



The growth and evolution of Global Capability Centres (GCCs) in India

Trends and opportunities within the Life Sciences and Healthcare (LSHC) industry

Table of contents

Abstract	2
Chapter 1: GCC ecosystem in India	5
Chapter 2: GCC Transformation Journey	8
Chapter 3: Life sciences and healthcare GCCs in India	11
Chapter 4: The tech and digital revolution	14
Chapter 5: The strategic imperatives of establishing GCCs	18
Chapter 6: Unlocking LSHC opportunities: The Indian frontier	25
Authors	28

Abstract

India's emergence as a hub for Global Capability Centres (GCCs) signifies a pivotal shift in the international business landscape, driven by the country's technological advancements and digital transformation. With more than 1,600 centres employing more than 1.5 million professionals and a projected market size of US\$110 billion by 2030, India's GCC ecosystem has become a cornerstone of global business innovation.¹ These GCCs serve diverse domestic and international markets and are becoming strategic hubs for global companies to establish key leadership roles. The country's digital revolution has played a crucial role in this transformation, bolstered by an unparalleled tech and start up ecosystem, and a formidable talent pool. This coupled with an extensive push by central and state governments- via programmes such as "Make in India"² and "Telangana's 2030 vision for Life Sciences"³, makes India an attractive destination for establishing GCCs.

This publication is primarily based on information available on the public domain relating to GCC market trends in India, and appropriate source references have been listed throughout the document. It also incorporates observations and leading industry practices, from our experience and interactions within the industry. Note that there could be relevant events and circumstances occurring after the date of this report that could have an impact on the results contained in this publication.

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¹ IBEF: [Global capability centres are transforming India's corporate landscape](#)

² Govt. of India: [Make in India](#)

³ Telangana Govt.: [Lifescience, Telangana.gov.in](#)



LSHC, has grown rapidly, comprising over 15 percent of total talent installed in Indian GCCs. Bengaluru and Hyderabad have emerged as the country's top destinations for LSHC GCCs.⁴ Hyderabad has also emerged as the "Healthcare Hub"⁵ in India, boasting one of the best state-supported business ecosystems with dedicated investments in cluster-based models – such as Pharma Villages, Genome Valley, T-hub, and B-hub – to focus on innovation through collaboration. The city is often regarded as the most integrated cluster for pharmaceuticals, making it an ideal location as GCCs look to move up the value chain. Consequently, Hyderabad's life sciences ecosystem has grown 23 percent, compared to the national average of 14 percent.⁶

Telangana today has more than 214 United States Food and Drug Administration (FDA) approved manufacturing sites, which account for more than 35 percent of India's pharmaceutical production.⁷ A strong pool of professionals with a deep understanding of FDA processes especially in areas such as GxP, is a key enabler for this exponential growth. The state also houses approximately 200 biotechnology companies.⁸ In addition to life sciences, Telangana has also seen a robust growth in the healthcare sector, currently housing more than 12,000 beds across 215 hospitals (private and government), 4,000 clinics and over 500 diagnostics centres. This combination of life sciences and healthcare capabilities makes Hyderabad an ideal location for LSHC GCCs.⁹

While cost reduction remains a top driver for setting up GCCs, developing capabilities, driving business value and digital agenda acceleration are also emerging as key reasons for adopting the model. This has shifted the positioning of these centres from just a means of transactional efficiency to a vehicle for innovation and market expansion. Companies are increasingly using their GCCs to expand their portfolio of services to cover multiple functions, with over 65 percent of organisations housing more than two functions in their GCCs.¹⁰ While finance, HR, IT and procurement are the most amenable functions covered by the GCCs, organisations increasingly have more strategic capabilities such as sales, marketing, and engineering / Research & Development (R&D). Even beyond these standard service offerings, about 50 percent of GCCs play a key role in driving ESG goals for their parent organisations, reporting this as a focus area. Promoting social responsibility and diversity is the top Environmental, Social, and Governance (ESG) focus area within these GCCs and ~60 percent of these organisations also support a range of ESG goals such as ESG reporting. Companies with Indian GCCs are using these centres as a channel to invest in ESG projects in India through NGOs and other local partners.¹¹

This shift in the GCC value proposition is also facilitated by their ability to tap into the local talent and technological ecosystem. This is achieved through "Organic Innovation"¹², wherein, GCCs focus on building a pool of skilled professionals and developing capabilities through internal initiatives. Another emerging trend is "Open Innovation" where GCCs engage with the local ecosystem through collaborations with external innovative partners such as start-ups, and academic institutions.¹³ Such a

⁴ ANSR: [State of Healthcare Life Sciences GCCs in India](#)

⁵ Telangana Govt: [Life sciences Grid](#)

⁶ Economic Times: [Roadmap laid to make-Hyderabad the Healthcare Mecca](#)

⁷ Times of India: [Telangana becomes 4th state in India to get FDA inspection rights](#)

⁸ Telangana Govt.: [Genome Valley](#)

⁹ Telangana Govt.: [Why Telangana](#)

¹⁰ Deloitte: [Shared Services Survey](#)

¹¹ Deloitte: [Shared Services Survey](#)

¹² Deloitte: [GCC Value Proposition for India](#)

¹³ Deloitte: [GCC Value Proposition for India](#)

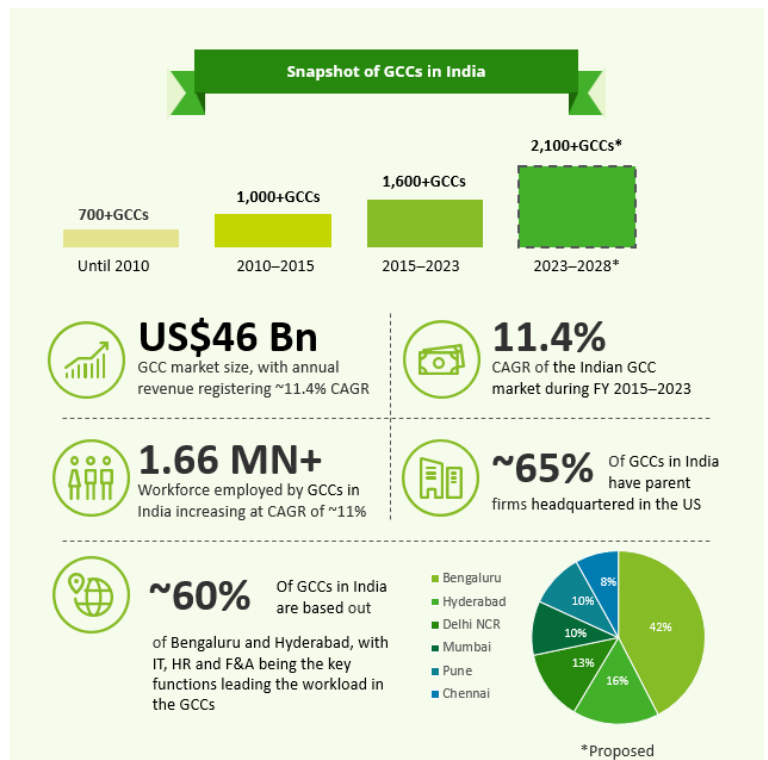
model outside the traditional processes allows their parent companies to access the latest thinking and innovation outside the organisation.

Through a detailed analysis of the current trends, this white paper offers a broad overview and strategic insights regarding the GCC landscape in India, discussing, in detail, the factors that have led to the growth of India and specifically Hyderabad, as a top destination for life sciences and healthcare GCCs. It also includes an in-depth analysis of the various GCC models and key reasons companies set up a GCC. The paper then outlines the “Strategic Choice Cascade” to help organisations define their “Vision” and “Where to Play” choices, as well as enhance their operational planning and execution by effectively framing considerations around “How to Win”, “Capabilities” and “Management” choices.



Chapter 1: GCC ecosystem in India

India is a rapidly growing destination and a prominent hub for GCCs, accounting for over 50 percent of the global market.¹⁴ With ~1,600 centres employing more than 1.5 million professionals, the Indian GCC market size is projected to reach US\$110 billion by 2030, compared with US\$46 billion in 2023.¹⁵ ¹⁶ The largest GCC centre in the country, Bengaluru, hosts more than a third of all the MNCs that have set up GCCs in the past 10-15 years.¹⁷ Recently, Hyderabad has emerged as a major competitor to Bengaluru, especially in the life sciences sector, boasting one of India’s best state-supported business ecosystems, attracting more GCCs every year. Telangana has witnessed a 23 percent growth in the life sciences ecosystem in the past few years compared with the national average of 14 percent.¹⁸ Consequently, Hyderabad is emerging as the preferred destination for LSHC companies to set up their GCCs.

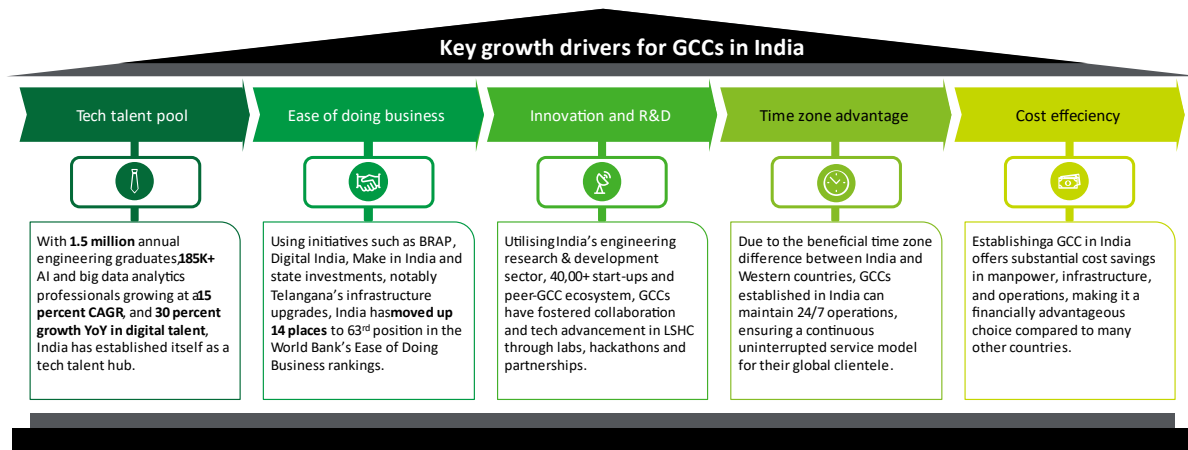


Source: [Zinnov 'Why set-up global capability centers in India'](#)

India offers a unique mix of a cost-effective ecosystem conducive to innovation, favorable government policies and an enviable pool of English-speaking, highly skilled

¹⁴ Economic Times: [GCCs share in GDP to double by 2030 with a size of 100 billion](#)
¹⁵ Economic Times: [GCCs expanding out of Bengaluru with 55 pc set up in other Indian locations](#)
¹⁶ Business Standard: [Indian GCC market size to grow 144 to 110 billion by 2030](#)
¹⁷ Cushman and Wakefield Global Capability Centres: [Making India the Cradle of Global R&D](#)
¹⁸ Economic Times: [Roadmap laid to make Hyderabad the healthcare mecca](#)

professionals. These strong differentiators have firmly positioned India as the go-to destination for MNCs looking to set up GCCs, rapidly shaping the country's GCC frontier. Many companies are setting up GCCs in India to access its thriving talent and innovative ecosystem and accelerate their growth.



Source: Summarized insights of growth drivers expanded below

Talent pool: India produces a considerable number of STEM graduates, with over 1.5 million engineering graduates entering the workforce annually, providing a robust base of technically skilled talent pool. In 2019, there were ~85,000 digitally skilled graduates in India with a stellar y-o-y growth rate of 30 percent.¹⁹ Given the increasing adoption of technology, even within conventional non-tech sectors such as life sciences and healthcare, significant investments are being made to stay ahead of the curve and nurture top-tier Artificial Intelligence (AI) and digital. For instance, the Telangana government launched the Telangana AI-Mission (T-AIM) in 2020 to establish the state as the global AI hub. As part of its agenda to support this strategic objective, T-AIM recently rolled out the 'Rev Up Accelerator' which aims to create mentorship opportunities for AI startups in Hyderabad through collaboration with industry leaders, enterprises and government organisations, further enhancing the state's existing AI and digital talent pool.²⁰ Furthermore, India has 5.67

million Human Resources for Health (HRH) professionals, with 74 percent of these actively employed.²¹ This availability of talent is crucial for GCCs which focus on advanced research, development and innovation. More than three-quarters of GCCs have set up operations in India to create and add a line of superior talent.²²

Ease of doing business: The Indian government has implemented numerous policies and initiatives to create a conducive business environment for GCCs. Consequently, the country has made significant progress in fostering a business-friendly environment, moving 14 places in one year to 63rd in the World Bank's Ease of Doing Business rankings in 2020.²³ Programmes such as the "Business Reform Action Plan" and "Department for Promotion of Industry and Internal Trades" (DIPP), "Business Reform Action Plan", in addition to "Make in India" and "Digital India" have significantly contributed towards accelerating this reform agenda. State governments are investing in attracting GCCs to promote regional economic growth. For instance,

¹⁹ Deloitte: [GCC Value Proposition for India](#)

²⁰ IndiaAI: [Telangana revving up to become India's top AI destination](#)

²¹ Hindustan Times: [Health Workforce](#)

²² NLB Services: [Growth of GCCs - How India is nudging GCCs to thrive](#)

²³ [Press Information Bureau Government of India Ministry of Commerce & Industry](#)

in Telangana, the government is making bold investments, from driving infrastructure upgrades and offering attractive incentives and financial support to new companies to investing in state universities to maintain up-to-date curricula (e.g., AI, cybersecurity, etc.) for talent development.²⁴

Innovation and R&D: India has nurtured a strong innovation-focused environment, supported by a thriving IT services sector and the world's third-largest start up ecosystem. The country is home to over 20,000 start-ups, of which ~8,800 are tech-based and focused on building low-cost transformative solutions.²⁵ Cities such as Bengaluru, Hyderabad and Pune are home to numerous IT parks and innovation hubs, fostering collaboration and technological advancements. As a result, India has become the preferred destination for ER&D (Engineering, Research and Development), housing ~75 percent of companies with GCC-supporting ER&D capabilities.²⁶ Digital Engineering (DE) within ER&D, accounts for ~30 percent of the overall ER&D revenues, and owing to the growing focus on customer centricity, is specifically becoming increasingly prominent in healthcare.²⁷

Time zone advantage: One of the key advantages that India offers to GCCs is the favourable time zone difference with Western countries, such as the US and Europe on one side, and with Asia-Pacific (APAC) / Australia on the other. This enables GCCs in India to operate round-the-clock, delivering timely and efficient services to their global customers. With teams working in different or staggered shifts, GCCs can ensure that their business processes run smoothly and that their client's needs are met without delay. This also creates opportunities for collaboration and knowledge sharing across regions and functions, enhancing the quality and innovation of the GCCs' output.

Cost efficiency: Despite rising expenses in major cities, India offers significant cost advantages, particularly in Tier-2 and 3 cities. These locations provide lower costs due to lower salaries, lower real estate expenses, and favourable exchange rates while maintaining access to a talented workforce and improving infrastructure. Between India's major GCC hubs and other APAC cities, there is a significant cost advantage for office rentals for Grade A offices with improved services and quality of real estate. Even beyond the real estate costs, operational costs, such as transportation, utilities, and administrative costs, are much lower in India.²⁸ Cities such as Kolkata, Hyderabad and Chennai are the most cost-competitive in the country, closely followed by Pune and Delhi.

India's rise as a global hub for GCCs underscores its ability to adapt and innovate in a rapidly changing business environment. This growth benefits MNCs and the Indian economy, enhancing its global standing as a digital and business innovation powerhouse.

²⁴ Telangana Govt.: [AI Powered Telangana Strategy](#)

²⁵ Deloitte: [Open Innovation POV](#)

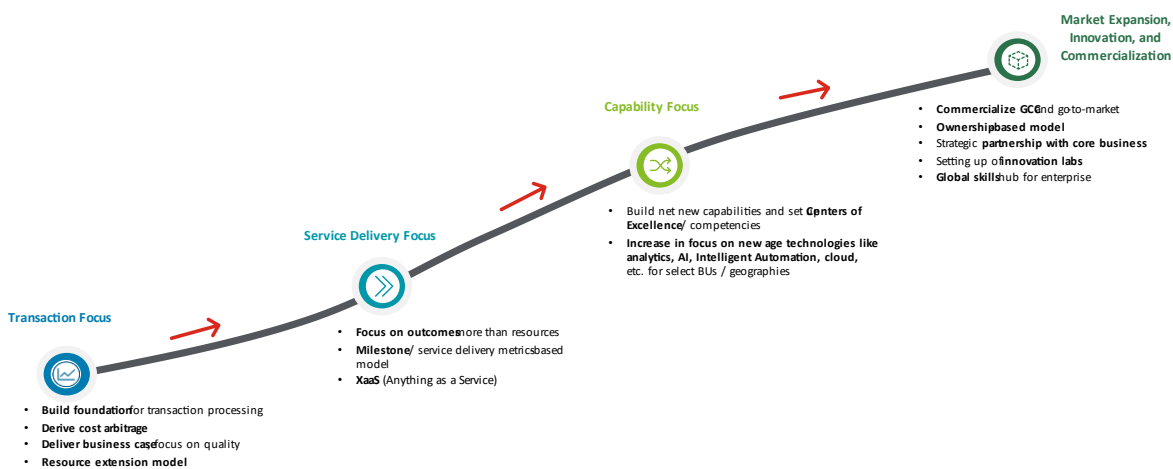
²⁶ Deloitte: [Global Engineering R&D Pulse Survey 2022](#)

²⁷ Deloitte: [Future Growth Sectors in Digital Engineering](#)

²⁸ Jones Lang LaSalle (JLL): [The rise of Global Capabilities Centres in India](#)

Chapter 2: GCC Transformation Journey

Initially set up for cost arbitrage, focusing on tasks such as payroll processing, customer support and basic IT services, over the years, India’s GCCs have transitioned to handling complex processes such as data analytics, AI and sophisticated R&D. Increasingly, they are taking on the role of transformation hubs for their parent companies, leading innovation by focusing on areas such as Generative artificial intelligence (GenAI), Machine learning (ML), advanced analytics, etc. More than 50 percent of GCCs²⁹ have deployed automation, reporting & analytics, process excellence, E2E process ownership and business continuity planning capabilities. Certain Indian GCCs have also started playing a more significant role in supporting their parent organisation’s strategic objectives by housing some



Source: Deloitte point of view

²⁹ Deloitte: [Shared services survey](#)

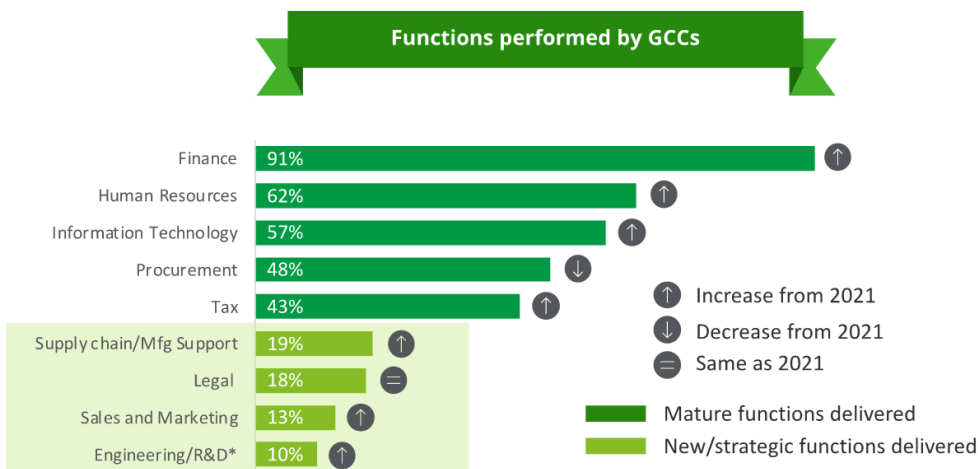
global leadership roles such as Global Delivery Technology Lead in AstraZeneca, and Group Head – Network Transformation for Novartis. This shift has inevitably elevated their positioning from being a “back office” or “service provider” to a “value creator”.³⁰

As GCCs look to establish themselves as strategic partners to their parent organisations firmly, they are increasingly focusing on expanding their capabilities and services. More than 65 percent of GCCs perform more than two functions. Function owners use GCCs to enhance efficiency, transparency, and automation to drive business value, as well as emerging technologies such as AI, Natural Language Processing (NLP) and intelligent automation.

GCCs also focus beyond the enabling functions, on core functions that require high levels of innovation, domain expertise, and collaboration with headquarters. While the traditional big four functions — finance, HR, IT and procurement — are still the most predominant across all industries, increasing deployment of core functions such as sales and marketing, manufacturing and R&D underlines the

evolution of GCCs to become a strategic partner central to the business. Even beyond these standard service offerings, about half of GCCs play a key role in ESG for their parent organisations, reporting this as a focus area. Promoting social responsibility and diversity is the top ESG focus area within these GCCs, and ~60 percent of these organisations also support a range of ESG goals such as ESG reporting.³¹ Other emerging capability areas in which mature GCCs are growing include Commercial, legal, and risk & compliance.

To establish themselves as a microcosm of their parent organisation, GCCs are embedding themselves deeper within business functions. However, this trend is more pronounced for mature enabling functions where GCCs offer advanced capabilities than some emerging core functions. For instance, many GCCs significantly contribute to high-impact



Source: [Deloitte Survey](#)

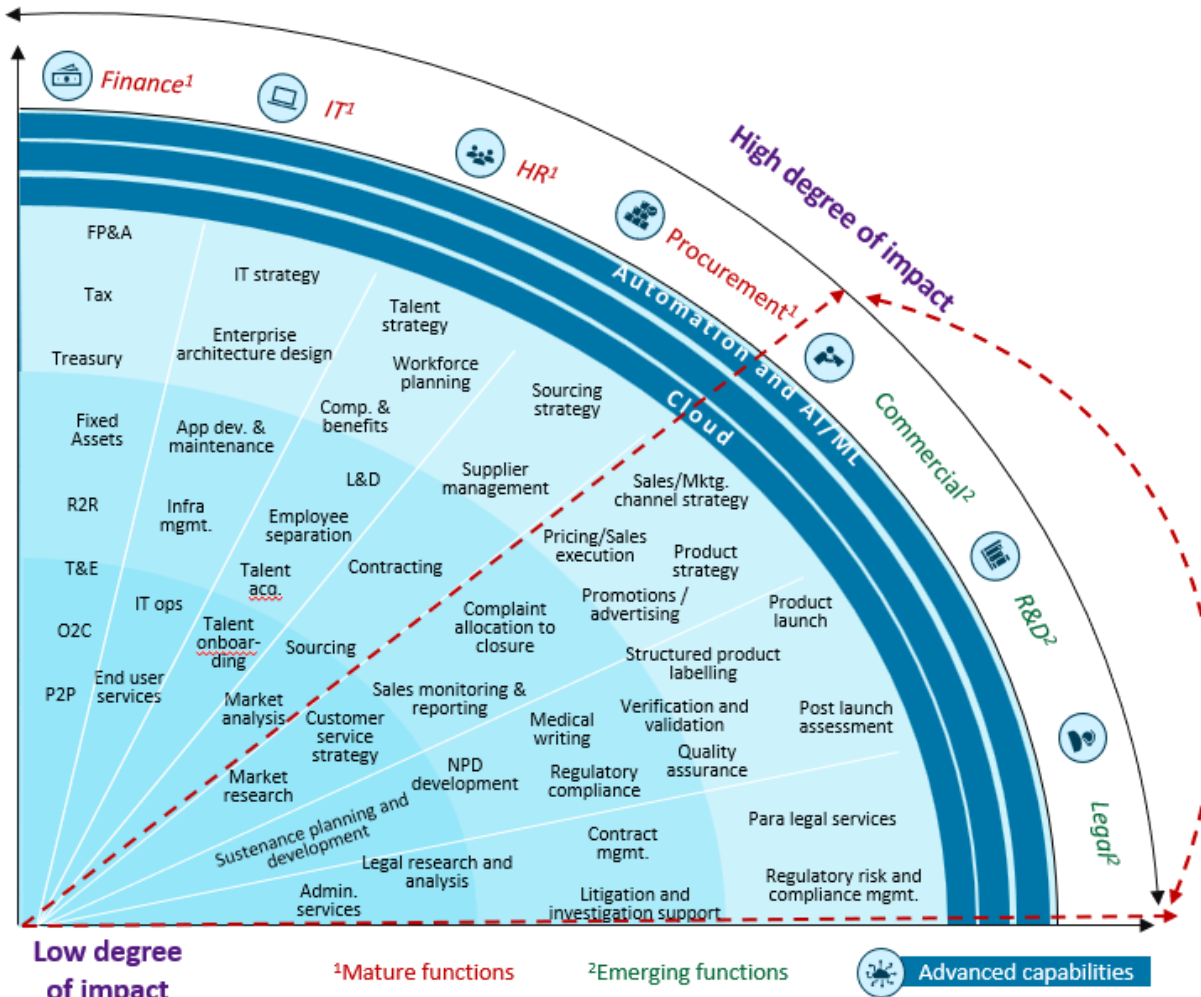
*increase from 2019, as data was not available for 2021

³⁰ Deloitte: [Shared Services Survey](#)

³¹ Deloitte: [Shared Services Survey](#)

advanced IT capabilities, such as enterprise architecture design and IT strategy for their parent organisations, compared with basic research and reporting offerings for the emerging commercial function. Having said that, as

these GCCs establish a strong base deploying these fundamental offerings for core functions, they are expected to move up the value chain to offer high-value processes across the breadth of core and enabling functions.

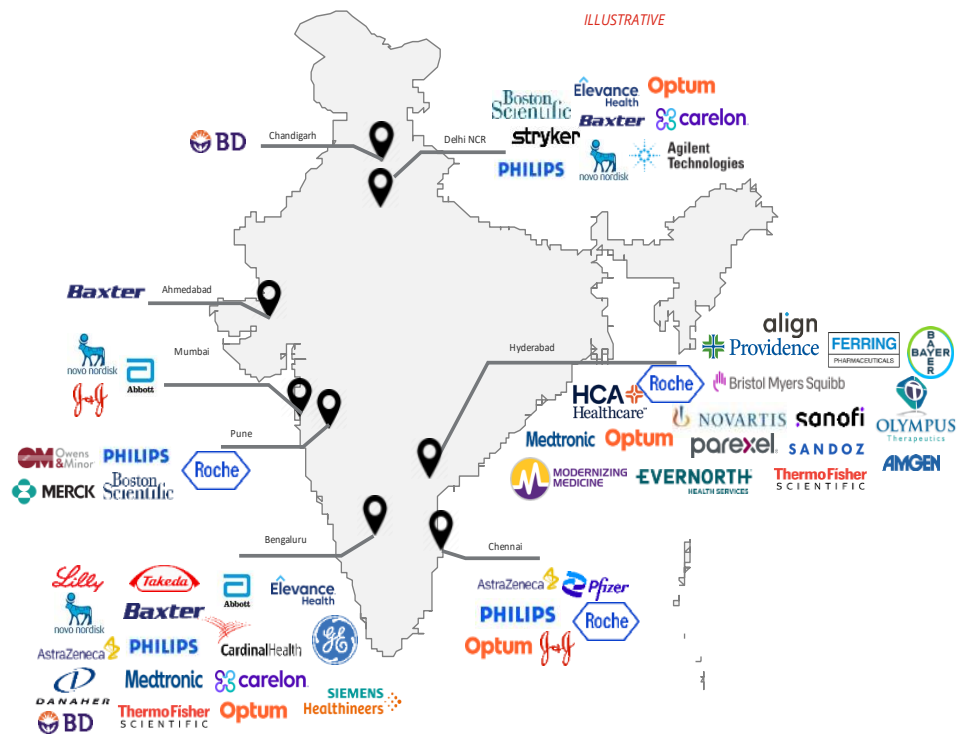


Source: Deloitte Insights, [Deloitte Shared Services Survey](#)

Chapter 3: Life sciences and healthcare GCCs in India

LSHC is no exception to the growing prominence of GCCs as part of MNCs' strategic growth agenda. A surge of LSHC GCCs accounts for over 15 percent (280K) of all GCC employees in India. More than 55 percent of all LSHC GCCs are headquartered in the US.³²

Of the 95 life sciences GCCs in India, Bengaluru is the home to almost a third, with Hyderabad emerging as a formidable competitor.³³ Hyderabad, known for its technology affinity and talent pool, has witnessed significant support from the Telangana government in the form of investments



Source: Deloitte Insights; [ANSR Report](#)

for manufacturing and R&D to create a conducive environment for the pharma segment propelling the exponential growth of LS GCCs.

³² ANSR: [State of Healthcare Life Sciences GCCs in India](#)

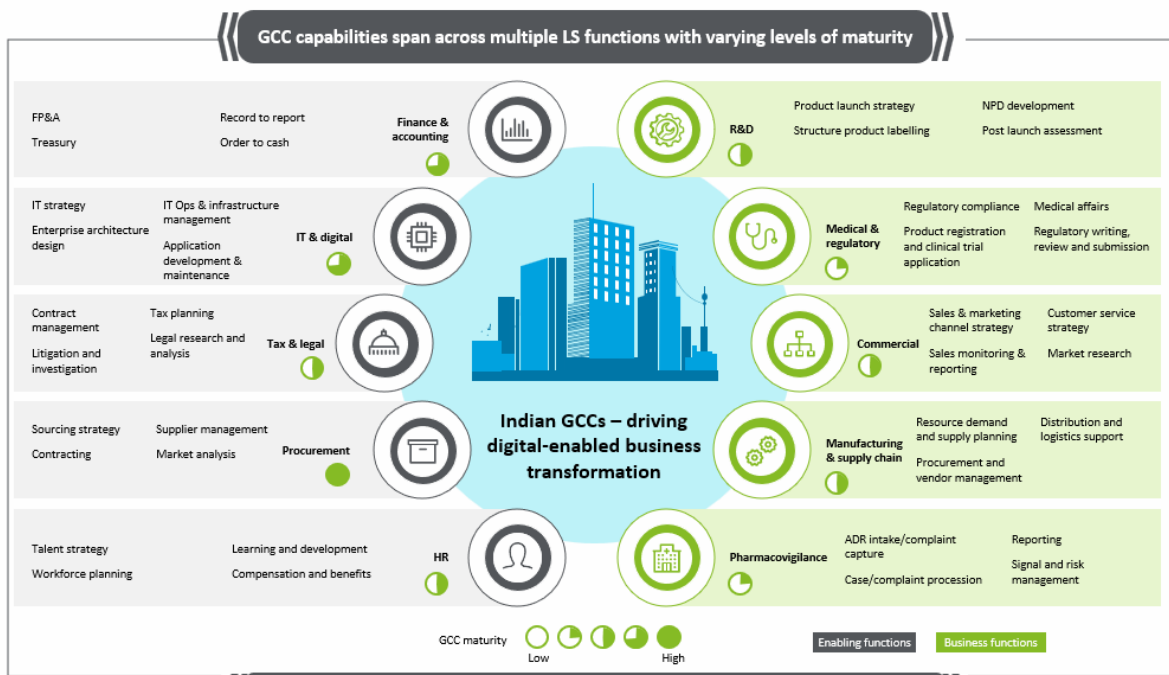
³³ ANSR: [State of Healthcare Life Sciences GCCs in India](#)

The state is also witnessing a rapid growth of healthcare GCCs. Recently, Hospital Corporation of America (HCA), one of the oldest and largest hospital chain in the US with additional centres in the UK, announced its intentions to set up a GCC in Hyderabad. This centre will focus on AI, ML, data science, and analytics capabilities.³⁴ Hyderabad is also a home to several similar healthcare GCCs, such as Evernorth, which focuses on innovation and development of next-gen technologies such as Generative AI, analytics, and process improvement.³⁵

Consistent with other industries, even for LSHC, there is a high penetration of GCCs within enabling functions such as finance and accounting, HR, and IT. However, core functions are gaining traction. For instance, LS GCCs are making significant investments in R&D and commercial, and, as a result, are increasingly playing a more pivotal role in the drug discovery and development process, commercialisation, and post-marketing monitoring by fostering product innovation, driving technological advancements, and spearheading digital

transformation initiatives. HC GCCs use innovative technologies, such as AI and ML, to support their parent organisations in driving operational efficiencies and generating impact across the entire value chain. This includes analysis of key clinical areas such as patient satisfaction, genomic research, and clinical effectiveness across ambulatory and other critical support systems. In addition, these GCCs are developing non-conventional critical capabilities such as cyber security to deliver an enhanced proposition.³⁶

In life sciences R&D, from catering to basic processes such as medical writing and regulatory documentation, to monitoring and pharmacovigilance activities, GCCs have traditionally offered a range of R&D services. In recent times though, parent companies have started collaborating with GCCs for drug discovery and development activities, highlighting their role in bringing new therapies to market. A prominent example is Bayer’s Data Science and Analytics Centre in Hyderabad, which is set to be positioned as the firm’s APAC



Source: Deloitte Insight, [ANSR Report](#)

³⁴ Telangana Govt.: [HCA to expand global presence with enhanced global capability center in Hyderabad](#)

³⁵ Times of India: [Evernorth sets up largest GCC outside US in Hyderabad](#)

³⁶ ANSR Report [State of Healthcare Life Sciences GCCs in India](#)

hub and contributes significantly to the drug development of new innovative therapies.³⁷ The centre also focuses on Oncology Data Analytics (ODA) allowing it to contribute to industry-leading solutions in analytical trends and methodologies for its parent organization.³⁸ Similarly, GCCs have been working on key R&D areas in the healthcare and Medical Technology (MedTech) domain including design and development of MRI coils. Similar advancements have been made in molecule testing, AI-based medical imaging, and fluorescence imaging.

As with R&D, LS GCCs actively support a range of commercial activities. Processes such as market research, sales operations support, sales force effectiveness, performance reporting and data management & analytics are deeply penetrated. For instance, Roche's

GCC in Hyderabad - Global Analytics and Tech Centre of Excellence (GATE) - delivers commercial analytics, data management, insights, and reporting capabilities at scale with applications across Real World Evidence (RWE), forecasting, automation, and market access. However, there is scope for increasing penetration of more strategic offerings such as channel strategy, product positioning strategy and sales strategy & planning. By using their domain expertise, analytical capabilities, and digital technologies, more GCCs are now playing an influential role in shaping the commercial success of life sciences products. This growing strategic positioning of LSHC GCCs for their parent organisations is shifting India's value proposition from being a service provider to a major contributor to innovation in life sciences and healthcare.

³⁷ BioSpectrum India: [Could-7.5% R&D spends make India pharma innovation hub](#)

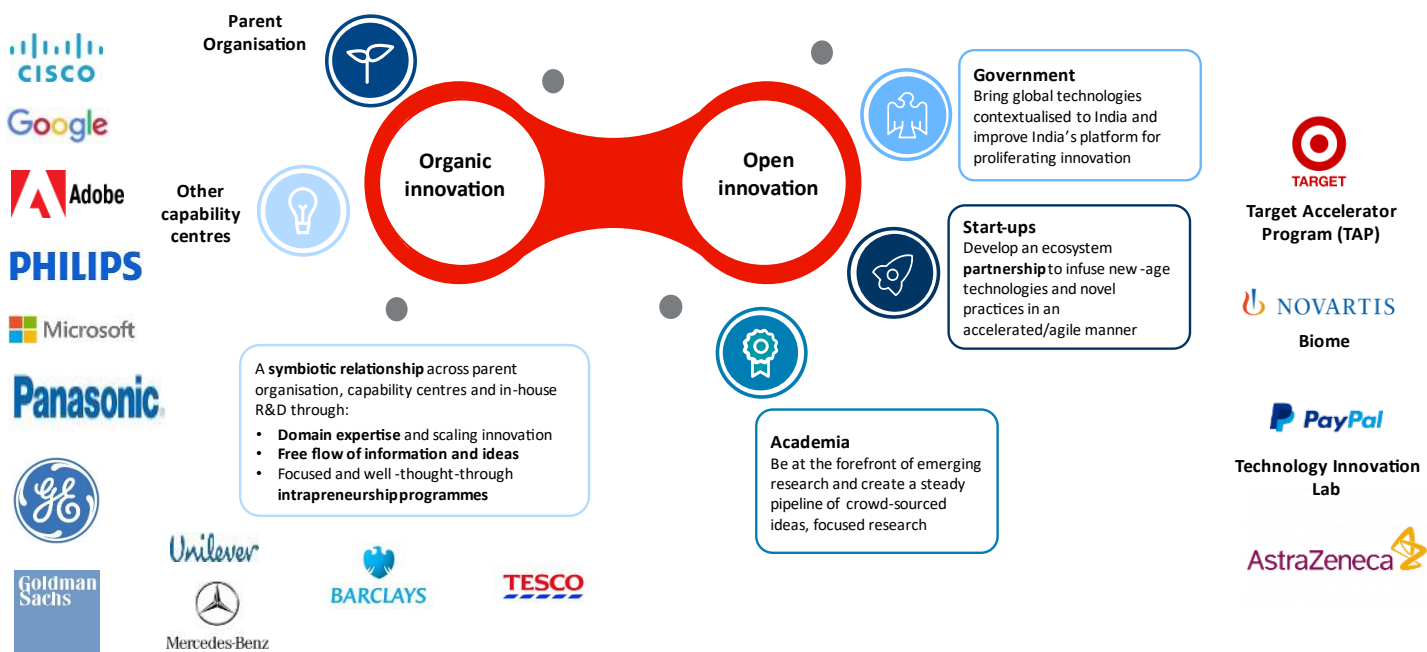
³⁸ BioSpectrum India: [AI one of the most promising technologies-can revolutionise quality control in pharma manufacturing and supply chain](#)

Chapter 4: The tech and digital revolution

Technology is evolving at an unprecedented pace with advancements such as GenAI revolutionizing various industries. Such developments are enabling new capabilities in automation, creativity and problem-solving, transforming how we work and live. By virtue of its state-of-the-art tech and digital ecosystem, along with a formidable talent pool, India is at the centre of this revolution spearheading transformation across sectors. With an eye on long-term sustained growth, the country is continuing to make significant investments in engineering R&D, positioning itself to become a global leader in innovative solutions. Indian government is also launching several initiatives and policies to drive innovation and foster a conducive environment for foreign companies to set up operations in the country.

Given these dynamics, India is poised to shape a future led by technological excellence, and GCCs in the country are well-positioned to lead the digital transformation initiative for the parent organizations by tapping into this thriving technological ecosystem through organic and / or open innovation.³⁹

³⁹ Deloitte: [GCC value proposition for India](#)



Source: Deloitte Insights, [Deloitte - GCC value proposition for India](#)

“Providence serves at the intersection of innovation and compassion. Over the last few years, the India team has played a catalytic role in helping us embrace healthcare technology to support nurses, physicians and all caregivers, improve patient outcomes and experiences and offer affordable and accessible care in our Mission to serve all...”

Providence President and CEO - Rod Hochman

Organic innovation:

Innovation within the GCCs is typically driven organically or in collaboration with the parent organisation. Organic innovation focuses on building a pool of skilled professionals and developing capabilities through internal initiatives to work on cutting-edge technologies such as AI, cloud computing, blockchain and data analytics to forge a transformative path. For instance, Providence’s Hyderabad GCC offers a wide spectrum of innovative technological solutions

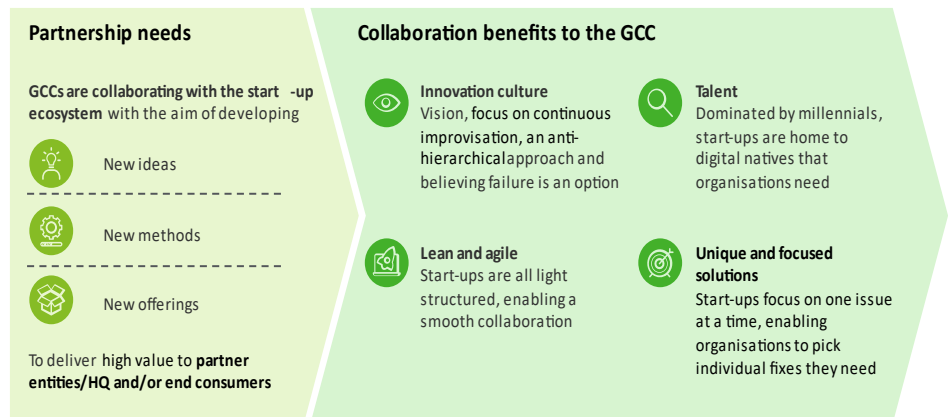
such as cloud computing, cybersecurity, digital solutions, data analytics, as well as emerging technologies such as GenAI developed in-house. The centre is a tremendous success, and the company is likely to double its Indian workforce to support the growing demand for future-ready capabilities in tech-enabled healthcare.⁴⁰

⁴⁰ BioVoice News: [Providence expands its healthcare global innovation center in India sets up new office in Hyderabad](#)

Open innovation:

By engaging with the extended ecosystem of start-ups or academic institutions, GCCs allow their parent companies to access the latest thinking and innovation outside the organisation.⁴¹ A large-scale transformational initiative that spans the organisation across geographies and functions, usually begins as a small pilot, with the GCC identifying high-value collaboration opportunities with a stakeholder within the ecosystem. In this set-up, the GCC is primarily responsible for bringing in the context and functional expertise, with the ecosystem alliance partner offering transformational operational excellence, skilled talent, and innovative technological prowess. The success of this collaboration is dependent on developing a strong alignment with the parent organisation’s strategic agenda, along with operational and cultural alignment with the GCC.

Once the pilot is successful and the GCC has experience understanding and navigating the pitfalls, the initiative is scaled based on organisational needs. Novartis has successfully used this model globally. In 2020, it launched its Asia’s first digital innovation hub in Hyderabad, Biome India, intending to engage with startups and innovators in India passionate about healthcare to improve access to tech innovation and expertise. Another prominent example is Carelton, Elevance Health’s 18K employee GCC with two centres in India – Hyderabad and Bengaluru. The GCC has entered into strategic collaborations with Telangana’s T-Hub, a prominent start-up incubator and accelerator that allows the centre to work closely with startups and use their innovative solutions and expertise.⁴²



Source: [Deloitte GCC Value Proposition for India](#)

When it comes to collaborating with start-ups, GCCs stand to benefit from the innovative culture, lean and agile ways of working, skilled and innovative talent and most of all, unique and focused solutioning.

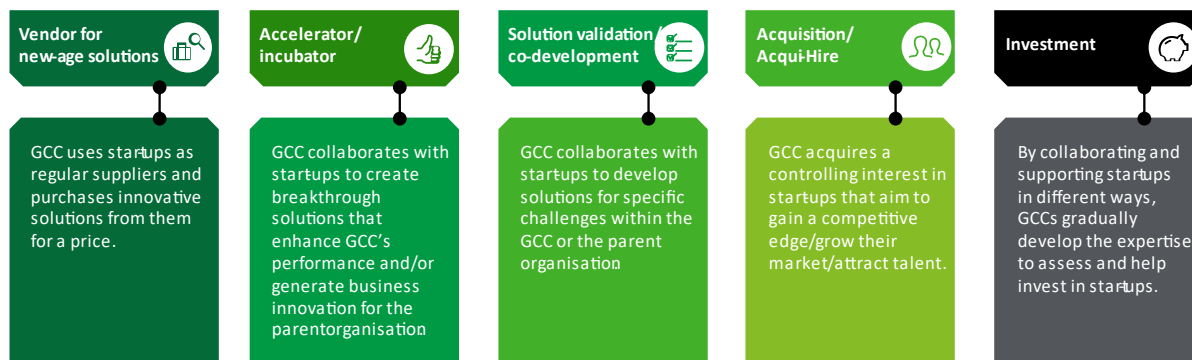
There are several engagement models that GCCs can use for open innovation with start-ups based on organisational need and start-up capabilities. This new open innovation mindset has encouraged GCCs to look outside their business as usual (BAU) and experiment to contribute to the parent company’s innovation journey. This model of open innovation, however, is still nascent, with only a small set of GCCs engaging with the external ecosystem to drive innovation for their parent organization.

As the technological ecosystem continues to evolve quickly, GCCs will need to engage more with the ecosystem players to stay nimble and help their parent organisations along their growth transformation journey.

⁴¹ Deloitte: [GCC Value Proposition for India](#)

⁴² Data Quest(DQ) India: [AI ML models provide valuable Personalized recommendations- Carelton Global Solutions India](#)

GCC – Startup engagement models



Source: Deloitte Insights

Another key trend is the rapid proliferation of data across industries. Such a shift at the heels of swiftly evolving new-age technology significantly changes how companies shape their strategies and decision-making to enhance their competitive differentiation. This trend is particularly pronounced in life sciences, where the ability to use new data sources, such as EMR, HEOR, payor records, wearables, medical devices, and social media, has positioned life sciences players for transformational growth. However, the ability to adopt new-age tech for data-driven insights is increasingly becoming a key differentiator. This evolving dynamic has positioned life sciences GCCs in India as crucial nodes in the global healthcare and life sciences ecosystem, given their ability to access India's thriving tech ecosystem. To tap into this opportunity, LS GCCs are increasingly seeing higher penetration of advanced technologies to help their parent organisations stay ahead of the competition.

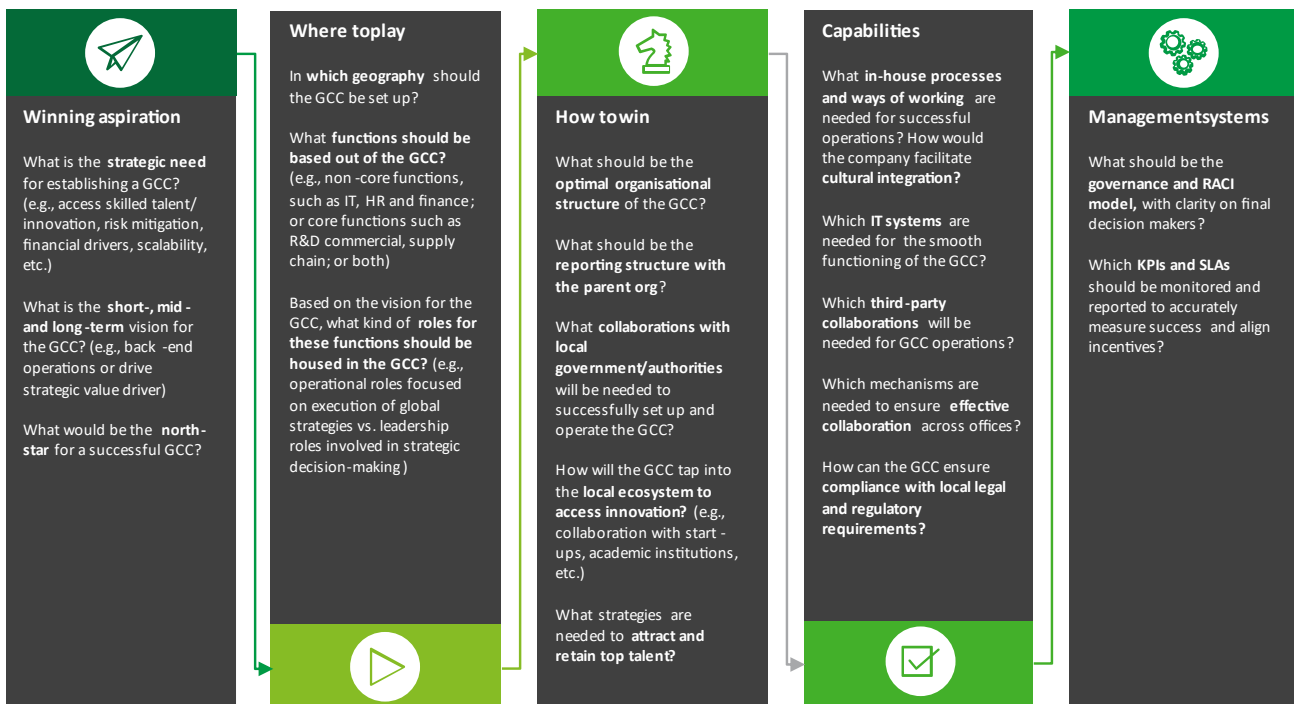
Well-integrated technologies such as big data and analytics, automation and cloud services are already supporting activities

across the drug's end-to-end lifecycle. Big data and analytics, for instance, enhance target identification and improve predictive modelling for drug interactions. Automation has numerous applications in clinical trial management, and cloud services offer scalable storage and computational power, facilitating the integration of various data sources while enabling global collaboration. Cybersecurity is another mature technology within LS GCCs, given its critical importance in protecting sensitive data, ensuring compliance with regulations such as Health Insurance Portability and Accountability Act (HIPAA) and safeguarding intellectual property. Some evolving technologies, such as AI/ML and Health IT (such as EHRs), are also witnessing rapid adoption within GCCs, with applications from drug discovery and development to commercialisation and care delivery. Given the limited broad adoption of IoT and blockchain in LS, GCCs are deprioritising these over other high-impact technologies.

Chapter 5: The strategic imperatives of establishing GCCs

In the evolving global business landscape, GCCs have emerged as a pivotal element in the strategic operations of multinational corporations. These centres, tactically located in diverse geographical regions, serve as vital nodes in a company's global network offering many strategic, operational, and financial benefits. However, to build a GCC that caters

Strategic choice cascade for GCCs: Vision to execution



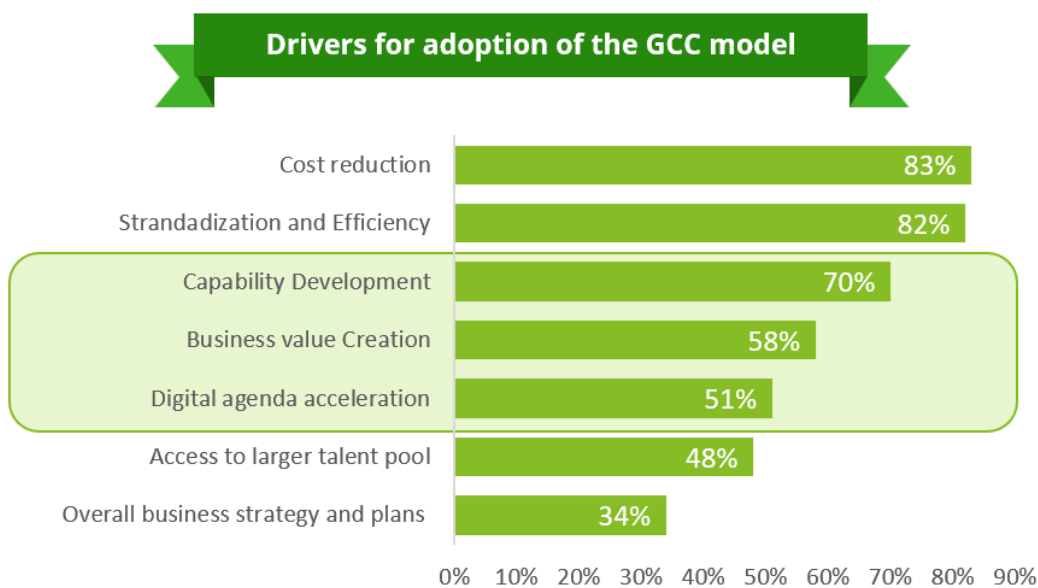
Source: Deloitte Insights

to these objectives, executives must adopt a well-structured approach to avoid pitfalls. A series of integrated decisions from defining clear needs, visions, and aspirations for the GCC to corresponding operational choices, will help companies unlock new possibilities and systematically pressure test their decisions to eventually build a winning strategy well-positioned for long term success. To that effect, a well-defined choice cascade is a powerful tool outlining a clear, step-by-step process that can help organisations align their objectives with business decisions.

A. Winning Aspiration⁴³

The inception of a GCC should be guided by a clearly articulated vision and informed by strategic priorities. While cost reduction and efficiency remain top drivers, developing capabilities, driving business value, and accelerating the digital agenda are emerging as additional drivers for the adoption of the GCC model.

1. **Cost reduction:** Cost arbitrage remains a key driver to establishing GCCs. Companies can achieve substantial savings by operating in locations with low labour and operational costs. Many countries also offer tax advantages, subsidies, and other financial incentives to attract foreign enterprises, which can be significant factors in the decision-making process. This financial



Source: [Deloitte Shared Services Survey](#)

⁴³ Deloitte: [Shared Services Survey](#)

efficiency enables organisations to allocate resources more effectively, investing in growth and development initiatives while maintaining competitive pricing structures.

- 2. Standardisation and efficiency:** Standardisation is a critical strategic driver for organisations establishing GCCs. By centralising and harmonizing operations, companies can streamline processes, eliminate redundancies, and ensure consistent quality and performance across locations. This consolidation facilitates significant cost savings and enhances productivity, enabling organisations to use economies of scale. Furthermore, standardized processes and efficient workflows allow for quicker adaptation to market changes, fostering organisational agility and resilience.
- 3. Capability development:** GCCs are often viewed as a mean to build new capabilities and set up centres of excellence / competencies. These centres serve as incubators for innovation and skill development, fostering specialized expertise that can be used across the organisation. Additionally, the strategic placement of GCCs allows organisations to tap into regional expertise and insights, facilitating a deeper understanding of local markets and consumer behaviours. This localized knowledge positions companies to respond more effectively to global challenges and opportunities.
- 4. Business value creation:** For many companies, the GCC model has evolved from achieving transactional efficiency to a vehicle for innovation and market expansion. It delivers business value and expands the company's portfolio of services to cover multiple functions.
- 5. Digital agenda acceleration:** GCCs are increasingly recognised as centres for transformation and companies frequently set up these centres to access the target geography's ecosystem for innovation and research, allowing

them to stay at the forefront of technological advancements.

- 6. Access to larger talent pool:** Another key advantage of GCCs is access to a broad and diverse talent pool. Companies can use expertise in data science, cloud computing, cybersecurity and AI by establishing these centres in regions with high concentrations of skilled workforce, such as India. This enhances the quality of the workforce and introduces a range of perspectives and approaches that can drive innovation and creative problem-solving.

As executives articulate the reasons for setting up the GCC, it is also crucial to establish a clear vision and north star. This involves setting strategic objectives for the short-, mid- and long-term. Companies need to determine the primary intended role of the centre, whether it will function as a unit for back-end operations or be positioned as a more strategic entity that drives innovation and value for the parent organisation.

B. Where to play

The "Where to Play" choices determine the GCCs strategic positioning, ensuring it aligns with the company's overall vision and goals.

- 1. Location strategy:** One of the first considerations is selecting the appropriate geographical location for the GCC. This decision involves evaluating factors such as the availability of skilled talent, operating costs, competitive landscape, real estate, and infrastructure. The business climate in the target geography also plays a critical role in enabling the ease of setting up and ensuring successful operations for GCC. It should be a key consideration criterion for location selection. For effective decision making, companies can use Critical Location Factor (CLF) framework, which helps in assessing the geographically variable

operating conditions across candidate locations.* Leaders should consider a set of tangible CLFs which are important for delivering on their GCC’s winning aspiration. While

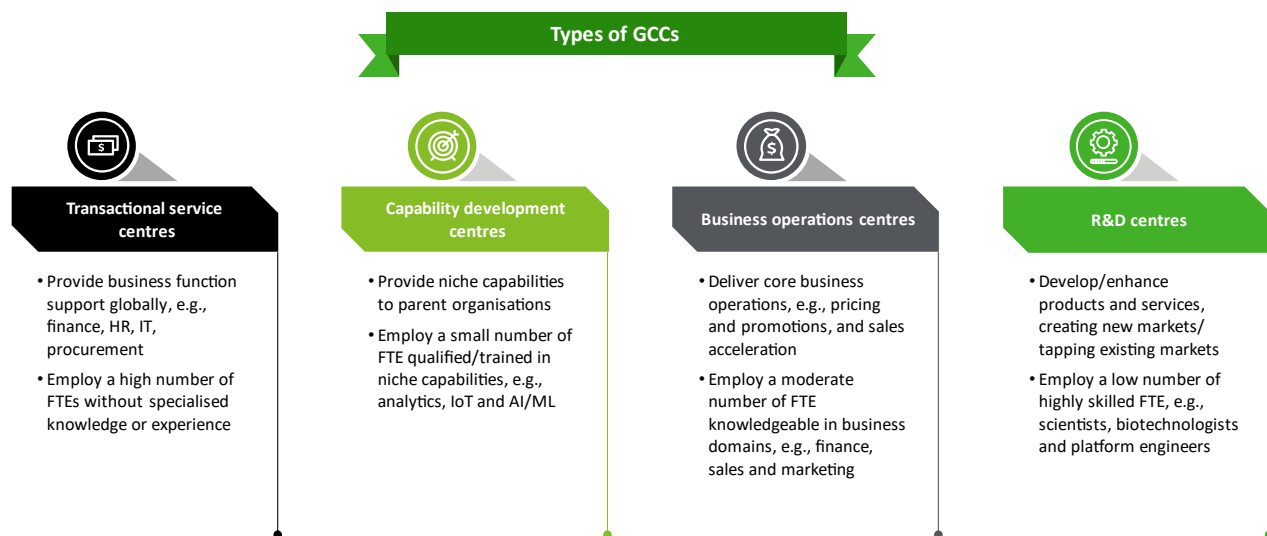
assessing potential geographies for the GCCs, weights should be assigned to each of the CLFs based on the degree of alignment with business needs to aid in prioritization.

Critical location factors	Guiding principles (the ideal location should...)	Included sub-factors	Relative weight (weights to be assigned on case-to-case basis)
Operating cost	... provide a competitive operating cost structure (assessed separately from operating conditions)	• Labor cost • Real estate operating cost	N / A
Talent availability	... offer a ready-supply of relevant tech talent to enable hiring ramp-up and retention	• Functional talent • Graduate pipeline • Language skills	...%
Competitive landscape	... demonstrate a precedent for similar technology operations	• Technology presence • Investment trends	...%
Risk	... optimise risk stability and minimise potential for business disruption	• Security • Political • Economic • Cyber • Natural disaster	...%
Business climate	... facilitate and support efficient business operating conditions	• Tax & reg. environment • Labor law/relations	...%
Real estate & infrastructure	... offer sufficient real estate options and reliable infrastructure	• RE space & availability • Transit infrastructure • Network infrastructure	...%
Access	... allow reasonable air access and time zone overlap to key locations	• Air connectivity • Time zone alignment	...%
Quality of life	... provide an attractive quality of life that will attract and retain key talent	• Culture & amenities • Crime & safety • Pollution Levels • Traffic	...%

Source: Illustrative sample of the Deloitte’s CLF Framework*

2. **Scope planning:** For defining the operational scope of the GCCs, companies must meticulously define the nature of services to be localized within these hubs. Based on their vision for the GCC, parent

organisations typically opt for one of the four GCC types: I. Transaction service centres, II. Capability development centres, III. Business operations centres, and IV. Innovation and R&D centres.⁴⁴



Source: [Deloitte GCC Value Proposition for India](#)

⁴⁴ Deloitte: [GCC Value Proposition for India](#)

*This is a general framework only and Deloitte is not, by means of its publication, rendering any professional advice or services

Another core consideration for scoping is defining roles within the GCC's operational purview that align with the chosen GCC model. For example, companies looking to enhance cost efficiencies and achieve economies of scale through a transactional service centre model might opt for roles characterised by standardized tasks and predefined rule sets. Conversely, if the primary objective of the GCC is to serve as a research and development centre, it is imperative to integrate leadership positions that contribute to strategic decision-making.

3. **Sourcing Strategy:** Leaders should be intentional about the approach to be adopted for building GCC capabilities. A fully self-build journey would involve investing in facility and resources to operationalize the centre, whereas an assisted-build used third parties to incubate, operate and transform capabilities with a commitment to transfer these to the GCC in the long run. Hybrid delivery models with operations fully owned by GCC in future such as "Build-Operate-Transfer" are also becoming increasingly common. Given this wide array of options for sourcing strategy for the GCC, a clear understanding of business drivers and long-term strategy is key to choosing the most appropriate model.

By carefully deciding on these "Where to Play" choices, companies can ensure that their GCCs meet immediate operational demands and also significantly contribute to long-term strategic objectives.

C. How to win

Once the companies have outlined the strategic positioning for the GCC, the next step is to consider the operational framework. This typically involves three key pillars – internal organisation structure, workforce planning and external alliances.

1. **Organisation structure:** GCC's internal organisational structure should align with the parent company's global structure while incorporating local nuances. The structure should be agile, scalable; and integrated seamlessly with the parent organisation to facilitate smooth operations and knowledge transfer. GCCs can consider adopting a matrix structure where functions and services are aligned vertically by business lines and horizontally by geography or capability, enabling effective resource sharing and functional expertise across the organisation. This dual alignment helps maintain global standards and allows for localised flexibility in operations, essential for addressing region-specific challenges and opportunities.
2. **Workforce planning:** Attracting and retaining top talent is paramount for the success of any GCC. While competitive compensation packages are a major driver for this, well-defined talent strategies aimed at offering clear career progression paths and continuous learning and development opportunities for its employees often help organisations stand out. Investment in building a supportive culture focused on employee well-being, innovation and inclusion goes a long way in enhancing retention rates and turning employees into talent ambassadors for the GCC. MNCs should also consider using their global brand to attract top talent while customising their value proposition to meet the expectations and aspirations of the local workforce.
3. **External alliances:** While efficient internal organisation and workforce planning are critical, companies should not lose sight of and should carefully plan for external alliances / collaborations which can support smooth operations and boost growth. For instance, external alliances with local governments

and authorities to secure incentives can be crucial for ensuring operational viability, facilitating smoother business operations, and providing additional strategic advantages such as access to infrastructure, talent, and potential subsidies or tax benefits. Given the criticality, MNCs often appoint dedicated liaisons who specialise in government relations to effectively handle these interactions. Another type of external alliance that is increasingly being used by GCCs is collaborations with local startups, academic institutions, and research organisations. The objective is to tap into the host country's local innovation ecosystem, which can be achieved through collaborations, sponsorships, and coordinated projects that drive innovation and technological advancement. By integrating into the local innovation landscape, GCCs can harness cutting-edge research, emerging technologies, and novel business ideas, which are crucial for maintaining competitive advantage. GCCs also typically set up innovation hubs or incubation centres to facilitate these collaborations with the intent to provide mutual benefits for both the GCC and its local partners.

By making these informed "How to Win" choices, companies can aim for their GCCs to be not only operationally efficient but also strategically positioned to drive value and innovation. These decisions form the foundation for a GCC that is well-integrated with the parent organization, deeply connected to the local ecosystem, and capable of attracting and retaining the best talent.

D. Capabilities

Once companies have finalised the strategic positioning and operational framework for the GCC, they must prioritise the creation of robust ways of working and processes. Well-defined workflows, comprehensive SOPs, and best practices tailored to GCC's specific

functions and local dynamics are must-have tools to effectively guide teams in running smooth operations. The focus should be on striking an effective balance between standardizing processes to ensure consistency and efficiency and being flexible enough to adapt to local market dynamics and cultural nuances.

The next step for companies is to clearly outline collaboration mechanisms with the parent organisation while ensuring seamless coordination across geographies. Regular reporting, strategic reviews, and accountability levers help drive alignment and promote real-time, efficient communication and project management to ensure strong collaborations. Having a regular cadence through virtual meetings and workshops can go a long way in ensuring there is alignment on strategies and progress. This integration process must be supported by an intense training and development programme that equips employees with the necessary skills to operate within a global framework. This includes cultural competence training to enhance understanding and cooperation among diverse teams, as well as technical training in key areas such as data management, data privacy and regulatory compliance. While defining these collaboration mechanisms, organisations must ensure that the GCC is empowered with enough autonomy to make decisions critical to its regional operations. Such a mindset enhances transparency, facilitates quicker decision-making, and fosters a culture of ownership and responsibility within the GCC leadership.

Another critical consideration is the adherence to local and international regulatory requirements, which necessitates a comprehensive compliance framework tailored to each location's legal standards. This is especially essential for the Life Sciences sector where regulatory requirements might vary significantly between the global headquarters and the GCC host country. The objective should be to understand and implement current laws

and regulations and stay ahead of potential changes in the legal landscape. To that effect, companies should consider setting up a dedicated regulatory affairs team that works closely with local entities to ensure all processes and products meet the required standards. This team should also be responsible for conducting regular audits and risk assessments to identify and mitigate any potential compliance issues before they arise.

Companies must also meticulously plan for certain enabling capabilities such as a robust IT ecosystem and local third-party collaborations, to enhance their operational efficiency and adaptability to position themselves well to meet the challenges of the global market. In conclusion, the successful establishment of a GCC hinges on the meticulous design and implementation of certain must-have capabilities that support day-to-day operations while fostering effective collaboration, ensuring clear communication, and maintaining rigorous compliance with regulatory standards.

E. Management systems

The success of any strategy is fundamentally determined by the quality of its execution. For this reason, to be able to implement the strategic vision of its parent organisation, GCC should implement strong operational management systems. A robust governance framework that ensures clarity and accountability in decision-making processes, along with a well-defined RACI model is crucial in delineating the roles and responsibilities of different stakeholders. This ensures that each team member, whether located in regional offices or the global

headquarters, understands their specific contributions towards common goals. This clarity is essential for minimizing overlaps and gaps in responsibilities, which can often lead to inefficiencies or miscommunications.

It is also imperative to define function-specific Service Level Agreements (SLAs) and Key Performance Indicators (KPIs). SLAs should outline the expected performance standards and timelines for service delivery, which helps in maintaining high service quality and operational efficiency. Meanwhile, KPIs, should be strategically chosen to reflect critical success factors of the centre, such as innovation rate, compliance adherence, cost efficiency, and customer satisfaction. There should be robust monitoring and reporting mechanisms in place to regularly track and report these SLAs and KPIs for insights into performance and to highlight areas needing improvement. Using advanced analytics tools to generate predictive insights based on past and current performance can help organizations make informed decisions and significantly enhance the agility and effectiveness of GCCs.

Companies should also establish a feedback loop from stakeholders, including employees, management and external partners, to foster continuous improvement. Feedback should be systematically collected, analysed, and used to continually refine processes and governance structures. Such an approach helps in adapting to evolving business and regulatory environments and maintaining high levels of employee engagement and satisfaction.

Chapter 6: Unlocking LSHC opportunities: The Indian frontier

MNCs seeking to establish GCCs should consider India for its notable blend of government support and conducive business environment. India's commitment to facilitating foreign investment is evident through initiatives such as the “Make in India” campaign, which aims to boost manufacturing and job creation by providing incentives and simplifying regulatory processes. Programs such as “Digital India” and “Skill India” demonstrate the government's dedication to advancing digital infrastructure and nurturing a skilled workforce, essential for the success of GCCs in today's technology-driven landscape. The government is also focused on developing infrastructure to ensure that GCCs have access to modern facilities and amenities, further enhancing their competitiveness on the global stage.

Specifically for life sciences, Hyderabad is considered the country's ‘healthcare hub’ with Telangana accounting for ~30 percent of the Indian pharmaceutical sector by value.⁴⁵ In addition to a flourishing pharmaceutical industry, the state has a large pool of tech-talent and is home to offices of some of the world's leading tech and financial services companies. This distinctive intersection of life sciences and technology uniquely positions Hyderabad as a coveted destination for life sciences GCCs.

The state government has also identified life sciences as a priority sector and has set up a dedicated department, “Telangana Life Sciences”, to drive growth of this sector in the region. The department has set out an ambitious Vision 2030 for Telangana's life sciences sector: To become one of the top life sciences clusters in Asia by leading innovation-driven and tech-enabled growth and using latent domestic demand.³¹ To achieve this ambition and create a network of infrastructure, stakeholders, skilled workforce and efficient processes, the department has

⁴⁵ Telangana Govt.: [Telangana-Life-Sciences-Vision-2030.pdf](#)

announced the “Life sciences Grid Strategy”. The grid strategy has several new initiatives focused on setting up the world’s largest pharma cluster comprising Genome Valley, Medical Devices Park, B-Hub manufacturing facility, among others.⁴⁶

Genome Valley: India’s first organised cluster of life sciences R&D and clean manufacturing activities, with world-class infrastructure facilities in the form of Industrial / Knowledge Parks, Special Economic Zones (SEZs), multi-tenanted dry and wet laboratories and incubation facilities.⁴⁷

Medical Devices Park: Inaugurated in 2017, the country’s largest medical device park spread over 302 acres in Hyderabad, has become a home to R&D and manufacturing units of more than 25 organisations.^{48,49}

B-Hub - A first-of -its-kind initiative in the country focused on biopharma R&D. Set up through a public private partnership in Genome Valley, B-Hub features a scale-up manufacturing facility.⁵⁰

T-Hub – Telangana's Technology Hub, a 585,000 sq ft innovation centre, plays a crucial role in fostering life sciences startups. The facility provides advanced resources, expert mentorship, and collaborative opportunities with industry leaders, particularly in digital health, biotechnology, and MedTech. T-Hub's significance was further highlighted by a recent visit from the US FDA delegation, which recognised Telangana's innovation in healthcare and medical devices.^{51,52}

As part of the grid strategy, Telangana life sciences also focuses on skill development and building talent

capabilities in life sciences through institutions and initiatives such as United States Pharmacopeia Hyderabad Training Institute, Dr. Reddy’s Institute of life sciences, National Institute for Pharmaceutical Education and Research (NIPER), Vaccine skill development program, Telangana Academy of Skills and Knowledge (TASK), etc.⁵³

The Telangana government recently rolled out an ambitious initiative to establish 10 integrated Greenfield Pharma Villages, designed to boost pharmaceutical innovation, R&D and manufacturing. Strategically located within 90 minutes of the Hyderabad International Airport, these villages will drive innovation and efficiency in the pharmaceutical sector, with an investment of INR1 lakh crore. Part of the Mega Master Plan-2050, they aim to accommodate up to 30 companies per site, fostering resource optimisation, and enabling regional production hubs.⁵⁴

Hyderabad is also emerging as an R&D hub⁵⁵ by establishing institutions such as Indian Drug and Pharmaceuticals Limited (IDPL), International Crops Research Institute for semi-arid tropics (ICRISAT), Centre for Cellular and Molecular Biology (CCMB), and the Indian Institute of Chemical Technology (IICT). Additionally, in a push towards fostering a collaborative ecosystem focused on innovation and knowledge sharing within life sciences GCCs, Telangana has also announced strategic plans for the formation of a life sciences GCC consortium, bringing together all the life sciences GCCs in Hyderabad and India.⁵⁶

Recently, Telangana Life Sciences launched “C4IR Telangana” in February

⁴⁶ Telangana Govt.: [Life sciences grid strategy](#)

⁴⁷ Telangana Govt.: [Genome Valley](#)

⁴⁸ Telangana Govt.: [Medical device park](#)

⁴⁹ Telangana Govt.: [Life Sciences Grid - Clusters](#)

⁵⁰ Telangana Govt.: [B-hub](#)

⁵¹ T-Hub: [About](#)

⁵² T-Hub: [T-hub hosts distinguished US FDA](#)

⁵³ Telangana Govt.: [Life sciences grid – other initiatives – skill development](#)

⁵⁴ Pharmabiz: [Telangana government is plans 10 'Pharma Villages'](#)

⁵⁵ Telangana Govt.: [Life sciences grid - clusters](#)

⁵⁶ Deccan Chronicle: [TS announces life sciences GCC consortium](#)

2023 in collaboration with the World Economic Forum (WEF), as part of WEF's Centre for the Fourth Industrial Revolution (C4IR). This is WEF C4IR's second centre in India and the first thematic centre on healthcare and life sciences and intends to use the state's local talent, in addition to the investments in infrastructure and dedicated pharma clusters to advance and adopt newer technologies in Life Sciences.^{57,58}

These initiatives demonstrate the strong commitment and vision of the government of Telangana to establish Hyderabad as a global destination for life sciences GCCs. The city offers great combination of talent, infrastructure, innovation, and collaboration that can help life sciences companies accelerate their digital transformation and achieve their business goals.

⁵⁷ World Economic Forum: [Centre for the fourth industrial revolution - Telangana](#)

⁵⁸ World Economic Forum: [World economic forum's fourth industrial revolution network](#)

Authors

Vivek Balakrishna Pai

Deloitte Consulting India Private Limited
MD, Consulting

Virag Shah

Deloitte Touche Tohmatsu India LLP
Partner, Deloitte India

Surjya Swain

Deloitte Consulting India Private Limited
MD, Consulting

Dr. Megha Purang

Deloitte Consulting India Private Limited
Manager, Consulting

Dimple Thomas

Deloitte Financial Advisory Services India Pvt. Ltd.
MD, Advisory

Yuvraj Kalra

Deloitte Consulting India Private Limited
Consultant

Joydeep Ghosh

Deloitte Touche Tohmatsu India LLP
Partner, Deloitte India

Rishabh Kumar

Deloitte Consulting India Private Limited
Consultant

Dr. Vikram Venkateswaran

Deloitte Touche Tohmatsu India LLP
Partner, Deloitte India

Deloitte.

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