

# INDIA'S GLOBAL LEAP: WHY GLOBAL ORGANIZATIONS SET UP GLOBAL CAPABILITY CENTERS IN INDIA?

In 1985, Texas Instruments did something that no other organization had done before – they **set up Global Capability Center (GCC) or an offshore center in India**, sparking a trend. Though little-known today, it was an inflection point that set change in motion.

The '90s rolled in, and India opened its door to the world. Many other big names like IBM, Accenture, and Microsoft started thinking, “Hey, maybe we should try offshoring, too.” Attracted by the promise of cost savings, they arrived with expectations of efficiency but were met with something far more valuable: a wealth of talent eager to prove its worth. The world's largest democracy became synonymous with abundantly talented knowledge professionals, world-class engineering intellect, and business expertise.

Over decades, these GCCs progressed up the value chain from basic business process support to directing global innovation and core operations. Today over 1600 maturing GCCs drive global transformation showcasing India's immense service delivery capabilities.

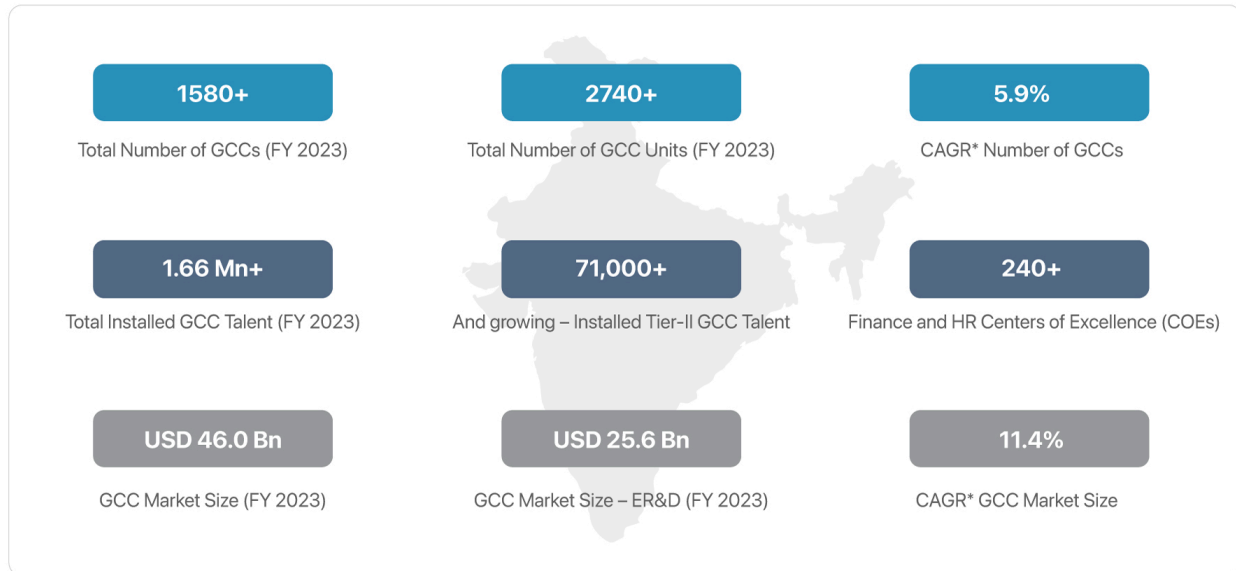
It begs the question – why [set up a Global Capability Center in India](#) and what motivates increasing MNCs to join the ranks by adding

offshore captive centers in India year on year?

## Why set up Global Capability Centers in India?

### Snapshot of the GCC Ecosystem in India

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Source: Zinnov Research & Analysis

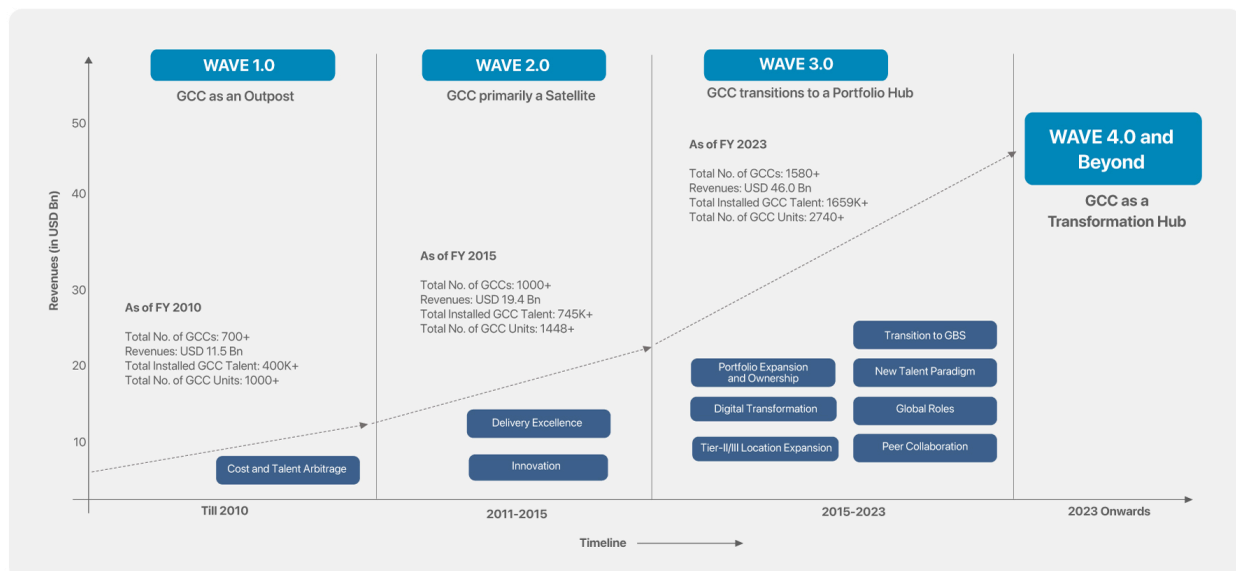
\*CAGR calculated from FY2015-FY2023

The numbers validate India's ascent as a **GCC hotspot**. 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.

Central to India's GCC expansion are strategic pillars nurtured over decades since liberalization began. First, there is a rich pool of talented individuals capable of performing complex tasks. Second, a culture of innovation has emerged, establishing India as a leader in valuable domains. Third, there is a strong commitment to delivering high-quality work, monitored through clear models. Finally, visionary leadership has been instrumental in guiding the country's growth in international capabilities across various sectors.

This solid foundation has set the stage for **growing global roles**, poised to reach 20,000 by 2030, at maturing GCCs. They are now redefining how worldwide enterprises compete, expanding their mandates year on year into additional value-creation opportunities, enriched with local market insights. By leveraging these compounding advantages, cultivated over more than two decades, India is rapidly accelerating its transformation into the global epicenter of GCCs.

Indian GCC Industry Evolution – Scale, Innovation, Delivery Excellence, and Leadership have been at the core of Indian GCCs' evolution in the last two decades



Source: Zinnov Research & Analysis

This impressive growth trajectory is underpinned by a robust framework that India has meticulously developed. India's moniker, "the GCC capital," is not just a title; it's a testament to the foundation of 3Vs – Volume, Value, and Velocity that defines the work conducted here. 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. But what are the key elements that fuel this success?

## Academic Strength and STEM Focus

A key element in this evolution is the country's academic strength, particularly its focus on STEM education. Each year, India produces approximately **2.3 Mn** STEM graduates, a figure that highlights the robustness of its educational system. These graduates bring not only technical expertise but also strategic and business acumen to the table. This rich talent pool, shaped by an education system that aligns closely with industry needs, ensures a continuous supply of skilled professionals, keeping India's GCCs at the forefront of innovation and global business strategy.

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## Maturity of the GCC Ecosystem

The maturity of India's GCC ecosystem can also be attributed to the inherent quality, transparency, and trust established among stakeholders in the value chain. For instance, [Zinnov](#) has successfully launched at least 10 new centers in the past two years alone, with these centers reaching operational efficiency and beginning to impact their top line in as little as 90 days. Such rapid development is indicative of the robust infrastructure and streamlined processes that have been established in India, fostering an environment conducive to innovation, [Centers of Excellence \(COEs\)](#), and product ownership.

## Role of the Indian Government

The role of the Indian government in cultivating this ecosystem cannot be overstated. Their receptiveness to industry feedback and their initiative in developing favorable policies in critical areas such as Research & Development, Intellectual Property creation, and overall ease of doing business have significantly enhanced the trust and confidence of MNCs in the Indian market.

## Growing Confidence among MNCs

This growing confidence is further bolstered by the concept of 'security in numbers.' As more companies witness the success of their peers and service providers within the Indian GCC ecosystem, MNCs are now confident to move from the question of why set up Global Capability Centers to [how to set up a Global Capability Center](#). It creates a positive reinforcement loop. This phenomenon is similar to how consumers rely on reviews and ratings on platforms like Amazon; the proven success of existing GCCs in India serves as a strong endorsement, encouraging more companies to invest. The relatively low risk and cost of experimentation in India further sweeten the proposition, making it a compelling choice for multinationals looking to write their own success stories.

From an under-estimated economy to becoming a hotspot for [talent](#) and innovation, India has showcased its prowess. It's a narrative of consistent growth, strategic evolution, and an ecosystem that is conducive to fostering global capabilities. For global organizations

looking to expand their global footprint, India presents a compelling, well-rounded proposition that is hard to overlook.

If you want to set up a GCC or an offshore captive center in India, contact us today at [info@zinnov.com](mailto:info@zinnov.com).

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