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WILL YOUR GCC POWER THE NEXT
GLOBAL C-SUITE?

It's part art, part science — and absolutely possible!

Over the last few years, Kingsley Gate Partners has invested in conversations with evolving Global Capability Centres in India to understand the availability of next generation leadership skills and the talent landscape. We had a close look at what global corporations are doing in the space and the trends that have enabled this strategic move up the value chain.

As part of this effort, we deliberated and examined various elements up close in a room full of stalwarts who have been a part of this sector's tremendous journey. The roundtable discussion, hosted in Bengaluru, the IT capital of India, made for an excellent conversation to see whether GCCs will Power the Next Global C-Suite.

The hybrid era of working has pivoted leadership from a traditional approach to a more inclusive, hands-on and mindful one. The GCC ecosystem is leading the industry in implementing hybrid operating models with employee experience at the centre.

“As global leaders in GCCs, the focus is to understand the variety of personas that are emerging across the workforce with a variety of needs. These needs are not just technical up-skilling or competence based but also focuses on work enablement, efficiency, effectiveness and connectedness with the enterprise, both locally and globally. It is imperative that GCC leaders provide strategic context to their global counterparts and help establish a more holistic equitable approach around culture, work standards, expectations, change management and communication to the workforce across the enterprise (not just locally) that is delivering high quality outcomes.”

said Premil Dennison, Managing Director and Country Head, Silicon Valley Bank, India.

Powered by India's large tech and IT-enabled workforce, Global Capability Centres (GCCs) have come a long way from powering service-oriented industries through voice and data led processes to driving product development, R&D and innovation at the top of the value chain. Most GCCs have established a roadmap based on key factors that have played out over the years,

“Including enabling and accelerating the net-zero goals as part of the ESG agenda,”

said Tanmay Agarwal, VP & Head-Business Shared Services-Coca-Cola (Hindustan Coca-Cola Beverages).

Sourabh Gupta, Digital APAC leader at Raytheon Technologies further added

The last few years and the pandemic in particular, have brought digital to the forefront! Everyone wants their store, their business to be smarter. India has an inherent digital advantage—and that works in our favour!

GCC leaders themselves have a significant opportunity to learn and adapt to new skills such as distributed/remote workforce management, outcome based OKRs and bridging the internal and external ecosystems.

At the core, a value-based, mindful leadership is expected from the GCC CxO and it is important that the enterprise recognizes this need. They must provide adequate and visible support to enhance the employee value proposition and achieve key people, quality and ecosystem goals,

commented Premil Dennison, Managing Director and Country Head, Silicon Valley Bank, India.

These factors are not limited to the search for strategic value adds like the cost arbitrage or building capacity and capability at a global level. We also came across softer elements impacting this journey that require significant leadership intervention, investment and a commitment to change.



TALENT AND LEADERSHIP DEVELOPMENT WITH GLOBAL SPONSORSHIP



One of the key reasons that brought about a consistent shift in the sector is the strategic investment in talent and leadership development.

Factors that further contributed to where the GCC's stand today include

- Sponsorship at the top level
- The ability to engage with the GCC at the board level
- The alignment and familiarity with global objectives to breed a consistent and common culture
- A reasonably strong investment and distribution of leadership at both ends
- Building out the talent landscape appropriately to support this change
- Assuming leadership over a period of time in functional areas/industry

Talent is the epicenter of business today and GCC's are offering the agility, scale and access to a diverse talent pool that allows organization to standardize at the center and innovate at the edges,

commented Mohith Mohan, Vice President – Head of HR & Corporate Operations at Lowe's. The executive sponsor at the global level has acted as both, the channel and catalyst to this strategic intent. There has been a consistent effort in creating a leadership mindset change.


 We need to keep stakeholders engaged with what is happening in the GCC world and demonstrating value to them—thereby effectively achieving sponsorship 

said Sumit Mitra, CEO – Tesco Business Services & Tesco Bengaluru. That aside,

 The location leader should have clear purpose, principles and a plan! Without these you will end up working on transactions 

added Uday Odedra, former APAC Head and Chief Digital and Information Officer, UBS. Additionally, speaking to the impact of covid-19 on the sector and its talent, Srinivas Surapani, Vice President of the Global HR Capability Centre at Schneider Electric stated that,

 The resilience demonstrated by the GCCs sector during the pandemic, further strengthened their value across organizations. GCCs paved the way for pivotal roles during the pandemic by driving innovation, availability, and operational efficiency for organizations. While organizations will continue to focus on transformation and innovation, they will have to manage their costs and capability. 

 Upskilling and reskilling employees with niche and next-gen technology skills remain the need of the hour to augment future talent. GCCs that leverage innovative and meaningful collaborations with academia, start-ups, and the government will be a new R&D centre for incubating digital innovation skills and driving new ideas across the organization. 



The GCC leadership, and effectively the GCCs themselves, operate as an extension to the enterprise, mirroring the same set of values and objectives as the home office. GCCs today are global strategic assets to the corporate structure. In India alone, GCCs employ over one million professionals and have an economic value of over \$30 billion. They have matured from cost arbitrage centres to Global Business Solutions Centres.



These mature GCCs have global functional roles that are achieved by continuously aligning with the global vision and culture; integrating policies and processes; recognizing business goals and building an effective value proposition. Sumit Gupta, Country Head, Cargill Business Services, highlighted that

“GCC’s focus on building the right culture and aligning it with the parent organisation, is imperative for long term success”

Mohith Mohan, Vice President – Head of HR & Corporate Operations at Lowe’s agreed.

“Today, capability centers have moved away from parent child relationship to being another corporate office, largely stemming from investments in senior leadership talent and maturity of the global operating model”

Demonstrated capabilities coupled with a high level of ownership has ensured engagement and action from executive sponsors. Sumit Mitra, CEO – Tesco Business Services and Tesco Bengaluru emphasizes the need to be,

 **A storyteller with the ability to focus and create opportunities to run top line, bottom line critical work, and through that path be seen as the CxO of the enterprise. To be successful, move away from large team, people manager mindset. We need to break the bias!** 

Sunil Shah, Global Head for Societe Generale’s Global Solution Centres in India and Romania, and CEO, Societe Generale’s Global Solution Centre in India further highlighted some of the other aspects where GCCs play a critical role:

Resiliency

For most organizations, India is one of the largest offshore setups, if not the largest. COVID was an unprecedented event, that none were prepared for. Most organizations in India adopted remote working very quickly ensuring continuity in business and delivery. This positions the GCCs uniquely to play a strategic role in providing the resilience required in unprecedented situations.

Ability to accelerate transformation and be agile

Considering GCCs house extended teams of most of their global functions in close proximity, there is a lot of advantage that the GCCs have to help accelerate transformation and change adoption/ management. The proximity helps brainstorming a lot more easier, helping arrive at solutions that are acceptable by most businesses, if not all.



DELIVERING BUSINESS IMPACT

GCCs today must develop a pipeline of strategic leaders laser-focused on delivering business impact. An effective ecosystem of allies across the sector must be built in conjunction with the GCC leadership pool.

The largest tech centre for Rakuten outside of Japan, for example, is in India. TESCO, too, first invested in leadership, then built scale.

Gaurav Gupta, Partner M&A Consulting and GCC Industrial Lead at Deloitte, mentioned a recent report by his firm reflecting how

“The L&D spend increased to 14% during covid from what was just 8% prior to the pandemic.”

Of the estimated ~1700 GCCs in India holding a global market share of over 50 percent, there are a handful of global leaders from the sector. One can observe a slow yet steady increasing rate of diverse leadership roles emerging from the GCCs. The need will only increase making it even more imperative to build a robust leadership pipeline with a focus on N-2 and N-3 and retain them.

This has not only created depth in the quality of talent but has also helped create opportunities to move up the value chain amongst the various roles played by the GCC. Organizations now focus on grooming future leaders

with a long-term strategy in mind. This has been achieved through succession planning; developing the right skills and upskilling; imparting coaching on progressive organization cultures; while leveraging the large analytics, digital and technology talent pool towards an innovation-focused mindset.

External factors like a fast-growing business and the abundance of talent that brought about digital transformation made the GCCs critical to achieving the competitive edge in global markets. A strong eco-system of talent and close collaboration with the global leadership have also significantly improved the chances of leapfrogging many stages in this journey as most organizations needed digital power to remain competitive.



Some GCCs today are already owning processes end-to-end, sitting as a horizontal across many markets, with their solutions creating immense value for the parent organization. There are also examples of one GCC process and business owner cutting across the organization—effectively playing the role of a second headquarter.

 **You need to ensure alignment to the global vision and culture,** 



mentioned Uday Odedra, former APAC Head and Chief Digital and Information Officer, UBS. Nalini George, Chief People Officer & Head HR of Rakuten India, further added,

 **The need for first understanding the global culture and coaching the leadership in the sector on cultural alignment.** 

Uday also highlighted the importance of

 **Being ready when the work comes in, because with ownership comes accountability, risk and stakeholder management which means the stakes are higher!** 

There has been a push and realization on being a solution provider for higher end processes like business analytics, budgeting, financial risk management, amongst others. Mature GCCs have incubated Centres of Excellence around technology and innovation, effectively running the R&D Centres that drive product innovation.

 **This has been made possible by continuously investing in building the right capability to stay relevant and constantly questioning what we can do as GCC to step change the business,** 

said Tanmay Agarwal, VP & Head-Business Shared Services-Coca-Cola (Hindustan Coca-Cola Beverages).



The way forward must include open communication and clear two-way feedback. The key is to create functional accountability and ownership that create opportunities to run enterprise-wide programs. The GCC leaders must inspire their teams to take personal ownership and be results-driven when opportunities present themselves.

“It is imperative we build new capabilities year on year. Not just that, functional accountability and ownership will help create opportunities to run enterprise-wide programs,”



said Vineeth Suresh, President Operations, Landmark Group

“Diversify yourself, actively seek global responsibilities for yourself and GCC Leadership Team, to be recognized as the next in line,”

added Malahar Pinnelli, VP Technology and MD, Ecolab.

Through the years there has been a consistent effort to become business and customer focused. This shift called for, first, being cognizant of the capabilities – talent diversity, ecosystem of start-ups, academia, government bodies; and second, leveraging those to build the charter for delivering strategic business solutions that help achieve sustained development.

Being proactive with an eye on the future and continuously revisiting the changing business landscape and talent marketplace is critical to stay competitive. Mohan Patnaik, VP Global Capability Centre of GSK highlighted the

 **Need to be able to identify your space and leverage your strengths as a leader.** 



There has been a push and, in some cases, even acknowledgement and action to leadership roles being location agnostic.

 **Remove location from the global role. Making them boundary-less,** 

echoed Prashant Dahiya, SVP – Strategy & Operations Excellence, Swiss Re.

Lastly, GCCs as a “volume and value” proposition is the calling for the future.

GCCs should continue to focus on high-value activities such as innovation, product modernization, and integrations, building competencies in emerging tech, and establishing centres of excellence. An example that comes to mind is how GCCs have driven impact at scale with automation.

 **Digitization, the need for agility, hybrid work models, demand for new-age tech and skills, and a challenging talent landscape will continue redefining the operating model of GCCs and their impact on organizations in India and globally. This centre’s agility and adaptability in responding to the needs of a very dynamic business and consumer environment will drive business strategy. This is just the beginning; the surface of what GCCs can deliver has just been scratched!** 

concluded Srinivas Surapani, Vice President of the Global HR Capability Centre at Schneider Electric.



CONCLUSION

“GCCs should be sitting as a horizontal across all markets and all solutions - being a strategic asset to the organization”


said Sumit Mitra, CEO – Tesco Business Services and Tesco Bengaluru.

The discussion concluded with examples of deep commitment, the unique ability to analyse and deliver the competitive edge, and some real examples of how organizations have made this journey quickly and effectively. It was clear that the intellectual horsepower and the execution capability we talked about is a reality and most GCCs are at an inflexion point if they have already not assumed strategic importance.

Most GCCs have assumed this strategic importance to add value as Global Business Solutions Centres to business-critical processes. Sponsorship from the leadership and consistent investment in developing a globally aligned workforce, culture and talent has significantly lifted the profile of the GCCs and the leaders.

Functionally, some of the GCCs brought forward cutting-edge innovation and research and development capabilities across the industry that developed deep and contextual understanding of how these changes could deliver business impact. That coupled with the large talent pool supporting cutting edge digital transformation led processes the likes of using AI, ML and Robotic Process Automation brought huge potential to the global markets.



Talent at GCCs have now demonstrated capability in deep business understanding and coupled with expertise in latest technology, they are best placed to drive strategic transformational impact across the enterprise 

concluded Tanmay Agarwal, VP & Head-Business Shared Services-Coca-Cola (Hindustan Coca-Cola Beverages).

Talent brand India has already produced and delivered leadership talent across many Fortune 500 companies at the global level. This has enabled availability of talent and the confidence to lean on brand “India,” further building the case.

Rebranding the sector in India and allowing for a globally mobile work force to move to the GCCs, has provided returning talent with ample opportunities and the potential to grow.

The availability of talent and leadership to deliver digital power to many organizations, further helped in positioning many GCCs quickly and effectively often bringing in the need to hasten the process. Sponsorship and commitment from global leadership and a strong leadership that worked in tandem at both ends made this transition seamless.

Additionally, this consistent effort to develop GCCs as a strategic asset delivering a competitive edge, has also made the right person right role agenda a reality.

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