VIEW POINT

HOW TO MEASURE GCC SUCCESS AS THEY EVOLVE FROM COST CENTRES TO INNOVATION HUBS

Abstract

Global Capability Centres (GCCs) used to be cost-focused back-office units. Now, they have evolved to be strategic innovation hubs driving enterprise transformation. This article dives deep into answering how organisations can measure GCC success across five dimensions: financial impact, operational excellence, talent development, innovation, and ESG. It highlights the role of leadership, digital transformation, and AI in shaping GCC performance, while also examining strengths across global regions. Practical frameworks, such as balanced scorecards, maturity diagnostics, and AI-driven dashboards, help organisations track progress and ensure alignment with enterprise objectives. As GCCs evolve into enterprise transformers, their success will increasingly be measured not only by efficiency but also by their ability to deliver innovation, resilience, and long-term value.

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Organisations increasingly rely on GCCs to deliver digital transformation, advanced analytics, and AI-driven solutions, making the ability to measure performance a critical capability. Understanding the value GCCs contribute across IT, R&D, finance, supply chain, and other functions is essential to ensure they align with strategic priorities and deliver tangible results.

Fully integrated with their parent organisations, GCCs now take on advanced roles in data analytics, cybersecurity, and enterprise-wide AI initiatives. AI increasingly underpins GCC design, enabling centres to deliver transformative value while driving measurable outcomes across the organisation. This evolution raises an important question for enterprises: how do you define and track the success of a GCC that functions as both a strategic partner and an innovation hub? This article explores the key dimensions of measuring GCC success, providing a comprehensive performance measurement framework that aligns with strategic objectives and equips decision-makers with actionable insights.

The strategic evolution of GCCs

The shift from operational support to innovation hubs reflects the rapid pace of technological change and rising demand for digitally skilled talent. The GCC market is projected to cross US$403 billion by 2035, underscoring its expanding strategic importance. This growth has been fuelled by three key drivers:

Digital transformation imperative

Organisations now require rapid adoption of technologies such as AI, machine learning, and cloud platforms to remain competitive.

Access to talent

GCCs provide global access to skilled talent, enabling enterprises to scale without relocating operations.

Innovation-led value creation

GCCs are increasingly expected to drive R&D, product development, and process innovation, beyond cost optimisation.

Recent frameworks recommend measuring GCC maturity through structured assessments across five dimensions: process efficiency, digital enablement, talent sophistication, ecosystem connectivity, and value creation. These assessments create a holistic maturity index and diagnostic heat maps for leadership, highlighting areas of greatest value and further development needs.

Industry reports highlight that GCCs in India contribute to over 60% of enterprise digital initiatives for multinational corporations, demonstrating their integral role in driving global strategic execution.

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Strong leadership: a critical success metric for business

Effective leadership is a cornerstone of GCC success. As centres evolve from operational units to innovation engines, leadership responsibilities must adapt accordingly. Historically, executive roles were concentrated at headquarters, with GCCs functioning primarily as delivery units. Today, GCC leaders influence R&D, IT, and digital transformation, making alignment among the CEO, CFO, and CIO vital.

Modern frameworks tie 30% or more of leadership bonuses to innovation-related KPIs, such as patent filings, AI adoption, or new digital product launches. This creates direct accountability for GCC impact and accelerates organisational transformation.

Metrics to assess leadership impact:

- **Strategic alignment:** Frequency and quality of executive engagement with GCC initiatives.
- **Integration with global operations:** The Extent to which GCC leaders influence enterprise-wide decision-making.
- **Change management effectiveness:** Leadership's ability to guide teams through transitions, mitigate resistance, and reinforce strategic importance.
- **Innovation outcomes:** Impact of leadership initiatives on project acceleration, time-to-market, and expansion of the R&D pipeline.

Five key dimensions for measuring GCC success

To capture the value of GCCs, organisations should adopt a performance measurement framework spanning five key dimensions, which also serve as practical success metrics for business.

Strategic financial and value impact

While cost efficiency remains important, modern GCCs are measured through ROI, revenue contribution, and overall value creation. Leading centres typically achieve 15–25% cost savings while simultaneously contributing 10–30% of enterprise innovation pipelines.

Tools like the Value Realisation Score blend cost metrics with qualitative outcomes such as agility, innovation velocity, and speed to market, providing a more complete view of GCC financial impact.

Key metrics

ROI per initiative, cost-to-value ratios, revenue contributions from GCC-led projects.

Operational excellence and agility

Operational efficiency and responsiveness are critical indicators of GCC performance. Metrics such as process cycle time, automation adoption, first-pass yield, and incident resolution rates help quantify effectiveness. Leading GCCs leverage hyper-automation and agile methodologies to streamline workflows and improve delivery speed.

Comprehensive scorecards track operational throughput, SLA compliance, error rates, rework cycles, and automation ROI, flagging inefficiencies early and driving continuous improvement initiatives.

Key metrics

Process efficiency ratios, automation coverage, speed-to-market improvements, and workflow optimisation scores.

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Talent and organisational capability

Modern GCCs compete globally for digital, AI, and cybersecurity talent. Metrics such as attrition rates, upskilling ratios, career progression speed, and employee engagement scores serve as indicators of a centre's talent ecosystem.
Skill indexes focusing on AI, cybersecurity, and cloud, combined with career mobility and leadership development pipeline scores, provide a holistic view of workforce readiness. For example, For example, GCCs in India offer career progression much faster than traditional IT firms, making them attractive to top-tier professionals.

Key metrics

Retention rates, internal mobility, skill development impact, and employee satisfaction scores.

Innovation and digital transformation

Innovation remains one of the strongest indicators of GCC value creation. Measuring this dimension involves tracking tangible outcomes such as patents filed, contributions to enterprise R&D, revenue from newly launched digital products, and the success rate of AI, blockchain, or other next-generation initiatives.
Contemporary frameworks emphasise innovation-focused KPIs like digital maturity scores, IP generation, and the percentage of revenue tied to new digital offerings. Equally important are outcome-based measures such as time-to-market improvements, internal customer satisfaction (NPS), and the breadth of the innovation pipeline.

Key metrics

Innovation pipeline contribution, percentage of revenue from new offerings, IP generation, time-to-market improvements, and internal customer NPS.

Risk management, and ESG impact

Forward-looking GCCs excel in governance, risk mitigation, compliance, and ESG performance. Metrics include audit outcomes, regulatory compliance, cybersecurity incidents, diversity representation, and sustainability initiatives. Centres with strong ESG practices demonstrate higher employee retention and innovation output.
Expanded risk dashboards covering audit outcomes, compliance rates, stakeholder NPS, and sustainability scores (e.g., LEED certification, DEI participation) are increasingly becoming the standard. LEED-certified GCCs report 12% higher retention, and diverse teams consistently outperform peers in innovation metrics.

Key metrics

Compliance adherence, risk reduction effectiveness, stakeholder satisfaction, ESG performance indicators.

Creating an actionable performance measurement framework

To operationalise these five dimensions effectively, enterprises can adopt the following approaches:

Balanced scorecards

Integrate financial, operational, talent, innovation, and ESG metrics to provide a comprehensive, 360° view.

Benchmarking

Use GCC maturity assessments and peer comparisons to identify gaps in efficiency, talent quality, and digital readiness. Annual diagnostics with scoring rubrics and heat maps make quick wins and opportunity gaps explicit for leadership.

AI-driven analytics and dashboards

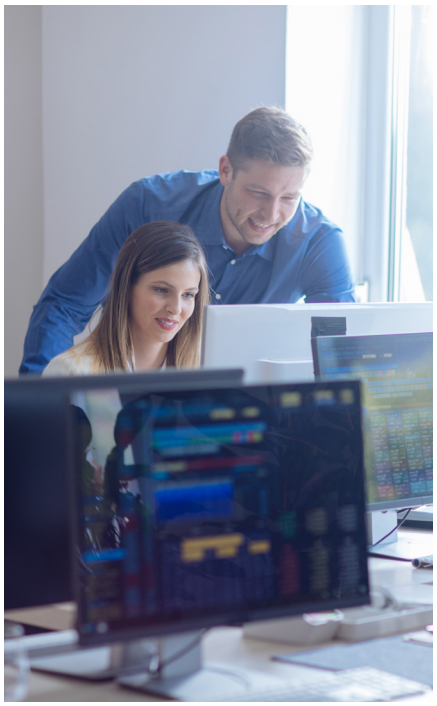
Real-time insights predict operational bottlenecks, talent risks, and innovation outcomes, enabling proactive decision-making.

Goal cascading

Align GCC KPIs with organisational strategy to ensure measurable impact across IT, finance, R&D, and digital initiatives.

Periodic reviews

Quarterly or biannual strategy reviews allow recalibration of objectives, combining legacy and forward-looking KPIs with clear accountability.



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Regional insights: measuring GCC success across geographies

GCCs operate across diverse geographies, each with unique strengths that shape success metrics. The "+1 concept" captures regional differentiation: each GCC builds on core pillars (talent, technology, process efficiency, innovation) while adding a strategic regional focus. Using the "+1 framework," organisations can measure GCC success precisely, leveraging regional strengths to optimise their global footprint and drive tailored growth.

India leads in scale and innovation, with metrics on digital transformation maturity, AI adoption, patent filings, and R&D contributions. Indian GCCs excel in evolving from cost centres to innovation hubs.

Eastern Europe is known for engineering excellence, nearshoring benefits, and cybersecurity capabilities. Success is measured by engineering quality, multilingual talent, and integration with headquarters.

Mexico focuses on operational efficiency, cost optimisation, and nearshore agility, with KPIs tracking process turnaround time, cost-per-transaction, and scalability.

The Philippines specialises in shared services and customer experience, with metrics on service quality, process effectiveness, and employee engagement.

Future outlook: GCCs as enterprise transformers

By 2030, GCCs will be evaluated not only on cost efficiency but on their ability to future-proof enterprises. Key trends include:

Generative AI

Enhancing coding, predictive analytics, and customer service.

ESG leadership

Linking sustainability goals to retention, engagement, and innovation.

Hybrid work and talent development

Flexible models, equity incentives, and fast-track career progression are critical to retain top talent.

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Next-generation GCCs

This marks a new phase of global collaboration, shifting from cost arbitrage to nearshoring-driven speed, strategic alignment, innovation, and enterprise value creation.

Integrated operating models

Deep domain expertise and scalable, multi-dimensional KPIs will measure value creation and enterprise impact.

The GCC of the future blends AI-driven scalability with human ingenuity, measured not by cost savings alone but by the ability to drive enterprise-wide transformation.

Conclusion

Measuring GCC success requires a multi-dimensional approach that balances financial performance, operational excellence, talent development, innovation leadership, governance, risk management, and ESG impact. Organisations that adopt dynamic scorecards, annual maturity diagnostics, and real-time analytics empower their GCCs to evolve continuously as strategic assets, delivering measurable value and enabling enterprise-wide transformation.

For more information, contact infosysbpm@infosys.com

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