



GCCS 2.0: ADAPTING TO AI, AUTOMATION, AND THE FUTURE OF WORK

Abstract

We're in the era of GCCs 2.0 where advancements in Artificial Intelligence and hyper-automation are driving innovation activity in far-flung Global Capability Centres across the globe. This article explores themes in this era, from AI-led operational transformation leading to speedier decision-making and efficiency, to specialised, innovation-driven functions among GCC talent, to service models powered by agentic AI.



Across the world, Global Capability Centres (GCCs) are growing from strength to strength. Numerically, there are 3200 GCCs around the world, and the number is only growing. Over half of the GCCs are located in India, leveraging the country's deep capabilities and resource strength in the latest technologies. More importantly, looking at 2025 and beyond, GCCs are poised to grow significantly in their value-add, powered by deeper specialisations, a mandate for innovation and greater strategic relevance.

Welcome to the era of GCCs 2.0. With the winds of Artificial Intelligence (AI) and automation powering their rise, GCCs today are rapidly becoming hothouses of innovation. Evolving from the previous era of being far-flung cost centres of the parent company, where back office

operators toiled on the outsourced low-level information technology-powered jobs, GCCs today are centres of expertise in specific verticals such as fintech, medtech, Industry 5.0 and more, rapidly becoming part of global innovation teams. Indian GCCs are often dubbed the 'India offices' of the parent company, and add great value to the strategic roadmaps of global giants.

Some of the key themes in this march to the future include the shift to hyper-automation, talent upskilling for high-value roles, and a redefinition of service delivery models through newer technologies such as agentic AI.

AI-led operational transformation

The way GCCs operate has transformed over the last few years. Worldwide, GCCs are moving from vanilla automation of manual, process-driven tasks towards fully hyper-automated ecosystems. Along the way, they are integrating Machine Learning (ML), Robotic Process Automation (RPA), Generative AI (GenAI) and AI-powered decision-making to improve their efficiency, reduce costs and

generate enterprise-wide efficiencies. AI-enabled insights are now central to demand forecasting, risk management, and customer personalisation, making GCCs critical for global business operations of multinationals. Research firm Gartner predicts a 40% increase in the adoption of AI and automation within GCCs by 2026, driving substantial improvements in cost efficiency and decision-making.

GCC leaders are actively tapping into their talent pools and leveraging AI to lead the charge to become innovation hubs. The move towards automated systems helps with:

Better, speedier decision-making with AI/ML-powered models for improved customer experience (CX), streamlined supply chains and precise forecasting of trends

More efficiency with AI automating complex tasks and RPA, the more routine ones, human employees can focus on higher value-add activities

With **Research and Development (R&D)** powered by AI/ML models and prediction engines, GCCs can innovate their way to the top of the table, becoming centres of new product or solution development. For example, PWC reports that GCCs in India are helping global banks and other financial institutions with intelligent fraud detection and loan processing systems that improve operational efficiency and regulatory compliance.



The evolution of talent



In line with the shift towards becoming innovation hubs, the nature of GCC talent pools is shifting: routine execution roles are giving way to **specialised, innovation-driven functions** such as data science, cybersecurity, and AI/ML engineering, pushing enterprises toward large-scale upskilling and reskilling programs. Forrester and other industry experts highlight the rise of “human-in-the-loop” systems. These are AI systems that augment rather than replace human workers, driving new job definitions and collaborative workflows.

AI adoption is a prime imperative: 78% of GCCs are upskilling their teams to enable seamless GenAI adoption, in an effort to

go beyond Proofs of Concept (POCs) to production-worthy deployments. GCCs are not immune to a broader trend across IT organisations: globally, AI is being used to **flatten organisation structures** across a fifth of all organisations, eliminating middle-management positions and moving managers toward strategic, value-added work. Traditional managerial tasks such as reporting and performance monitoring are quietly being taken over by AI systems.

Another noteworthy industry-wide evolution is the rise of **citizen developers**: Forrester notes that up to 30% of GenAI-infused automation applications will be built by citizen developers

(employees with domain expertise but not professional developer backgrounds), leading to new governance and training challenges for automation centres of excellence. This is a trend that GCCs, with their new focus on domain expertise-driven talent, can leverage towards domain-specific innovation. In addition, many GCCs are creating dynamic learning ecosystems to attract Gen Z and next-gen talent, to build a talent pool that caters to emerging requirements such as ethical AI governance and continuous skill renewal. Undoubtedly, the rising costs of talent and procuring the right talent at scale remain some of the top concerns of GCCs.

Evolving service models

Traditional Business Process Outsourcing (BPO) units are pivoting towards being hubs of digital workforces, where AI-driven agents automate routine workflows, thereby enabling a shift from scale-driven efficiency to expertise-driven value. Leading GCCs are consolidating AI and automation offerings into unified service lines and integrating them with real-estate, compliance, and legal partnerships for end-to-end solutions.

Towards that end, fully autonomous, end-to-end agentic workflows are emerging. It bears mentioning that large-scale adoption is still in early stages, and it may require further cultural and technological evolution, presenting an opportunity for GCCs to carry the banner in this wave. Perhaps even more than the release of ChatGPT, the DeepSeek announcement was a watershed moment for GCCs: it signalled the **democratisation of AI** –

the capability to build significant Large Language Models (LLMs) economically. GCCs can now explore building AI models for custom requirements, reducing any dependency on expensive third-party models, and accelerate the adoption of AI across disparate industries. Such democratisation also brings to the fore concerns about **responsible AI governance**, overcoming bias and prioritising data privacy.

Another technology milestone has been the evolution of **Agentic AI systems**: autonomous systems capable of handling complex workflows and making

intermediate decisions to accelerate the end goal. Agentic AI, along with advances in **robotics** that combine cognitive and physical automation, can usher in

innovative solutions in healthcare, retail, supply chain, manufacturing, and more. Some of the key areas where GCC-driven innovations are making an impact are:



Accelerated drug discovery, reduction in operational inefficiencies and patient-care innovations in healthcare



Fraud detection and regulatory compliance across banking and financial services



Smarter production, better quality control, and improved supply chain forecasting and optimisation in manufacturing



Personalised shopping experiences, inventory management in retail



Improved network management, predictive maintenance, customer support and optimisation in the telecommunications sector, and more.

Many of these advances also underscore strides made in addressing the topmost concern of GCCs: climate change and sustainability. GCCs that balance the right usage of automation for the most relevant use cases, while simultaneously addressing concerns on safety and privacy, will win at the innovation stakes.

A continued focus on value add

The cost-optimisation narrative is continuously evolving in GCCs. Strategic investments in the sector target centres of excellence, adopting flexible talent models, and ushering in organisation-wide digital transformation that delivers

measurable ROI across the parent's multifarious activities. GCCs perform higher-value, strategic work, moving them from a mandate of only reducing expenses towards active value creation. AI is the long-awaited advancement that is

ushering in the next industrial revolution. By leveraging AI-driven automation, GCCs 2.0 are rapidly becoming an integral part of global innovation chains, even leading innovation pipelines.

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