

# AI-Powered Growth Engines: Indian GCCs' Strategic Evolution

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I see the rise of global capability centers (GCCs) in India as nothing short of remarkable. What started as a cost-saving strategy has transformed into a value-driven journey that is reshaping the way we perceive these centers.

Today, Indian GCCs have evolved into strategic hubs for global businesses. They serve as the critical nerve centers, overseeing strategic systems and playing a pivotal role in reshaping various aspects of enterprises.

They are no longer confined to mere outposts and have emerged as independent entities driving innovation and assuming leadership responsibilities on the global stage.

Looking at the numbers, the trend is unmistakable. There are over 1,580 GCCs and a workforce of 1.6 million professionals currently active in India, and the projection is for the country to host over 2,000 GCCs by 2026 or 2027. These GCCs generate \$33.8 billion in combined revenue, which is about 1% of India's GDP.

## The Strategic Evolution Of GCCs

Duvvuri Subbarao, the former governor of the Reserve Bank of India, aptly remarked, "Indian GCCs are moving up the value chain, but it can't take its competitive advantage for granted." With the remarkable growth we are witnessing of Indian GCCs, I believe the valuable question that emerges is: How can GCCs sustain this growth trajectory?

The answer lies in understanding what drives strategic impact.

## AI Innovation: The Key To GCC's Future

To me, the path to greater strategic impact for Indian GCCs is clear: Using innovation for India to secure a more prominent seat at the table. In this context, AI is not just a buzzword; it's the engine that can propel GCCs toward transformation. However, to effectively leverage AI, there are three crucial areas I see for the industry to focus on:

## **1. From Code To Culture: Transforming Holistically**

Let's begin by dispelling the myth that AI is exclusively tied to technology. AI isn't confined to technology alone; its transformative influence transcends all functions and roles within GCCs. Unlocking its potential will involve organizations undergoing a strategic transformation in talent management and fundamentally redefining their value proposition.

AI operates in a holistic context, engaging not only tech experts but also individuals across diverse domains, including HR professionals and data scientists. Therefore, it should be deeply woven into the fabric of every GCC, and this transformation starts with education.

It is not just about imparting technical knowledge; it's about enabling a cultural and organizational shift toward embracing AI as a transformative force. GCCs can look to empower employees to be active participants in the journey toward innovation, efficiency and competitiveness in an AI-driven world.

## **2. Synergizing Talent With AI: The Power Duo**

What this means is nurturing talent in India and infusing AI capabilities into their skill sets. In my recent conversations with several Indian GCC leaders, many highlighted the importance of having leaders who can drive and conceptualize AI initiatives. Moreover, nurturing talent with a global perspective is equally critical.

To this end, leaders within GCCs can look to form teams that make the most of technology. Outstanding innovation relies on skilled talent and elevating your best teams with the right technology.

But aligning your talent with ever-evolving technology can be tricky. It's vital to match roles and skills with technology and adapt upskilling to your industry's changing landscape as a part of a continuous journey.

## **3. Fail Forward With Courage And Boldness**

Education alone won't suffice; it must be accompanied by a culture of experimentation. While AI promises transformation and a competitive edge, this can only happen in a culture that welcomes curiosity, learning and even setbacks.

With AI, there's no playbook to follow. Everyone is learning as they go. Therefore, creating a safe space for experimentation and learning from failures is essential. I believe leaders play a pivotal role in nurturing an environment where experimentation with AI is encouraged. It's about allowing your people the freedom to explore, innovate and operationalize their discoveries.

Look to celebrate successes and openly share lessons to avoid repeating mistakes. Whether formally or informally, there is an opportunity when you make room for knowledge-sharing among teams.

# Driving Transformation Through Innovation

In wrapping up our exploration, as India continues to lead the world in the number of GCCs, I think it's time for each GCC to reflect on its own readiness for the AI revolution. Are they equipped with the right talent? Are they fostering a culture of experimentation? Have they recognized that AI is not the exclusive domain of technology, but a force that can reshape every facet of their organization?

The current opportunity that looms large is AI. I believe that embracing it is not just an option; it's an essential step for GCCs looking to secure their position as strategic pillars of their parent companies.

As we journey through this uncharted territory, it's the bold and adaptable organizations that will lead the charge in innovation. Those who dare to think differently and take risks are the ones who ultimately bring about significant change and pave the way for others to follow.

The future belongs to those who innovate and adapt, and GCCs in India have a prime opportunity to shape that future through AI.

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