

Whitepaper

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Building High-value Global Capability Centers

How strategic GCCs deliver sustainable business value

Knowledge paper by SMC Squared, a part of Hexaware Technologies



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Introduction

01

Business leaders face growing expectations to deliver rapid, strategic results that shape the future of their organizations. Global capability centers (GCCs) address these needs by providing access to cost-effective, high-skilled talent and serving as strategic hubs for innovation and R&D, advanced analytics, and critical support functions. Many multinational companies have set up or are seeking to set up their GCC India operations, making India a top destination for captive centers.

SMC Squared, now part of Hexaware Technologies, is enabling this shift by helping enterprises establish and optimize global capability centers that unlock innovation, agility, and long-term value. As a part of Hexaware's GCC 2.0 service line, SMC Squared blends proven GCC build-operate-transfer (BOT) expertise with Hexaware's platform-led IT delivery capabilities, providing clients with a differentiated proposition that combines AI and digital innovation with strategic GCC value.



SMC Squared specializes in building GCCs that are deeply integrated with enterprise operations—helping global businesses move beyond traditional outsourcing toward a model that prioritizes ownership, alignment, and long-term strategic value.

This knowledge paper examines how forward-thinking enterprises are utilizing global capability centers to drive operational efficiency, foster innovation, and enable AI-powered transformation for sustained business growth. The impact of this approach comes to life through a detailed look at the successful partnership between a global pizza brand and SMC Squared, demonstrating the real-world value that strategic global capability centers can deliver.

Maximizing Cost Efficiency:
Building GCCs Without
Sacrificing Quality

02

One of the most compelling reasons to establish a GCC is the potential for significant cost savings—not just in terms of labor arbitrage, but through overall operational efficiency and long-term value creation.

By leveraging India's deep talent pool through a purpose-built GCC, enterprises can achieve meaningful cost reductions without sacrificing quality or continuity. SMC Squared's people-first approach empowers organizations to access high-caliber, enterprise-aligned teams that contribute to core technology functions—from development and QA to generative AI and digital product delivery.



Unlike traditional third-party vendor models, a GCC enables:

- **Predictable GCC Cost Savings:** Unlike traditional outsourcing, GCCs operate with a stable team structure, thereby eliminating the fluctuating costs of hourly billing models.
- **Strategic Workforce Planning:** SMC's proprietary people-first method ensures talent is recruited, developed, and retained based on alignment with your company's culture and goals.
- **Efficiency Through Retention:** High retention rates reduce the hidden costs of constant re-hiring and onboarding.

Moving Beyond Vendors:
Achieving Strategic Value and
Control with GCCs

03

The legacy approach of offshoring via hourly-billed vendors often leads to inflated costs and diluted accountability. Without dedicated team investment or strategic ownership, companies may struggle to drive meaningful innovation or performance.

SMC Squared's flexible GCC models eliminate these challenges:

- **Dedicated Teams, Not Temporary Vendors:** Employees are fully embedded into an organization and focused on outcomes, not billable hours.
- **Expertise Without Compromise:** SMC's talent solutions provide access to hard-to-find skills at a sustainable cost, enabling greater budget flexibility.
- **Faster Ramp-up Times:** Teams are recruited with specific goals in mind, reducing time to productivity.



Accelerating Innovation: How
GCCs Power Digital and
AI Transformation

04

Modern GCCs are no longer limited to IT support or service desk functions or basic business services in finance and accounting or human resources. Today, global companies are repositioning their GCCs as innovation hubs, empowering them to drive digital transformation, shape strategy, and advance technology integration at scale.

This evolution of GCCs is driven by several key factors:

- **Unmatched Technical Talent in India:** India's workforce offers world-class capabilities across data science, engineering, AI, automation, and enterprise systems—talent that's not only accessible but also specialized.
- **Rising Demand for Digital Transformation:** As organizations race to adopt generative AI, intelligent automation, and cloud-native architectures, they need dedicated teams that can experiment, scale quickly, and move beyond legacy constraints.
- **Increased Strategic Ownership:** Unlike vendor models that deliver output with minimal context, GCCs empower companies to build embedded teams that understand and align with broader business objectives—critical for innovation-led initiatives.
- **Faster Time to Value:** A dedicated offshore development center or GCC can rapidly build proof-of-concepts, deploy pilots, and iterate in real time, removing the friction often experienced with distributed vendor ecosystems.

With SMC, enterprises can harness these opportunities by designing GCCs that are built for innovation from day one. Our flexible GCC models bring together the right people, processes, and leadership structures to support advanced transformation initiatives. SMC-enabled GCCs have delivered tangible business outcomes—from deploying AI chatbots and personalized content pipelines to building AI-driven analytics assistants and search innovations. These AI-driven GCC services not only reduce operational costs and improve customer engagement but also unlock new pathways for enterprise growth.

Future-proofing Your GCC:
Unlocking the Benefits of GCC 2.0

05

GCCs have become essential for enterprises seeking to drive innovation, efficiency, and strategic value on a global scale. As technology and business needs evolve, so too does the GCC model—moving from traditional talent hubs to intelligent, AI-powered engines of transformation.

GCC 1.0 focused on building teams at scale, optimizing costs, and supporting digital transformation through skilled talent and strong cultural alignment. While this model delivered operational excellence and innovation, it was primarily centered on human capability and process efficiency.



GCC 2.0 represents a significant leap forward. The combination of SMC Squared's proven expertise in building and optimizing GCCs with Hexaware's advanced AI-driven platforms creates a powerful foundation for GCC 2.0. The benefits GCC 2.0 delivers include:

- Dramatically faster turnaround times, with applications delivered up to twice as quickly as before.
- Significant productivity gains, with output increased by up to 40% compared to traditional GCC models.
- Enhanced innovation capacity, as AI-powered tools free up talent to focus on high-value, creative problem-solving.
- Greater scalability and agility, enabling organizations to respond rapidly to market changes and new opportunities.
- A future-proofed workforce, where digitally enabled teams are continuously learning, adapting, and thriving.

Is Your Organization Ready?
The GCC Readiness Checklist

06

As more multinational companies shift to global capability center models, the question isn't if you're ready but how ready you are.

SMC has developed a practical GCC readiness checklist for global technology leaders to assess four essential areas as you prepare to launch your company's GCC.

- 1. Strategic Alignment and Timing:** Does the GCC model fit your organization's long-term vision and current operational priorities?
- 2. Talent and Technology Needs:** Do you have the right mix of skills, digital infrastructure, and talent pipelines to support a GCC build?
- 3. Organizational Readiness for Scale:** Can your leadership and governance structures support a global delivery center?
- 4. Risk Awareness and Mitigation:** Are you prepared to manage IP protection, vendor consolidation, business continuity, and regulatory and compliance concerns?



Global capability centers are no longer optional—they are strategic imperatives for companies looking to stay ahead. As the demand for digital transformation, innovation, and global agility grows, the GCC model offers a powerful solution. If you answered yes to any of the questions above, it may be time to explore what a purpose-driven, custom-built GCC can do for you.

Case Study: A Journey from
Operational Efficiency
to Innovation

07

A global pizza brand, faced persistent challenges sourcing and retaining the right technical talent for critical corporate systems roles, despite partnering with multiple staffing vendors in the US. This fragmented approach resulted in inconsistent performance, high contractor costs, and concerns around data and IP security.

Recognizing the need for a more strategic, long-term solution, the company partnered with SMC Squared to build a dedicated global capability center (GCC) in Bengaluru. The goal was clear: enhance efficiency, gain full visibility into team performance, and reduce reliance on costly third-party vendors.

SMC Squared's people-first, recruit-to-fit methodology proved to be a game changer. By assembling a team handpicked for technical expertise and cultural alignment, SMC Squared enabled the company to stabilize costs while strengthening data security and intellectual property protection. Within the first nine months, the GCC team grew to 24 members, achieving an impressive 99% retention rate, exceeding industry norms. This high level of engagement and continuity transformed the GCC into a true extension of the client's core business, fostering greater ownership, accountability, and strategic alignment.



As the pizza brand expanded its vision for the GCC, the focus shifted from efficiency to innovation. The Bengaluru center now leads advanced data analytics initiatives, leveraging AI to enhance business strategy, deepen customer insights, and optimize performance metrics. The team has also developed and implemented in-store automation processes, which are now rolling out across US distribution centers—a complex project managed entirely from India. This evolution highlights how the GCC, enabled by SMC Squared, has become a vital hub for enterprise-wide transformation and future-ready growth.

How Hexaware and
SMC Squared Can Help

08

Your Trusted Partner Across the GCC Lifecycle



Strategy and Leadership Consulting

- Strategy consulting and business case creation/validation
- Research, benchmarking, and analysis—talent, skilled labor, and location
- Process mapping



Legal Entity Setup

- Insourcing vs outsourcing vs GCC
- Strategic structuring JV/WoS/LLP/BO
- Leadership hiring



Resource Planning and Recruiting

- Intelligence and sourcing
- Hiring and talent solutions—AI-based screening
- HR performance and payroll management



Facility and Operations

- Facilities management
- IT infrastructure
- Security and compliance



Transformation and Excellence

- IT and business operations and transformation services
- Best practices and frameworks
- IT operations, process, and engineering excellence
- Organizational change management



Continuous Learning and Development

- Learning and development setup
- Domain training and varsity partnerships
- Screening and testing



Partnerships and CoEs

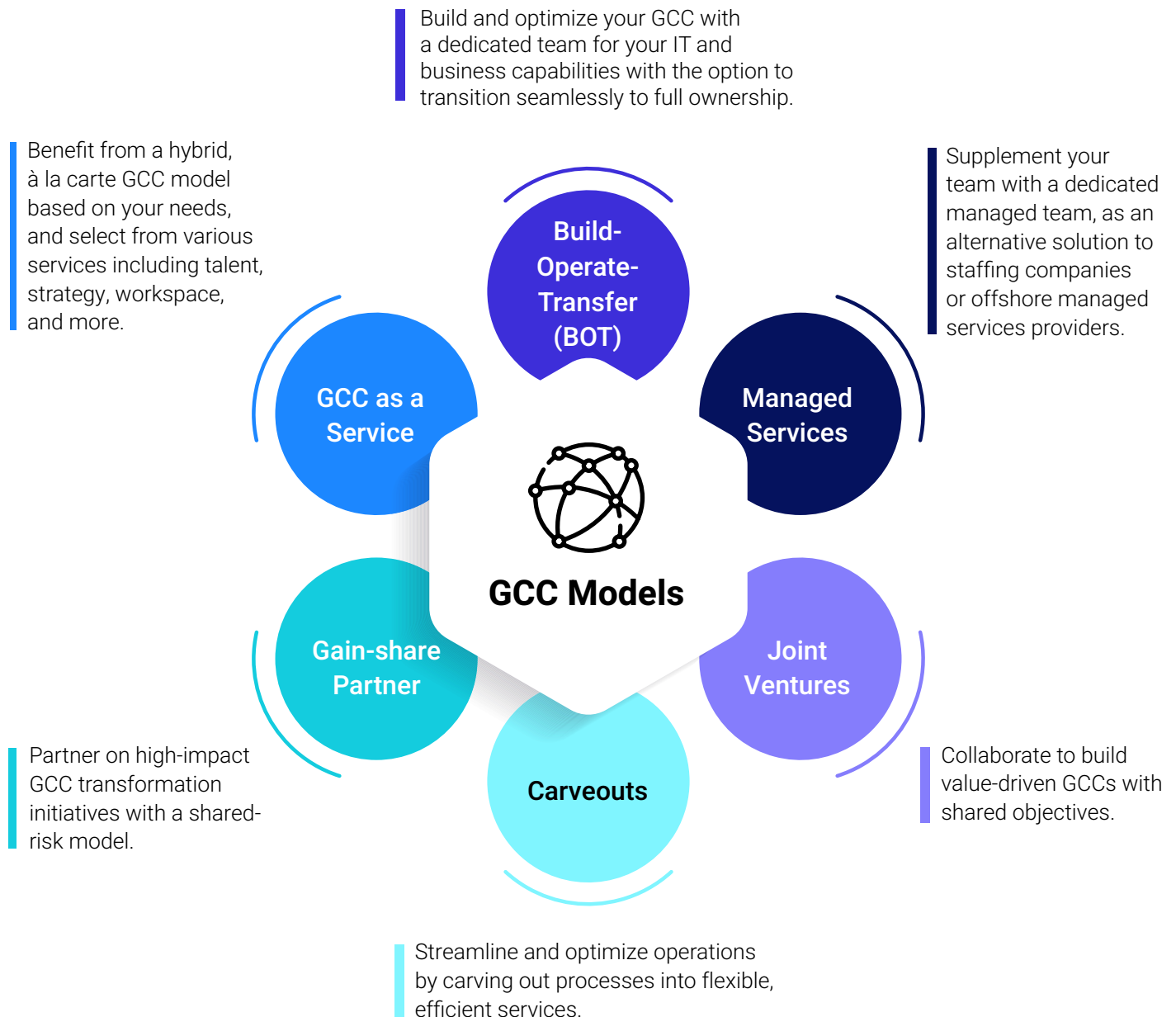
- Partnership framework and agreements
- Blueprint for center of excellence (CoE) development
- Enable GCCs as best-in-class operating centers



M&A and Exits

- Advisory services on partner exits—partial/full equity
- Advisory services via Carlyle on financial value creation

Flexible Engagement Models



Ready to shape your GCC 2.0 success story?

Let's start the conversation. Contact us at marketing@hexaware.com and discover how our tailored GCC solutions can help you achieve more—faster, smarter, and with confidence. Your next chapter starts here!

Author



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Dr. Patricia is a senior IT executive with 30+ years of experience in Fortune 500, mid-market, and startup firms. She has a proven track record of building high-performing global tech teams and GCCs that drive innovation, efficiency, and cost savings. She has successfully set up 30+ GCCs. Formerly with KPMG, Target, and Polaris, Patricia founded SMC Squared in 2017 to help firms manage global tech talent with enterprise strategy and culture for lasting impact.

About Hexaware

Hexaware is a global technology and business process services company. Every day, Hexawarians wake up with a singular purpose: to create smiles through great people and technology. With this purpose gaining momentum, we are well on our way to realizing our vision of being the most loved digital transformation partner in the world. We also seek to protect the planet and build a better tomorrow for our customers, employees, partners, investors, and the communities in which we operate.

With offices across the world, we empower enterprises to realize digital transformation at scale and speed by partnering with them to build, transform, run, and optimize their technology and business processes.

Learn more about Hexaware at <https://www.hexaware.com>

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