business needs

Case Study

- The enterprise is the first Latin American conglomerate to establish a GCC in India. As a key strategic platform for the group, the GCC drives building a digital ecosystem for the group leveraging its existing unmatched physical assets
- To drive scale and innovation, the GCC operates in a hybrid model by hiring top talent and partnering with best-of-class technology consultants. This has helped the GCC build its technology capability and maturity across digital platforms and successfully raising the technology bar within the Group
- The hybrid model also allowed the India team to hire the right kind of talent as they became attractive due to the nature of work being carried out of India



114%

YoY growth in Gross Merchandising Value (GMV)



2.8x

growth of online GMV, with 44% penetration reaching

\$3.8 Bn over the last 12 months



4.8x

growth in home deliveries with 38 Mn orders in the region

Innovation

Innovation: A Strategic Lever for Differentiation & Competitiveness

GCCs can play a crucial role in driving innovation for the enterprise in several ways

Access to Specialized Talent:

GCCs often tap into local talent pools with specialized skills & expertise. This enables them to work on cutting-edge projects & develop innovative solutions that might not be feasible within the enterprise

Focused R&D:

GCCs can be dedicated to R&D activities, exploring new technologies and concepts that can lead to innovative products, services, or processes for the enterprise

Experimentation and Proof of Concept:

GCCs can provide a controlled environment for experimentation & testing of new ideas, concepts, and technologies before scaling them

Upskilling and Reskilling:

In today's fast-paced world, GCCs that upskill and reskill their talent drive innovation. By equipping employees with new skillsets, they can tackle fresh challenges and develop creative solutions, propelling the GCC to the forefront

Case Study

- A leading global aerospace company's GCC in Bengaluru has grown to become an integral part of their global operations, focusing on engineering, technology, and innovation. It houses thousands of engineers and scientists who work on diverse projects that enhance company's competitive edge in the aerospace industry.
- **Digital Twin and Simulation Technologies:** The GCC in Bengaluru played a crucial role in developing digital twin technologies, which involve creating digital replicas of physical systems. This innovation helps in optimizing design, predicting performance issues, and reducing maintenance costs.
- **Aerospace Structures and Materials:** Engineers at the center are involved in researching and developing advanced materials and structures for aerospace applications. This includes work on lightweight composite materials that contribute to more fuel-efficient aircraft



50+ patents filed

The GCC teams at Bengaluru has filed over 50 patents in aerospace technologies, significantly contributing to the company's global intellectual property portfolio.



\$100 Mn annual savings

The GCC has streamlined company's operations, saving approximately \$100 million annually through enhanced efficiency and reduced manufacturing downtime.

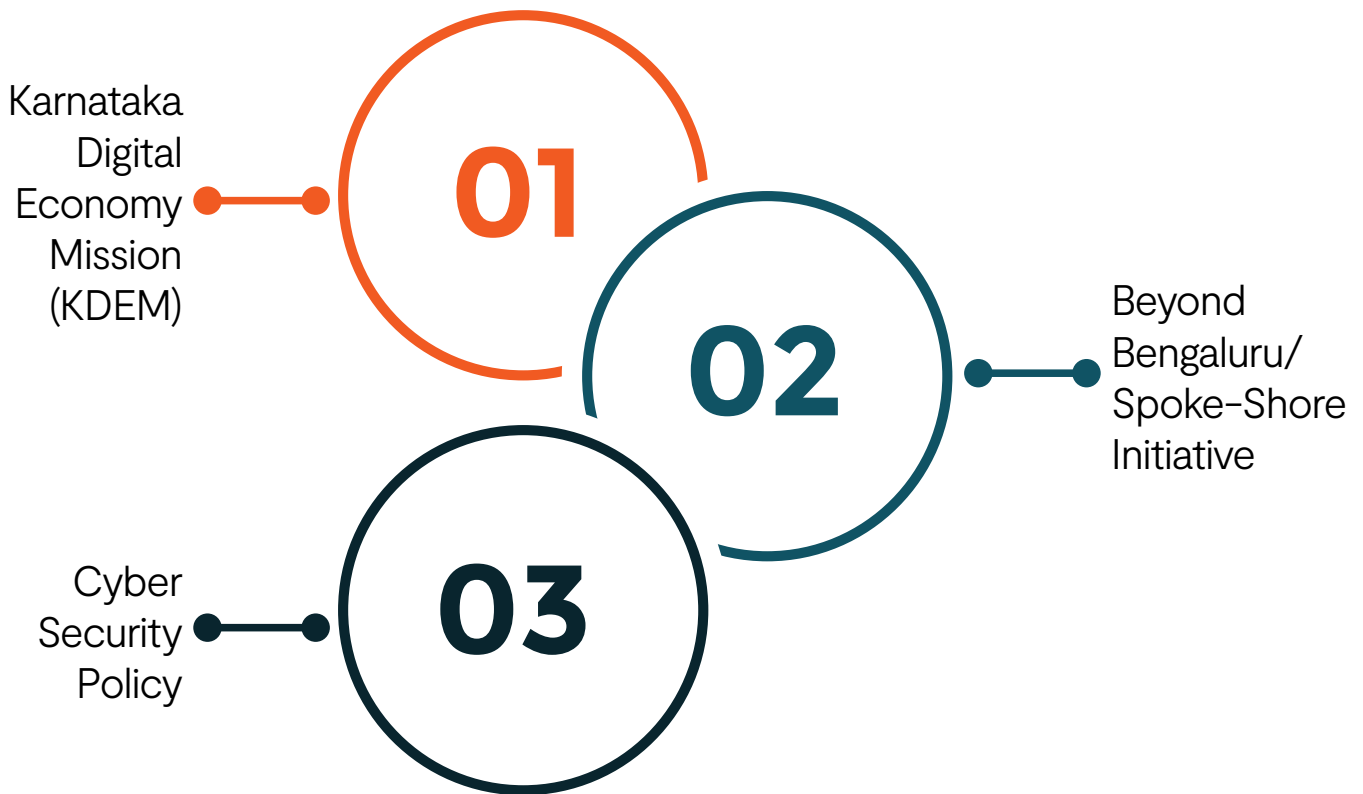
Karnataka

A Growth Enabler



IT Policy 2020–25

Key Tenets of Strategies



Karnataka Digital Economy Mission (KDEM)

Provide insights on technology landscape, policy inputs, frameworks & guidelines to promote Digital industry growth and investments in Karnataka

Beyond Bengaluru/ Spoke-Shore Initiative

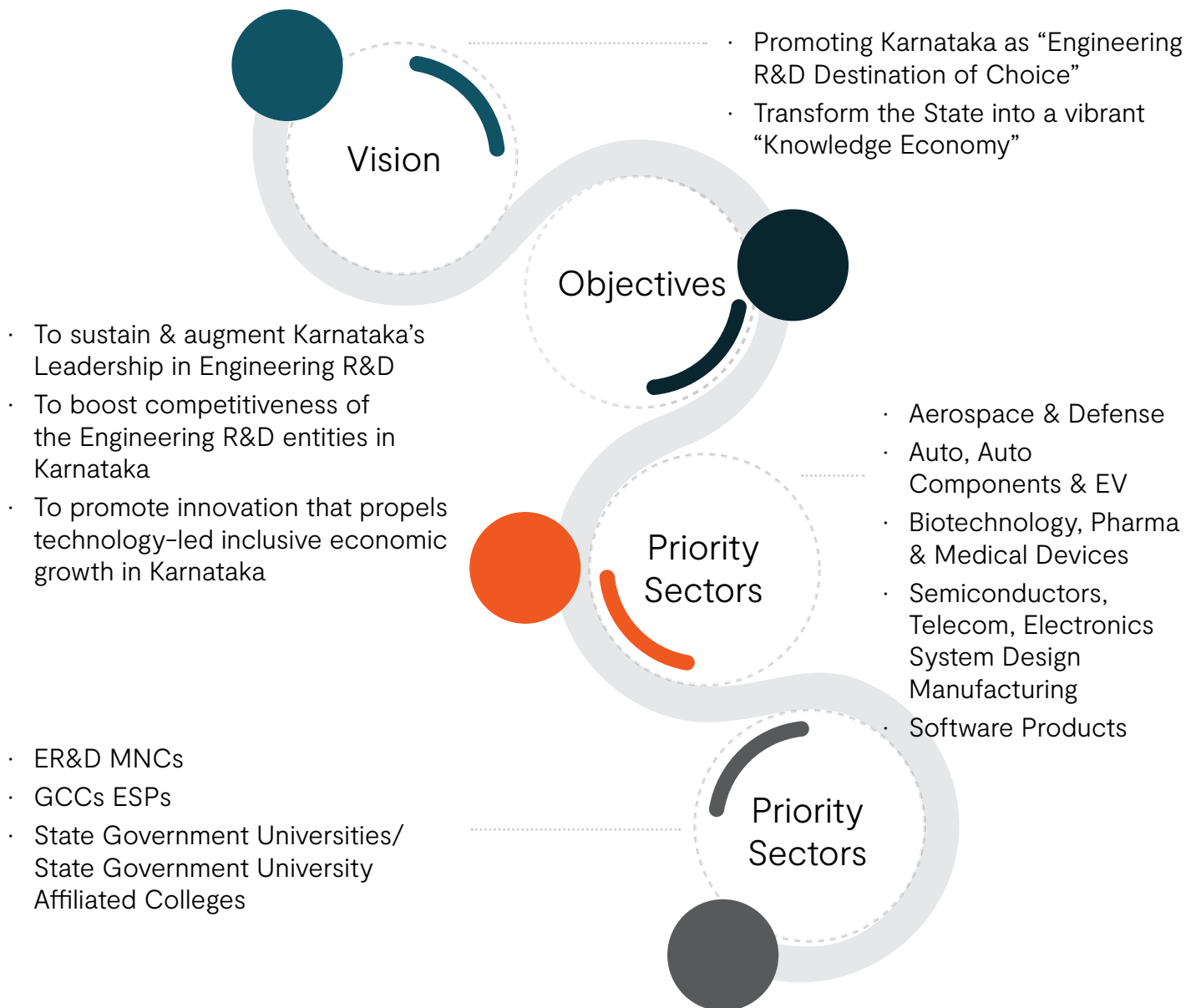
Develop tier-II & III cities such as Mysuru, Mangaluru, Hubballi-Dharwad, Belagavi that have competitive advantage of relatively low-cost structures and rapid urbanization

Cyber Security Policy

The policy aims to create a secure cyber environment through data protection measures. This translates to robust frameworks for companies to operate within, reducing the risk of data breaches and cyberattacks.

ER&D Policy 2021

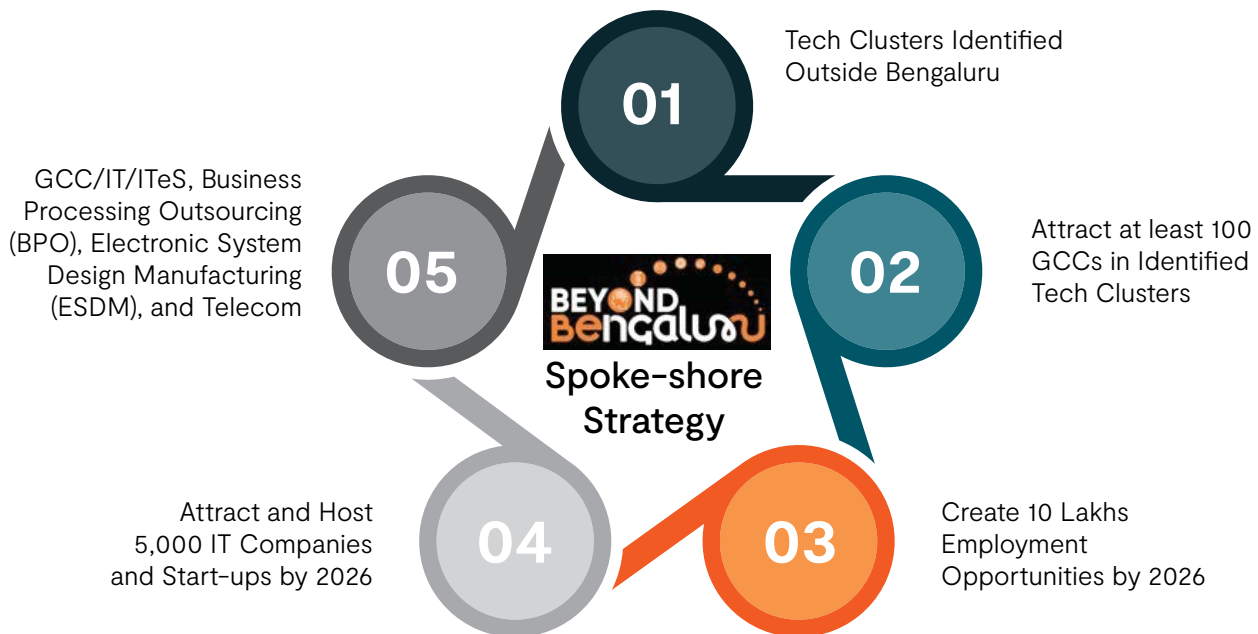
Karnataka Launched India's First ER&D Policy



- Enable Karnataka to contribute ~45% to India’s Engineering R&D Create ~50,000 new jobs (direct & indirect)
- Develop a research-oriented skilled talent pool, attract Engineering R&D intensive investment
- Grow regional economies by promoting innovation and ER&D across the State

Spoke-shore Initiative

Expanding Beyond Bengaluru



Mangaluru, Hubballi-Dharwad, Belagavi, and Mysuru have been identified as emerging tech clusters in Karnataka for which task forces have been set up to help build a supporting ecosystem

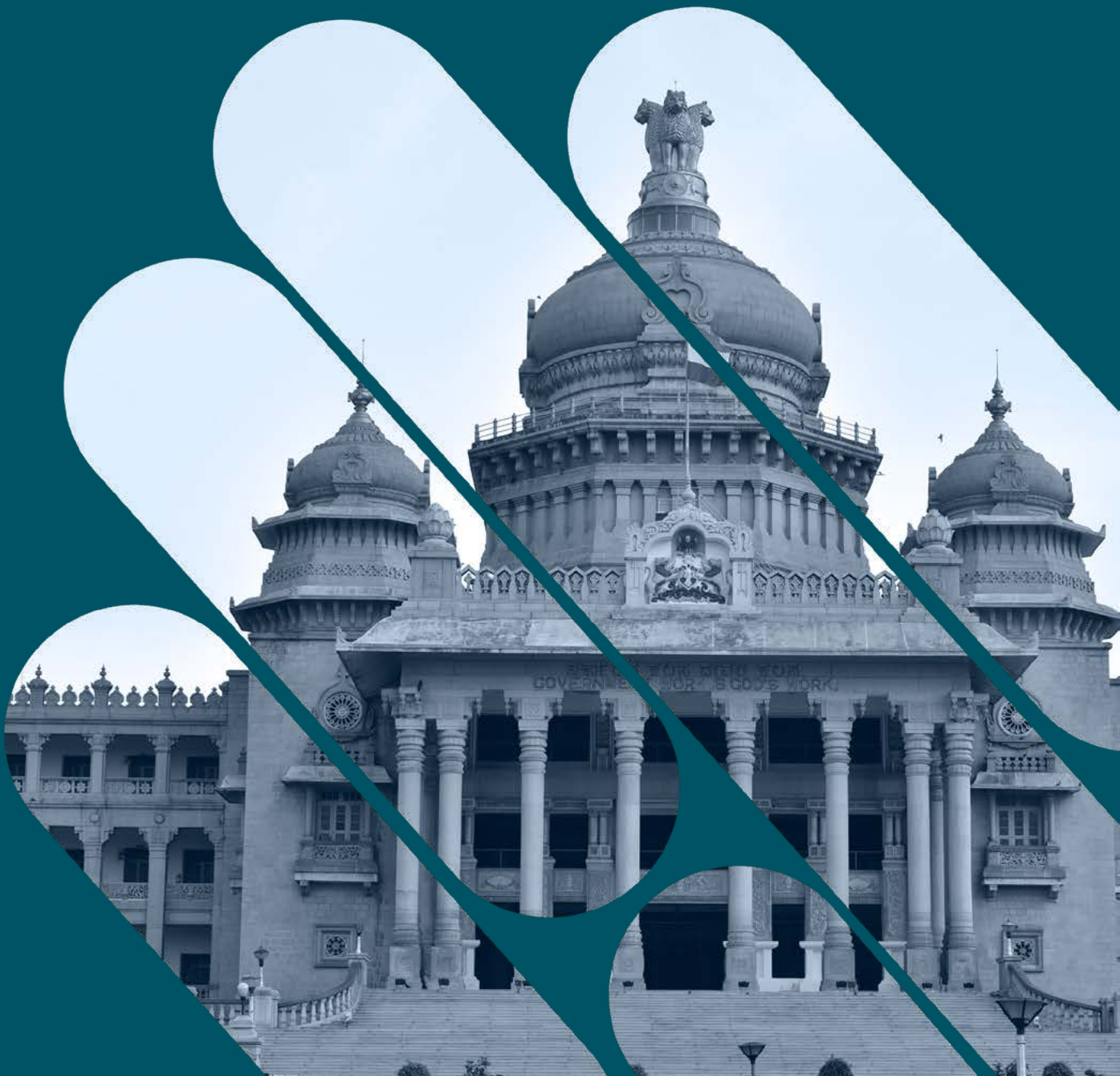
GCC/IT/ITeS, Business Processing Outsourcing (BPO), Electronic System Design Manufacturing (ESDM), and Telecom

Early Results

Over 25–30 GCCs exploring the option to implement Spoke-shore strategy in Beyond Bengaluru. Companies that have implemented the Spoke-shore strategy – IBM (250 HC) and GlowTouch (300) in Mysuru I-Merit (150 HC) in Hubballi

Karnataka

Forecast of Forbes Global
2000 by 2030



Outlook

Karnataka – Frontier for over 15% Forbes 2000 Enterprises by 2030

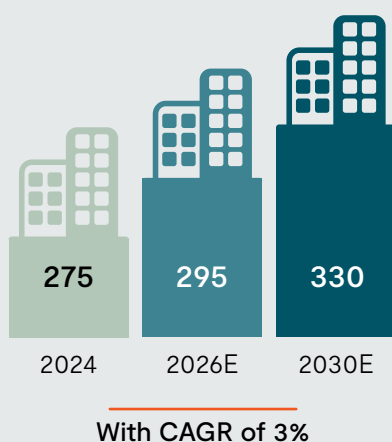
Amidst global economic challenges such as tightening monetary policies, slowing growth, and rising inflation, India stands resilient, buoyed by factors like political stability, a robust domestic consumption-driven economy, and a well-established regulatory framework. In this context, Global Capability Centers (GCCs) retain their pivotal role for multinational enterprises, evolving into innovation hubs and catalysts for digital transformation.

Leading India's GCC landscape is Bengaluru, renowned for its abundance of skilled professionals and advanced technological infrastructure. A vibrant business ecosystem, featuring both established GCCs and dynamic startups, further enhances Bengaluru and Karnataka's appeal for new GCC establishments.

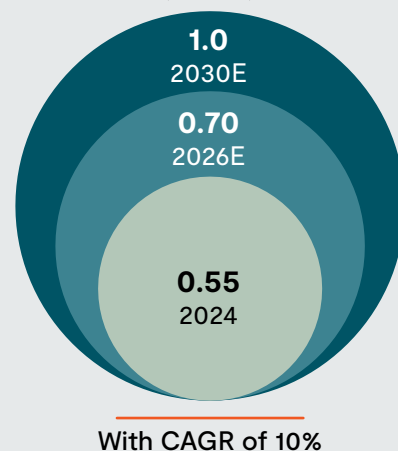
Our analysis indicates Karnataka's potential to become a premier GCC hub, potentially accommodating over 15% of Forbes 2000 enterprises. By the year 2030, Karnataka could host around 330 Forbes 2000 enterprises. This trend is driven by India's increasing prominence as the global GCC hub.

Furthermore, as the competition for talent remains intense, GCCs must invest in cultivating a positive work culture and enhancing the overall value proposition for their employees. Our estimations suggest that by 2030, Forbes 2000 enterprises could employ approximately 1.0 million professionals.

Potential Growth of Forbes 2000 Companies Establishing GCCs in Karnataka



Over 2X Impact on Employment Generation (in Mn)



Note: Scenario 1 based on FY 2024 baseline, provided above is established from a forecasting model based on several logical assumptions

Source: ANSR

Way Forward

Opportunity Areas for GCCs

01

Connected Enterprise Vision

GCCs are currently in a phase characterized by an accelerated, qualitative leap forward, creating synergies with the ecosystem by actively collaborating and aligning with partners. This 'best-sourcing' approach fosters a symbiotic environment and aligns with overall company goals. It allows GCCs to set new gold standards for excellence by cultivating exceptional talent pools and building impactful partnerships.

02

Build New Capabilities for Future-Ready Enterprise

As GCCs mature and move up the value chain, they will transition from technology and business hubs to 'digital twins' of the HQ delivering exceptional value. There is an ongoing commitment to talent development, with a specific focus on cultivating advanced capabilities in areas such as GenAI, AI/ML, cybersecurity, and cloud, reflecting a commitment to continuous growth.

03

Unlock the Future with the Power of Data

Utilizing data enables enterprises to make well-informed decisions, boost operational efficiency, & stimulate innovation. Within this landscape, GCCs hold a significant position by leveraging data-driven insights & predictive analytics to not only reduce costs but also enhance the customer experience, thereby unlocking future possibilities.

04

Strengthen Company Culture to Attract Talent

Business leaders should prioritize and strengthen company culture, doubling down on creating a dynamic and inclusive environment to effectively attract and retain top talent in today's competitive market.

05

Empower GCCs as Leadership Hubs

As the second headquarters, GCCs should nurture enterprise leaders with functional responsibility and accountability for global business outcomes, enabling them to own functions on a global scale.

THANK YOU...

About ANSR

ANSR is the market leader in enabling organizations to build, manage, and scale global teams through Global Capability Centers (GCCs). ANSR's suite of end-to-end AI-enabled products and offerings are trusted by the world's best companies to help them set up, manage, and run their high-impact technology centers.

125K+

Professionals
Hired

125+

Global Centers
Established

12M+

sqft. of Workspace
under Management

19+

Years of
Experience

\$2B+

Capital Investment
Created

Contact Us

marketing@ansr.com | www.ansr.com

Usage of Information

Forwarding/copy/using in publications without approval from KDEM and ANSR will be considered as infringement of intellectual property rights.

Contact KDEM for any further assistance on policies pertaining to the Department of Electronics, IT, BT, Government of Karnataka and details about Beyond Bengaluru clusters.

Disclaimer

The information contained herein has been obtained from sources believed to be reliable. The material or information is not intended to be relied upon as the sole basis for any decision which may affect any business. Before making any decision or taking any action that might affect anybody's personal finances or business, they should consult a qualified professional adviser.

Use or reference of companies / third parties in the report is merely for the purpose of exemplifying the trends in the industry and that no bias is intended towards any company. This report does not purport to represent the views of the companies mentioned in the report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favoring by KDEM and ANSR or any agency thereof or its contractors or subcontractors.

The material in this publication is copyrighted. No part of this report can be reproduced either on paper or electronic media without permission in writing from KDEM and ANSR. Request for permission to reproduce any part of the report may be sent to KDEM and ANSR.