

Global Capability
Centres (GCCs)
Driving manufacturing
innovations at scale

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Introduction

From virtual assistants to smart homes, innovations from companies including Amazon, Google, Microsoft, continue to disrupt daily life in innumerable ways. Likewise, technology-driven innovations in the consumer goods industry, ranging from front-end customer engagement and experience (e.g., on-the-go shopping, virtual trials, and mixed reality) to back-end product development have ushered in a paradigm shift in business strategy and operations. While the adoption of emerging technologies might be higher in consumer-facing applications, manufacturing and R&D functions are not far behind.



The Industry 4.0 promise

The Fourth Industrial Revolution or Industry 4.0 has been critical due to the disruptive and non-linear trajectory of change as represented in figure 1.¹ Reportedly, per Microsoft's Manufacturing Trends Report, by 2021, 20 percent of G2000 manufacturers will depend on technologies such as IoT, blockchain, and Machine Learning (ML) to automate large-scale processes.² This exponential growth could be supplemented with significant cost reductions and increased efficiencies in the overall supply chain.

To move goods through its delivery-fulfilment centres across the US, Amazon has deployed around 200,000 robots.³ Aircraft manufacturer, Boeing, has been ramping up the use of Skylight and Google-Glass-based augmented reality solutions for its extreme precision aircraft electrical wiring operations across factories, leading to a cut in its production time by 25 percent.⁴ Siemens, in its industrial IoT-as-a-service solutions for the Volkswagen Group, efficiently networks machines and systems across manufacturers and factories

Reportedly per Microsoft's Manufacturing Trends Report, by 2021, 20 percent of G2000 manufacturers will depend on technologies such as IoT, blockchain, and Machine Learning (ML) to automate large-scale processes.²

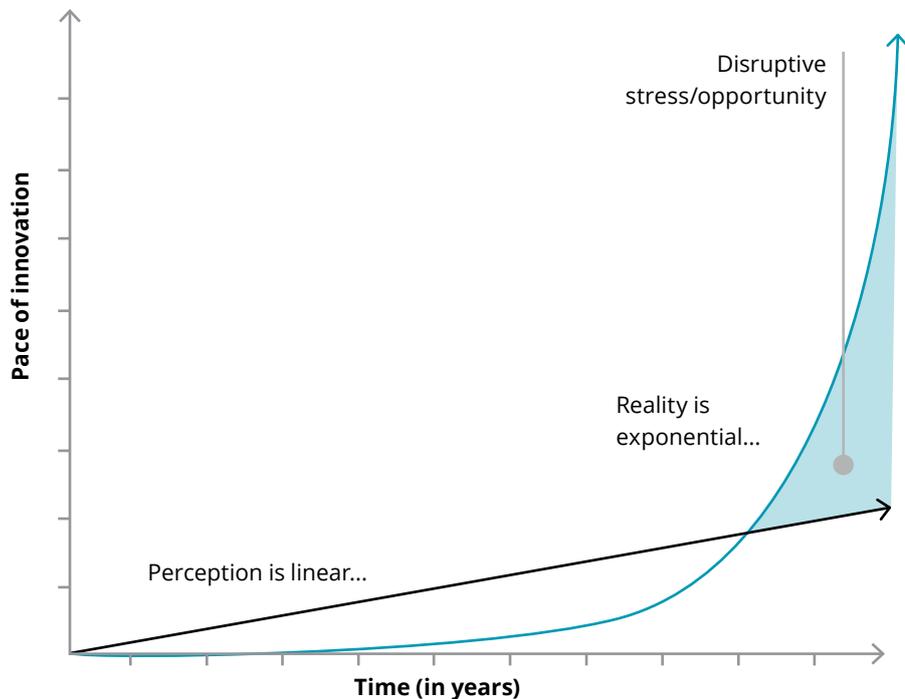
¹ https://www.compete.org/storage/reports/exponential_technologies_2018_study.pdf

² <https://info.microsoft.com/rs/157-GQE-382/images/EN-US-CNTNT-Report-2019-Manufacturing-Trends.pdf>

³ <https://roboticsandautomationnews.com/2020/01/21/amazon-now-has-200000-robots-working-in-its-warehouses/28840/>

⁴ Upskill and Boeing Augmented Reality case study: <https://upskill.io/landing/upskill-and-boeing/>

Figure 1 The pace of change is exponential, and manufacturers are not immune



Source: Deloitte report – Exponential technologies in manufacturing

for improved data transparency and analytics, thereby enhancing efficiency and profitability.⁵

Organisations are also experiencing a new realm in centring end-user experience in their core manufacturing. To enhance user experience, global leaders are now using data from connected, smart tools to understand a product’s performance and customers’ interaction with it. According to Deloitte’s insights⁶, manufacturers are now seeing a 50–50 split in selling “products” and “outcomes/solutions”. They are reinventing ways to resolve aftermarket challenges to deepen the customer relationship. For example,

Mercedes-Benz launched the “Mercedes me connect”⁷ app, which provides users total control over their vehicle with access to services such as remote start and vehicle tracker and monitoring. Aircraft manufacturer, Airbus, demonstrated its first fully automatic vision-based take-off, enabled by image recognition technology.⁸

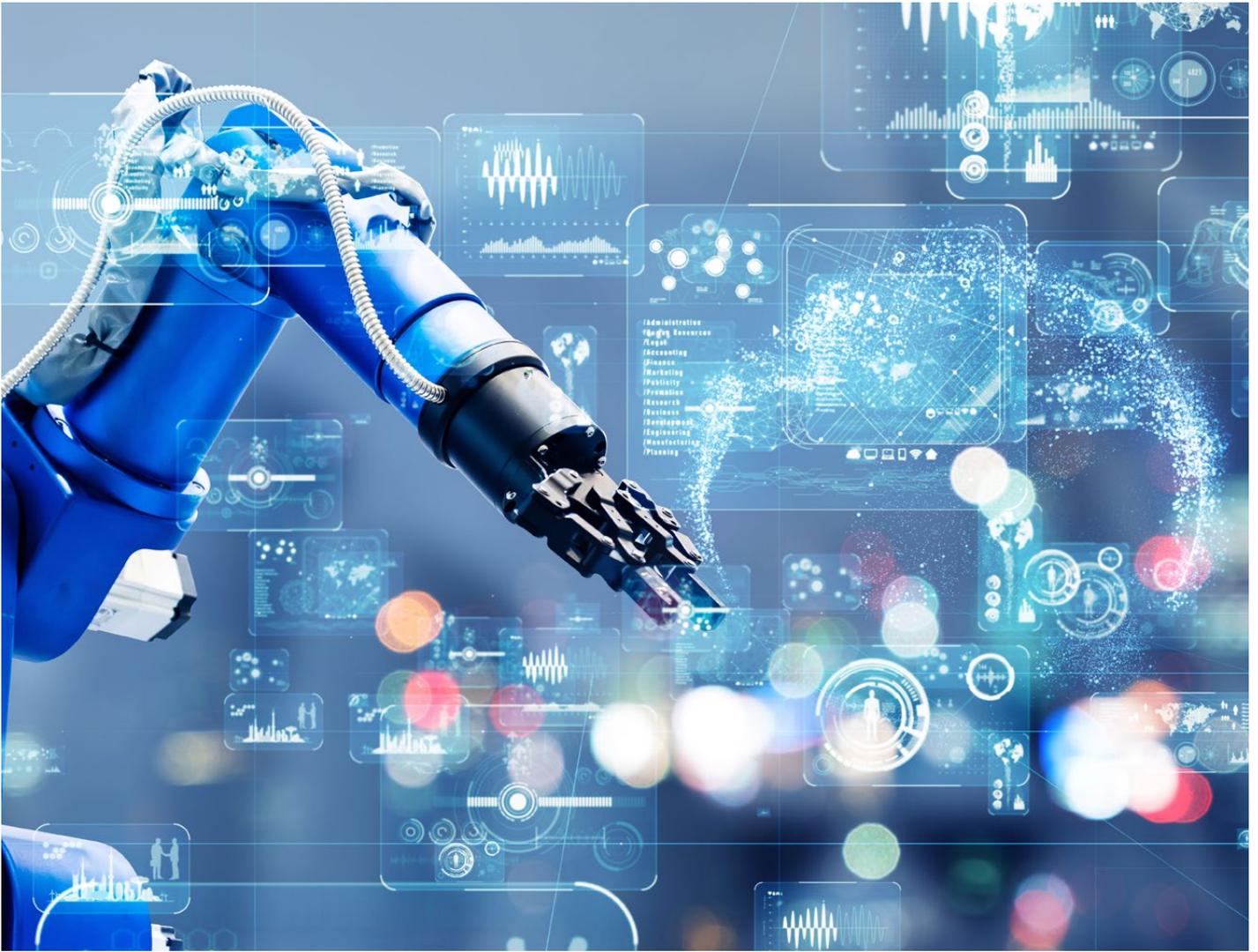
Such examples are endless and so are the opportunities. The bottom line is that businesses have a huge potential to utilise such technological innovations to completely transform their manufacturing operations. The key is to *adapt and adopt at scale*.

⁵ Siemens MindSphere: <https://siemens.mindsphere.io/en>

⁶ <https://www2.deloitte.com/us/en/insights/industry/manufacturing/future-trends-in-manufacturing.html>

⁷ <https://www.mbusa.com/en/mercedes-me-connect>

⁸ <https://www.airbus.com/newsroom/press-releases/en/2020/01/airbus-demonstrates-first-fully-automatic-visionbased-takeoff.html>



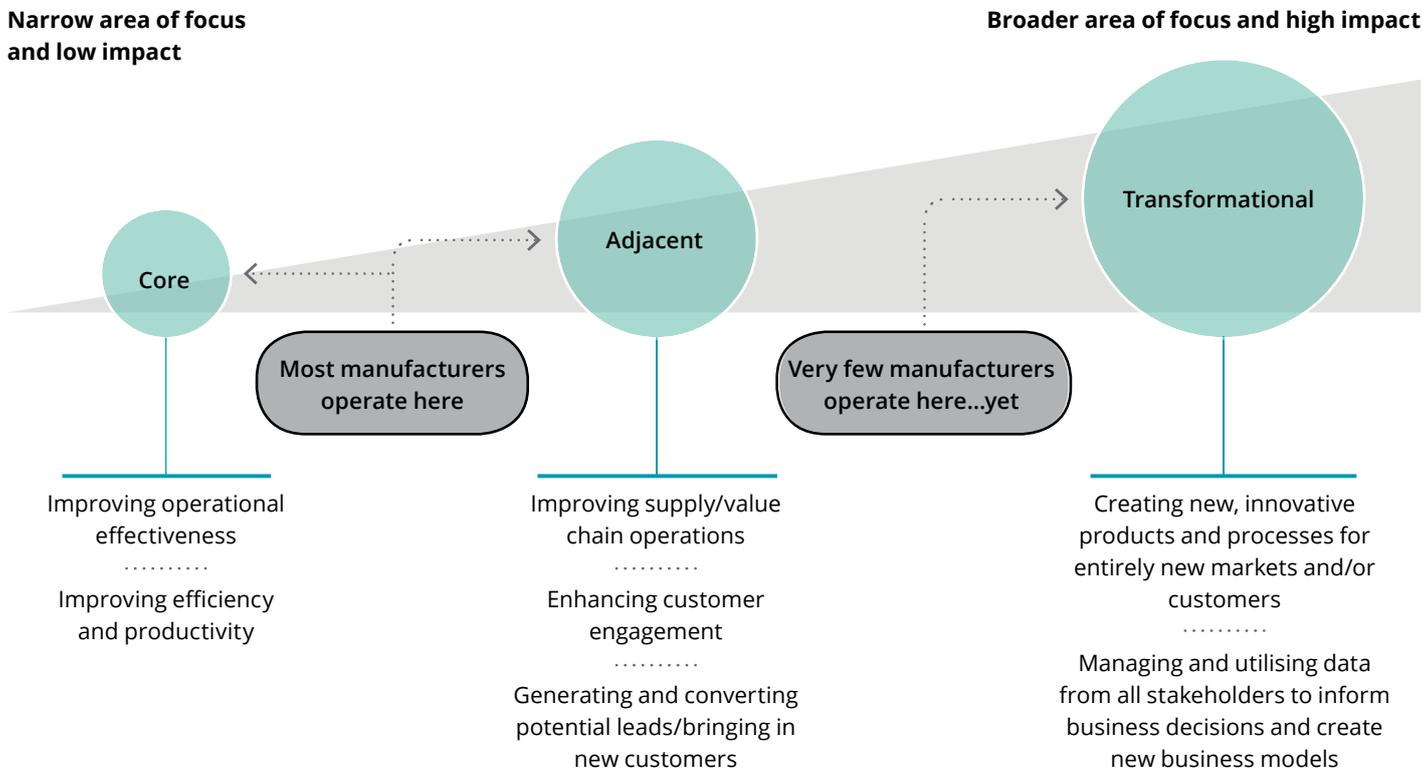
Innovation in manufacturing

It is a truism that innovation is amongst the top priorities for global leaders. Several organisations have been testing their waters to be the next disruptor. Nearly 90 percent respondents to a Deloitte and MIT Sloan Management Review global survey anticipate that digital trends will disrupt their industries to a great or moderate extent. Yet only 44 percent respondents indicated that their organisations are adequately preparing for the disruptions to come.⁹ When organisations continue to remain aloof to innovation, consumers do not hesitate to quickly jump ship and align their loyalty elsewhere.

Nearly 90 percent respondents to a Deloitte and MIT Sloan Management Review global survey anticipate that digital trends will disrupt their industries to a great or moderate extent. Yet only 44 percent respondents indicated that their organisations are adequately preparing for the disruptions to come.⁹

⁹ Deloitte and MIT Sloan Management Review, Aligning the organization for its digital future, July 2016, https://www2.deloitte.com/content/dam/Deloitte/ie/Documents/Consulting/2016_MIT_Deloitte-Aligning-Digital-Future.pdf

Figure 2. Pace of adoption is seen as relatively slow among manufacturers



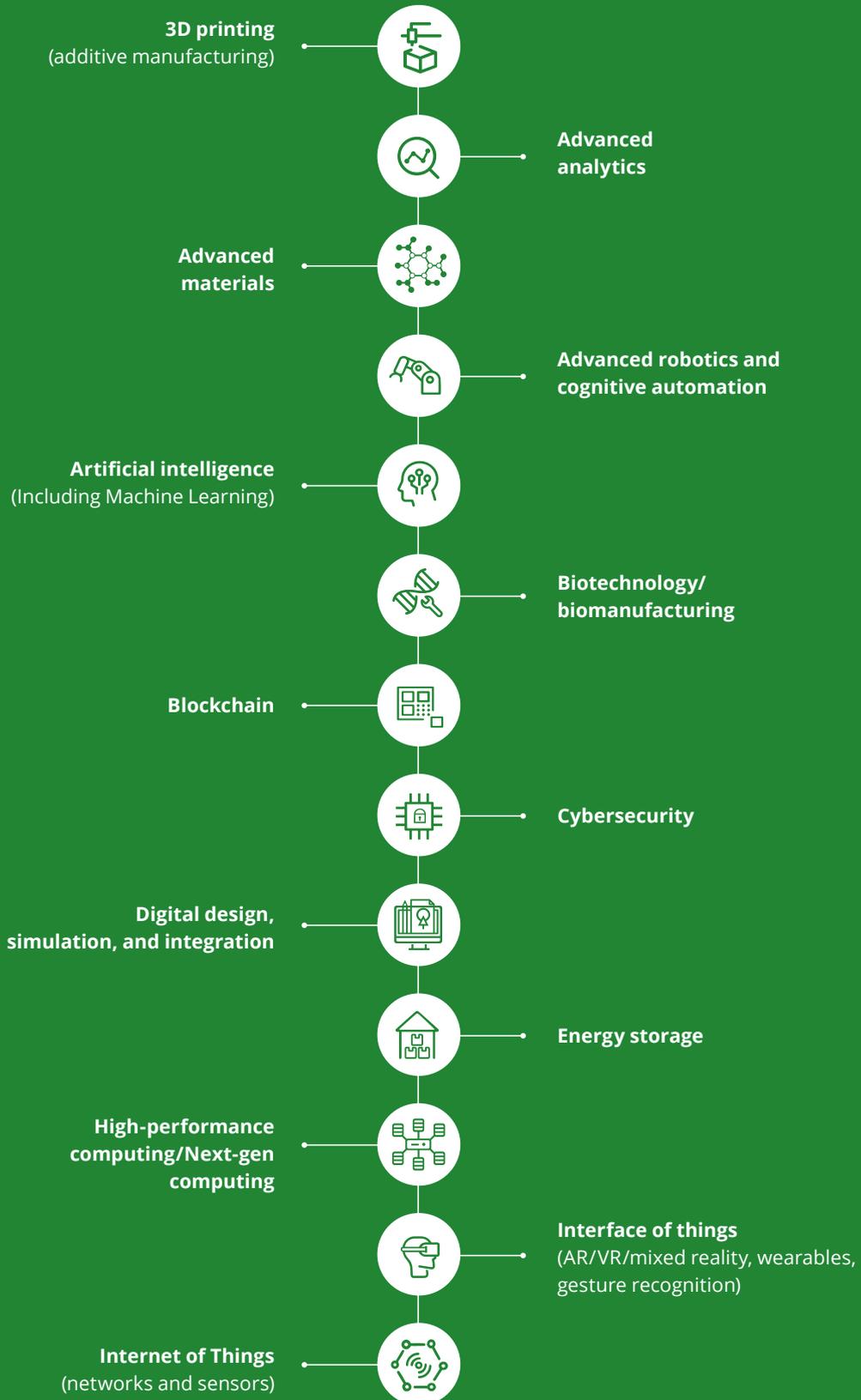
Source: Deloitte report – Exponential technologies in manufacturing

Although there have been some success stories based on short-term experimentation or Proof of Concept (PoC)-led approaches, organisations still have a long road ahead to scale up these piecemeal innovations at an enterprise level, along with commercial success. According to a Forrester study,¹⁰ accelerating product innovation and reducing time-to-market is a key business objective for manufacturers in the coming years. However, regardless of the strategic intent, the pace of adoptions has been significantly slow amongst global leaders.

Manufacturers traditionally look at “innovation” from the lens of operations improvement or back-end transformations. While efficiency gains and process improvements are definitely the core elements, such a myopic focus can lead to missed opportunities in front-end business interactions. Product, service, or data-based business model transformations are the new playground for novel technological innovations.

¹⁰ <https://www.forrester.com/report/Forrester+Infographic+Manufacturing+Firms+Look+Beyond+Core+IT+For+Digital+Capabilities/-/E-RES158076>

Figure 3. A snapshot of exponential technologies covered in this study



Source: Deloitte report – Exponential technologies in manufacturing

Table 1. A snapshot of exponential technologies covered in this study

Technology	Illustrative use cases
3D printing (additive manufacturing)	<ul style="list-style-type: none"> • Modelling, prototyping, tooling of production parts • Product customisations
Advanced analytics	<ul style="list-style-type: none"> • Consumer-behaviour-analytics-based product development • Predictive and preventive maintenance, resource planning • Forecasting, demand planning
Advanced materials	<ul style="list-style-type: none"> • Product development • Process improvement
Advanced robotics and cognitive automation	<ul style="list-style-type: none"> • Collaborative robots for processing, packaging, assembly • Machine-vision-based quality inspection
Artificial Intelligence (including Machine Learning)	<ul style="list-style-type: none"> • Autonomous or semi-autonomous manufacturing
Biotechnology/biomanufacturing	<ul style="list-style-type: none"> • “Green” manufacturing processes
Blockchain	<ul style="list-style-type: none"> • Supply-chain traceability, security • B2B finance
Cybersecurity	<ul style="list-style-type: none"> • Failsafe IT-OT application security • Security and compliance for connected ecosystems
Digital design, simulation, and integration	<ul style="list-style-type: none"> • Smart product designs for speed to market
Energy storage	<ul style="list-style-type: none"> • Power consumption optimisation
High-performance computing /Next-gen computing	<ul style="list-style-type: none"> • Product/process modelling, simulation, and testing
Interface of things	<ul style="list-style-type: none"> • Augmented/virtual/mixed reality-based customer experience • Remote monitoring and maintenance
Internet of Things	<ul style="list-style-type: none"> • Equipment health monitoring • Efficiency improvement by virtue of connected assets and operations

Source: Deloitte report – Exponential technologies in manufacturing

So, how do manufacturers foster an innovation ecosystem?

What are the building blocks and primary focus areas of an innovation strategy?

How can innovations be scaled up to drive value across the manufacturing organisation?

Before we find answers to the above, it is imperative to understand the impediments that organisations face while developing an innovation focus. This “innovation inertia” is not only responsible for a slow adoption rate but may also create a complete apathetic organisation sentiment towards technological innovations.



The innovation inertia

According to Deloitte's manufacturing industry outlook 2020, the industry is at a continued risk of disruption,¹¹ attributable to changing consumer demands, continuous adoption of emerging technologies by manufacturers and the industry at large, evolving value chains, the changing nature of products, etc. Global manufacturing leaders are left with no other choice but to excel

and disrupt in newer ways than one, to survive and thrive.

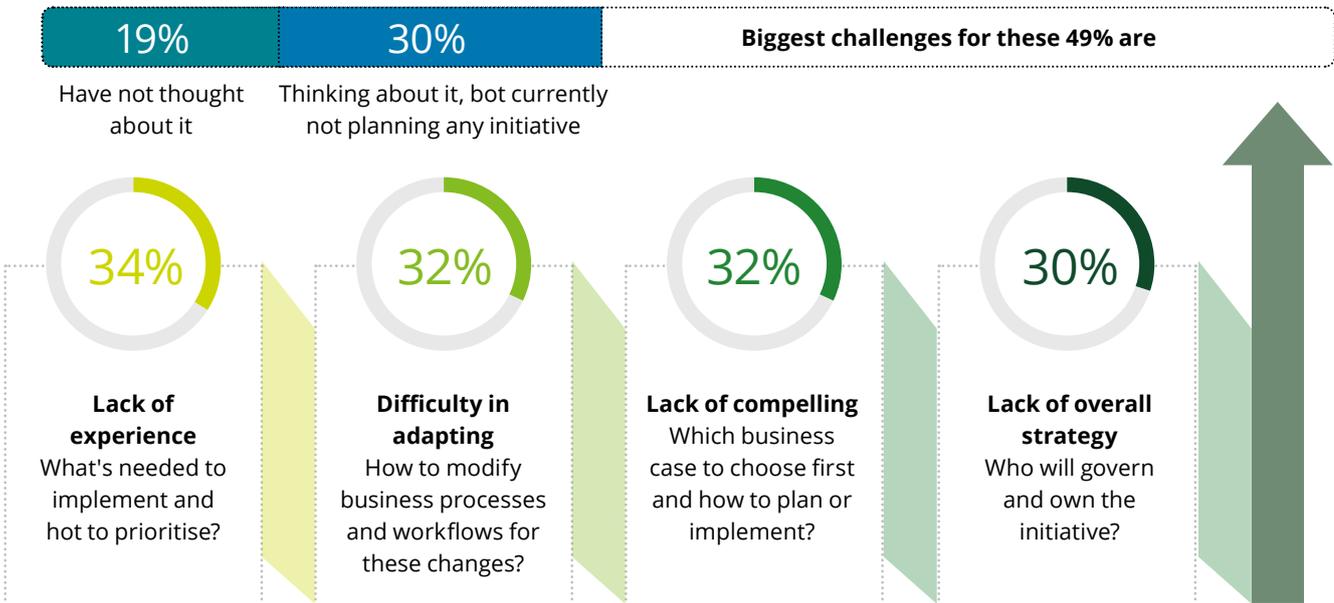
The reality, however, is that nearly 49 percent manufacturers have not envisioned any innovation initiative (figure 4).¹² Today, embedding innovation DNA within the organisation is a critical business challenge that global leaders face.

Nearly 49 percent manufacturers have not envisioned any innovation initiative¹²

¹¹ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/energy-resources/2020-manufacturing-industry-outlook.pdf>

¹² https://www2.deloitte.com/content/dam/insights/us/articles/6276_2019-Deloitte-and-MAPI-Smart-Factory-Study/DI_2019-Deloitte-and-MAPI-Smart-Factory-Study.pdf

Figure 4. Lack of experience is preventing manufacturers from launching smart factory Initiatives



Source: Deloitte analysis of the 2019 Deloitte and MAPI Smart Factory Study

Investment roadblock:

“Every US\$1 spent in upfront innovation will require another US\$7 in execution” per Gartner’s analysis.¹³ Generally, leaders nurture a short-term orientation for innovation. Isolated, tactical, quick-win approach-based expectations inhibit higher investments towards larger strategic initiatives. A robust long-term business case on the foundation of sound business objectives mitigates the risk apprehensions related to innovation investments.

Strategy misalignment:

Organisations that focus on a key technology and then utilise the same to drive certain use cases are usually set up for failure. Such innovation initiatives become more technology-centric and alienate from fundamental business strategies. Innovation should always be necessarily focussed on the business outcomes and be driven with or without technology. However, in the contemporary scenario, emerging technologies play a crucial role more often than not.

Skillset paucity:

Innovation demands not only a change in mindset and strategic thinking, but also evolved skillsets for execution. With transformational initiatives kicking-in, addressing widening skill gaps in design thinking, technology capability, innovation solution design, etc. become necessary.

Execution burden:

For a process-based industry such as manufacturing, the follow-through execution post innovation ideation is vital. Aligning both the upstream strategic planning and downstream process implementation is imperative to succeed but can be a daunting task on the business. While some organisations entrust IT with the execution, a specialised task force formed as a mix of business and IT is warranted to execute innovation initiatives.

Intuitive yet longstanding, these challenges significantly impact the innovation quotient of an organisation, while the success of innovation programmes largely depend on the rigor to address these fundamental elements. Keeping in mind the four primary impediments to innovation, it is intriguing to analyse the role of Global Capability

Centres (GCCs) towards organisation innovation. Equipped with deep process knowledge, abundant skilled yet low-cost talent availability, agile operating models, and high-tech partner and start-up ecosystems for delivery, GCCs are at an ideal vantage point and can help facilitate scalable innovations drive value for parent organisations.

Nearly 17 percent organisations recognise innovation as a benefit that GCCs are providing.¹⁴

¹³ <https://www.gartner.com/smarterwithgartner/gartner-predicts-a-virtual-world-of-exponential-change/>

¹⁴ SSON State of the Global Shared Services Industry Report 2020 | The Shared Services & Outsourcing Network (ssonetwork.com)



The evolving GCC mindset

A leading multinational consumer goods company had established its GCC in Bangalore, India, in 2005 that now houses more than 4,500 people (including employees and vendor partners) and carries out function in six verticals, viz. IT Services and Innovation, Business and Finance Services, Information and Analytics, Real Estate Management, Travel and Facilities Management, and Human Resource Services. The GCC has launched a start-up partnership initiative in which, the centre will scan the Indian start-up ecosystem and develop solutions based on emerging technologies and analytics.

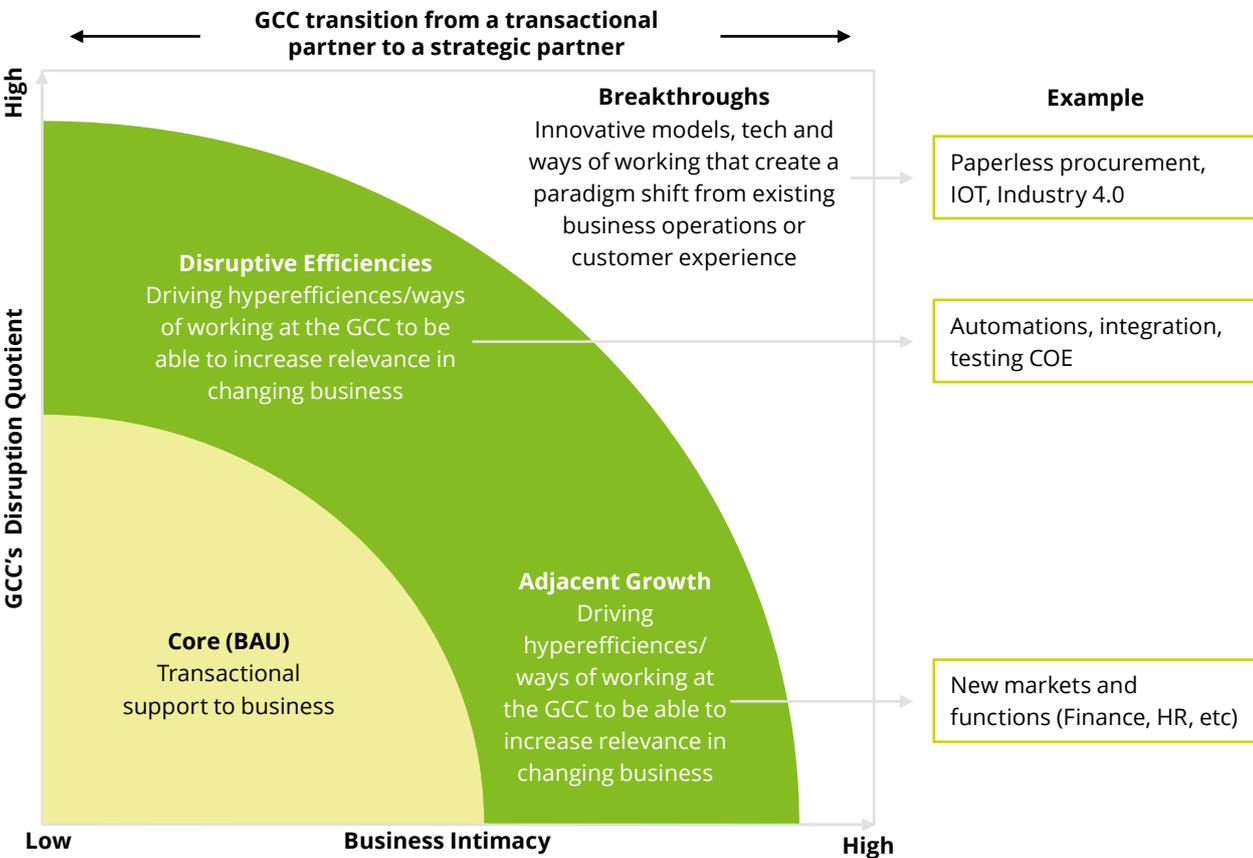
Another multinational groceries and general merchandise retailer's GCC in India evolved to reach increased maturity, in the 14 years since its inception. Home to business services and technology teams, the GCC started its journey setting up operations, adding capabilities, and growing the headcount of the organisation, before moving on to improve engagements with the markets served. Currently, the GCC is focussed in professionalising capabilities through automation and a continuous improvement culture to improve the quality of shopping for the brand's global customers.¹⁵

¹⁵ Deloitte client experience

A decade ago, offshoring core process to Global In-House (GIC) captives or GCCs were amongst the top strategic initiatives for a majority of organisations. Today, we find them to be at an entirely different juncture. As GCCs have matured, the length and breadth of services they provide to the parent organisation have also evolved and are no longer considered an arm extension of supporting business units. They have proven their ability to provide higher values at lower costs (for example, global leaders from their respective GCCs achieved 15 percent¹⁶ annual productivity savings) and are now pivoted towards fulfilling complex business initiatives. The evolution of GCCs has resulted in three broad arrangements of permutations in their value delivered as illustrated in figure 5.

There is no one-size-fits-all innovation approach that a GCC can adopt. Depending on the technology's maturity and the business functions it caters to, the disruption quotient of a GCC could largely vary. Innovation in this context, therefore, could also relate to different capabilities and offerings for different GCCs. As is evident from figure 6, parent organisations are rethinking ways of utilising their GCCs. Amongst the top draws are the use of robotics, a digital experience focus, and continuous improvement. Needless to say, this presents to GCCs a plethora of new service delivery opportunities. Focussing on innovation can help identify the precise sweet spot.

Figure 5. GCC growth trajectory



Source: Deloitte internal framework

¹⁶ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/2019-global-shared-services-survey-results.pdf>

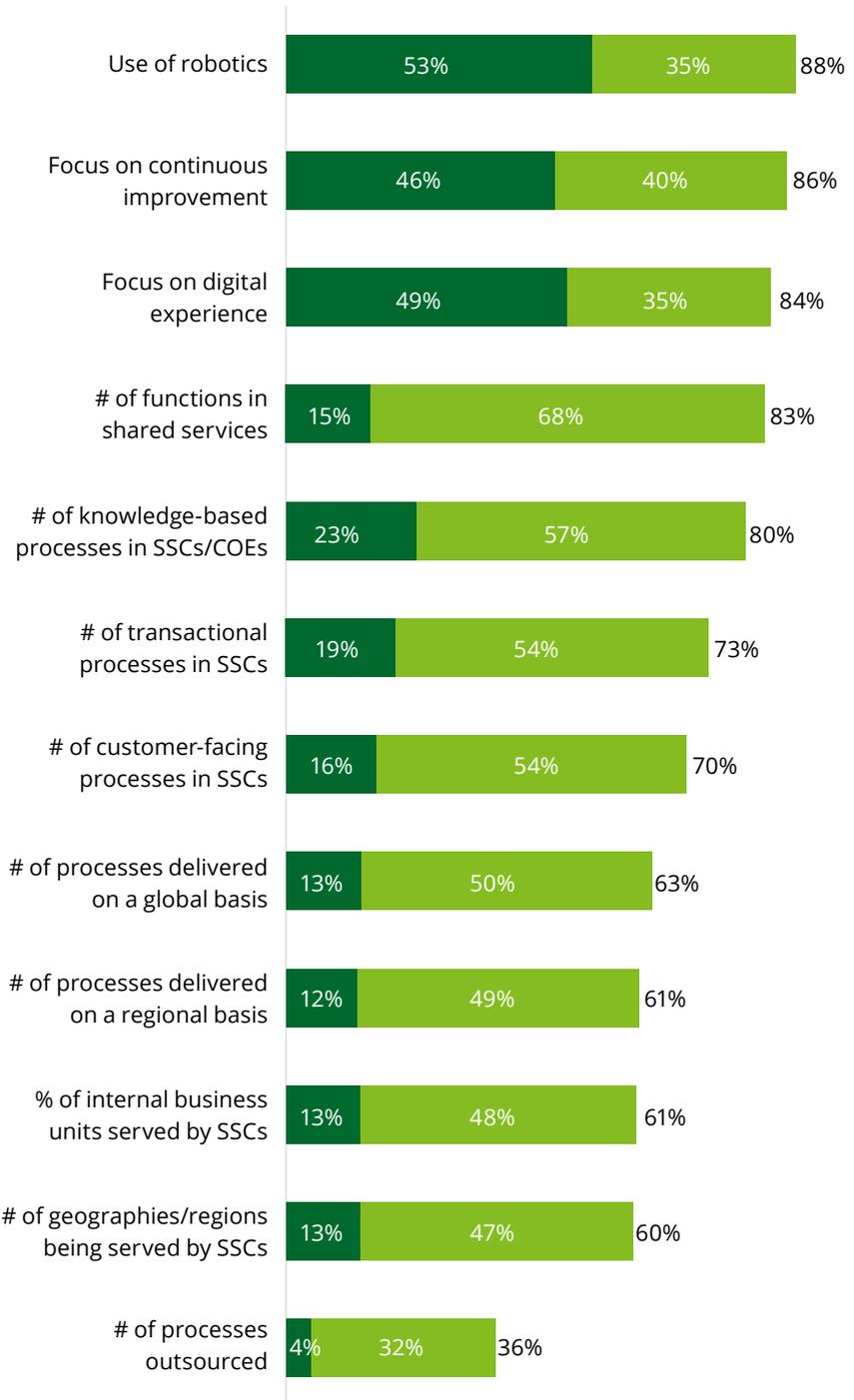
Core (business-as-usual) operations:

Traditional shared service centres continue to provide core transactional services to the parent organisation through the traditional “lift-and-drop approach”. Although these GCCs look to expand their functional coverage, they are predominantly confined within the conventional corporate functions of Finance, HR, and IT. The primary focus area is to drive growth across new functions and new markets, providing cross-regional support from their central location. Innovation to these core GCCs is primarily about process standardisation and automation (RPA).

Disruptive operations: As GCCs move up on the technology maturity curve, they start internalising a major chunk of the organisational IT roles. Consequently, the focus shifts to more value-add services provided through IT Centres of Excellence (COE). Innovation manifests in the form of intelligent automations for transaction processing, leading technology competencies, etc. Several Indian GCCs are classic examples wherein they have expanded their service offering to the parent organisation and have now become a key partner in driving crucial initiatives such as digital transformation.

Breakthroughs: At the highest end of both the disruption and business intimacy spectra, breakthrough GCCs offer a dynamic shift in the ways of working. These GCCs act as innovation hubs through the adoption of cutting-edge technology and are well established to provide their expert services by being interfaced across most, if not all, business functions of the parent organisation. Rich in resource skillsets, technology capabilities, and partner ecosystems, these GCCs drive maximum value for the parent and consequently, have operational footprint across vital organisational functions such as R&D, manufacturing, sales and marketing, etc.

Figure 6. How do you expect your organisation to change its use of shared services in the next 3-5 years?



Source: Deloitte's Global Shared Services Survey, 2019

A German automotive marquee's India GCC supports key Engineering Research & Development (ER&D) processes such as connected and autonomous vehicles, manufacturing engineering, and telematics. Its innovation platform, which is set up twice a year for collaboration with potential start-ups, encourages problem solving by building proof of concepts, which are consequently taken up by the organisation for further development.

An automobile manufacturers' alliance has set up a global creative centre as part of its GCC in Chennai, India, to encourage automotive technology research, design, and prototyping across autonomous, electric, and connected cars. Apart from servicing IT and Corporate functions, the GCC aids product development and employs key skills in areas of 3D printing, IoT and digital PoC fabrication, mechanical and mechatronics-based fabrication.¹⁷

Scaling innovations demand the same level of rigor as for any other transformational initiatives. As GCCs have been picking up the pace of providing value-added services,¹⁸ the "breakthroughs" are well equipped to act as "agile accelerators" to drive and scale technology-led innovations in the manufacturing space. Nevertheless, such transformations could be overwhelming.

¹⁷ Deloitte client experience

¹⁸ SSON State of the Global Shared Services Industry Report 2020 | The Shared Services & Outsourcing Network (ssonetwork.com)



Envisaging the scale-up journey

The key to devising an innovation strategy is in adopting a simple yet all-encompassing approach, regardless of any domain or function.

It is fundamental for global leaders to necessitate this change in terms of people, processes, and technology across their organisations.

What does it then mean from the perspective of manufacturing?



People:

People or talent is the single-most important factor that makes (or breaks) the innovation agenda in an organisation. Some key questions for organisations to address are:

Are we investing enough on our talent to be future ready?

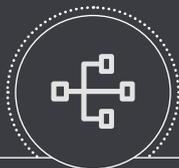
Do we have the right people with the right skillsets for the right task?

Do we have the necessary capabilities that are required to achieve our innovation objectives?

Do we, as an organisation, promote continuous learning and an innovation mindset for our talent pool?

According to a Deloitte and MAPI smart factory study, 2019,¹⁹ global leaders have accepted and recognised the importance of having the right skillsets and human resources as important to keep the innovation spark alive. For example, most upcoming IT and digital technologies require expertise in specialised skills and/or continuous upskilling or reskilling of resources.

Leading manufacturers often fail to align the right mix of talent pools and technology resources across different geographical locations. This disparity, in skillset distribution and technical know-how, can become a major impediment for scaling up, particularly for manufacturing. At the global level, there should be enough emphasis on skill and knowledge diffusion to orchestrate how the enterprise accelerates innovation initiatives and capitalises on new market prospects.



Process:

This underlines the need to implement robust business and operating processes across all manufacturing units. Unless there is uniformity in the way of conducting a specific operation, scaling up that one big innovation idea could eventually be a futile effort.

Think of dispensing solutions being completely automated in more developed and advanced factory units, while being semi-automated or sometimes even manual at some third-world locations; or quality control measures for the same product being different across different locations; or labour vs. technology cost implications leading to more labour-intensive workflows in particular locations.

The examples can be endless. In essence, such rifts can cause interruptions or unanticipated bursts of internal change, which can lead to the challenge of scaling manufacturing innovations.



Technology:

Emerging and disruptive technologies can be increasingly leveraged to address key business problems. Automation, AI and cognitive technologies, data analytics, IoT, robotics, and mixed reality solutions are important tools to reduce wastes and costs and improve efficiency and productivity. However, complete advantages of Industry 4.0 can only be reaped if there is a cohesive transformation initiative that goes beyond adding incremental tools/technology at a single geography or factory. Technology maturity and readiness of respective manufacturing units is vital in materialising the innovation vision at scale. Critical focus and emphasis have to be given to the necessary technology infrastructure instituted.

Many manufacturing organisations today are joining the bandwagon of "Connected Manufacturing" utilising IoT/IoE and other advanced technologies in an effort to monitor, analyse, and optimise operational metrics. Needless to say, such initiatives can only flourish if all associated infrastructure, from sensors to edge devices and networks, are in place.

Leaders today, therefore, need to plug into the innovation ecosystem at a global level rather than trying to "go solo" at one site, and think of a unified approach to standardise manufacturing operations.

¹⁹ https://www2.deloitte.com/content/dam/insights/us/articles/6276_2019-Deloitte-and-MAPI-Smart-Factory-Study/DI_2019-Deloitte-and-MAPI-Smart-Factory-Study.pdf

As is evident from above, it is imperative to define “scaling” as organisation-wide (or manufacturing units in this case) adoption of a specific innovation might not be the best-fit strategy always. Focussing within the contours of people, processes, and technology will help establish those specific boundaries for scale.

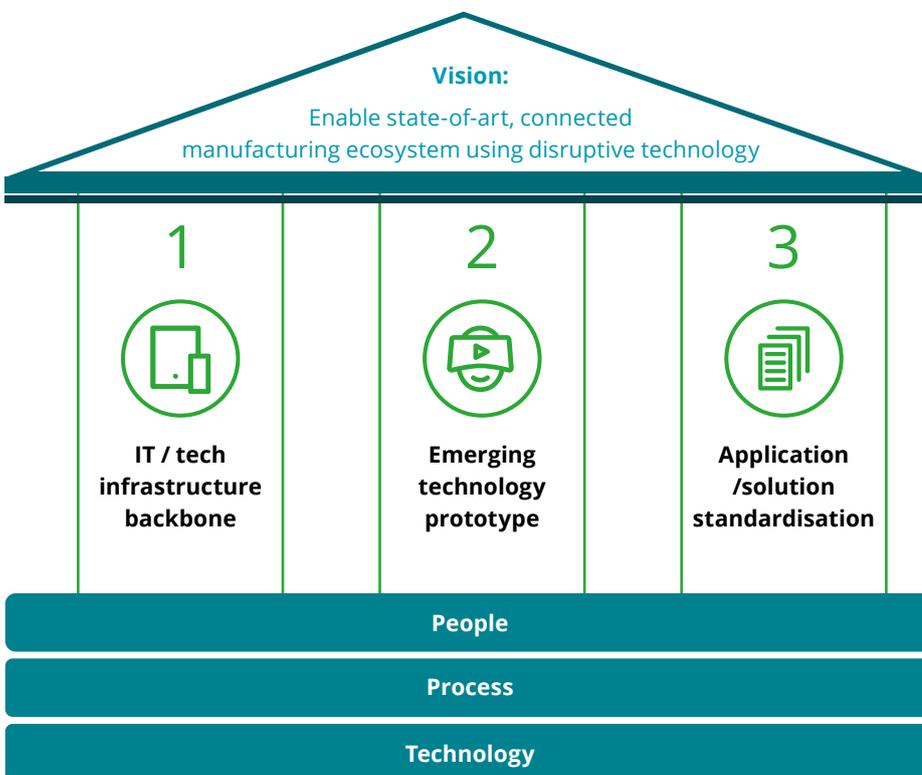
A multinational consumer goods manufacturer has adopted a technology-enabled, innovation-led programme to drive manufacturing efficiencies from its GCC in India. The strategic focus is on use cases based on business problems, agile prototyping, and sustainable scaling. The programme serves as a critical lever to ensure fail safe manufacturing operations across global manufacturing locations.²⁰

Driving innovation at scale

The manufacturing function for any typical organisation should primarily focus on three principle pillars, as depicted in figure 7. In our experience,

this categorisation simplifies the process of identifying pivotal areas where GCCs can channelise focus and help drive innovations at scale.

Figure 7. Key principles of Manufacturing innovation



Source: Deloitte internal framework

²⁰ Deloitte client experience

1
IT/tech infrastructure backbone



As stated earlier, it is a necessity to set up standardised and robust infrastructure across priority units to realise the potential of new-age technology and connected devices, processes, and resources. Although GCCs may have a limited role in enabling infrastructure standardisation, by virtue of their close association with global business/IT functions, and transformation programme delivery experiences, they are well-poised to educate and promote such foundational best practices across different manufacturing locations. This foundational pillar promotes asset, data, network, security protocol standardisation and is a pre-requisite for scaling innovation initiatives.

2
Emerging technology prototype



There is no denying that emerging-technology coupled with innovation has caused an unprecedented change at a disruptive pace. The primary focus of this pillar is to move from a business problem to a solution prototype, with a fail fast, frugal innovation, agile delivery and sustainable scale methodology baked into the ways of working. GCCs are uniquely positioned to completely own the end-to-end solution prototyping phase and recommend the scale model. Key activities that GCCs can deliver in this context are idea scouting, demand pipeline creation, idea funnelling and prioritisation, start-up ecosystem & SI partner liaison, and Minimum Viable Product delivery. A comprehensive view of how such dynamics come into play within the GCC landscape has been explored in our thought paper titled “Accelerating Innovation at Global Capability Centres”, which can be referenced here

Figure 8. GCC innovation spectrum



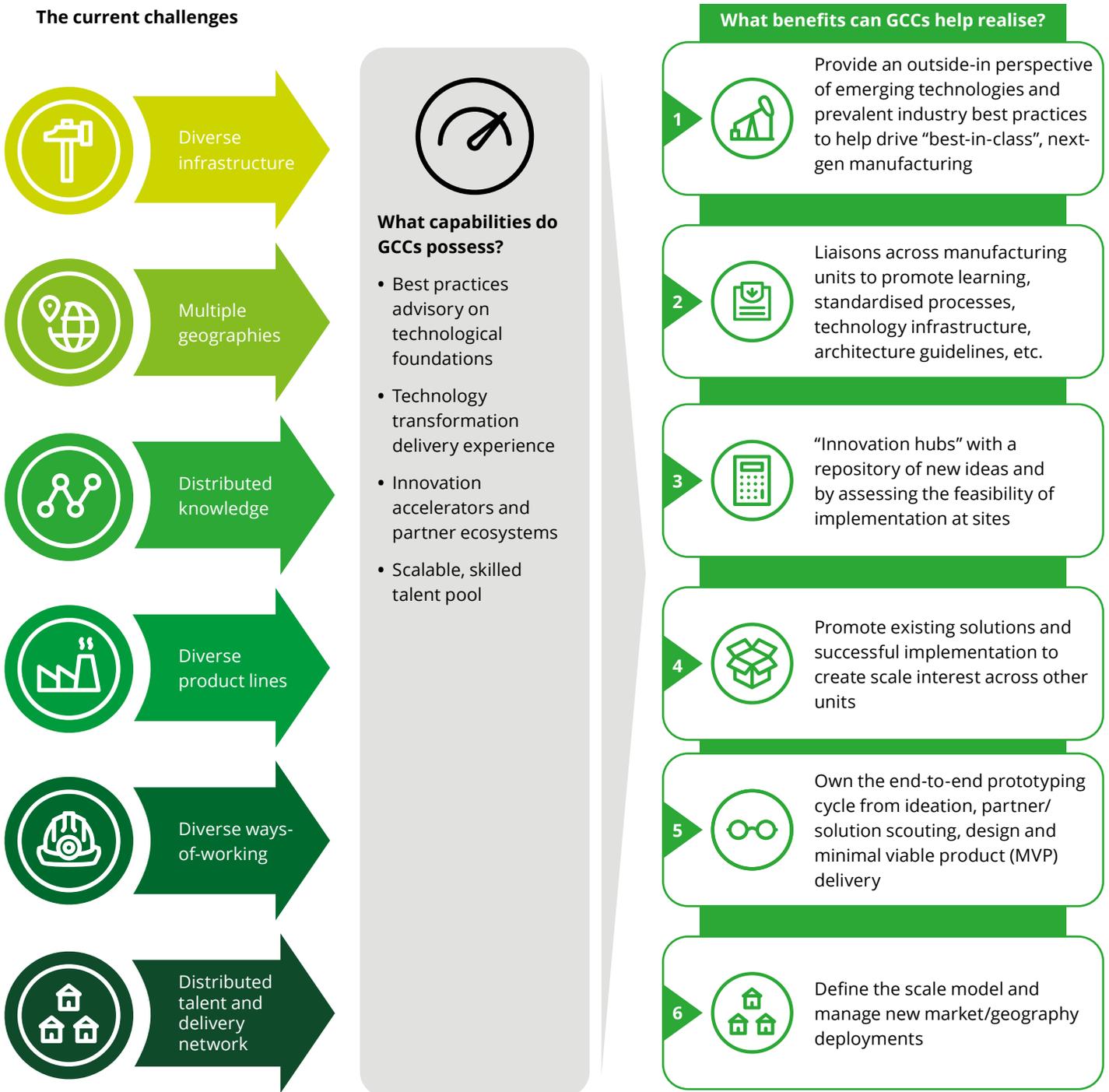
Source: Deloitte report – Accelerating innovation at Global Capability Centres

3
Application/ solution standardisation



The third and final category builds on the specific outcomes from the first two pillars. Firstly, as explained earlier, different manufacturing units should have the same or a similar level of application readiness for effective scaling of a new solution. With the IT infrastructure in place, GCCs’ role in legacy transformation and new market deployments of existing solutions is commonplace and well understood. Secondly, what is of significance is that, leveraging their learnings and experience from implementation of a new innovative solution at one site, GCCs can help prepare other sites with their application readiness well in advance, as well as fast-track the new solution deployment. This would largely help improve the overall cost effectiveness and reduce scale-up timelines, governance overheads, etc.

Figure 9. GCC value drivers for manufacturing innovations



Source: Deloitte internal framework





Setting up pillars of success

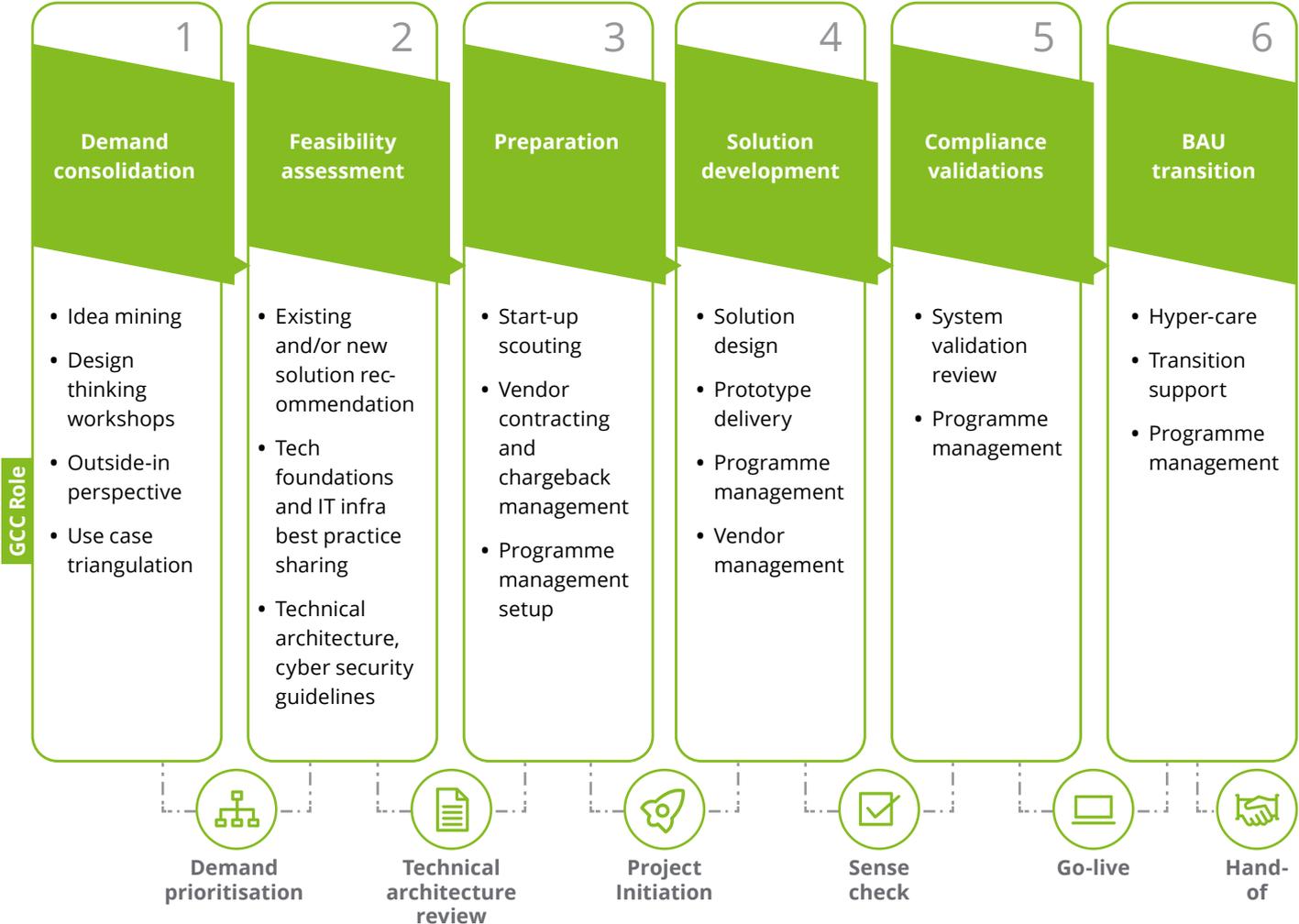
Outlining the GCC capabilities and contours within which they could operate, the final imperative lies in institutionalising the same through defined organisational structures and operating constructs, which help facilitate fruitful commencement and overall success of scale initiatives.

Defining the scale operating model:

This piece of the puzzle is critical and helps demarcate the practical, operational boundaries for GCCs in actual innovation delivery, at scale, right from demand generation to business-as-usual.

A typical illustration is depicted in figure 10. Organisations must establish clear stage gates and success criteria and utilise GCCs effectively at each phase. GCCs' key role would be to deliver scale-ready innovation prototypes and facilitate scale implementations from an end-to-end programme management perspective, as depicted in the figure. However, delivery timelines may vary substantially on a case-to-case basis, depending on the solution's scope, technology maturity, extent of scale, and several other factors.

Figure 10. Scale Operating Model



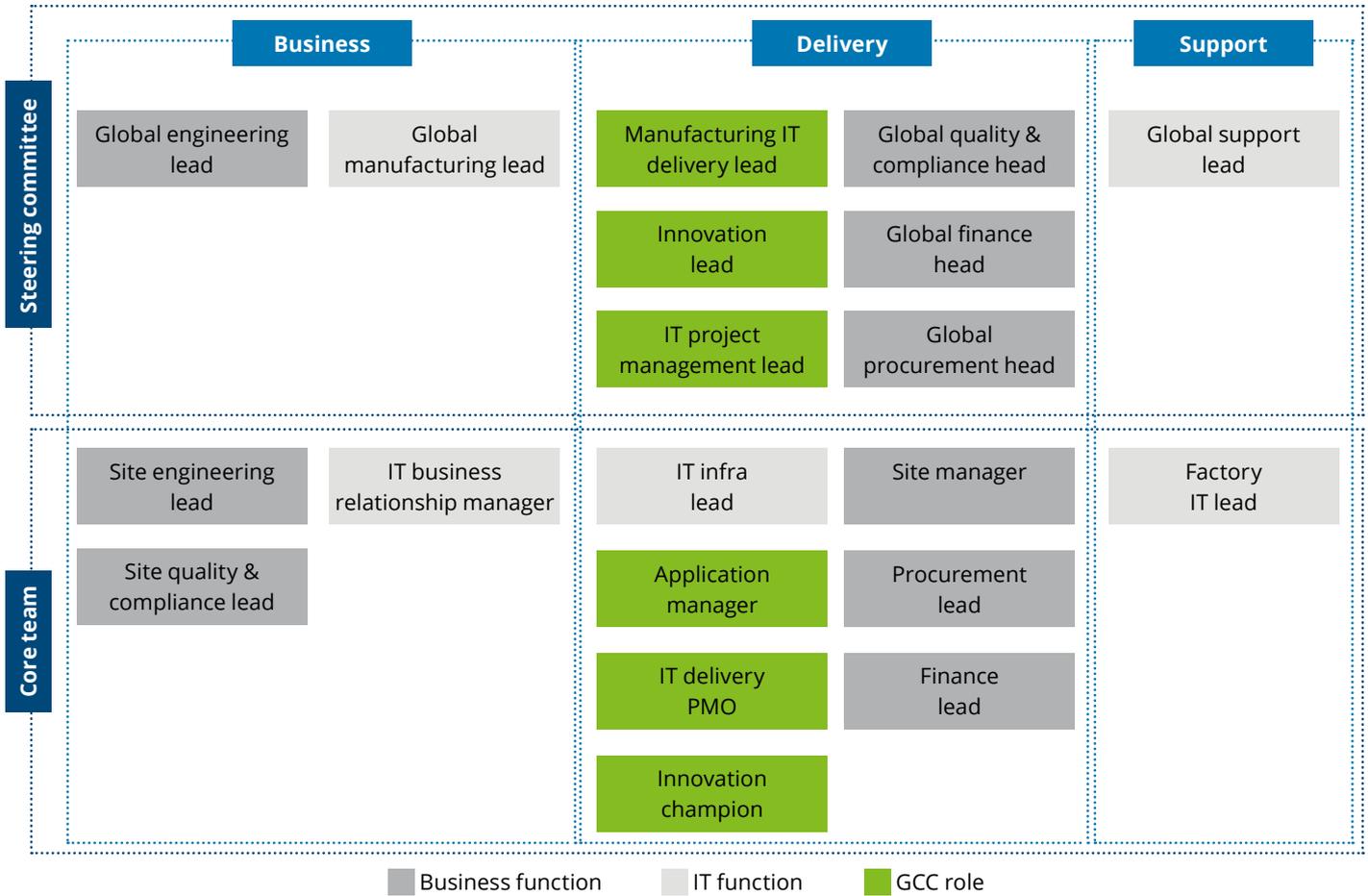
Source: Deloitte internal framework

Defining the organisation structure:

A perfect operating model cannot thrive in practice, unless backed by a reformed organisation structure. Needless to say, for GCCs to deliver their full potential in driving manufacturing innovations, the business and technology functions of the global organisation must also necessarily come together in a reformed schema. An example of the manufacturing

organisation has been illustrated in figure 11. While GCCs continue to focus on innovation delivery, scale advisory, and execution programme management, the close knitted structure ensures that the business, IT, and corporate functions are also accountable for the solution design, on-site delivery, infrastructure readiness, and budgeting or financial management, respectively.

Figure 11. Illustrative organisation structure

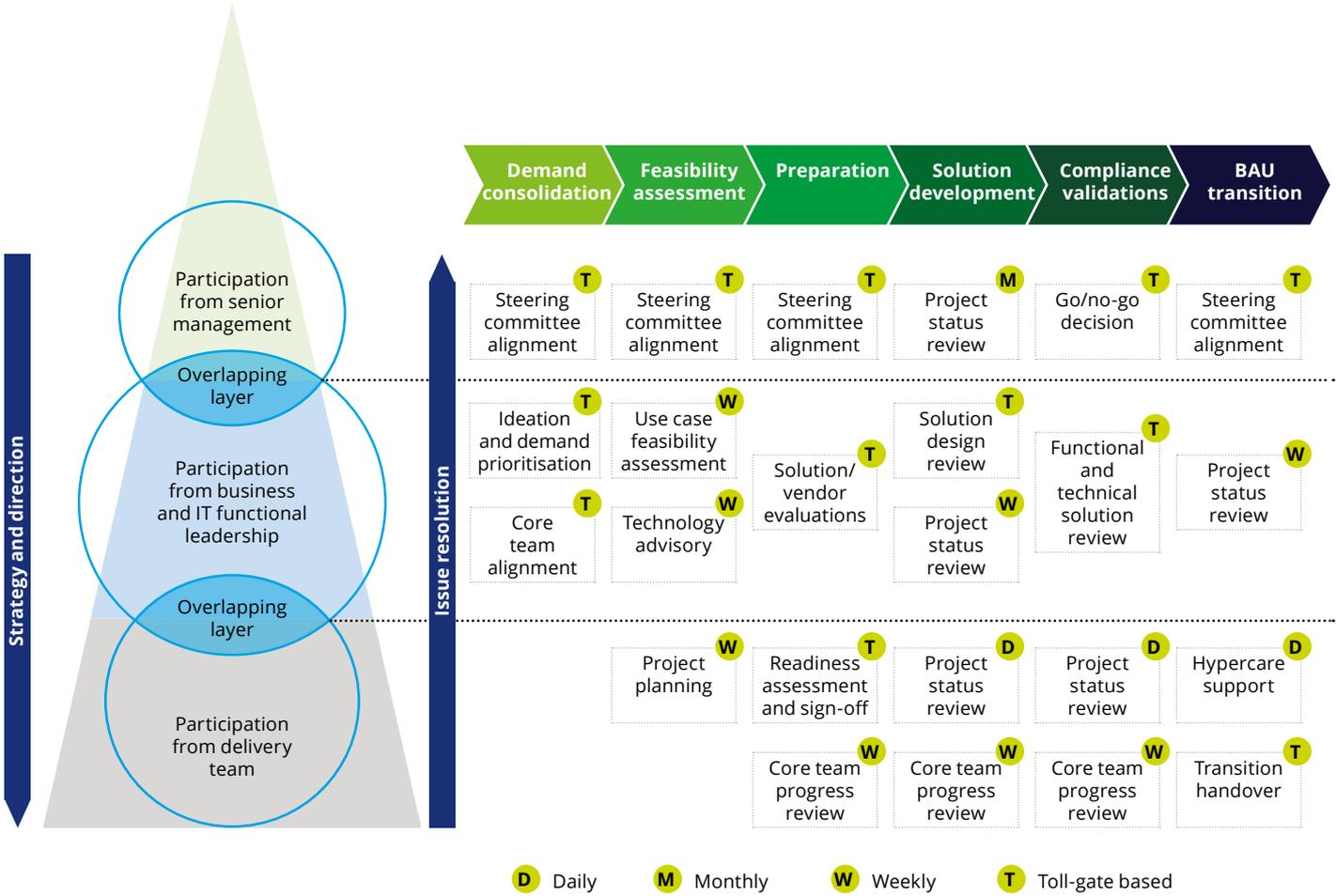


Source: Deloitte internal framework

This complex cross-functional interaction demands a rigorous governance mechanism in place to identify and mitigate key risks, issues, dependencies, etc. From the business to the core delivery teams, all stakeholders have

significant contribution and roles to play throughout the innovation scale journey and a structured governance helps establish the communication channel for immediate risk identification, conflict resolution, and decision making.

Figure 12. Illustrative governance mechanism



Source: Deloitte internal framework

Concluding remarks

“Out of clutter, find simplicity. From discord, find harmony.
In the middle of difficulty lies opportunity.”

Albert Einstein

In the present industry environment that demands constant agility, flexibility, and frugality, organisations are left with limited choices in how they want to operate and excel. With the added implications of Industry 4.0, technological innovations are no longer an option. “Disrupt or be disrupted”, is the need of the hour across all industries and organisations, big or small. Manufacturers must up the ante and broaden their horizons from localised experimentations to organisation-wide ramp-up of technology innovations.

Whilst the likes of investment crunch, skillset paucity, shallow technology understanding, and strategic misalignments definitely pose pressing challenges to such an objective, manufacturers cannot afford to shut their doors to the galore of opportunities available. As GCCs evolve from core transactional centres to more business-focused-innovation-led value delivery centres, this is a key area where organisations can leverage their GCCs and propel towards next-gen manufacturing excellence. As the idea

is to start small, fail fast, and scale big, GCCs are the right candidates to serve as the starting point and provide necessary impetus.

GCCs’ skilled talent pool availability and close integration with start-up ecosystems equip them for agile innovations and rapid scaling potential. However, manufacturers should not misidentify such programmes as regular technology/IT delivery. It is critical to understand the strengths and limitations of GCCs, align them with the overall manufacturing vision, and utilise their capabilities to address key objectives. When backed by strong organisational directive and institutionalised operating structures, GCCs can act as the fulcrum in taking point innovations to the broader manufacturing operations space at an organisational level. Hence, for manufacturing companies that invest in maturing and evolving their GCCs into technology “breakthroughs”, sustained competitive advantage might be a novel way of looking at their traditional in-house capability centres’ value levers.

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