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NATARAJAN & SWAMINATHAN LLP
A MEMBER FIRM OF KNAV INTERNATIONAL LTD

THE NEW MNC PLAYBOOK: MOVING FROM BODY SHOPPING TO GLOBAL CAPABILITY CENTERS

FRIDAY, 12TH SEP, 2025 @ 5.00PM SGT



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PAST CHAIRMAN SICCI is inviting you to a scheduled Zoom meeting.

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THE EVOLUTION OF GCCS

Stage 1 – Body Shopping

From the 1980s to the early 1990s, the dominant model was called “body shopping”. MNCs contracted firms, mainly in India, the Philippines and Eastern Europe, to supply IT professionals to work on projects abroad or remotely. The focus was on tapping manpower, mainly with a view to cost savings, not on creating intellectual property.

THE EVOLUTION OF GCCS

Stage 2 – BPO to KPO

In the mid-1990s, body shopping evolved into business process outsourcing (BPO). MNCs moved a lot of back-office work, such as customer support, finance, human resources and data entry, to IT vendors. By the late 1990s, India had emerged as "the back office of the world".

As talent mature and digital infrastructure improved, companies moved from BPO to Knowledge Process Outsourcing (KPO) which handled more complex and higher-valued tasks. For example, not just insurance and medical claims processing, but also medical diagnosis and telemedicine consultation; not just data entry and data processing, but also investment research and financial analysis' not just for technical support, but also scientific research and R&D. Besides IT professionals, KPO work also involved doctors, financial analysts, scientists and other domain experts.

THE EVOLUTION OF GLOBAL CAPABILITY CENTRES

Stage 3 – Global Capability Centers

From 2010, GCCS took off, moving further up the value chain. They were not focused on only high- value support functions like KPOs, but also on business transformation, innovation at scale and integration with the parent company's core mission.

Example 1 - While a KPO might perform investment analysis for a global bank, the bank's GCC would design, deliver and maintain the entire global trading or AI risk management platform.

Example 2 - A pharma KPO might handle regulatory filings, but a GCC would design clinical trials, use AI for drug discovery and create intellectual property (IP).

Introduction: GLOBAL CAPABILITY CENTER SECTORS - GCCS

A. **SECTORS IN WHICH GCCS ARE SET UP** – Information technology, healthcare, pharmaceuticals, financial services, automotive, aviation, retail and telecoms.

B. **COUNTRIES IN WHICH GCCS ARE SET UP** - There are around 3200 GCC's globally, more than half of which are in India. The rest are distributed across countries that include the Philippines Vietnam, Singapore, Malaysia, Poland, Romania, Mexico and Brazil.

C. **MNCs OWN THE GCCS** – GCC's are mostly owned by multinational corporations (MNCs). More than two-thirds are run by Fortune 500 companies. They are not arms-length vendors, but extensions of parent company operations that create new products and services. MNCs decided to own their GCCs rather than farm out their work to local IT firms, because ownership enabled direct control over their operations, closer alignment with their global standards and corporate culture, and protection of their IP and customer data.

D. **COST NO LONGER AN ISSUE OF GCCS** – The higher complexity of GCC roles meant that cost savings were no longer the primary objective as in BPOs and KPOs. Talent, infrastructure, innovation ecosystems, regulatory stability and location where the key drivers.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - INDIA

COUNTRYWISE GCCS – INDIA

a. **INDIA** - India is the global leader in attracting GCCS, which has more than 1700, spread across most of the cities. They employ 2 million workers directly. India attracted direct foreign investments of US$ 60 billion in exports out of US$ 300 billion for the IT sector alone unless manufacturing exports, which depends heavily on imported goods, the import intensity is negligible.

b. **ASTRA ZENECA'S – GCC IN CHENNAI** – The drug company Astra Zeneca's Global Innovation and Technology Center in the Indian city of Chennai has created a digital replica of the firm's manufacturing facility in Sweden, assessed via virtual reality headsets. It enables operators to learn about pharmaceutical production processes without entering a physical plant, leading to huge cost savings, easier scaling of skills and no material wastage

GLOBAL CAPABILITY CENTRES ACROSS INDIA

Why India is the top destination for GCCs

Vast talent pool: India produces millions of highly skilled graduates from Science, Technology, Engineering and Mathematics (STEM*) and business annually, providing a deep and diverse talent pool. This includes expertise in areas such as AI, data science, cybersecurity, and engineering.

* STREAM - builds on STEM by incorporation R for Reading or Research or Robotics

* STEEM – builds on STEM by incorporation of E for Economics

Cost efficiency: Lower operational costs for labour and real estate allow MNCs to reduce operating expenses significantly without sacrificing quality.

Robust infrastructure: Key cities offer world-class IT parks, research facilities, and a thriving technology ecosystem. The government also supports the sector through initiatives like Digital India and expanding 5G coverage.

Supportive government policies: Central and state governments offer incentives, establish Special Economic Zones (SEZs), and provide tax benefits to attract foreign investment.

Strategic time zone advantage: India's time zone enables seamless 24/7 business operations and facilitates collaboration with global offices in the US, Europe, and Asia.



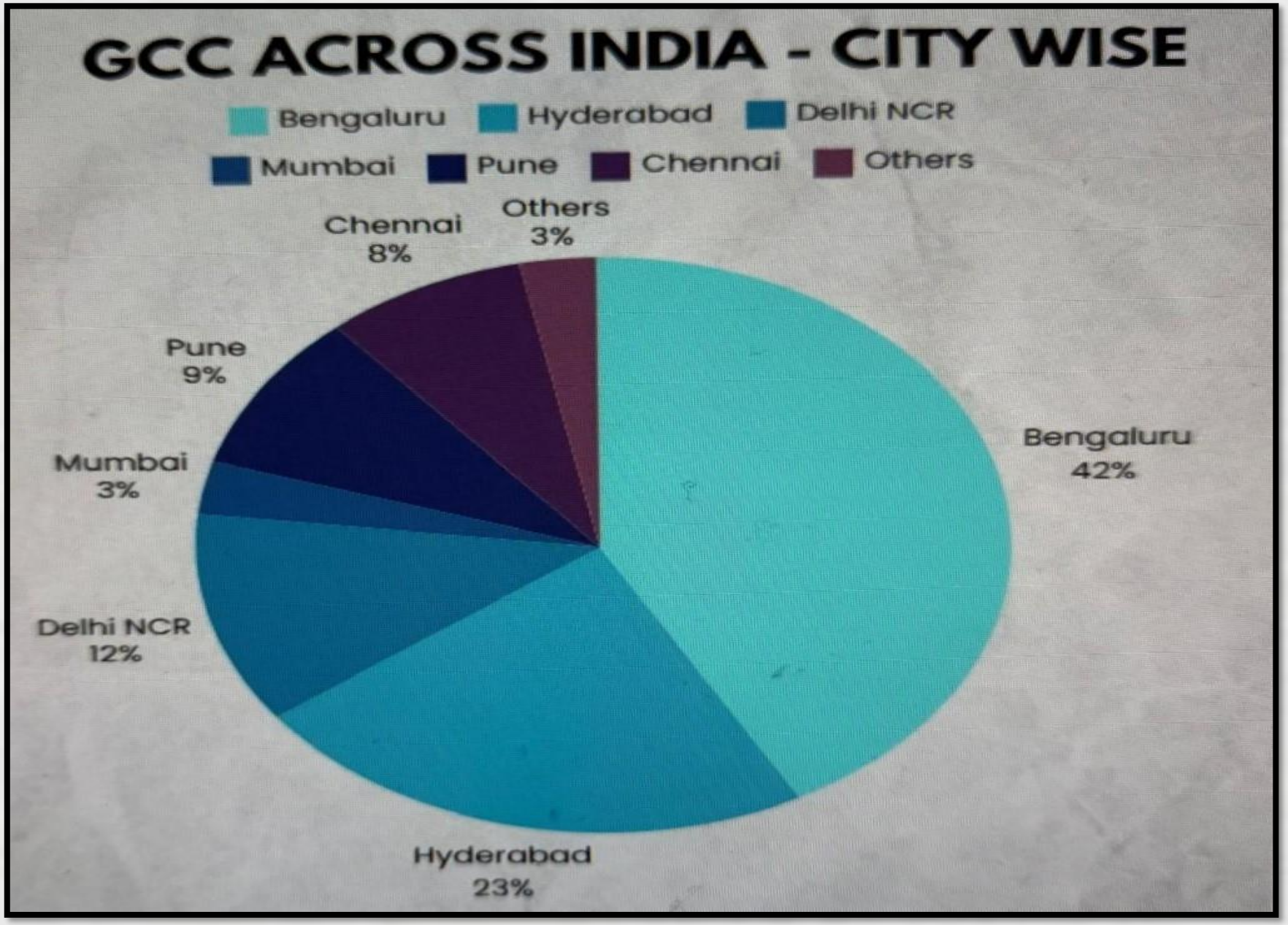
GLOBAL CAPABILITY CENTRES ACROSS INDIA

Impact on India's economy

The rise of Global Capability Centres has a significant impact on India's economy.

- **Economic Growth**: GCCs contribute substantially to India's GDP, with the market value projected to reach $110 billion by 2030.
- **Job Creation**: The sector is a major employer, providing millions of high-quality jobs and fostering skill development across various industries.
- **Digital Transformation**: The presence of GCCs accelerates digital adoption, infrastructure development, and innovation within India.
- **Growth in Emerging Technologies**: GCCs are driving the adoption of cutting-edge technologies like AI, cloud computing, and cybersecurity

GLOBAL CAPABILITY CENTRES ACROSS INDIA – CITY WISE



GLOBAL CAPABILITY CENTRES ACROSS INDIA

Top 10 GCC companies in India

- **Microsoft India (R&D) Pvt Ltd** - Microsoft's India Development Center (IDC) is among the company's largest R&D facilities outside the U.S. drives global product innovation in cloud, AI, security, and enterprise solutions. With world-class talent and strong integration with headquarters, it is a strategic engine of innovation. Consistent delivery of high-value capabilities makes it a benchmark GCC.

- **Amazon India Development Centre** - As one of Amazon's largest global tech hubs, the India Development Centre powers cutting-edge innovations in e-commerce, AWS, AI, and supply chain technology. By driving solutions that enhance customer experience worldwide, it serves as a core pillar of Amazon's global growth.

- **Goldman Sachs Services India** – Goldman Sachs' India GCC is a strategic hub for engineering, risk management, and analytics, supporting global trading, cybersecurity, and fintech innovation. By combining deep domain expertise with advanced technology, it delivers high-value solutions that strengthen Goldman's worldwide operations.

GLOBAL CAPABILITY CENTRES ACROSS INDIA

Top 10 GCC companies in India

- **JP Morgan Chase & Co** - J.P. Morgan's India GCC is a global powerhouse for technology, cybersecurity, and financial services innovation. With its scale and strategic impact, it develops advanced platforms for trading, payments, and risk management, enabling seamless operations across markets.
- **Deloitte India Delivery Centre** - Deloitte's India Delivery Centre is a critical hub for consulting, risk advisory, audit, tax, and technology services, supporting clients across the globe. By leveraging India's talent to deliver innovation, scale, and efficiency, it drives transformation for global businesses.
- **HSBC Global Technology Centres** - HSBC's Global Technology Centres in India are a backbone of the bank's digital transformation, delivering advanced solutions in cybersecurity, payments, data analytics, and cloud platforms. By enabling innovation at scale and ensuring resilience across global operations, HSBC cements its position among the Top 10 GCCs in India.
- **Walmart Labs** - Walmart Labs India is the tech backbone of the world's largest retailer, driving innovations in AI, data science, supply chain, and customer experience platforms. By powering digital transformation at a massive global scale, it stands as a key innovation hub.

GLOBAL CAPABILITY CENTRES ACROSS INDIA

Top 10 GCC companies in India

- **Shell Technology Centre** - Shell's Technology Centre in India is a global hub for energy innovation, focusing on R&D in digital solutions, data analytics, and sustainability technologies. It drives advanced engineering and provides critical support for Shell's worldwide operations.

- **Citi Global Services India** - Citi Global Services India is a strategic hub for banking operations, technology, and analytics, driving innovations in payments, risk management, and digital platforms. It enables Citi's global operations by delivering scale and efficiency and high-value solutions.

- **Bosch Global Software Technologies** - Bosch Global Software Technologies India is a key hub for engineering, IoT, and digital solutions, driving innovations in connected mobility, smart manufacturing, and embedded systems. It supports Bosch's global operations with advanced technology and scalable solutions.

GLOBAL CAPABILITY CENTRES ACROSS INDIA

Other important GCC companies in India

SAP Labs India - SAP Labs India is a strategic R&D hub for enterprise software innovation, focusing on cloud solutions, AI, analytics, and next-generation business applications. It drives global product development and supports SAP's worldwide operations by delivering innovative, scalable solutions.

PepsiCo Global Business Services - PepsiCo Global Business Services India is a central hub for finance, analytics, HR, and supply chain solutions, driving digital transformation and process innovation. It supports PepsiCo's global operations by delivering efficiency, strategic insights and scalable solutions.

Rakuten India GCC - Rakuten India GCC is a strategic hub for technology and digital innovation, focusing on AI, e-commerce platforms, fintech solutions, and predictive analytics. It drives Rakuten's global product development and supports scalable, high-impact solutions by delivering innovative technology and operational excellence

Daikin (with EY*) GCC - Daikin's GCC in India, in partnership with EY, is a key hub for finance, IT, and digital solutions, driving process optimization, data analytics, and technology innovation. It supports Daikin's global operations by delivering efficiency, strategic insights, and scalable solutions.

(*) EY – Ernst & Young (in collaboration)

GLOBAL CAPABILITY CENTRES ACROSS INDIA



COUNTRYWISE GLOBAL CAPABILITY CENTRES - SINGAPORE

COUNTRYWISE GCCS – SINGAPORE – Singapore is home to around 7000 MNCs of which more than 4000 have their regional head quarters (RHQ) here. Singapore has more than 100 GCCs that focus on high trust areas like governance, risk management and intellectual property which have attracted banks, global tech giants and pharma companies.

a. **SIEMENS- DIGITAL INNOVATION CENTRE – In Singapore Siemens digital innovation Center has designed a suite of Internet-of-Things-based "Smart Building" solutions, including artificial intelligence-driven energy management systems that are being deployed in Singapore and other Asian cities.**

b. **SHOPPEE'S - DIGITAL INNOVATION CENTRE - Shopee's digital innovation centre has pioneered multilingual AI-powered chatbots to help manage orders, track logistics and resolve disputes**

c. **CITIBANK - Citibank runs regional platforms out of Singapore handling digital banking, risk analytics and global transaction activities**

COUNTRYWISE GLOBAL CAPABILITY CENTRES - SINGAPORE

d. **GOOGLE** – Google uses Singapore as a regional hub for cloud services. AI-driven developments and payment innovation.

e. **SANOFI** – The pharmaceutical company Sanofi runs its most advanced manufacturing facility in Singapore, pioneering single-use vaccine production technologies.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - PHILLIPPINES

COUNTRYWISE GCCS – PHILLIPPINES

The Philippines is considered a Global Capability Center (GCC) destination because it offers multinational corporations (MNCs) a combination of talent, cost-efficiency, strategic location, and business-friendly environment that allows them to centralize and optimize global operations

GCC Advantages

Talent:	Skilled, English-proficient workforce aligned with global business culture.
Location:	Strategic Southeast Asia hub with strong digital infrastructure.
Innovation:	Thriving tech ecosystem and growing R&D capabilities.
Cost:	Lower labor costs with high-quality output and tax incentives.
Support:	Government-backed initiatives and ICT-ready business ecosystem.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - PHILLIPPINES

COUNTRYWISE GCCS – PHILLIPPINES

Key GCC Roles

- **Finance & Accounting** – Accounts payable/receivable, tax, financial reporting, treasury.
- **IT & Software Development** – Application development, IT support, cybersecurity, cloud services.
- **Data Analytics & Business Intelligence** – Data analysis, reporting, AI/ML projects, market insights.
- **Customer Experience & Support** – Call centres, technical support, client services, CX management.
- **Human Resources & Talent Management** – Recruitment, payroll, employee engagement, learning & development.
- **Procurement & Supply Chain** – Sourcing, logistics coordination, vendor management, inventory control.
- **Shared Services & Operations** – Process optimization, project management, global operations support.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - PHILLIPPINES

COUNTRYWISE GCCS – PHILLIPPINES

Key GCC Cities

- **Manila / Metro Manila –** Primary hub for finance, IT, analytics, and shared services.
- **Cebu –** Growing center for IT, BPO, and software development.
- **Clark (Pampanga / Angeles City) –** Emerging hub for IT, finance, and knowledge process services.
- **Davao –** Developing center for BPO, customer service, and analytics roles.
- **Iloilo & Bacolod –** Smaller cities supporting IT and back-office operations.

COUNTRYWISE GCCS – PHILLIPPINES

TOYOTA MOTORS - DIGITAL INNOVATION CENTRE - In the Philippines, Toyota Motors creates digital twins of cars and other design innovations, which accelerate time-to-market for new models.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - POLAND

COUNTRYWISE GCCS – POLAND

Poland has emerged as a strategic location for Global Capability Centers, attracting multinational corporations across technology, finance, and business services. Its appeal lies in a combination of highly skilled talent, cost efficiency, and strong business infrastructure. Poland's combination of talent, technology, and cost-effectiveness positions it as a growing hub for multinationals looking to build resilient, high-performing Global Capability Centers.

GCC Advantage:

- **Talent:** Skilled, multilingual workforce in IT, finance, and analytics.
- **Location:** Central Europe with access to Western & Eastern markets.
- **Innovation:** Strong tech and R&D hubs in major cities.
- **Cost:** Competitive labour with high-quality output.
- **Support:** Government incentives for foreign investment.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - POLAND

COUNTRYWISE GCCS – POLAND

Key GCC Roles in Poland:

- IT and software development
- Business process outsourcing and finance operations
- Analytics, AI, and digital innovation
- R&D and product development

Key Cities for GCCs

Warsaw: The capital and largest city; strong in finance, IT, and business services.

Krakow: Major tech and R&D hub with a vibrant startup ecosystem.

Wroclaw: Growing IT and engineering center with skilled talent.

Gdansk: Emerging location for IT, shared services, and logistics.

Poznan: Focused on business services, finance, and tech operations.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - BRAZIL

COUNTRYWISE GCCS – BRAZIL

Brazil has emerged as a key GCC destination in Latin America, driven by its large talent pool, dynamic economy, and strategic position in the region. With strong capabilities in IT, finance, engineering, and customer services, Brazil supports both regional and global operations for multinational corporations

GCC Advantage:

- **Talent:** Large, skilled workforce in IT, engineering & business services.
- **Location:** Gateway to Latin America with NA & Europe time-zone alignment.
- **Innovation:** Strong tech & startup hubs in São Paulo, Rio & Campinas.
- **Cost:** Competitive vs. North America & Western Europe.
- **Support:** Government incentives + access to a large consumer market.



COUNTRYWISE GLOBAL CAPABILITY CENTRES - BRAZIL

COUNTRYWISE GCCS – BRAZIL

Key GCC Roles in Brazil:

- IT services
- Finance operations
- Engineering
- Customer support
- R&D

Key Cities for GCCs

São Paulo	: Finance, IT, and business services hub
Rio de Janeiro	: Energy, engineering, and tech operations
Campinas	: R&D, technology, and innovation centre
Belo Horizonte	: IT services and software development
Curitiba	: Engineering, design, and shared services

COUNTRYWISE GLOBAL CAPABILITY CENTRES - MEXICO

COUNTRYWISE GCCS – MEXICO

Mexico has become a preferred location for Global Capability Centers, leveraging its large talent pool, competitive costs, and proximity to North America. Multinational corporations use Mexico to support IT, finance, engineering, and business operations across the region and globally.

GCC Advantage:

- **Talent:** Skilled workforce in IT, engineering, finance & business services.
- **Location:** Nearshore for US & Canada with time-zone and cultural alignment.
- **Innovation:** Strong tech & R&D hubs in Mexico City, Guadalajara & Monterrey-.
- **Cost:** Lower operational costs with high-quality output.
- **Support:** Government incentives & access to a large Latin American market.

COUNTRYWISE GLOBAL CAPABILITY CENTRES - MEXICO

COUNTRYWISE GCCS – MEXICO

Key GCC Roles in Mexico:

- IT services
- Finance operations
- Engineering
- Customer support
- R&D

Key Cities for GCCs

Mexico City	: Finance, IT, and business services hub
Guadalajara	: Technology, software development, and R&D center
Monterrey	: Engineering, manufacturing, and IT operations
Querétaro	: Shared services, aerospace, and engineering hub
Tijuana	: IT, customer support, and nearshore operations

SHARED SERVICES IN BRAZIL AND MEXICO

Definition: Centralized units handling finance, HR, IT, procurement, and customer support for multiple business units or regions, aimed at efficiency, cost savings, and standardization.

Why Brazil:

- Large skilled workforce (finance, IT, business services)
- Supports LATAM operations (Portuguese + English)
- Cost-effective vs. US/Europe

Why Mexico:

- Strong IT, finance, and multilingual talent
- Nearshore advantage for US operations (time-zone alignment)
- Supports both LATAM and global functions

Common Functions : Finance, HR, IT, procurement, customer service.

Impact : Cost efficiency, standardized processes, scalability, and talent leverage.


Any Questions


THANK YOU