

*ISG Market Lens™

Global Capability Center Study

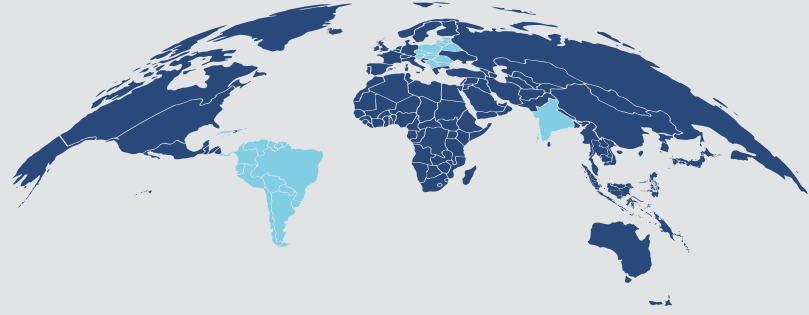
Expanding Offshore Delivery Centers

Enterprises Seek Cost Savings & Talent

Those interviewed for this study transformed or set up a GCC in the past two years or aim to move operations offshore in the next two years. The current median size of GCCs is 750 employees, and 50% of respondents expect to expand services in next two years.

While GCC operational budgets remain flat year on year, typically centers are planning to increase productivity by around 10%.

Primary GCC Types by Location:



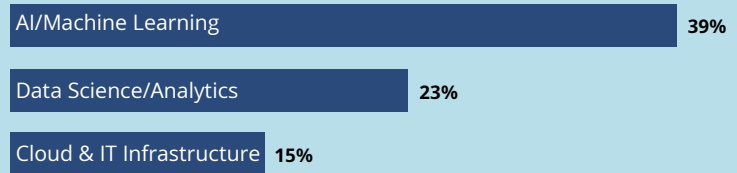
Latin America	Eastern Europe	India
Procurement and SCM	Finance and Accounting	Tech

The Talent Mix is Changing

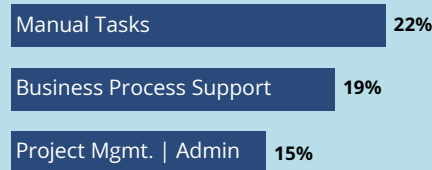
Technical Expertise is King

GCC staffing is increasingly about expertise that drives productivity rather than simple resourcing of human capacity. Overall staffing levels will remain largely unchanged, but the mix of skills needed will focus more and more on technical and analytical skills, and away from manual and administrative tasks that can be automated.

GCCs Require More of These Skills



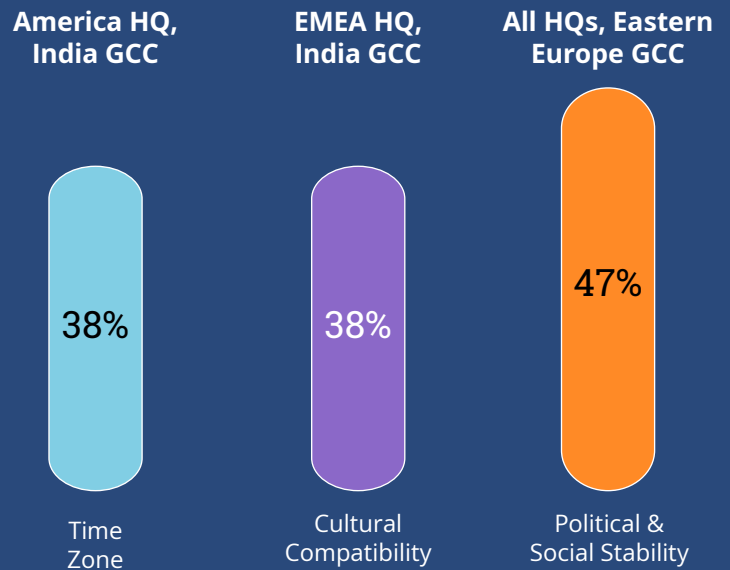
GCCs Require Less of These Skills



Locations of GCCs Bring Unique Risks

See Charts for Top 3 Risks by Region

While location decisions predominantly focus on staffing costs and availability of skills, there is acceptance that there is wider risk associated. Perceived risk varies greatly by location of both the HQ and the delivery center. GCC decision makers often make tradeoffs between cultural compatibility with their offshore teams versus the economic and political reality of business in 2025.



GenAI is a Top GCC Priority for 2025

GenAI for Savings & Productivity

GCCs plan to invest the equivalent of \$1,400 per GCC employee into GenAI initiatives in 2025 primarily to achieve cost savings and productivity improvements within the GCC and the wider business. Many of the challenges faced are business rather than technology success barriers. Challenges include integration, organizational change management (OCM) and the need to change the talent mix within their offshore center.

Top 5 Challenges in GenAI Adoption



200 executives in G2000 companies interviewed from the US and Europe.

62% board-level, 13% procurement/finance, 10% shared services, 15% other lines of business.

Contact us to find out more about this study. If your organization needs help navigating the technologies, processes and culture needed to refocus your initiative, ISG can help.