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GCC PRIMER

A STRATEGIC GUIDE FOR LEADERS EXPLORING GLOBAL CAPABILITY CENTERS

A Note Before You Begin

This primer is written for two kinds of leaders.



THE EXECUTIVE

The first is the executive who has heard the term "Global Capability Center" (GCC) in the boardroom, in a competitor's earnings call, or from a transformation team proposing a new operating model, and wants a clear, honest understanding of what it is, what it delivers, and whether it is right for their organization.



THE GCC LEADER

The second is the GCC leader already in motion, running or scaling an existing center, who wants a sharper frame for where the industry is headed and what it takes to stay ahead.

- In both cases, this document is designed to give you **strategic clarity**, not a technical manual. It will not overwhelm you with jargon or drown you in frameworks. What it will do is give you the mental models, the market context, and the decision-relevant insight to engage in GCC conversations with confidence.

SECTION 1: WHY GLOBAL CAPABILITY CENTERS HAVE BECOME A STRATEGIC IMPERATIVE

Before defining what a GCC is, it is worth asking why this model has captured the attention of global enterprises so decisively and so rapidly. The short answer: the world's most successful companies figured out that building strategic capabilities in-house, in the right global locations, is better than outsourcing them, leasing them, or leaving them underdeveloped.

The GCC model gives organizations three things that are genuinely hard to find together:

Deep, Scalable Talent Access to a broad and growing pool of skilled professionals across global locations.	Full Ownership & Control Complete ownership and control of strategic capabilities — not leased, not outsourced.	Cost Economics The financial sustainability to maintain both talent and control over time.
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When those three things work in alignment, a GCC is not just an efficient delivery center. It becomes a competitive advantage.

The Numbers Reflect This Clearly

5,600

GCCs Operating Globally

Offshore and nearshore locations as of 2024

2.8M

Professionals Employed

Across all active GCC operations worldwide

\$100B

Annual Market Value

Generated by GCCs globally in 2024

\$155B

Projected by 2027

Representing a ~15% CAGR (Everest Group, 2025)

More than **650 new GCCs** were established in 2023 and 2024 alone, and **60% of those** were set up by first-time adopters.

This is not a mature market running on inertia. It is a market still in expansion, still attracting new entrants, still evolving its model. That ~15% compound annual growth rate outpaces most enterprise technology categories.

The question for any enterprise leader is not whether GCCs matter. The question is whether your organization is positioned to capture the opportunity they represent.

SECTION 2: WHAT IS A GLOBAL CAPABILITY CENTER?

A Global Capability Center is a captive, wholly owned center established by an organization in an offshore or nearshore location to deliver critical business functions, technology capabilities, and innovation for the parent enterprise.

The word "**captive**" is important. A GCC is not a vendor. It is not a contractor. It is an extension of the enterprise itself, operating under the parent organization's ownership, culture, governance, and strategic direction. The talent is yours. The intellectual property is yours. The outcomes belong to your organization.

This distinction matters enormously when evaluating operating models, and it separates the GCC from two models it is often confused with.

GCC vs. Shared Services Center (SSC)

A Shared Services Center is designed to centralize and standardize the delivery of internal processes across a large organization, such as finance, HR, and procurement. The focus is on efficiency, standardization, and cost reduction across the enterprise. A GCC has a broader, more strategic mandate. It builds long-term capabilities, owns outcomes, develops intellectual property, and serves as a talent and innovation hub. The two models can coexist, and many mature organizations operate both, but they serve different strategic purposes.

GCC vs. Traditional Outsourcing

In a traditional outsourcing model, a third-party provider delivers services under a contractual arrangement. The provider owns the process, the tools, and often the talent. The enterprise receives an output. In a GCC, the enterprise owns everything. This distinction becomes critical for functions where control, quality, institutional knowledge, and competitive differentiation are at stake.

PUT SIMPLY: outsourcing buys you a service. A GCC builds you capability.

SECTION 3: HOW GCCs HAVE EVOLVED

GCCs did not arrive fully formed as innovation engines. They were built that way, over time, through organizational learning, market pressure, and strategic ambition.

1

The First Era: Cost Arbitrage

The earliest GCCs, established primarily in the 1990s and early 2000s, were set up to move transactional and process-driven work to lower-cost locations. The value proposition was straightforward: do the same work for less. Finance operations, IT support, back-office processing, and data entry migrated offshore. The model worked, and it funded the infrastructure, the talent pipelines, and the institutional knowledge that would enable everything that followed.

2

The Second Era: Operational Excellence

As organizations spent more time in their GCC locations, they discovered something they had not fully anticipated: the talent was far better than the transactional work they had assigned it to. Skilled engineers, analysts, and specialists were performing work well below their potential. Companies began expanding the mandate, building centers of excellence, taking on more complex analytical, technology, and domain-specific work. GCCs shifted from being cost plays to becoming capability plays.

3

The Third Era: Strategic Partnership

This is where the most mature GCCs operate today. They own end-to-end products and platforms. They lead digital transformation initiatives. They drive AI, automation, and data strategy. They influence enterprise decisions at the highest levels. A GCC at this stage is not a support function. It is a strategic partner to the global organization, accountable for outcomes that matter to the business.

4

The Fourth Era: Intelligence-led, AI-native Operations

This is where the frontier is moving. The next generation of GCCs will be defined not just by what capabilities they host, but by how intelligently they operate. AI-augmented talent, agentic workflows, continuous optimization, and real-time governance will separate high-performing GCCs from those that plateau. Organizations that invest in the right orchestration infrastructure today will compound that advantage for years.

Understanding which era your GCC is in, and where you want it to go, is one of the most important strategic questions a GCC leader can answer.

SECTION 4: WHY ORGANIZATIONS BUILD GCCs

The decision to establish a GCC is rarely driven by a single factor. In practice, it reflects a convergence of pressures and opportunities that make the captive model more attractive than the alternatives. The four most consistent drivers are cost, talent, control, and competitiveness.



COST

The economics of GCCs remain compelling. Labor cost differentials between high-cost headquarters markets and GCC locations such as India, Poland, the Philippines, and Mexico can range from **40% to 70%**, depending on the role and location. But cost arbitrage is now the floor, not the ceiling. Sophisticated organizations use GCC economics to fund reinvestment in talent, technology, and capability building, creating a cycle of value that goes well beyond labor savings.



TALENT

Access to deep, scalable talent pools is the most frequently cited strategic driver of GCC growth today. India alone produces **over 1.5 million engineering graduates annually**. Eastern Europe offers exceptional depth in cybersecurity, data science, and product engineering. Latin America provides near-time-zone access for North American enterprises and a growing base of digital talent. The talent imperative is not just about volume. It is about accessing skills that are increasingly scarce or expensive in home markets.



CONTROL

This is the differentiator that separates GCCs from all outsourcing alternatives. When strategic capabilities are housed in a captive center, the enterprise retains full control over talent development, intellectual property, data governance, quality standards, and cultural alignment. For functions tied to competitive differentiation, such as product engineering, data and AI, risk management, and customer experience, this control is not a preference. **It is a requirement.**



COMPETITIVENESS

The most forward-looking rationale for GCCs is the competitive leverage they create. A well-built GCC gives an organization the ability to move faster, build deeper, and scale more efficiently than competitors relying on fragmented outsourcing arrangements or underpowered domestic teams. In industries where technology, data, and talent are the primary sources of competitive advantage, **GCCs have become a structural necessity.**

SECTION 5: THE GLOBAL GCC LANDSCAPE

GCC activity is concentrated in a handful of high-performing markets, but the geography of opportunity is expanding. Organizations choose GCC locations based on a combination of talent depth, cost competitiveness, language capability, time zone alignment, regulatory environment, and ecosystem maturity.

INDIA

~45% of new GCC setups in 2023–2024. Its advantages are well established: extraordinary depth and scale of technology and engineering talent, a mature services ecosystem, and decades of institutional knowledge in GCC operations. The primary trade-offs are wage inflation in tier-one cities and intense competition for senior talent. For most enterprises building large-scale GCCs in technology, data, AI, and finance, **India remains the first conversation.**

SOUTHEAST ASIA

Offers a compelling diversification story. The **Philippines** excels in large-scale customer experience, shared services, and operations. **Vietnam** provides cost-competitive engineering talent with a fast-maturing ecosystem. **Malaysia** serves as a multilingual shared services hub. **Singapore** occupies a different role: premium costs make it unsuitable for delivery scale, but it is a natural home for regional leadership, innovation, and governance functions.

EASTERN EUROPE

Has become the preferred GCC destination for European enterprises and for North American organizations that prize engineering quality, EU data residency, and time zone proximity to headquarters. **Poland** leads the region in product engineering, data, and finance capabilities. **Romania** offers strong depth in engineering and cybersecurity at competitive value. **Czech Republic and Hungary** provide established shared services ecosystems.

LATIN AMERICA

Has emerged as the nearshore market of choice for North American enterprises. **Mexico** offers engineering, IT operations, and shared services with geographic and time zone proximity to US headquarters. **Colombia** is growing rapidly in customer experience and digital operations. **Brazil** provides scale and domain depth across IT services and finance operations, though regulatory complexity requires careful navigation. **Argentina** has exceptional engineering and data talent at competitive costs, with currency dynamics that require thoughtful compensation structuring.



The broader principle is that **location selection is a strategic decision, not a logistics exercise.** The right location depends on the specific capabilities you are building, the talent profiles you need, the operating model you intend to run, and the risk tolerance of your organization. Getting this decision right at the outset shapes everything that follows.

(See page 11 for a detailed view of the Top 25 GCC destinations across Asia-Pacific, Eastern Europe, and Latin America.)

SECTION 6: UNDERSTANDING GCC OPERATING MODELS

Not every organisation builds a GCC the same way. Three primary models define how enterprises establish and operate their centres, and the choice between them has significant implications for speed, cost, risk, and long-term capability ownership.

Build Operate Transfer (BOT)

In a BOT arrangement, a specialised partner builds the GCC infrastructure, recruits the talent, establishes operations, and manages the centre for a defined period, typically two to four years, before transferring full ownership to the enterprise. This model is well suited for first-time GCC builders who want to move quickly and reduce setup risk without permanently outsourcing the capability. The key risks are transition and transfer: both require careful planning to ensure seamless and risk-free handover and prevent operational disruptions at the beginning and end of BOT model.

Build To Own (Direct)

Some organisations choose to build and operate their GCC independently from the outset, typically when they have prior GCC experience, strong internal programme management capabilities, or a strategic imperative to maintain full control throughout the lifecycle. This model takes longer to establish, carries higher early-stage execution risk and high upfront capital outlays, but it maximises ownership, cultural integration, and long-term cost efficiency.

Managed GCC or Hybrid

A growing number of organisations are adopting hybrid models that blend captive ownership with selective outsourcing of non-core functions or platform services. This approach preserves the strategic benefits of the GCC while reducing the operational overhead of running everything independently. As AI-enabled platform services become more capable, the hybrid model is attracting increasing interest from mid-market enterprises that want GCC outcomes without the full infrastructure investment of a wholly independent centre.

- The choice of operating model is not a one-time decision. Many organisations start with BOT or hybrid arrangements and migrate to full captive ownership as their confidence, capabilities, and organisational maturity grow.

SECTION 7: WHERE THE GCC INDUSTRY IS HEADED

The GCC market is entering its most consequential period of transformation. The forces reshaping the industry are not incremental. They are structural, and they will determine which organisations build GCCs that compound value over time and which build ones that plateau or regress.

AI Is Redefining The Capability Mandate.

The arrival of generative AI and agentic workflows is changing what GCCs are expected to do and how they do it. Centres that once housed armies of analysts performing manual data work are now automating that work and redeploying talent to higher-order judgment, creativity, and problem-solving. The GCCs that will win are those that embrace AI as an amplifier of human capability, not a substitute for it. This requires intentional investment in reskilling, in AI-native workflows, and governance frameworks that maintain quality and accountability as automation expands.

The Mid-market Is Entering The Arena.

For most of the GCC industry's history, captive centres were the domain of large multinationals with the capital and organisational capacity to sustain them. That is changing. Lower barriers to entry, maturing ecosystems, and the emergence of purpose-built GCC platforms are bringing the model within reach of small and mid-market enterprises looking to set up 50 FTE – 500 FTE GCC. This represents one of the most significant expansion opportunities in the industry's history, and it is happening now.

Geopolitical Resilience Is A Design Requirement.

The past five years have taught enterprises a hard lesson: concentration risk is real, and global operating models that were optimised purely for efficiency are often fragile under stress. Leading organisations are redesigning their GCC footprints to build in resilience, distributing capabilities across multiple locations, investing in redundancy, and incorporating geopolitical risk assessment into location strategy decisions from the outset.

Talent Remains The Defining Constraint.

Every GCC conversation eventually arrives at the same place: talent. Not just the availability of talent, but the ability to attract it, develop it, retain it, and deploy it against the organisation's highest-value work. GCCs that treat talent as a number to be managed will underperform. Those that treat talent as the organisation's most important asset, invested in, developed with intention, and connected to meaningful work, will build a sustainable advantage.

Value Realisation Is The New Accountability Standard.

The days of measuring GCC success primarily in cost savings are over. Boards and executive teams are asking harder questions: Is the GCC delivering the innovation and capability outcomes it promised? Is the business case holding up against reality? Are we getting the strategic returns that justified the investment? Organisations that build rigorous governance and value-tracking into their GCC operating model will earn the organisational trust required to expand. Those that cannot answer the value question clearly will find their GCC mandates constrained.

The organisations that respond to these forces with intentionality and speed will establish GCCs that are genuinely differentiating. Those that treat GCC setup as a one-time infrastructure project will find themselves managing centres that are capable, perhaps, but not transformational.

KEY TAKEAWAYS

For the executive exploring GCCs for the first time, the essential points are these. GCCs are a proven, scalable model for building strategic capabilities with speed and efficiency. They are relevant for organizations of all sizes and across virtually every industry vertical. The decision to build one is a significant commitment, and getting the strategy, location, operating model, and governance right at the outset makes an enormous difference in outcomes.

For the GCC leader already operating, the horizon is clear: the centers that will matter most over the next decade are those that embrace AI, build for resilience, invest deeply in talent, and hold themselves accountable to value delivered, not just cost avoided.

📄 In either case, the strategic question is the same. **What kind of GCC do you want to build, and do you have the right platform to take it there?**

About AOKAH

Aokah is the decision-to-execution orchestration system for global operating models. Built on 25 years of GCC expertise, intelligence from over 300 enterprise global capability programs, and data from more than 800 cities worldwide, Aokah helps enterprises design, build, and continuously optimize GCCs with confidence, speed, and governance.

Aokah's platform combines the depth of expert-led advisory with the scale and speed of AI, delivering what Aokah calls **Service-as-Software**: intelligence that doesn't just report, but executes alongside expert operators.

Through its lifecycle product suite, Aokah supports the full GCC journey:



EXPLORER

Helps organisations move from ambiguity to a board-defensible GCC decision. It compresses weeks of exploratory analysis into days, enabling leaders to clarify strategic intent, evaluate operating models, test scenarios, and build a credible business case without sacrificing rigor.



BUILDER

Ensures that GCC decisions survive contact with reality. It governs execution across vendors, partners, and internal teams, providing milestone tracking, risk detection, dependency management, and the governance infrastructure that keeps complex programmes on track.



OPTIMIZER

Protects and grows GCC value over time. It tracks value realisation against the original business case, monitors talent and cost dynamics, and identifies next-wave capability opportunities, turning the GCC from a setup project into a continuously compounding asset.

Aokah was founded by a globally recognised team of leaders with deep roots in GCC strategy, global business services, technology, and risk management. It is built on the principle that the most consequential GCC decisions deserve more than static benchmarks and consultant decks. They deserve a control tower: transparent, explainable, and built for outcomes.

 **Expert-led. AI-supported. Built for confidence.**

Learn more at aokah.com

TOP 25 GCC DESTINATIONS: CAPABILITIES, FIT, AND TRADE-OFFS

A practical reference guide for location strategy decisions across Asia-Pacific, Eastern Europe, and Latin America.

How to Read This Table

Best for indicates where the country is most competitively differentiated. **Typical GCC work** reflects the most common functions supported. **Watch-outs** are the factors that most frequently require mitigation.

ASIA-PACIFIC

Country	Best for	Typical GCC Work	Watch-outs
India	Scale and deep digital talent	Product engineering, platforms, data and AI, IT operations, finance shared services	Wage inflation in tier-one cities, intense talent competition, requires strong retention strategy
Philippines	Large-scale customer experience and operations	Customer experience, finance and HR shared services, back-office operations, support functions	Engineering depth varies by city; wage inflation rising in premium CX roles
Vietnam	Cost-competitive engineering growth	Software engineering, QA, embedded systems, digital operations	Ecosystem still maturing relative to India; senior leadership hiring timelines longer
Malaysia	Multilingual shared services	Shared services, IT operations, analytics, regional coordination	Costs can be mid-to-high; competition for bilingual talent increasing
Singapore	Regional headquarters and advanced roles	Regional leadership, product management, data governance, innovation	Premium costs make it unsuitable for delivery scale; best for strategic roles
Thailand	Regional operations and support	Operations, support functions, analytics, regional coordination	Engineering depth varies by city; careful role selection required
Indonesia	Large workforce and growing digital capabilities	Digital operations, customer experience, IT support	Specialized engineering roles may be difficult to scale quickly
Sri Lanka	Focused IT and engineering teams	Software development, QA, IT support	Smaller ecosystem; best for targeted teams rather than large-scale delivery
China	Hardware and product engineering depth	Product engineering, hardware development, supply chain technology, analytics	Regulatory and geopolitical considerations; sector-dependent feasibility
UAE	GCC and Middle East regional hub functions	Regional shared services, governance, analytics, headquarters functions	Premium costs; better suited for hub and leadership roles

EASTERN EUROPE AND EURASIA

Country	Best for	Typical GCC Work	Watch-outs
Poland	High-quality engineering with EU access	Product engineering, data, finance, cybersecurity	Costs rising in tier-one cities; competition for senior tech talent intensifying
Romania	Engineering and cybersecurity value	Engineering, IT operations, cybersecurity, analytics	Scale strong but smaller than India; city-level variance
Czech Republic	Shared services and engineering	Shared services, IT, analytics	Prague costs higher; competition for multilingual talent
Hungary	EU multilingual shared services	Finance and HR shared services, customer support, analytics	Rising costs; building senior leadership depth requires investment
Bulgaria	Cost-efficient technology teams	Engineering, IT support, cybersecurity	Smaller market; leadership hiring constraints at scale
Slovakia	Niche shared services and technology	Shared services, IT support, select analytics	Smaller talent pool; often a spoke rather than a primary hub
Serbia	Strong engineering value	Software engineering, R&D, IT operations	Ecosystem growing; employer brand investment needed
Ukraine (selective)	Deep engineering talent	Engineering, R&D, specialized product development	Requires risk-adjusted model due to geopolitical environment

LATIN AMERICA

Country	Best for	Typical GCC Work	Watch-outs
Mexico	Nearshore scale for North America	Engineering, IT operations, shared services, digital operations	Competition intensifying in major hubs; costs vary by city
Brazil	Scale and domain depth	Engineering, analytics, finance, digital operations	Regulatory and tax complexity; longer hiring cycles
Argentina	Strong engineering and data capabilities	Software engineering, data & analytics, product development	Currency and macroeconomic volatility
Colombia	Customer experience and growing tech capabilities	Customer experience, digital operations, IT support, emerging engineering	Senior specialised tech roles harder to scale
Costa Rica	Mature shared services ecosystem	Finance, HR shared services, IT support, compliance operations	Higher costs vs regional peers; limited niche skill scale
Chile	Stability and specialised teams	Analytics, IT, regional operations	Smaller labour market; suited for specialised work
Uruguay	High-signal engineering	Software engineering, QA, digital product development	Small talent pool; focused-centre rather than large hub

This primer is the first in Aokah's GCC Knowledge Series. It will be followed by detailed guides on Explorer and Builder, Aokah's purpose-built products for GCC decision-making and execution governance.