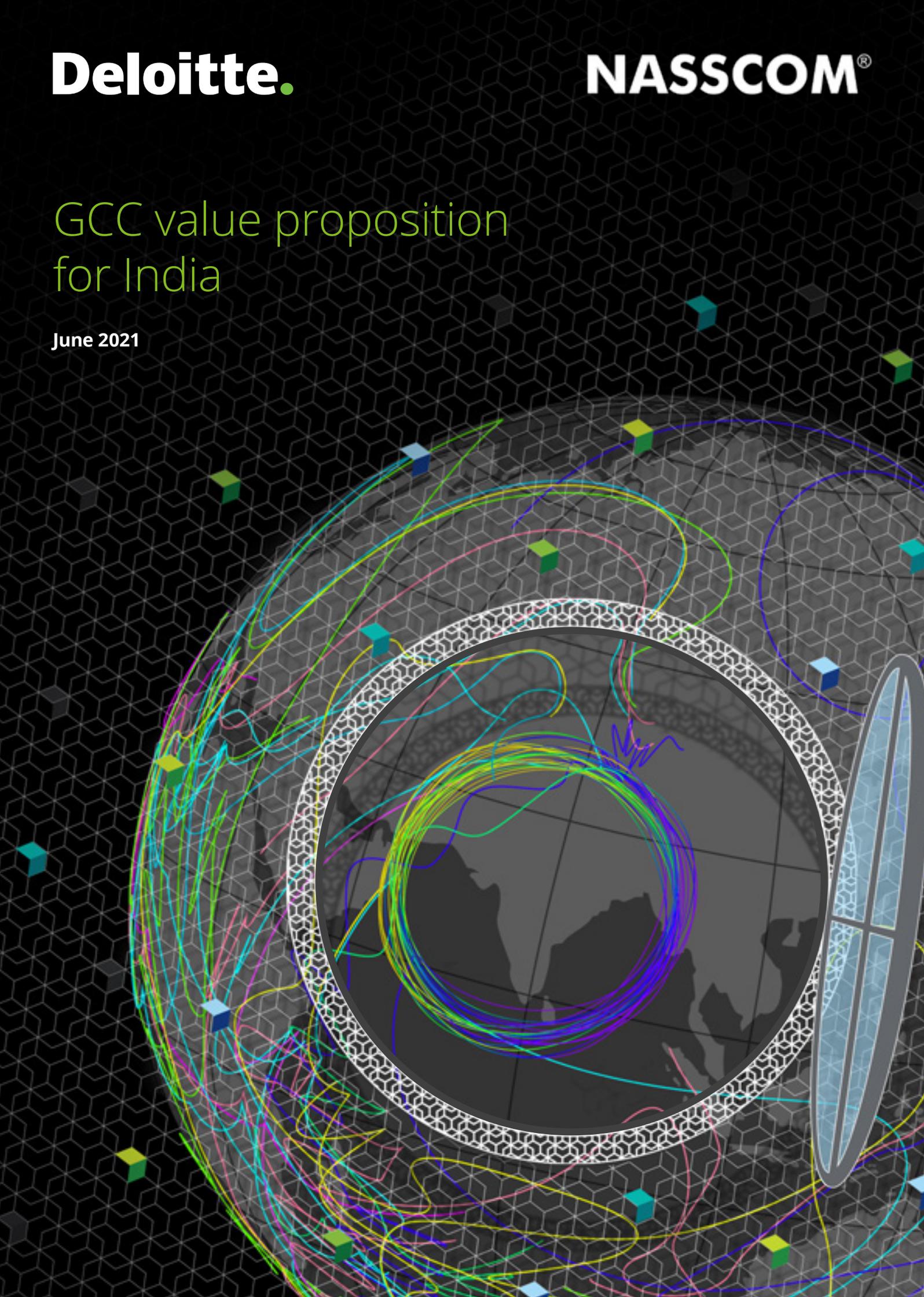


GCC value proposition for India

June 2021



Content

Foreword	05
Research methodology	06
Executive summary	07
Sector snapshot	19
Economic impact	26
Human capital impact	44
Innovation and ecosystem impact	56
Social impact	72
Environmental impact	86
Reputational impact	94
Detailed case studies	108

Foreword



Debjani Ghosh
President, NASSCOM

While India has significantly contributed towards the growth of global organisations with Global Capability Centres (GCCs) leveraging quality talent and capabilities in India, GCCs also have contributed significantly in return. India has become home to capability centres of 1,300+ global organisations, directly employing 1.3+ million people, generating approximately US\$33.8 billion in revenue as of FY2020, and creating a strong ripple effect in the Indian economy. The first wave of GCCs was primarily driven to provide the 'wage and cost arbitrage' benefits to the global organisations who were eagerly looking to free up capital to invest in their growth. Today, this sector has provided value far beyond the anticipated 'wage and cost benefits.' This sector has provided indirect employment to more than 5.5 million people, aided in creating world-class infrastructure in their communities, and in providing better quality of life to their employees and associates. As India tries to digitise itself, GCCs have significantly helped in developing the high-quality talent pool to meet the demand for the 'digital growth engine'



Gaurav Gupta
Partner, Consulting

of India. Additionally, a few GCCs have successfully experimented with mentoring start-ups, and this has significantly accelerated the evolution of the start-up ecosystem in India. While GCCs were set up with the intention to provide value to their global organisations, they have, in fact, emerged as a strong contributor to India's progress. Not just as an employer and a source of rich skills for the ecosystem but also as a significant channel to bring global best practices to India, support India's underprivileged, enhance India's reputation as a global tech major through creation of world leaders, as well as provide the talent pipeline for India's start-ups. While the contribution of individual GCCs and their journey does get adequate awareness, as a sector, the contribution of GCCs requires significantly more prominence in terms of both visibility and acknowledgements. This report looks at a comprehensive approach to see how GCCs contribute to India's growth story. The extensive primary and secondary search-based study looks at contribution from six key dimensions –

economic, human capital, innovation and ecosystem, social, environmental, and reputational.

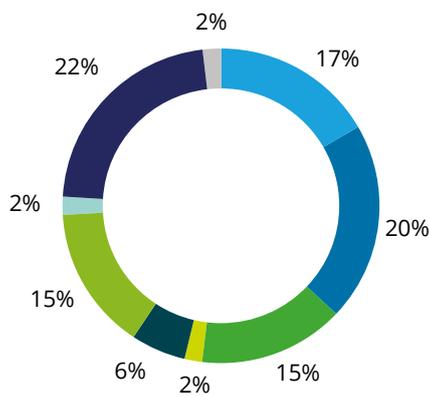
Our focus is to present a holistic picture of the capability and value contribution of this sector. We also aim to explore the exponential effect this sector can have on India if we are able to address the challenges that can potentially limit the growth strategy of GCCs in India. We would like to express our sincere thanks to the India-based Global Capability Centre executives for investing their valuable time and giving us their inputs for this report. We hope you find this report useful.

Research methodology

The report shares the insights through more than 80 interviews across GCC leaders, Deloitte subject matter experts, and other stakeholders associated with the sector, combined with extensive research on available thoughtware on the sector

GCC leadership

60+ interviews with GCC leaders across a healthy industry mix



- Automotive/Industrials
- BFSI
- CPG and Retail
- Energy and Utilities
- Healthcare and Pharmaceuticals
- Others
- Professional Services
- Technology
- Telecom

Ecosystem stakeholders

15+ external interviews

- Seven interviews with NGOs
- Four interviews with start-ups collaborating with GCCs
- Interviews with GCC veterans
- Interviews with academia
- Discussions with NASSCOM subject matter experts in the sector

Deloitte subject matter experts

Multiple connects with Deloitte global subject matter experts on specific alignments

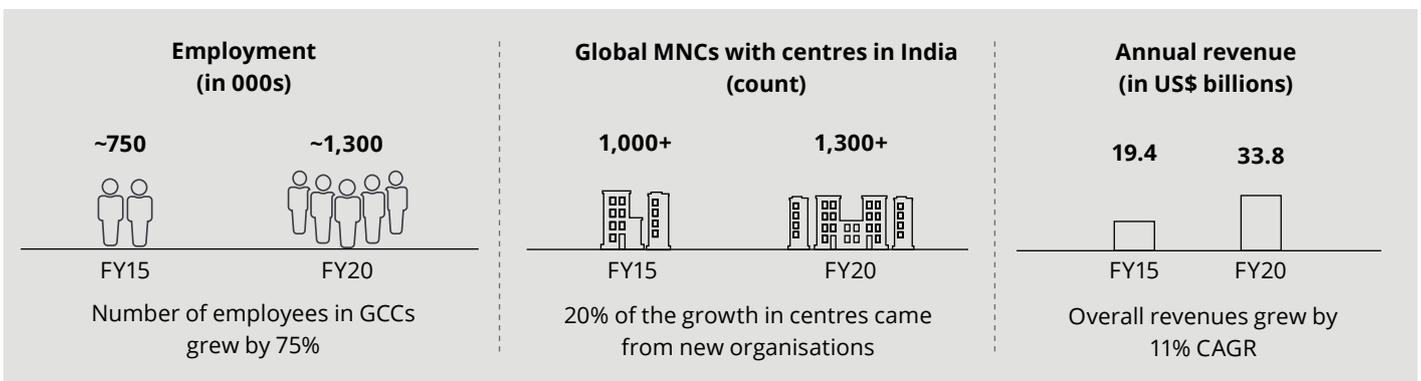
- Deloitte's global senior partner and global banking and capital markets leader
- Deloitte Partners in India serving the GCC sector across tax and consulting
- Interview with SMEs in Deloitte Israel, to draw learning from Israel's rise as a start-up nation

Executive summary

Snapshot of the Indian GCC sector

We set out to measure the impact of Global Capability Centre (GCC) sector on India; a sector that comprises more than 1,300+ global organisations, employed more than 1.3 million people, and generated US\$33.8 billion in annual revenue as of FY 2020.

GCC sector snapshot



GCC sector impact framework



Economic

Direct, indirect, and induced impact across Gross Domestic Product, taxation, and employment



Human capital

Impact on employees' professional growth, leadership pipeline for the nation, and equal opportunities at work



Innovation and ecosystem

Deployment of sunrise technologies and use cases that enables cross-sector development and creates an ecosystem of talent, start-ups, and corporates that leads to innovation for the nation



Social

Social impact in communities through fund allocation, volunteering for social initiatives, and a helping hand to make NGOs and their programmes more effective



Environmental

Global sustainability principles being formulated and practiced in India, leading to a better environmental sustainability outlook for the nation



Reputational

Supporting the parent organisation in a way that showcases India as a country suitable for skills arbitrage

Current impact of the sector on India

GCCs make considerable holistic impact across economic, human capital, innovation and ecosystem, social, environmental, and reputational dimensions of India

Impact Levers



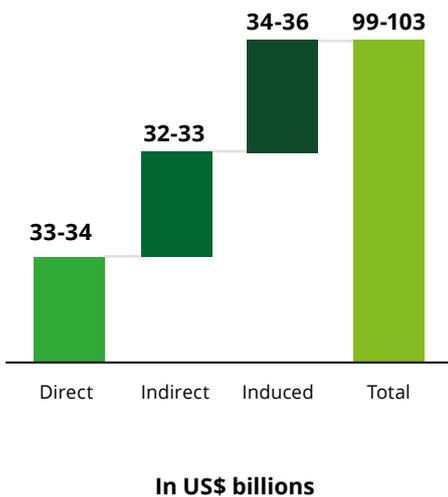
 Economic	Direct, indirect, and induced gross output of ~US\$103 billion to India	US\$5.4-5.6 billion in taxes, corporate and personal to India	Direct, Indirect and induced employment to ~5.5 million
 Human capital	Trained ~200K+ in futuristic skills since 2015	Generate US\$250-300 million due to productivity improvement	Represent ~27% of the best places to work for women in India
 Innovation and ecosystem	Global Organisations with GCC in India, Invested ~US\$ 1.5 billion in Indian start-ups in 2019	GCC's directly contribute ~US\$ 15 million to start-up revenue p.a.	Comprise 10-15% share in start-up leadership in India
 Social	Spend ~US\$100 million on CSR of which, ~40% is for education initiatives	10-15% GCC employees spend a total of ~US\$15-20 million in CSR donations	Impacted ~1.7 million households through women empowerment
 Environmental	Save 180-200K tonnes of GHG emissions through various initiatives	Generate 30-35% of their energy requirement from renewable sources	Recycle 7-8 billion litres of water annually
 Reputational	Resulted in the reputation of India as the engine room for global operations	Led to India being renown as the global hub for scalable and frugal innovation	Led to India being renown as the global digital and R&D hub

Economic impact

The GCC sector contributes US\$99–103 billion of total gross output, US\$5.4–5.6 billion in taxes, and employment for 5.2–5.5 million people

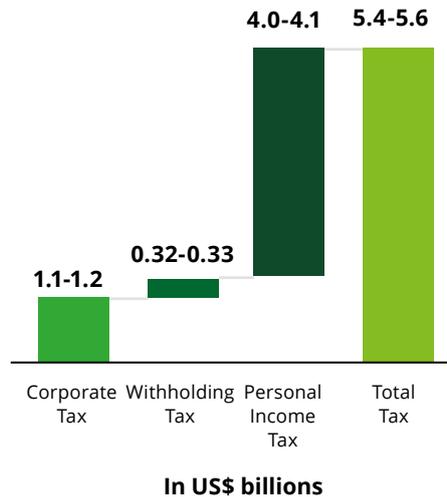
Gross output

The GCC sector’s direct gross output, which is principally a measure of sales to its parent organisations and to other industries, is US\$33 billion+. To put this in perspective, **it is ~1 percent of the GDP of India.**



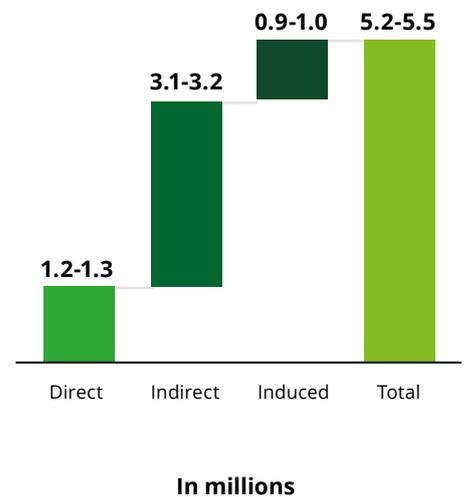
Tax contribution

GCCs contribute US\$ 5.4–5.6 billion or INR 40,000–42,000 crore in taxes, of which ~US\$4 billion or INR 30,000 personal income tax contribution is **~5.5 percent of the personal income tax collection by India** for the financial year 2019–2020.



Employment

The GCC sector directly employs 1.2-1.3 million people, which is **~25 percent of the direct employment generated by India’s IT sector**



Source: NASSCOM Deloitte Analysis, incometaxindia.gov.in

Note: Following assumptions were made to estimate the aggregate numbers – Average Transfer price of 15%, corporate tax rate of 25% excluding incentives for GCCs, withholding tax of 10%, average employee salary of INR 17,00,000

Human capital impact

Given the evolving role of GCCs in the parent organisation, they are investing significantly in comprehensive skill building, leadership development, and sourcing diverse talent in India

To drive sustainable value, GCCs in India invest in human capital for:

Capability development | Leadership development | Diversity and inclusion

Ways in which GCCs drive human capital impact

1. Continuous learning and academia partnerships
2. Grooming future leaders through training and exposure
3. Encouraging an innovation mindset
4. Creating opportunities for all in an inclusive workplace

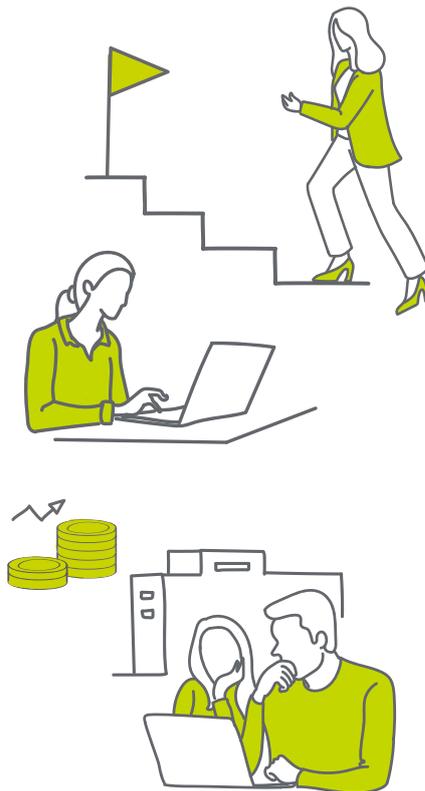
Impact

50-60K future leaders groomed over the past five years

~175K households received economic benefits due to women in the workforce

Generate **US\$250-300 million** due to **productivity improvement**

Represent **~40%** of India's **most inclusive companies**



80-90K people hired in **start-ups** founded by ex GCC employees



Trained **~200K+** in futuristic digital skills since 2015



3-4 percent increase in total employable students through academia partnerships

Case in point

More than 20 GCCs are utilising the future skills platform for employ training with an aim to create upskilling opportunities for new technologies that are part of the digital disruption the Indian workforce faces

A financial services GCC runs a structured post-maternity Women Returner Programme that provides mentorship, upskilling, and job flexibility ensuring 100 percent women return post maternity

Source: NASSCOM Deloitte Analysis, Industry Reports, LinkedIn, Great Place to Work

Note: Impact has been estimated through primary insights from GCC leaders overlaid with available industry data such as overall GCC market size, employee training costs, transfer prices, employable students, employees in start-up etc

Innovation and ecosystem impact

The need to drive innovation at GCCs has been one of the key factors to establish an ecosystem connect, through open and organic innovation GCCs drive synergies that benefit their parent organisation, the ecosystem partners, and the Indian economy as a whole

GCCs have engaged organically and with ecosystem in innovation activities for:

Efficiency enhancement | Capability extension | Breakthrough for the parent organisation

Ways in which GCCs drive innovation and ecosystem impact

1. Organic innovation
2. Start-up partnerships
3. Academia partnerships
4. Government partnerships

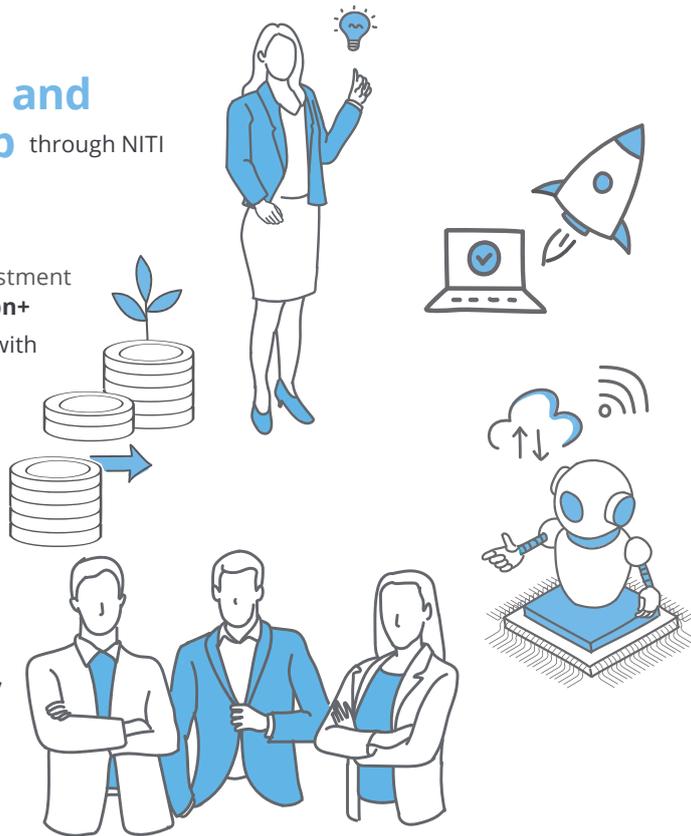
Impact

Promoting **innovation and entrepreneurship** through NITI Aayog's Atal Innovation mission

US\$1.5bn+ equity investment in **start-ups** in 2019 and **US\$0.5bn+** in 2020, by global organisations with GCCs in India

US\$ 5-10 million spent on R&D annually with **academia**

10-15% of founders/CEOs, of tech **start-ups** with roots in **GCCs** (e.g., Ola, Bridge i2i)



More than **300 start-ups** engaged as vendors generating 15 mn+ in revenue for **start-ups**

More than **US\$8 million** funding given to **start-ups** through accelerator programmes by GCCs

More than **5,00,000 students** picked **AI and IOT** skills through academia partnerships

Case in point

A technology company's GCC has tied up with IISc Bangalore for IOT research and innovation and has executed 30+ projects

The Indian GCC of a global automobile maker utilises Indian start-ups through its start-up accelerator platform to address challenges in its global operations

Source: Deloitte NASSCOM Analysis, Industry Reports, company websites, academia websites, Tracxn

Note: Impact has been estimated through primary insights from GCC leaders overlaid with available industry data such as investments in start-ups, funding across corporate accelerator programmes etc.

Social impact

GCCs are mature players in the area of societal impact, which is supported by strong parental roots, highly sensitive workforce, and a clear understanding of on-ground realities, the sector spends about \$100Million towards CSR initiatives in India

GCCs are committed to being more mature contributors, beyond the mandated 2 percent profit, in socially responsible activities for the nation due to the following reasons:

Building a local stakeholder ecosystem

Global reputation requirements

Employee fulfillment

Ways in which GCCs drive social impact for India

1. Contribution to government fund
2. Employee contribution
3. Monetary investment/donation
4. Internal foundation-based work
5. Sustained volunteering
6. Strategic partnership with NGOs
7. Co-develop social impact solutions
8. Community ownership

Impact

40% spend in education benefiting **~7 million** underprivileged children

10-15% GCC employee donate for CSR activities **~US\$15-20 million**

Betterment of **~1.7 million** households through **women empowerment**

60-70K beneficiaries through social health care programmes

Cloud-enabled COVID-19 test labs facilitating **1,00,000** tests

Digital education initiatives during the Pandemic reaching **7-10 million** children

>6 lakh beneficiaries from **livelihood enhancement** initiatives



Case in point

GCC of a tech company took impact ownership of two villages to run STEM classes, health camps, women health awareness, and waste management education

GCC of a financial services firm co-developed a financial literacy app with an NGO to drive better financial inclusion amongst youth

Environmental sustainability impact

GCCs are aligned to mature environmental philosophies as followed by global organisations and understand the need for application of green practices within their operations.

GCCs in India strive to follow sustainable practices for the following reasons:

Alignment with goals of parent organisations

Commitment to local sustainability

More efficient and sustainable operations

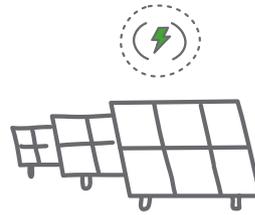
Better employee engagement

Ways in which GCCs drive sustainability outcomes

1. Partnership with NGOs
2. Adopting sustainable business practices
3. Investments in sustainable infrastructure
4. Ensuring sustainability for external stakeholders

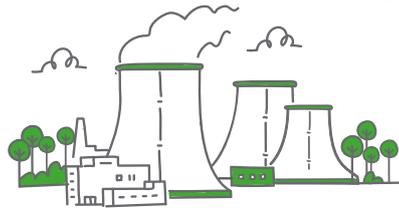
Impact

20-30 tonnes
of waste recycled



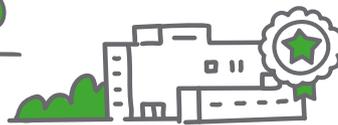
~600 million kWh of energy consumption from renewable sources

180-200K tonnes
of GHG emission (scope 1+2+3) savings



7-8 billion litres
of water recycled

~1 billion
pages 13-15K trees saved



9/10 of the largest GCCs by headcount are housed in LEED certified premises

Case in point

GCC of a tech company has invested in 1MW Solar capacity and encourages employees to minimise carbon footprint generation

A financial services GCC has invested in electric fleet to provide office pick up and drop services for its employees

Source: NASSCOM Deloitte Analysis, Industry Reports, LEED In Motion India Impact Report

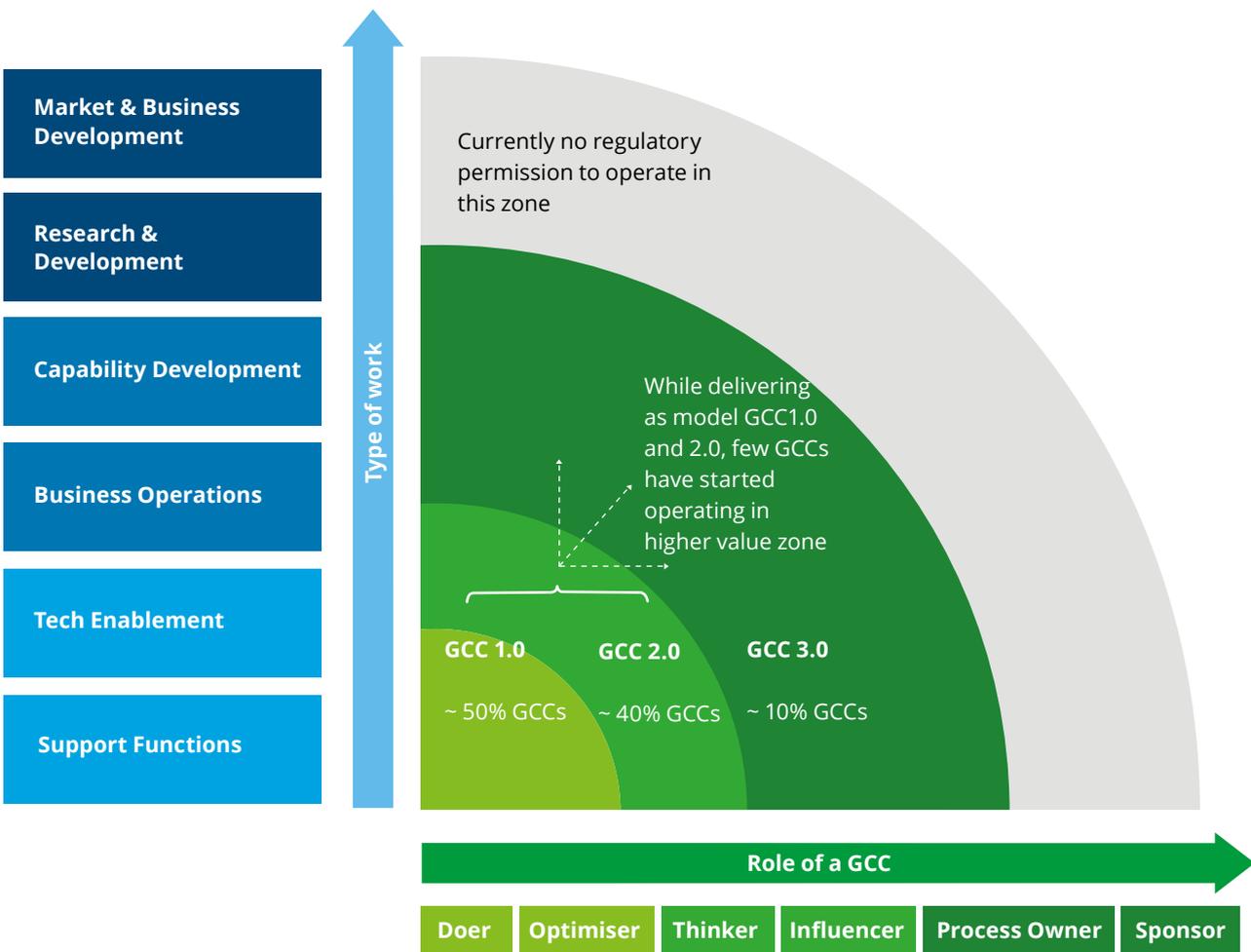
Note: Impact has been estimated through primary insights from GCC leaders overlaid with available industry data such as waste generation, energy consumed, water consumed, etc. by corporates in typical office facilities

Reputation impact

Along the evolutionary journey, several GCCs have increased the depth and breadth of the services offered, establishing themselves as a microcosm of their parent organisations and changing the perception of GCCs in the process. This has led to enhanced reputation for India

GCC evolution

As more GCCs become more mature their ability to create significant new value for their parent organisation from India will significantly enhance India's reputation not just for GCCs but also for 3rd party service providers operating out of India



Changing reputation



India, the engine room for global operations



India, the global hub for scalable and frugal innovation

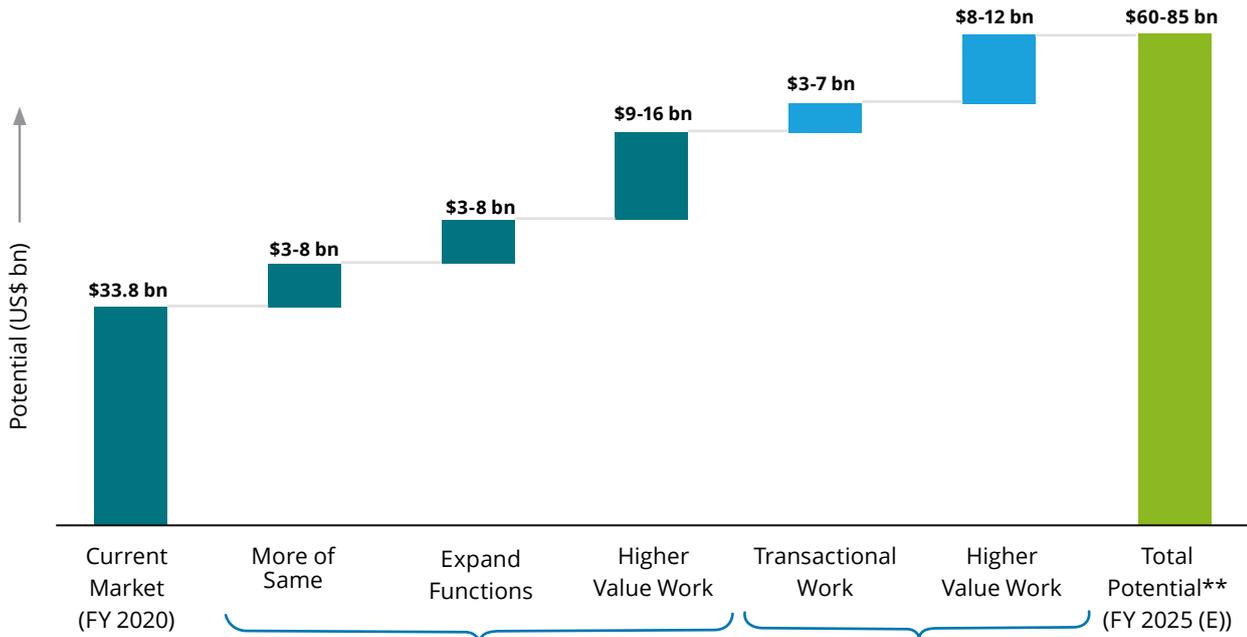


India, the global digital and R&D hub

Growth potential for the GCC sector

Impact to India is directly linked to the total employees in the sector; there is an opportunity for growth amongst existing GCCs to increase penetration in global operations as well as attract new GCCs from global organisations, not present in India

Growth levers



Scale existing GCCs

Opportunity to extend scale across transactional services on the back of current service delivery and a strong case to deliver capabilities across digital, analytics, etc. and business operations support

Attract new companies

Predominantly a value play – attract for R&D and niche capability centres /COEs to maximise value for the parent through talent arbitrage

**Not all value will be realised, different scenarios could play out for realising the growth potential across different levers

Reasons to believe

Majority of GCCs not at scale
Average GCC penetration of **3.5-4 percent**¹ presents headroom for growth across sectors; smaller centres could grow to a sector's average penetration or to best-in-class centres, in penetration terms, in the sector

Limited presence of large global companies

Fortune Global 500
~25%

Forbes Global 2000
~15%

Early signs of value capture by centres

COEs setup: Majority of centres operate as Doers or Optimisers, mature centres have started **scaling high-value work across digital, automation, analytics, etc.**, while others can follow suit

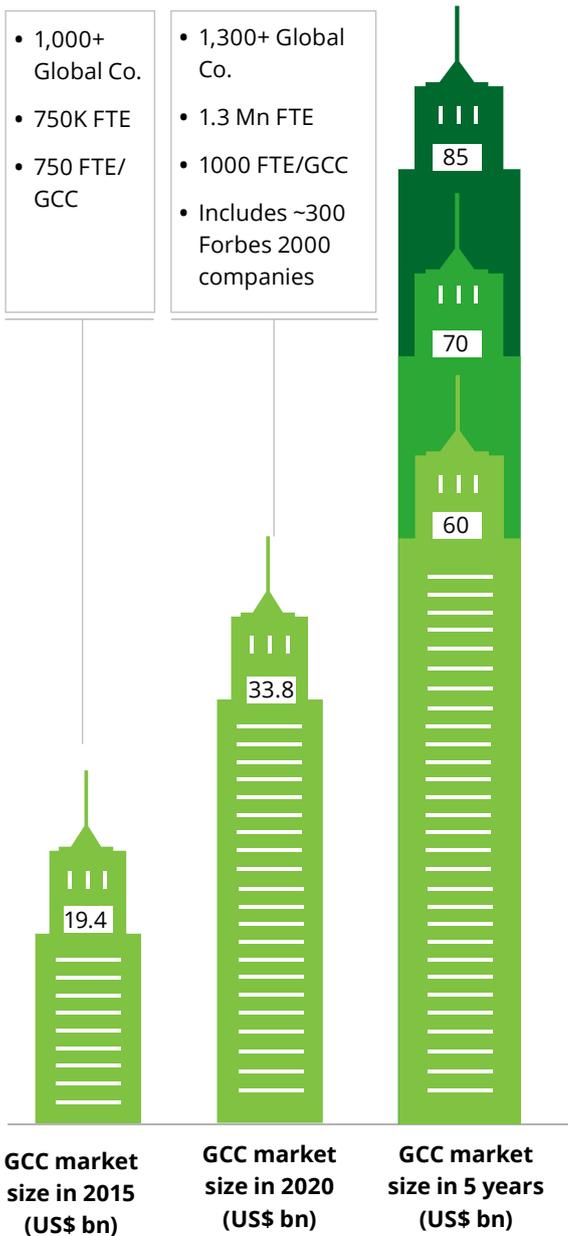
Platform engineering by unicorns: 44 global unicorns have setup centres for platform engineering, demonstrating India's capabilities to the world

Note: ¹Calculated as (GCC Headcount)/(Total Parent Headcount)
Source: NASSCOM Deloitte Analysis, DB Hoovers, Forbes 2000, Fortune 500

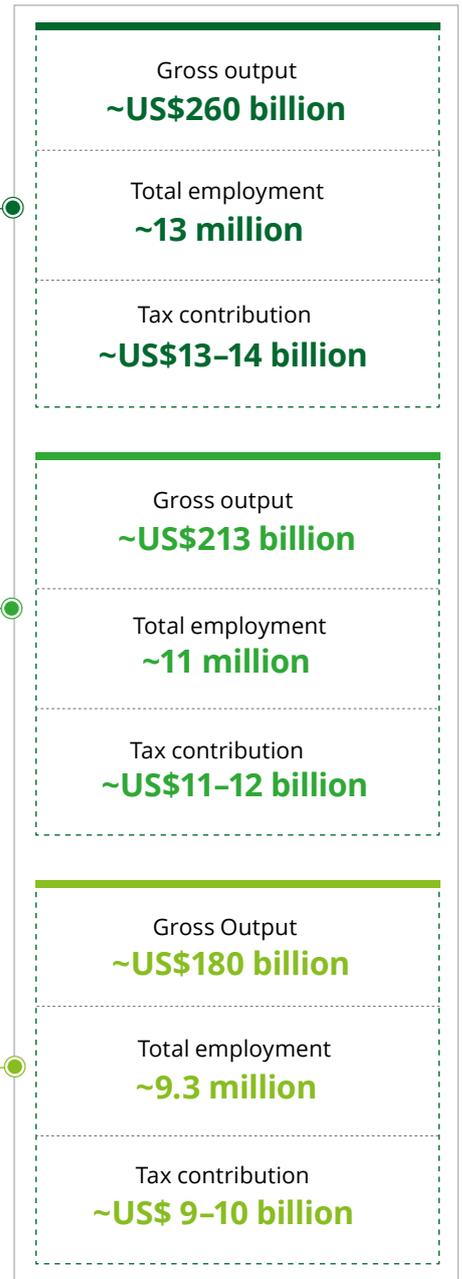
Growth scenarios and impact of the sector*

In the next five to six years, GCC sector can potentially scale up to US\$60–85 billion across three growth scenarios; this will have a proportionate impact on the country across economic, human capital, ecosystem, social, and reputational factors

Plausible growth scenarios



Resulting economic impact



The additional growth would also amplify associated benefits of GCCs – increase in CSR spending, infusion of global best practices, and increased investment in human capital.

Note: *The growth scenarios, based on FY 2020 baseline, provided in the page above are established from a forecasting model based on several logical assumptions. These projections are meant to illustrate the growth potential of this sector to initiate discussions on establishing growth pathways.

Key challenges to the sector's growth

While the sector has a long runway for growth, solving the challenges it faces will be critical in achieving its potential

1. Uncertain policy framework

- Limited incentives for GCCs to do more high-value work, e.g., expected higher transfer pricing mark-ups in audits discourages GCCs from performing R&D work from India
- Uncertainty on TP rates based on varying TP benchmarks from audits causes potentially avoidable confusion, stress, and anxiety amongst GCC leaders and parent organisations towards the litigations in India
- Lack of a robust framework and regulations around IP protection prevents investment in developing and IP filing from India

2. 'Demand supply' gap on skills

- Considerable gap between skills of fresh graduates and expectations from these graduates; most interview respondents mentioned that new hires require six months of training to become productive
- Need for a globally attuned, well-rounded, and technologically updated middle management layer trained in problem solving, critical thinking, organisational navigation, and articulation skills to create higher value

3. Limited visibility to innovation ecosystem

- Limited established models of impactful and outcome driven collaboration across the ecosystem e.g., IP and taxes to leverage these for frugal and sustainable innovation; only 5-10 percent GCCs are currently collaborating with start-ups
- Lack of awareness and incentives to encourage GCCs to collaborate with start-ups and academia and vice versa to facilitate innovation and generate more value through 'GCC-start-up-Academia' partnerships and associated linkages

4. 'Low cost, low value' perception of India

While several GCCs have taken strides to deliver more value-added work, India is still perceived as a 'high volume, low cost' location compared with countries such as Singapore, Israel, and Ireland that are actively positioning themselves as 'new age, high value' knowledge economies. There is an opportunity to brand India as a 'Volume + Value' market, that will ease conversations with parent organisation when pitching for higher value work from India

5. Infrastructure not keeping pace with sector's needs

- Need for infrastructure improvement, e.g., roads, electricity, water, and safety to globally accepted standards to enhance attractiveness of India as the GCC destination of choice
- Need for easing the business climate through more sector-focused policy interventions, e.g., make it easier to setup new GCCs and incentivise employment generation and skill enhancement amongst others



Key recommendations to drive the sector's growth

To address these challenges, there are certain recommendations for the key stakeholders, which can help unlock GCC sector's growth potential

1. Favourable policy environment

- Devise competitive transfer pricing policy and taxation incentives with respect to other GCC hubs (e.g., Philippines, Eastern Europe, Malaysia, Israel)
- Review TP regulations (e.g., for inverted mark-up structure) to encourage/enable GCC's play in higher value work
- Provide clarity on issues such as TP benchmarking approach and simplify processes wherever possible, e.g., SHR, APA, and MAP to minimise litigations and provide a long-term view of TP policy implications
- Stern regulations towards IP protection and encouraging research in India

2. Meeting evolving talent requirements

- Enable industry-ready talent trained on new/emerging skills and capabilities through initiatives, such as co-developing curriculum, apprenticeship programmes, technology transfer to academia and skill ownership scheme (i.e., income tax incentives to individual for continuous learning) coupled with mentorship programmes
- Develop a globally mature pool of mid to senior-level managers through opportunities for global exposure, attracting talent back to India (reverse brain drain), and focussing on problem solving and soft skills

3. Driving innovation and developing ecosystem

- Promote structured GCC-start-up-academia partnerships by leveraging the current ecosystem through a robust framework, e.g., incentives, IP policy clarity, and highlighting success stories to drive frugal and sustainable innovation
- Provide plug and play sector-specific incubation centres for new global players to work with Indian ecosystem for specific innovation use cases and provide opportunity to co-invest (along with government/private sectors) to scale-up start-ups

4. Branding India as a global GCC hub

- Position the Indian GCC sector as a 'Volume + Value' creator through initiatives, such as demonstrating resilience, sharing success stories of global players, and creating awareness about the government incentives and ecosystem advantages

- Make India a truly global hub for innovation and service delivery (e.g., leaders based in GCCs driving global processes and key initiatives; global leaders spending time in GCCs in India as part of their career progression journey)

5. Accelerate physical and digital infrastructure

- Ensure sustainable, structured, and accelerated infrastructure development in key cities to attract more GCCs and ensure ease of operations for existing GCCs
- Develop satellite cities as GCC corridors (e.g., Mysore for Bengaluru, Jaipur and Chandigarh for Delhi, Coimbatore for Chennai) and building good infrastructure connectivity between them to diffuse and de-risk growth



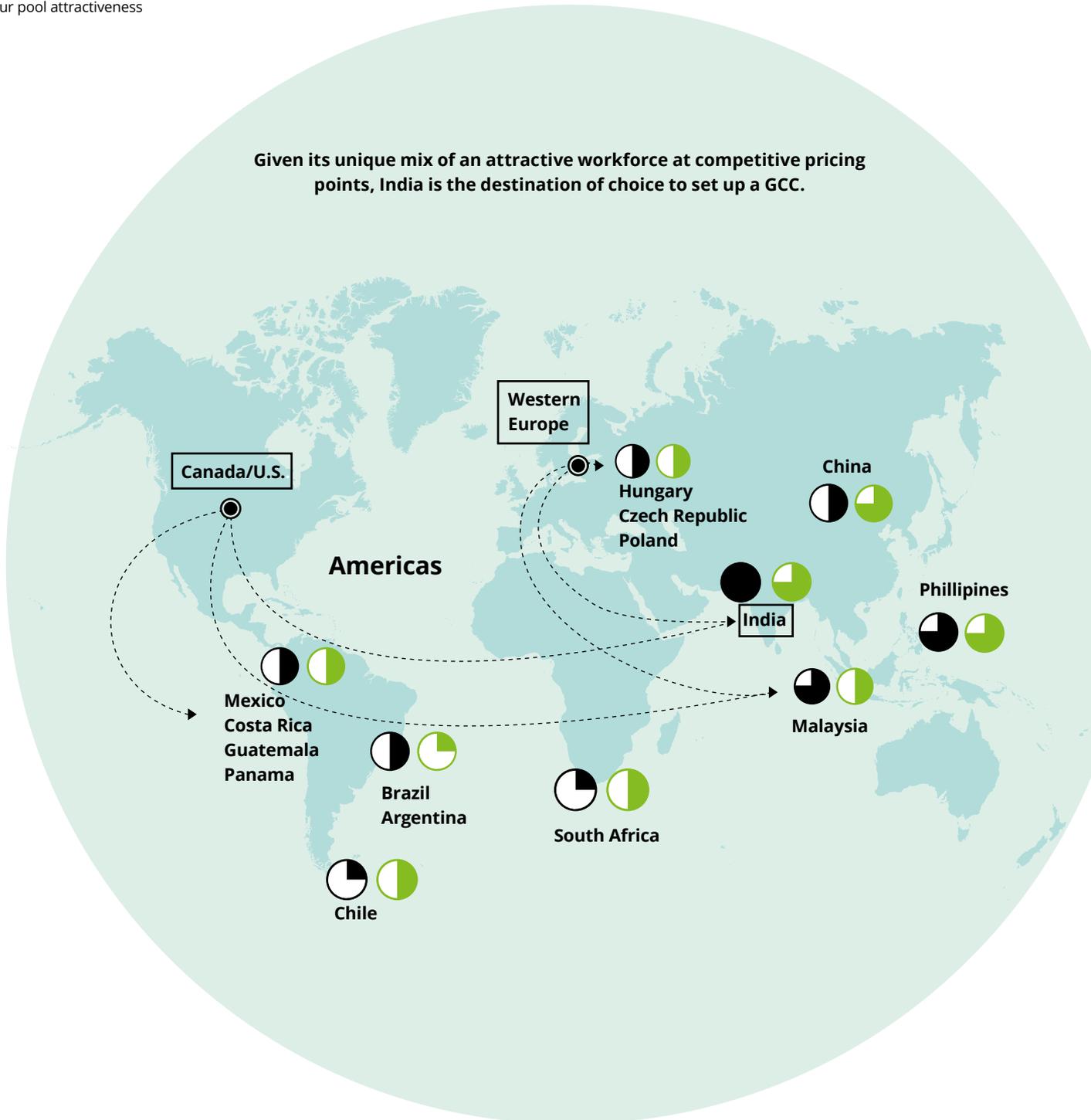
Sector snapshot



India is the global GCC capital

India's global leadership in the GCC market is the result of its talent availability and supportive ecosystem.

- Cost attractiveness
- Labour pool attractiveness



Key Highlights



Share of the global
GCC market



For platform
engineering services



Share of digital engineering
market projected by 2025



Investment increase in IoT
projected from 2019 to 2021

India presents several beneficial features for GCCs to set up operations in the country, notably, talent availability and a supportive ecosystem.

Talent availability



80-85K digitally skilled graduates¹

86% of these were engineering graduates in 2019



1 in 10 analytics professionals worldwide from India²

India has about 185,000+ AI and big data analytics professionals, growing at CAGR of 15%



30% growth YoY in digital talent³

Cloud computing (260K), AI, and big data analytics (185K), social media and mobile platforms (185K), and IoT (170K), as of 2019

Ecosystem elements



~40,000 active startups in India⁴

Of which, ~12,500 are tech start-ups and 2100+ in deep tech (such as AI, IoT, and AR/VR)



135+ global organisation Investors collaborating with start-ups⁵

59% of the MNC investors are global organisations



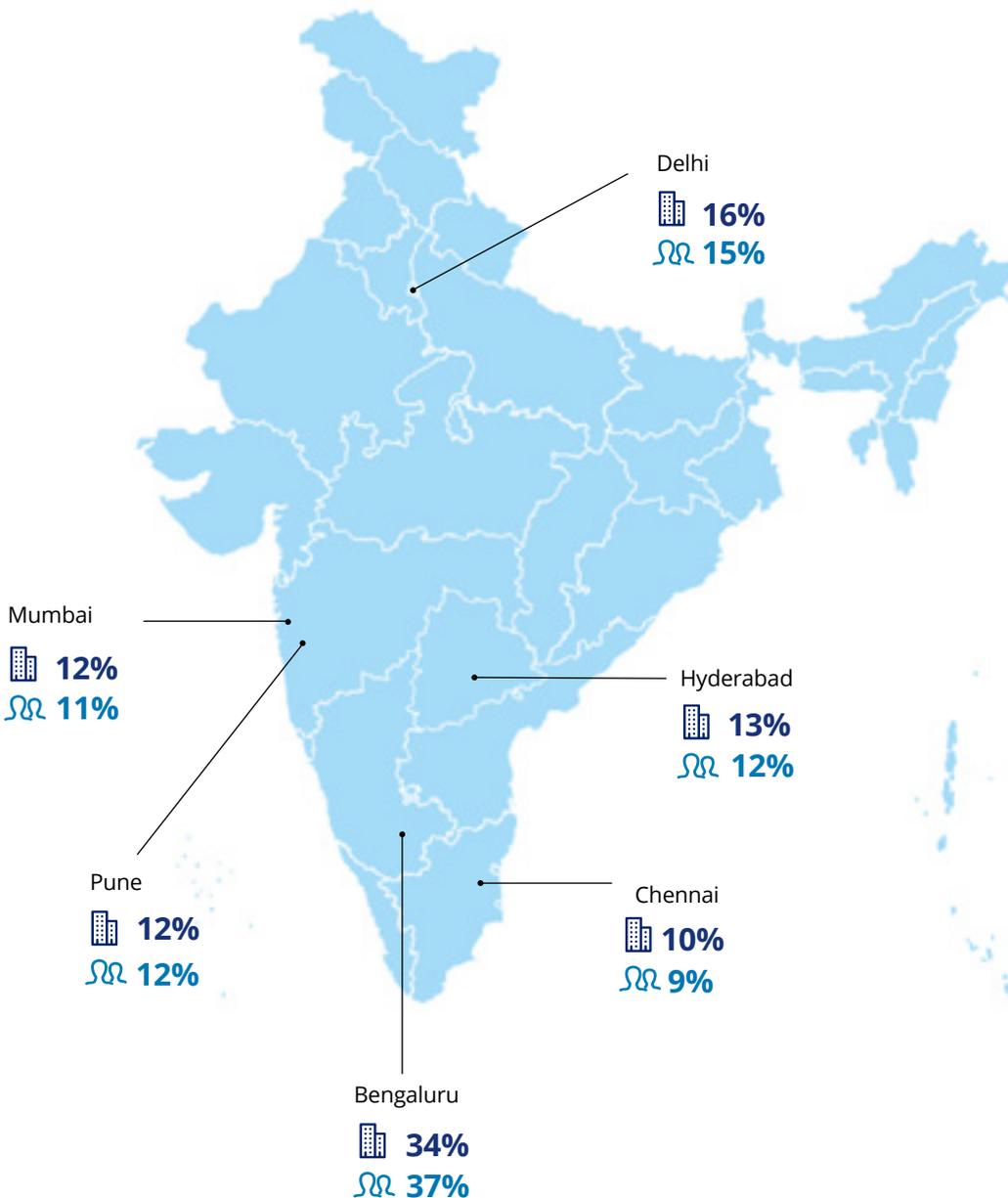
US\$9.3 B PE/VC investments to start-ups in 2020⁶

Constant flow of PE/VC capital for innovative ventures in India

GCC's geographic coverage in India

GCCs are primarily present in six cities but they are also expanding their geographic footprint to include tier-2 cities.

 % of total GCCs in India
 % of GCC talent



1. Bengaluru has the highest share of GCCs and is the destination of choice for platform engineering
2. With the rise in IT hubs in the city, Hyderabad is emerging as the key contender to Bengaluru
3. Increasing movement to Tier-2 cities such as Trivandrum, Coimbatore, Ahmedabad, Vadodara, and Jaipur with a focus on CoEs or niche capability centres
4. Pune and Chennai are dominated by automotive GCCs and Mumbai is dominated by BFSI GCCs

India has emerged as the global GCC capital because it provides the unique advantage of homogeneity of skilled talent across locations, enabling GCCs to expand operations for risk mitigation and business continuity

Profile of a typical GCC

A typical 1,000 FTE GCC shares certain common characteristics while differing in other areas.



Innovation

- Analytics, experience, and product development to support parent’s digital transformation journey
- Collaborating with start-ups for delivery excellence and product creation as a customer, accelerator, or investor



Location

- Two centres – one in Bengaluru and another typically in Chennai, Hyderabad, or Pune
- Predominantly based in SEZ units either as tenants or owning their own campuses



Vendor Ecosystem

- 1-2 key facility management firms that subcontract cafe, horticulture, HVAC, and sanitation services
- 1 centralised travel vendor and up to three local transport vendors for 1,000 FTEs



Sustainability

- Liaising with 2-3 NGO partners for CSR initiatives primarily in education and healthcare sector
- Spend 10-20% of CSR funds on sustainability initiatives, such as carbon neutrality, water conservation, and waste disposal



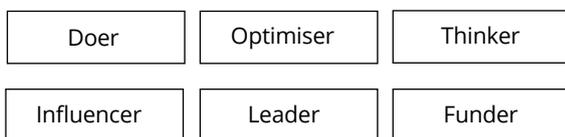
Employee Welfare

- Providing employees with health services, in-house counselling, PF contribution, and insurance coverage
- Big on diversity and inclusion
- Providing subsidised meals, transport, packaged F&B items, and free stationery

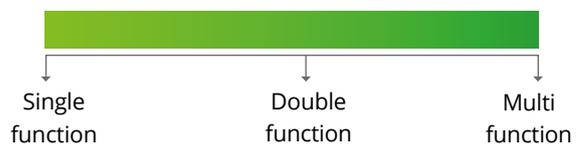
A typical 1,000 FTE GCC

While GCCs typically have certain commonalities, they showcase the following nuances:

A. Perform one of the following roles:



B. Vary in the spectrum of functions:



C. Differ in the nature of operations:



D. Distinct geographic coverage:



GCC sector impact evaluation framework

Given the prominence and entrenchment of the sector, we have developed a holistic framework to measure its impact across six levers and we will deep dive into each of these in detail in the subsequent sections

Impact levers

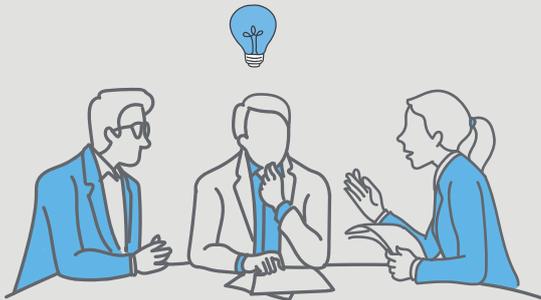
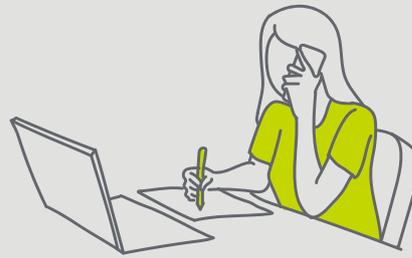


Economic

Impact to the Gross domestic output and employment through multiplier effect on salaries and vendor payout

Human Capital

Upskilling for employees, external partners and academia through mentoring, training, leadership opportunities and deploying global best practices around diversity and inclusion



Innovation and Ecosystem

Deployment of sunrise technologies and use cases that enables cross-sector development and creates an ecosystem of talent, start-ups, and corporates that leads to innovation for the nation

Social

Social impact in communities through fund allocation, volunteering for social initiatives and a helping hand to make NGOs and their programmes more effective



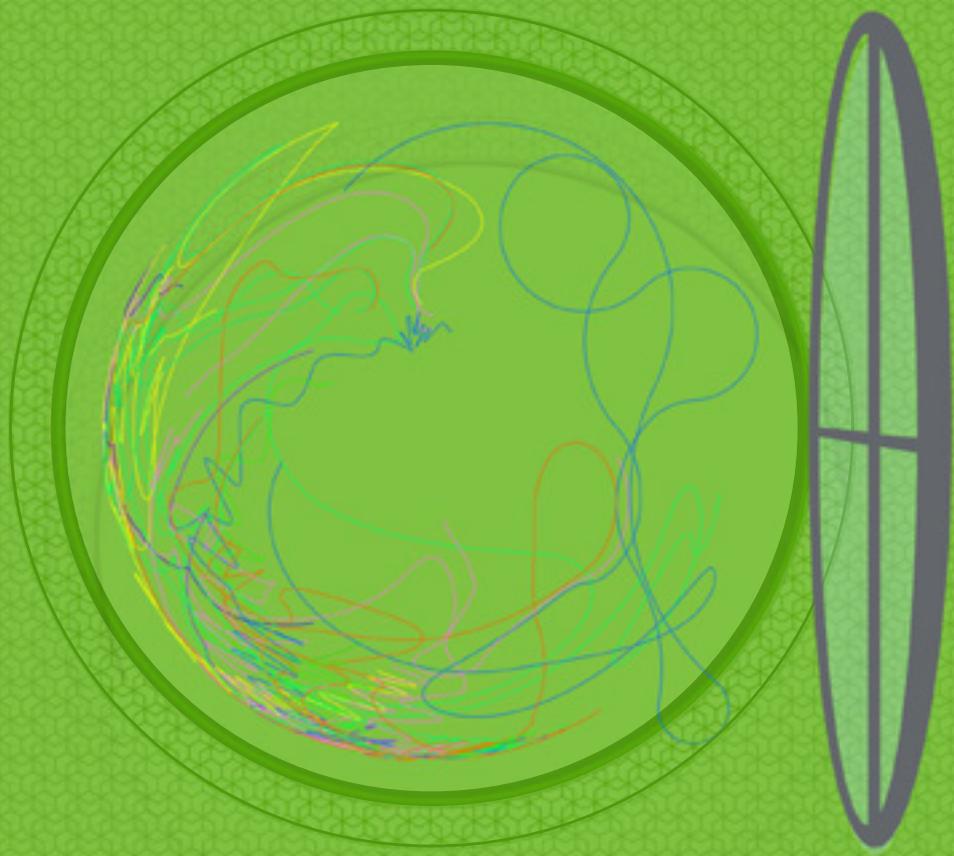
Environmental

Global sustainability principles being formulated and practiced in India, leading to a better sustainability outlook for the nation

Reputation

Supporting the parent organisation in a way that moves the image from cost arbitrage to a country of skill arbitrage







Economic impact

Economic impact of the GCC sector

It is vital to study the composite impact (direct, indirect, and induced) of GCCs across economic indicators to truly understand the value created by the sector.

Introduction: direct, indirect, and induced impact

The economic impact of the GCC sector is measured under the following three buckets:

A. Direct impact: The jobs, wages, and output generated within the core GCC sector ecosystem. The core or direct output comprises revenues from sales to parent organisations.

B. Indirect impact: The revenue generated in the economy due to subsequent suppliers' production as a consequence of related economic activity. This can be understood as all other production activities due to the relations between direct suppliers and their subcontractors in the local economy.

C. Induced impact: The jobs, wages, and output generated due to employees in direct and indirect sectors spending their wages in the country. Induced impact is generated by the income (compensation to employees) and employment generated in the economy across sectors benefiting from this increased consumption spending.

We have used the input-output analysis invented by Wassily Leontief (Nobel Prize Winner 1973) to estimate the indirect and induced impact of the GCC sector. This is a well-accepted tool to study the impact of one sector on others and the overall economy. It provides a detailed dissection of intermediate transactions in an economy and thus, a means to describe the supply and use of products within an economic system. This method is based on the input-output tables published by the Ministry of Statistics and Programme Implementation (MOSPI), employment data from the National Sample Survey Organisation (NSSO), and supplemented by research from the National Council for Applied Economic Research (NCAER).

1. The input-output tables attempt to explain the following:
 - The 'indirect effect' on the Indian economy of a US\$ 1 output by the GCC sector
2. The 'induced effect' on the Indian economy of a US\$ 1 output by the GCC sector

Snapshot of direct, indirect, and induced impact of the GCC sector

The total economic impact of the GCC sector would be viewed based on the sector's contribution across the following metrics:



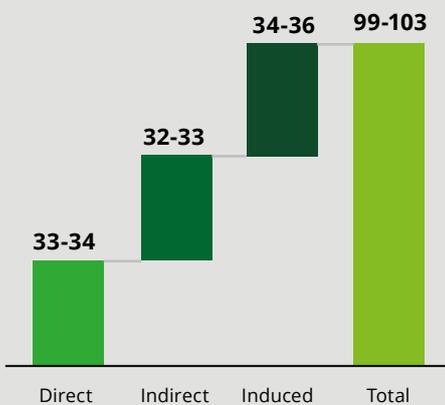
Economic impact of the GCC sector by numbers

The GCC sector contributes US\$99–103 billion of the total gross output, US\$5.4–5.6 billion in taxes, and employment for 5.2–5.5 million people



Gross output

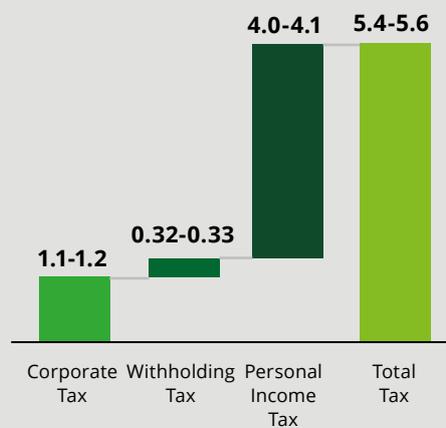
The GCC sector's direct gross output, which is principally a measure of sales to its parent organisations and to other industries, is US\$33 B+. To put this in perspective, **it is ~1 percent of the GDP of India.**



In US\$ billions

Tax contribution

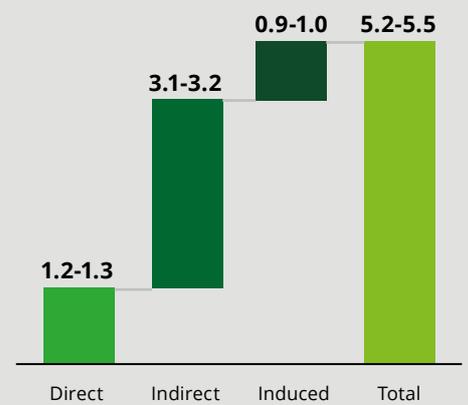
GCCs contribute US\$5.4–5.6 billion or INR 40,000–42,000 crore in taxes, of which ~US\$4 billion or INR 30,000 personal income tax contribution is **~5.5 percent of the personal income tax collection by India** for the financial year 2019-2020.



In US\$ billions

Employment

The GCC sector directly employs 1.2–1.3 million, which is **~25 percent of the direct employment generated by India's IT sector**



In millions

Source: NAASSCOM Deloitte Analysis, incometaxindia.gov.in

Note: Following assumptions were made to estimate the aggregate numbers – Average Transfer price of 15%, corporate tax rate of 25% excluding incentives for GCCs, withholding tax of 10%, average employee salary of INR 17,00,000

Direct economic impact

With strong performance across economic indicators, such as gross value addition, employment generation, corporate tax contribution, and FOREX contribution, the GCC sector is highly lucrative for the Indian economy.

Gross output

GCCs contribute a **gross output of US\$33-34 billion or INR 2,50,000 crore** and a **gross value addition of US\$23-24 billion or INR 1,75,000 crore** to India, a value greater than the GDPs of 13 Indian states and union territories

Employment generation

GCCs generate a **direct employment of 1.2-1.3 million**, which is ~30 percent of the employment generated by the IT/ITes industry.

Corporate tax contribution*

GCCs contribute **US\$1.1-1.2 billion or INR 8,300 crore in corporate taxes**. This contribution could fund the creation of the Statue of Unity four times or could fund the creation of 1,800 km of highways.

FOREX contribution

GCCs are a significant source of **FOREX earnings for India, bringing US\$33-34 billion viz.** ~25 percent of the FOREX earnings of the IT/ITes industry, ~17 percent of the FOREX earnings of India's service sector, and ~7 percent of the total FOREX earnings of India.



Key highlights

The gross output of the GCC sector is:



Larger than the GDPs of 13 states/UTs



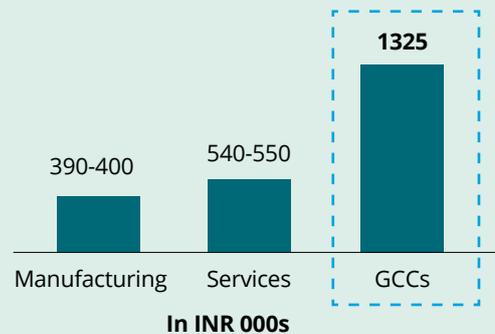
~10 percent the GDP of Maharashtra



~15 percent the GDP of Karnataka

Output measured as GVA per employee GCCs have...

~ **4X** Output of the manufacturing sector
~ **3X** Output of the services sector



*Assuming a uniform 25% corporate tax rate and excluding any tax subsidies
Source: CMIE, NSSO, NASSCOM Deloitte Analysis

Indirect economic impact

The GCC sector also supports the development of ancillary industries, contributes significant income taxes to the Indian exchequer, and generates an additional US\$1 billion spend in business travel from parent organisations.

Indirect/vendor impact

GCCs stimulate large-scale economic activity along with their vendor ecosystem, **contributing US\$32–33 billion or INR 2,45,000 crore as indirect gross output and US\$17–18 billion or 1,35,000 crore as indirect gross value addition.**

Employment generation

GCCs generate an **indirect employment of 3.1–3.2 million (2.6X of the direct employment)** in ancillary industries, such as real estate, IT and telecom, professional services, and travel amongst others.

Employee income tax contribution

GCCs contribute **US\$4.0–4.1 billion or INR 30,000 crore** in income taxes, which is **~6 percent of the personal income tax collection by India** for the financial year 2018-2019.

Business travel to India by parent organisations

Additionally, parent organisations of GCCs spend a whopping **~US\$1 billion or INR 7,500 crore per annum on business travel** by spending at airports, airlines, hotels, and restaurants amongst others.



Key highlights

GCCs contribute to maturing Indian capital markets, creating employment for lawyers and tax professionals, and formalising blue-collar workers.



GCCs in Bengaluru, Chennai, and Hyderabad comprise ~9 million square feet of prime office space, which is the key asset underlying Real Estate Investment Trusts (REITs). Thus, GCCs are helping mature Indian capital markets.



GCCs are contributing to accounting firms and law firms expanding their transfer pricing teams. Thus, GCCs are generating high-skilled employment.



Nowadays, majority of the GCCs have formal vendors relationships for F&B and transportation services, thus formalising blue-collar employment.

Induced economic impact

Finally, the GCC sector drives economic prosperity across the broader connected Indian economy due to its large-scale induced economic impact generated as a result of its handsomely paid employees.

Induced economic activity

GCCs stimulate the consumption of goods and services by their employees and vendors' employees, **contributing US\$34–36 billion or INR 2,65,000 crore as induced gross output and US\$19–20 billion or 1,50,000 crore as induced gross value addition.**

Induced employment generation

GCCs and their vendors generate induced employment for kirana stores, hospitals, petrol pumps, malls, and domestic help amongst others; our research suggests that GCCs directly **generate induced employment of 0.9-1 million** for full-time domestic help – cooks, cleaners, drivers, and nannies.



Key highlights

GCCs are improving the local economic and social fabric due to their presence.



Jumio has set up a 600 FTE centre in Udaipur, making it one of the largest white collar employers in the city and putting Udaipur on the map for GCC locations

Bengaluru touted as the Silicon Valley of India has seen unparalleled civic growth along the rise of hi-tech services, of which GCCs are a significant factor.



High discretionary spend

The 3,50,000–4,00,000 GCC employees based in Bengaluru are amongst the higher earners within corporate India. This translates into higher **discretionary spends from these employees that stimulates the overall economy.**

Demand for real estate

The stretch of 6 km on the outer ring road between Marathahalli and Bellandur houses a high number of GCCs and has seen an average professional shell out INR 1 crore to buy apartments, **boosting local real estate and consequently the local economy.**

Burgeoning civic life

Given their higher disposable and global exposure, these employees have higher demands for civic amenities and infrastructure such as gardens, sports facilities, malls, and restaurants that provide a **higher quality of life.**

Growth opportunity for GCC sector

While the GCC sector has had a significant economic impact on the country thus far, there is still ample runway for further growth, amplifying its impact across gross output, tax contribution, and employment generation.

There is opportunity for growth amongst existing GCCs to increase through penetration in global operations, as well as attracting new GCCs from global organisations, not present in India

Sector growth levers

1. Scale Existing GCCs

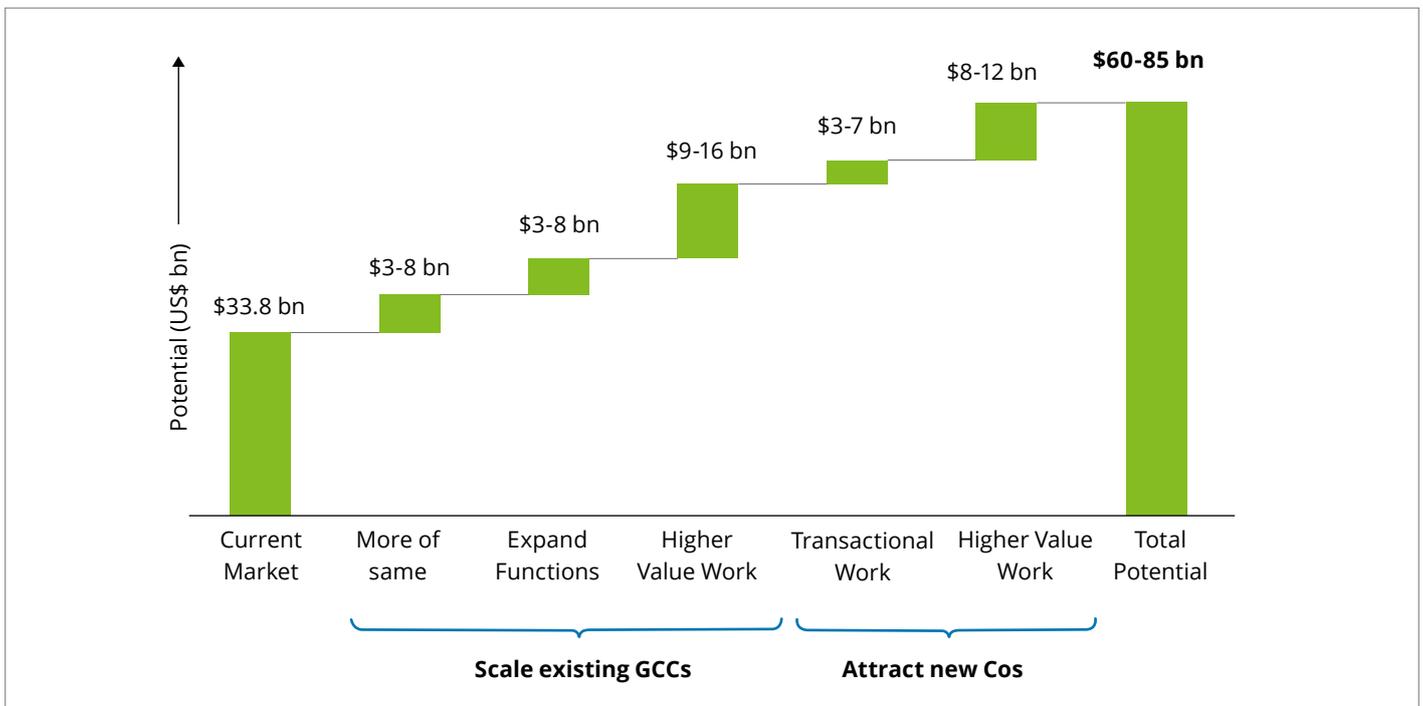
- A. More of same:** E2E process support, similar to best centres across industries
- B. Expand functions:** Encourage centres to move from single function to multi-function
- C. Higher value work:** Right talent to move centres from doers to thinkers, that increases the ownership and roles at the centre

2. Attract new cos

- A. Transaction work:** Incentives to encourage global cos to setup GCCs that lead to scaled employment
- B. Higher value work:** Target global cos to tap into Innovation talent at scale for both organic and open innovation as well as industry-specific centres to leverage domain expertise that can drive high degree of business impact for the parent

Potential market size

Multi-stakeholder collaboration and policy intervention would drive incremental growth in this sector



**Not all value will be realised, different scenarios could play out for realising the growth potential across different levers

1. Scale existing GCCs

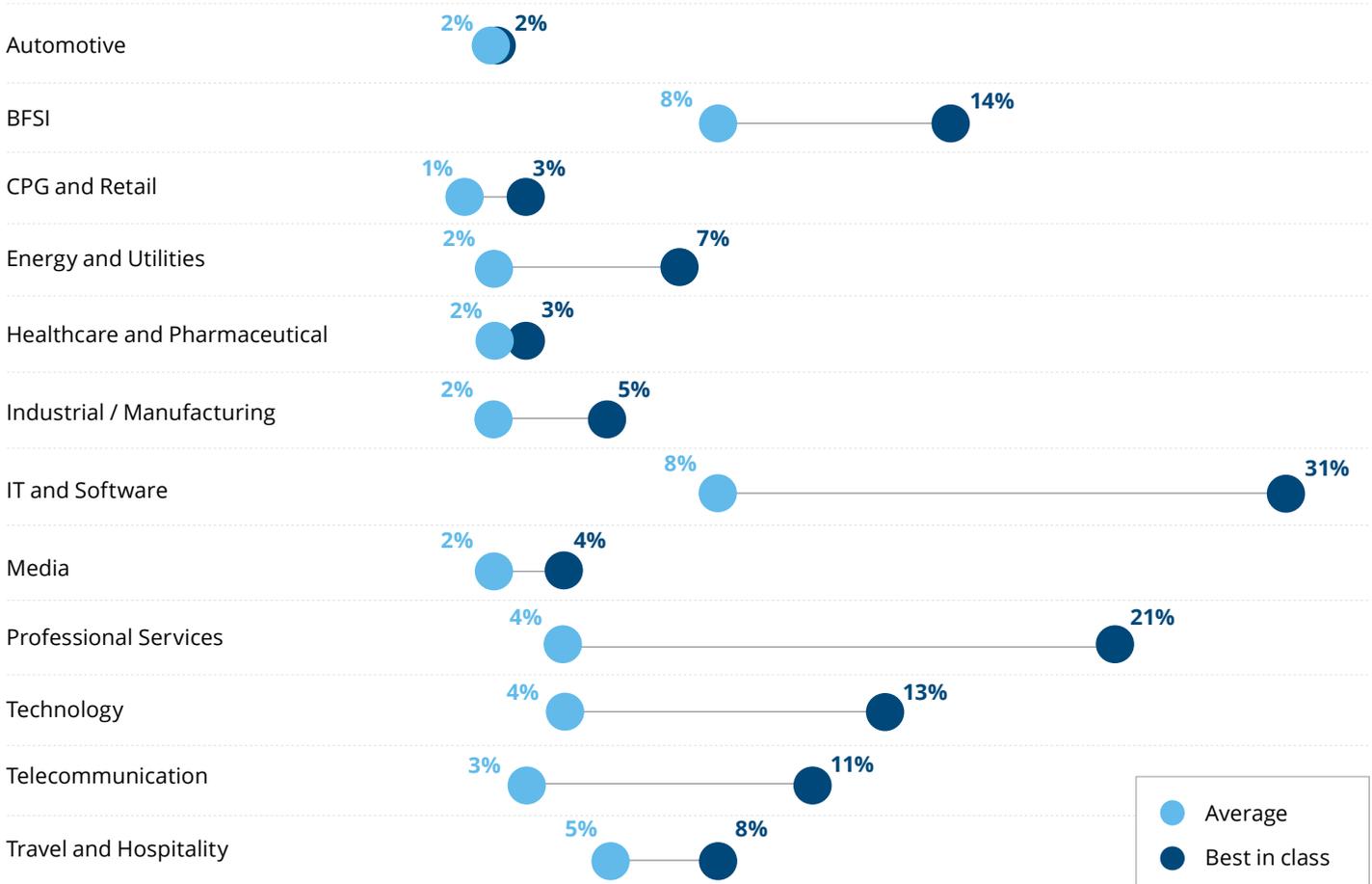
We estimate ~1.5X to ~3X growth potential, that can result in a US\$ 20-30 billion market size expansion over next 5-6 years given the right ecosystem support and government incentives.

The GCC sector has the potential to grow:

~1.5X if all existing GCCs increase headcount to the average ratio of GCC headcount to parent organisation headcount

~3X growth if they increase headcount to the best-in-class ratio of GCC headcount to parent organisation headcount

GCC headcount as % to parent organisation headcount



Key drivers for growth

Showcasing the India GCC capability story, to ease centre leaders effort to convince the parent organisation

Robust open innovation framework that allows GCCs to partner with other ecosystem players to drive growth

Bridging the skill demand supply gap across levels and functions for GCCs to hire expand scope of services seamlessly

Reducing uncertainties with Transfer Pricing that encourages GCCs to support higher value work for the parent

Source: DB Hoovers, NASSCOM Deloitte Analysis

Note: Analysis excludes extreme cases of GCCs to parent organisation headcount ratios to maintain data integrity; best in class GCCs defined as 75th percentile concentration for the sector

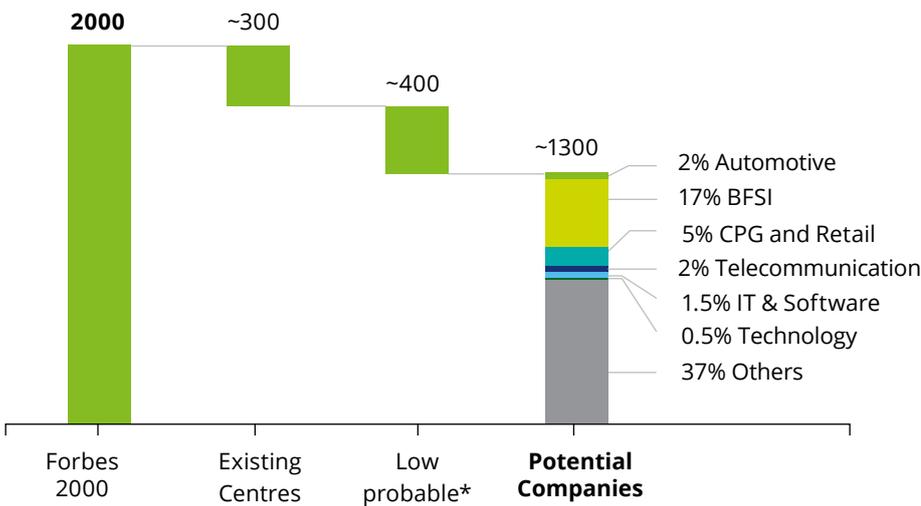
2. Attract new Cos

With a strong branding around India's GCC growth story and the capability potential, we estimate and incremental \$10-20 B market through new GCCs that could setup a centre in India.

There is a US\$10-20 B growth opportunity for the sector by attracting Forbes 2000 and 2000 – 5000 corporations that do not have a GCC in India to set up either:

- Innovation/R&D centres
- Sector-specific business operations centre
- Transactional services centre moving services from centres elsewhere to India
- Capability development centres

High potential targets for new centres – Forbes 2000



There is also an opportunity to attract ~300 companies* out of 3000 companies in the Forbes 2000-5000 list of companies to set up their GCCs in India**

Key drivers for growth

Showcasing the India GCC growth story that makes Global Co. aware of the breadth and depth of work delivered from India

Robust open innovation framework that encourages global cos to tap into the India talent and ecosystem for innovation

Incentives and tax benefits that encourage new Global Co. to setup their GCCs in India

Clarity on transfer pricing that ensures ease of doing business and reduces any uncertainty for global cos

Source: Forbes, DB Hoovers, NASSCOM Deloitte Analysis

Note: *Companies from China, Hong Kong, and India from the list of companies in Forbes 2000, without a centre in India

**Assumed success rate of 5-10% for R&D Centres, 5-10% for transactional service centres, 20-25% for business operations centres, and 25-30% for capability development centres

***Assumed a success rate of 10% for attracting companies from the Forbes 2000-5000 list

Growth potential: Types of centres

The estimated growth could come from four GCC types – transaction service centres, capability development centres, business operations centres, and innovation and R&D centres

Transactional service centres

- Transactional service centres provide business function support globally, e.g., finance, HR, IT, procurement
- These typically employ high number of FTE without specialised knowledge or experience in deep-technologies
- These GCCs leverage India's cost arbitrage to their advantage

Set up trend



Case in point

A global food corporation set up its Business Services centre in 2015 which acts as a global shared services centre providing multi-functional transactional service support, e.g., Finance, IT, Source to Pay, Transportation and Logistics, and HR and employing 2000+ FTE across Bengaluru and Gurgaon

Capability development centres

- Capability development centres provide niche capabilities to their parent organisations, e.g., analytics CoE, digital CoE, etc.
- These typically employ a small number of FTE formally qualified/trained in niche capabilities, e.g., analytics, IoT, AI/ML, etc.
- These GCCs leverage India's skill arbitrage to their advantage

Set up trend



Case in point

A US based retail company has leveraged India's analytics talent force, rich ecosystem of start-ups, and best in class open source tool (R, and SQL) to build an analytics capability development centre, employing 55% of its global in-house analytics talent in India

Business operations centres

- Business operations centres deliver core business operations, e.g., pricing and promotions, sales acceleration, etc.
- These employ a moderate number of FTE knowledgeable in business domains, e.g., finance, sales and marketing, etc.
- These GCCs leverage India's skill arbitrage to their advantage

Set up trend



Case in point

A Global Investment Bank's GCC has leveraged India's talent to grow in scale and complexity, employing 5,000+ FTE and supporting operation across 14 business areas including legal, investment banking, investment research, and risk management

Research and development centres

- R&D centres develop/enhance products and services, creating new markets/tapping existing markets for their parents
- These employ a low number of FTE highly skilled in their field, e.g., scientists, biotechnologists, platform engineers, etc.
- These GCCs leverage India's skills arbitrage to their advantage

Set up trend



Case in point

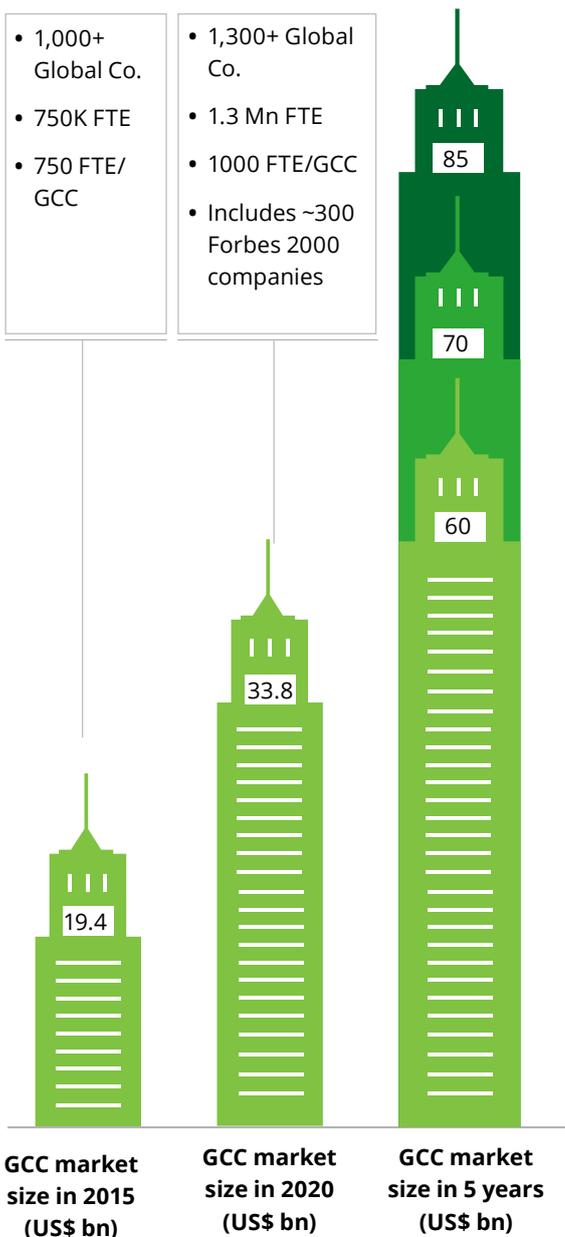
A German Auto player transformed its GCC in India to become its largest R&D centre outside of Germany. The centre leverages India's stem talent and design and tech start-ups to provide high-value services such as CAD, CAE, IT services, design, simulation, analytics, and PLM to its parent organisation

Growth potential: Scenarios and impact of the sector*

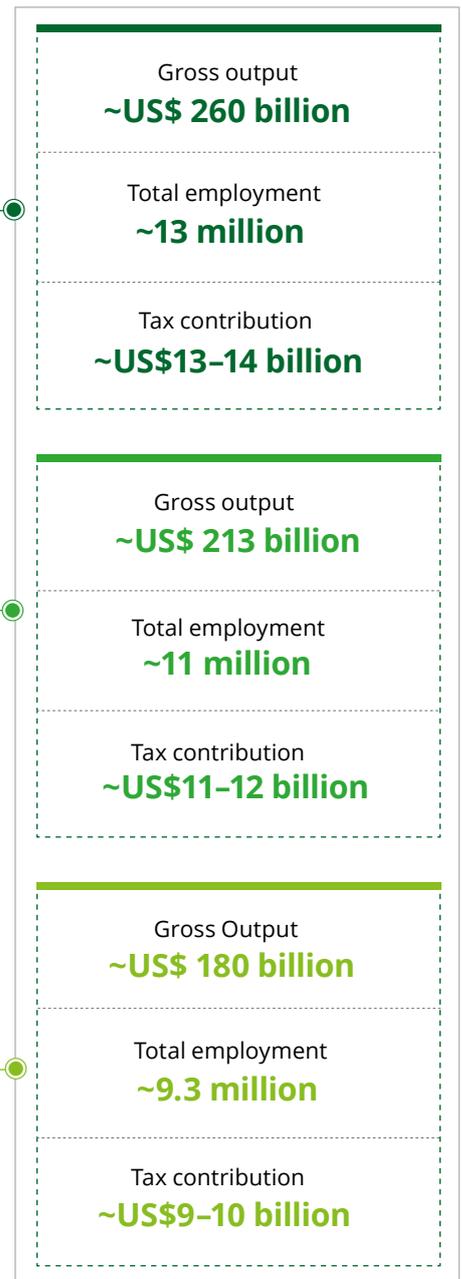
In the next five to six years, the GCC sector can potentially scale up to US\$60–85 billion across three growth scenarios; this will have a proportionate impact on the country across economic, human capital, ecosystem, social, and reputational factors

There is a potential to increase the growth rate from ~12% to ~15-20% resulting in 450 – 700 new Global Co. in the next 5 – 6 years...

Plausible growth scenarios



Resulting economic impact



Composition in these growth scenarios

Growth would amplify associated benefits of GCCs to India- increase in CSR spending, infusion of global best practices, and increased investment in human capital. Additionally, many of the new centres may be focussed on providing more 'high-value' services resulting in an improved brand image of India globally and a further boost to the innovation ecosystem in India.

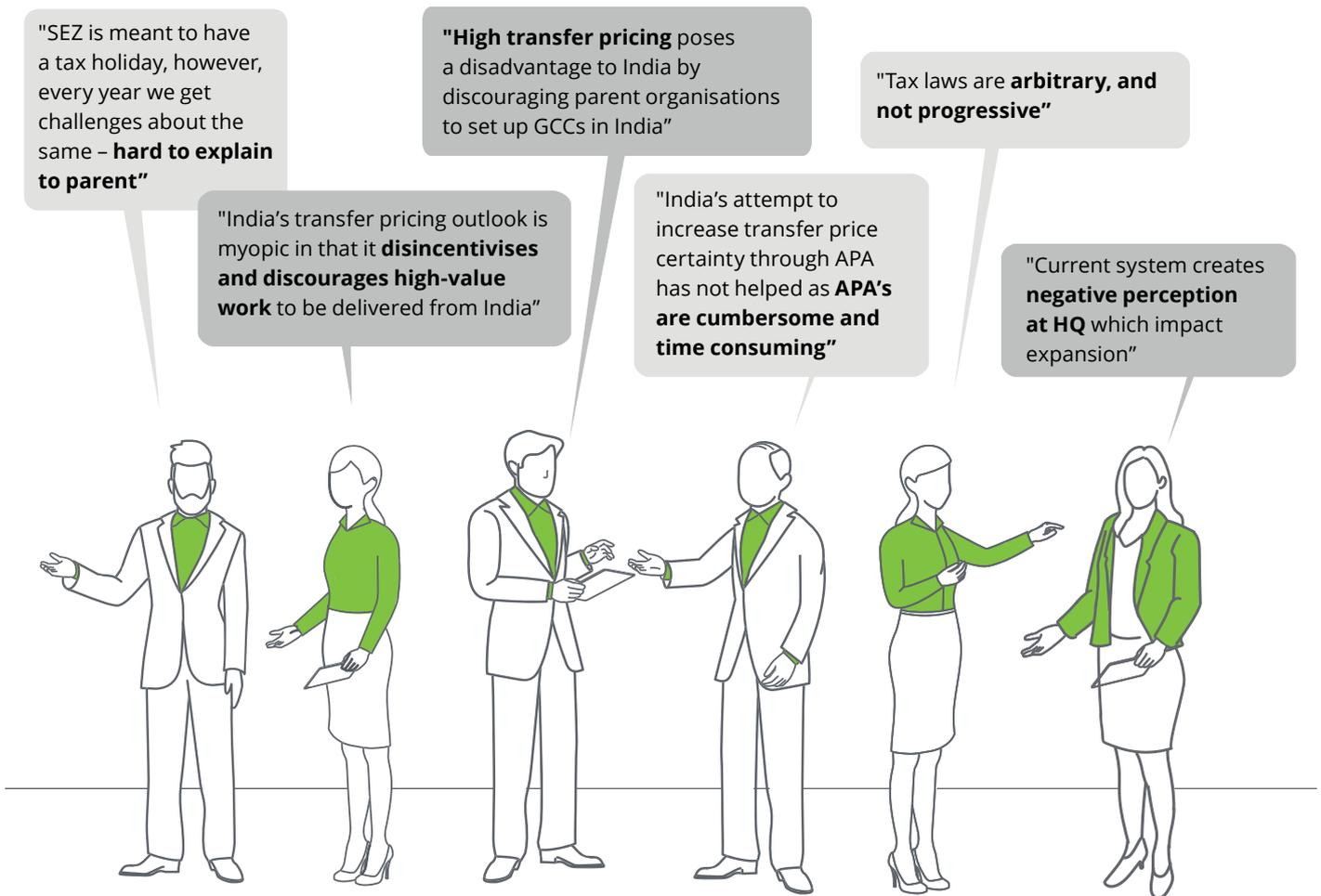
Note: *The growth scenarios, based on FY 2020 baseline, provided in the page above are established from a forecasting model based on several logical assumptions. These projections are meant to illustrate the growth potential of this sector to initiate discussions on establishing growth pathways.

Critical input to growth: Taxation

An encouraging business environment is critical for organisations to set up/scale up GCCs; Consequently, it is critical for India to address the tax challenges highlighted by GCC leaders to help this sector flourish.

While India has upgraded its tax policies (e.g., SHR¹, APA², etc.), some pain points for GCCs still remain

Based on discussions with GCC leaders, we identified the following pain points vis-à-vis taxation:



Tenets of a required tax policy to help the GCC sector flourish

A. Competitive among global GCC hubs

Ensure India continues to be a favorable destination and incentivises high-value services

B. Catalysing new investments in GCC sector

Attract parent organisations to set up/scale up their GCCs in India

C. Clear and consistent to instill confidence in GCCs

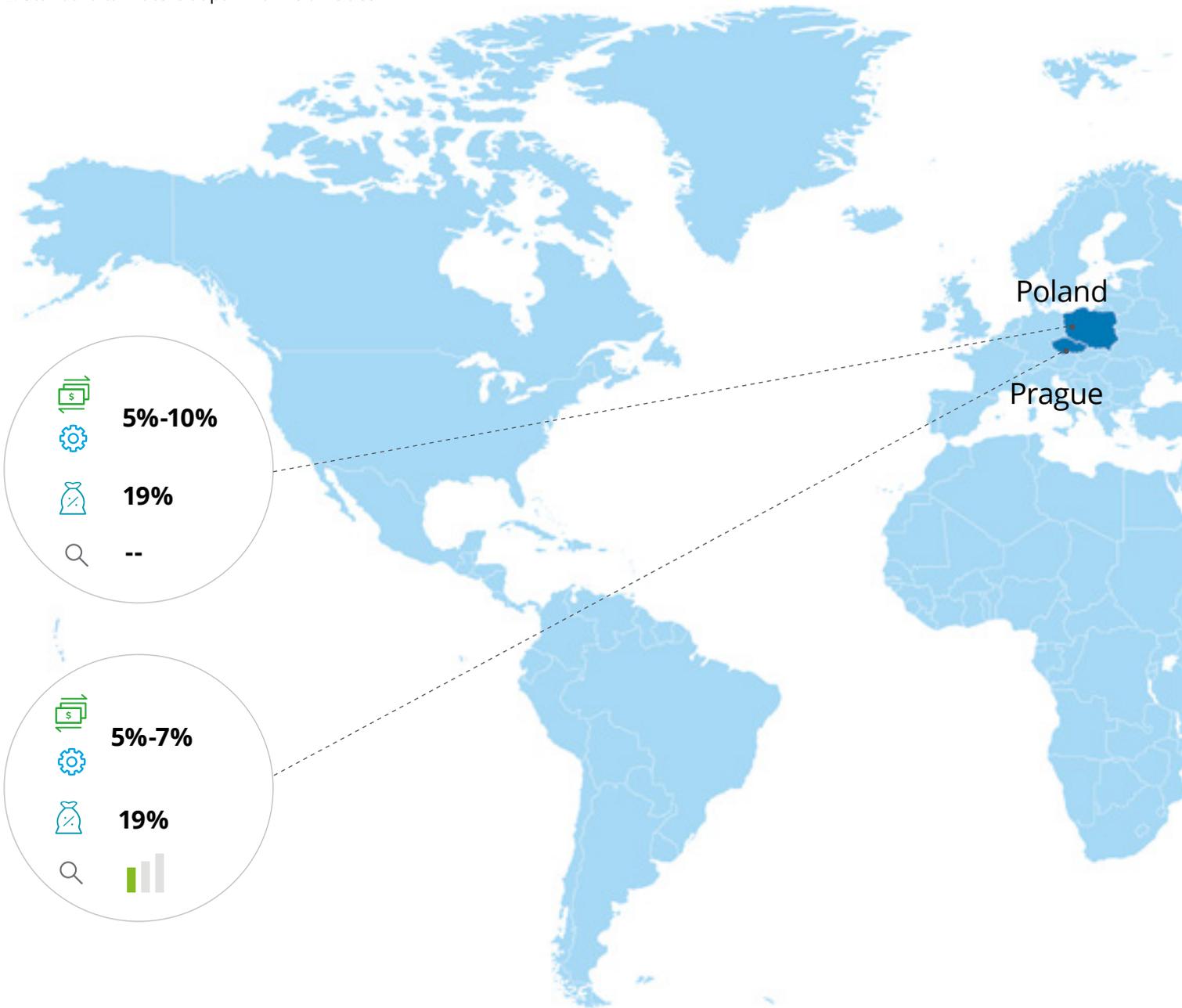
Provide clarity, consistency and confidence to GCCs to operate seamlessly in India

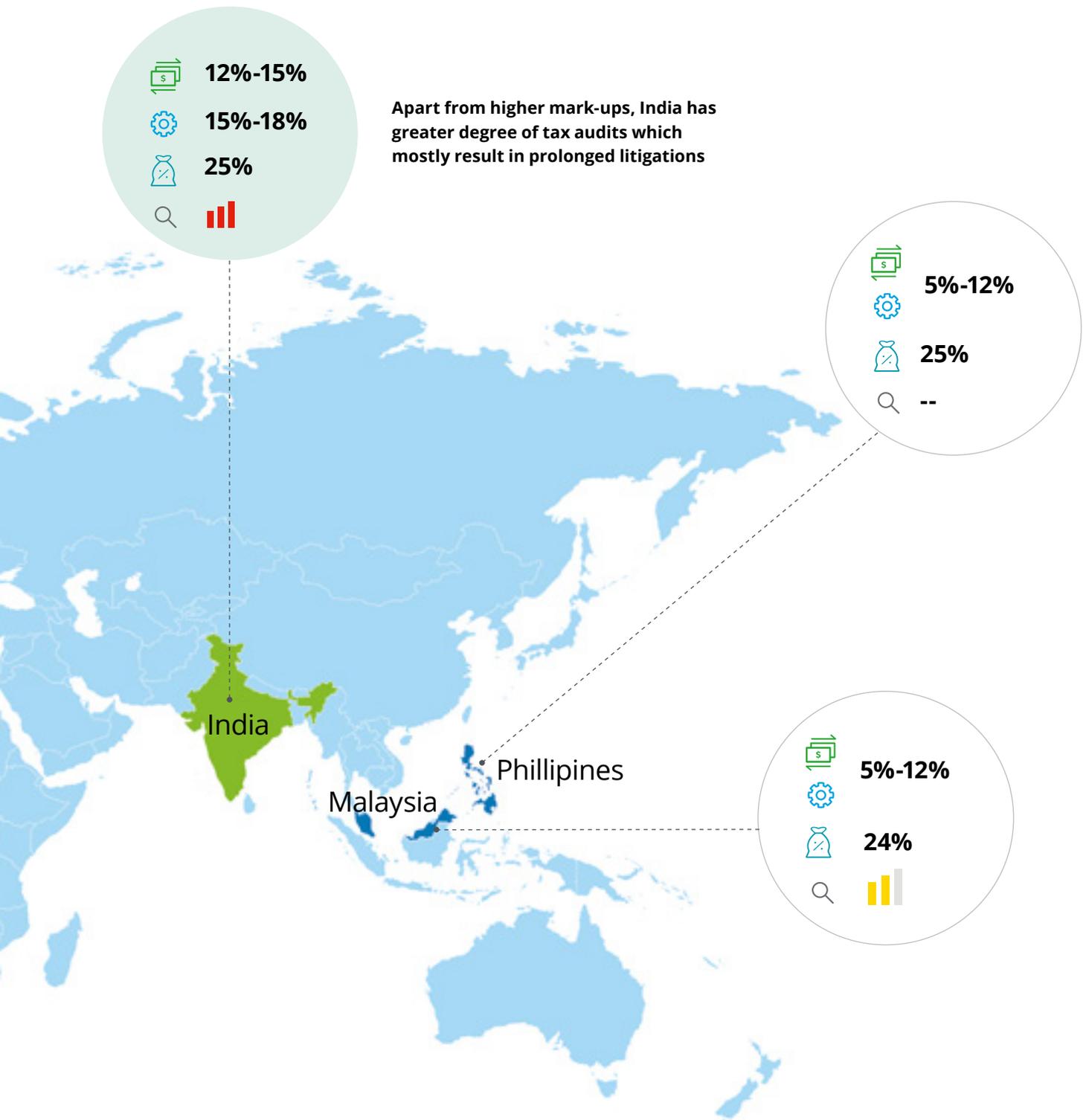
A. Need for a competitive tax policy

Amongst the GCC hubs, India has the highest transfer pricing and taxation rates and while India's talent offering offsets this disadvantage, this advantage is being challenged especially by other emerging centres such as Malaysia and Philippines.

Comparison vis-à-vis other countries

1. Higher TP rate and taxation
2. Standard tax rate is at par with Asian cities





Typical transfer price markup adopted by GCCs as per policy requirements | **Transactional Services**¹
 Typical transfer price markup adopted by GCCs as per policy requirements | **High Value Services**²
 Standard tax rate imposed by countries on the transfer price markup
 Extent of scrutiny and audits faced by GCCs in the respective jurisdiction

¹Refers to software development (other than R&D services) and ITeS services,
²Refers to knowledge process outsourcing services and R&D services relating to software development
 Source: Deloitte Analysis

B. Need for catalysing effect from the tax policy

With the sunset clause of SEZ-based tax holiday policy kicking-in, India needs to rethink ways to attract GCCs compared with other popular GCC destinations.

India

- **Sunset Clause of Tax Holiday Policy:** SEZ-based tax holiday (which provided tax holiday for 15 years) has been instrumental in attracting GCCs; being withdrawn as part of policy to reduce overall corporate tax rate
- Reduction of withholding tax on dividend from ~22% to 5-15% based on applicable tax treaty

China

- Offers specific tax incentives based on nature of activities undertaken such as:
 - Research and development based,
 - New/high technology based,
 - Investment based,
 - Software enterprises
- Reduction of withholding tax on dividend from ~10% to 2-8% based on applicable tax treaty

Czech Republic

- Offers corporate tax relief for investments in :
 - IT centres
 - Data centres
 - Shared service centres
 - Repair centres for high tech products
- Reduction of withholding tax on dividend from ~15% to 5-10% based on applicable tax treaty

Phillipines

- Offers income and investment-based incentives to GCCs; expected reforms to reduce the standard corporate tax rate from 30% to 25%
- Withholding tax on dividend of 30% may be reduced to 10%-15%, depending on tax treaties

Malaysia

- Offers corporate tax relief for R&D investment, i.e., double deduction for qualifying R&D expenditure
- Malaysia does not tax dividends in the hands of shareholders

Poland

- Offers Incentives in the nature of Principal Hub ("PH") income tax exemption, tax relief for new investments and non-refundable grant for initial investments are available
- Reduction of withholding tax on dividend from ~19% to 10-15% based on applicable tax treaty; In certain case may even reduce to 0%

C. Need for a clear and consistent tax policy

India's Safe Harbour Margins and Advance Pricing Agreements provisions pose their own challenges and there is a discrepancy between the transfer pricing rates from benchmarking analysis and transfer price audits.

Eligible services	Transaction limit (INR)	Benchmarking analysis ¹	Safe harbour margins	APA margins ²	TP audit experience ³
1. Provision of software development services other than R&D services	Upto 1,000 million	10 – 15%	≥17%	16%-18%	20%-25%
	1,000 million to 2,000 million		≥18%		
2. Provision of ITES other than R&D services	Upto 1,000 million	10 – 15%	≥17%	16%-18%	20%-25%
	1,000 million to 2,000 million		≥18%		
3. Provision of knowledge-based services	Upto 2,000 million	15 – 18%	Employee cost to operating cost ≥60% 60%≥40% ≤40%	17%-20%	23%-30%
			Safe harbour margin – NCPM ≥24% ≥21% ≥18%		
4. Provision of contract R&D services relating to software development	Upto 2,000 million	15 – 18%	≥24%	20%-22%	23%-30%

In certain cases, re-classification of services 1, 2, 3, 4 results in higher transfer pricing margin rate

Arbitrary benchmarking methodology results in uncertainty and higher transfer price margin during audit

Given considerably higher rates, safe harbour margins do not see uptake from GCCs

With avg. time of 33-44 months for India to conclude APAs, GCCs find them cumbersome

Notes: ¹Indicative; actual margins would vary depending on nature of work performed by GCCs and entity specific functional and economic analysis, ²Indicative and based on secondary sources of information, ³Based on Deloitte experience, the margins alleged by Indian tax authorities during transfer pricing audits are typically higher

Source: Deloitte Analysis

Recommendations

To address the tax issues of GCCs, India could take the following steps.

Transfer pricing

Revisiting the expected margins for GCCs under Safe Harbour Rules (SHR)

To encourage Global Corporations to consider India as a favourable GCC destination, tax authorities should rationalise expected mark ups based on experience from other countries, without adding limitations of services. This would generate higher foreign currency inflow, employment, and tax revenue

Expanding scope of SHR

Current SHR is applicable for companies only under INR 200Cr of fully loaded cost, expand the scope of coverage under SHR to all companies that want to leverage the rules, to allow greater certainty around audits

Faster resolution of APA and MAP cases

Indian tax administration has developed robust experience in negotiating APA and MAP cases for GCCs. This experience is across nature of services and across geographies. It is suggested that the Indian tax authorities leverage this experience to issue guidelines for faster resolution of APAs and MAPs. The guideline could provide a reference agreement with suggested solutions/ acceptable positions for most of the key points of negotiations like margins etc..

Encouraging expansion as well as new investment in GCCs

- a) Taking cue from the Israel story, tax policy, especially TP regulations should be used as a lever to encourage GCCs play in high value services in India
- b) Developing an inverted mark-up structure and linking it to progressive no of jobs offered in "high value" services
- c) To define "low value" and "high value" services; d) Conclude agreements on TP (akin to APAs) at the time of investment approvals

Leveraging GCC environment to catalyse investment in other sectors

- a) Offer SHRs linked to investments made in other sectors by the MNE Group of the GCC;
- b) Tiersation of TP mark-ups based on investments made by the GCC in incubator funds/ mentorship provided to start-ups;
- c) Accelerated tax deductions for trainings/ investments made by GCCs to upskill talent

Clarification on certain litigative issues

Indian GCCs face litigation on multiple transfer pricing issues. Indian tax authorities could issue necessary guidance, basis their APA/MAP experience and judicial decisions, on such issues to enable GCCs and tax officers to reduce the areas of dispute.

Changes to domestic litigation process

- a) Prescribe a mandatory time limit for the disposal of cases at Commissioner of Income Tax (Appeal) level;
- b) to clear the back log of TP cases, run a focused campaign to prioritise discussion on merits for TP cases for GCCs that are pending at appellate levels;
- c) Evaluate if DRP mechanism has met the objectives set out at its inception and if any changes need to be made;
- d) to not conduct annual audits if there is no change in the business and TP policy

Corporate tax

Tax incentive for employment generation

Increase the salary limit in order to widen the scope of employment incentive that a taxpayer can currently claim. Increment in the ceiling will enable the enterprise to claim weighted deduction, enabling increment in cash flow

Most Favored Nation clause (MFN) – Taxability of dividend

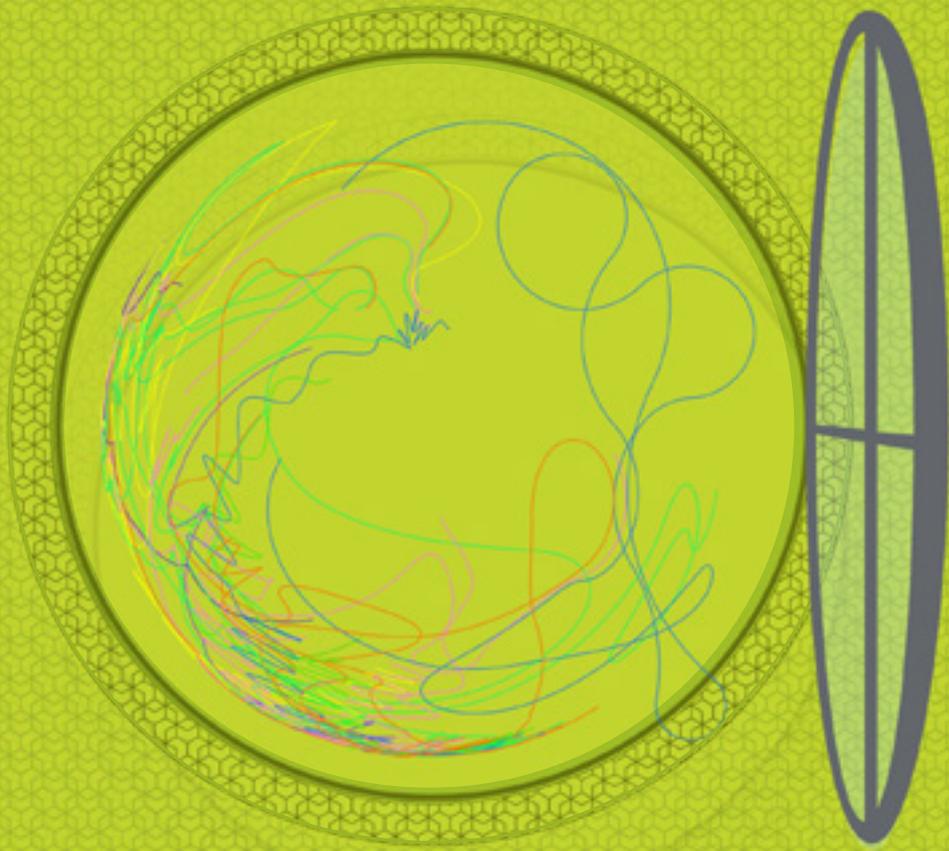
Clarification on applicability of MFN clause under some of India's tax treaties as it will greatly benefit many GCCs and is likely to avoid unwanted litigation spread over many years

Equalisation Levy (EL)

The government should clarify applicability of EL on intra-group transactions/carve out exceptions for such transactions to avoid additional tax burden (for the global corporation) arising on account of input services into GCCs

Intercorporate transfer of employees

Given tax litigation is one of the key deterrents for global companies considering establishing a presence in India, the government should come out with comprehensive clarifications surrounding issues in relation to secondment





Human capital impact

GCCs are investing in the rapidly evolving talent requirements of the nation for the future-of-work

The world around us is changing faster than it has ever in the recorded human history. Globalisation, automation, AI, and advent of other new technologies are changing the nature of work, worker, and workplace. Due to this, new work patterns are emerging, work is becoming increasingly flexible/decentralised, and knowledge-based, largely driven by increasing entrepreneurial spirit among employees. This fast pace of change coupled with the growing talent pool and the gig workforce are likely to shrink the shelf life of skills, due to which the nature of jobs will change¹. In Deloitte's Deans Summit Survey, deans, students, and employees have expressed a clear need for acquiring multiple skills, including lifelong learning to stay relevant in the changing industry.¹ To constantly adapt and succeed in this fast-changing environment, organisations will need to think and act differently and achieve the almost impossible balance of organisational flexibility and operational robustness. This difficult but critical goal can be realised by creating a high-quality workforce that blends unique human traits (e.g., creativity, courage, empathy, perception) with the powerful technology capabilities (e.g., execution, insight generation, processing).

As global organisations find ways to adapt to these big changes, GCCs have a critical role to play in creating this high-quality workforce of the future. Most GCCs have already evolved from being a 'service provider' to also being a 'value creator' over the past few years. This evolution has helped them learn new organisational capabilities that may help them in partnering with their parent organisations to create the high-quality workforce of the future. Many GCCs have already started on this journey and experimented with few initiatives to reskill and upskill their workforce. For example, quite a few GCCs have already partnered with academia to bring in changes at the grassroots levels to ensure industry-ready talent supply and conducted extensive in-house training programmes to ensure existing employees are continuously upskilled. They have focused on leadership development to make sure they develop a strong and sustainable pipeline of globally mature leaders. GCCs have also ensured that their Indian workforce mirrors the diversity present in their global workforce to get the best value from all sections of society (e.g., women, veterans, LGBTQ+) by following best-in-class inclusive practices.

While GCCs have been constantly investing in talent in their own capacity, there are a few areas that they need to consistently focus on to achieve the goal of creating the workforce of the future. These areas are across the talent stages – from 'ensuring industry ready entry-level talent' to 'building an up-to-date, globally mature force of thinkers and influencers' to 'create leadership with grit and global transformational thinking'. All of these are very important and complex areas, and it will need collective, collaborative, and enthusiastic involvement of government, industry bodies, and GCCs to bring together their best thinking and capabilities to create the 'skills-of-the-future-at-scale'. If done well, then this will not only help the global parent organisations and GCCs succeed in this rapidly changing world but also further burnish India's image as a high-quality talent crucible of the world.

Impact of GCCs' investment in human capital

Given the evolving role of GCCs in the parent organisation, they are investing significantly in comprehensive skill, leadership development, and diverse talent.

Human capital impact drivers

Capability development

- Building a specialised knowledge pool
- Providing employee capability enhancement through continuous learning
- Sharing global working styles
- Creating future-ready graduates



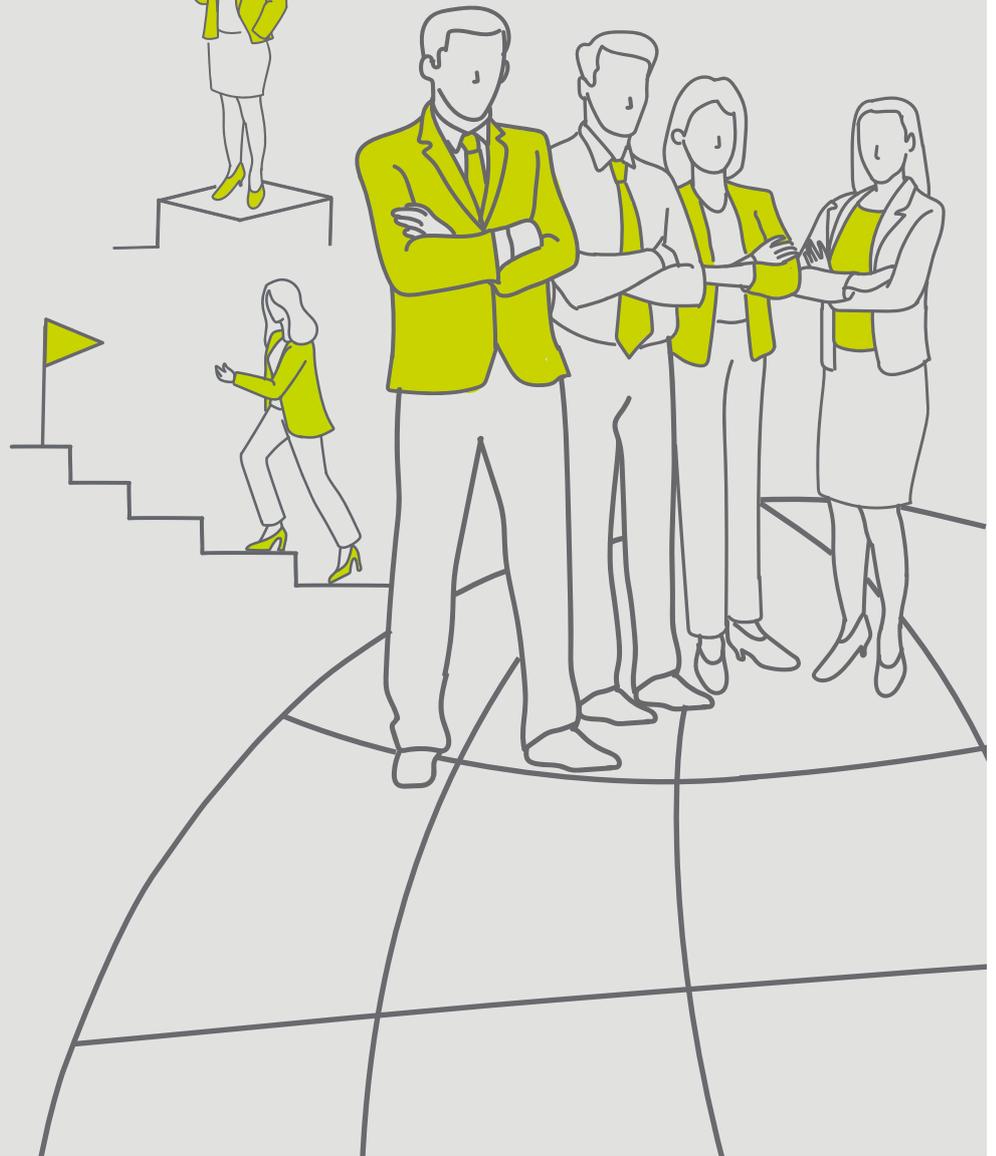
Leadership development

- Enhancing the leadership pool
- Spearheading an innovation mindset



Diversity and inclusion

- Empowering the career driven woman
- Creating opportunities for all
- Improving employee benefits
- Increasing employability in Tier-2, Tier-3 cities



Forming influential outcomes through strong activities for a high calibre workforce

Structured GCC investments in India's talent have resulted in enhanced capabilities for the nation and a strong pipeline of mature leaders, thereby empowering diverse people with new career opportunities



Capability development



Building a specialised knowledge pool

GCCs are spending ~US\$275–325 million (~INR 2,062–2437 crore) to impart the relevant capability development (e.g., digital, professional skills), which builds India's talent pool and makes it a more attractive location to house future GCCs.

~200 thousand

employees training in next generation skills from 2015–2020



Providing employee capability enhancement through continuous learning

GCCs are generating strong revenue due to productivity improvement from their highly focused continuous learning programmes, which keep their workforce up to date with the latest technology and management related processes and practices.

Revenue of

~US\$250–300 million

(~INR 1,875–2,250 crore)

due to productivity improvement from continuous learning



Sharing global working styles

GCCs are diffusing global best practices in India (e.g., agile ways of working, usage of DevOps).

~250–300 thousand

GCC employees having joined other companies between 2015–2020 and disseminated global and structured ways of working



Creating future-ready graduates

GCCs are uplifting the academic quality by curating relevant content and creating an increase in student employability at scale that filters down to other GCCs, IT/IT enabled service companies, and other Indian organisations.

~3–4 percent

increase of the total employable students in India are owing to GCC intervention with academia



“We are reskilling several of our workforce through our inhouse ‘global university’. We are also participating with universities to influence content and curriculum and are committed to develop skills in Tier-2 cities as well.”

Leadership development



Enhancing the leadership pool

GCCs are grooming mature leaders who understand best-in-class practices and share these with other corporates and start-ups they may move to in future.

Groomed ~55–60 thousand leaders from 2015–2020



Spearheading an innovation mindset

GCCs are grooming leaders to build India's reputation by taking bold decisions to spearhead innovation and transformation through the creation of ~1200–15001 technology start-ups founded by ex-GCC leaders.

Total employment of ~85–90 thousand people created through tech start-ups founded by GCC groomed leadership

●● The pyramid was built from the top ... with strong leadership and parent support, clear processes were put into place from the start.

Diversity and inclusion



Empowering the career-driven woman

GCCs are leading the way for women with ~35 percent overall women's participation in the workforce by creating practices that are inclusive and supporting career progression, as compared with the rest of India, which has only ~21 percent participation.

GCCs represent **~27 percent of the best places to work for women** in India and have **economically benefitted ~175 thousand** households due to increased participation of women in the workforce



Creating opportunities for all

GCCs are able to recognise the value that diverse groups with varied experiences (such as veterans, differently abled people and LGBTQ+) bring to the table and have been able to seamlessly integrate them into critical business functions increasing opportunity for all.

GCCs represent **~40 percent of India's most inclusive companies**



Improving employee benefits

While GCCs account for only a very small percent of all Indian corporates, they are still amongst the most recognised companies for mature employee benefit, wellness, and insurance policies.

GCCs represent **~20 percent of the best places to work from amongst Indian organisations**



Increasing employability in Tier-2, Tier 3 Cities

GCCs have been actively creating operational centres in Tier-2/Tier-3 cities and an inclusive work environment that allows talent from far flung locations to thrive and in the process has also uplifted standards of the local education institutions

From the top ten states providing the "employable pool" of India, over **~50 percent were found employable from Tier 2 cities** as compared to ~30 percent from Tier 1

●● We are now looking at diversity as being about inclusion of people from different backgrounds, with different skillsets, and from across geographies.

Source: NASSCOM Deloitte Analysis, NASSCOM, Industry Reports, LinkedIn, Great Place to Work

Note: Overall Impact has been estimated through primary insights from GCC leaders overlaid with available industry data such as overall GCC market size, employee training costs, transfer prices, employable students, employees in start-up etc

1 Based on founder profiling of 200 start-ups. The companies considered for the research include Indian start-ups who have received significant funding in the past five years and/ or have been part of the start-up accelerator programme.

High-impact case snippets

Capability development

Building a specialised knowledge pool

Specialised learning programme by a medical technology company

- Provides an **engaging and comprehensive source of advanced learnings opportunities** to educate employees in clinical specialties
- Specialised learning courses are available to its **5000+ employees in India**, that helps the company achieve its greater purpose of improving people's lives through meaningful innovation

Participation in NASSCOM's FutureSkills Programme

- 20+ GCCs are leveraging the future skills platform for employ training with an aim to create **upskilling opportunities for new technologies** that are part of the digital disruption the Indian workforce face
- Includes integral skills spanning across **70+ job roles on 10 emerging technologies**

Providing employee capability enhancement through continuous learning

In-house academy by financial services company

- Started its own global academy that exists solely to **coach and develop**

employees; equips employees with tools for problem solving, communication, and adaptability

- The academy is an award-winning employee development programme that trains **~40,000 people globally per year**

Executive eminence programme by professional services firm

- Objective of the programme (in partnership with ISB) is to **build the personal and professional eminence quotient** of senior leadership, broader employee perspective, and **increase market reach and accelerate revenue growth** through client retention and repeat business
- Certified **20+ senior leader participants to date**

Training in next generation tech by technology company

- Trainings help create a pool of future graduates trained in the **use of next-generation technologies**, such as quantum programming
- Expected to **train 900+ faculty** across institutes to equip students with the required skills

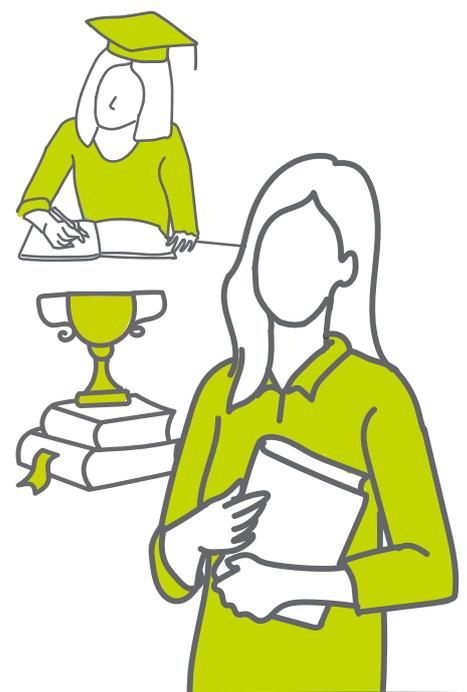
Re-insurance training by financial services company

- Develops **reinsurance skills, insights, and expertise** amongst students and professionals aspiring to pursue insurance careers in India
- Trained **~120 students**, in partnership with National Insurance Academy (NIA) so far to close the gap between the rising demand for specific jobs and their availability

Creating future ready graduates

Professional services firm helps students get future ready as enabler in the ecosystem

- Aims to bring together academia and business leaders to **shape the next-generation curriculum**
- Enabled **800+ educators to drive innovation and thought leadership**
- **Exposed 30,000+ students to real-time industry solutions** and prepared them for the future of work

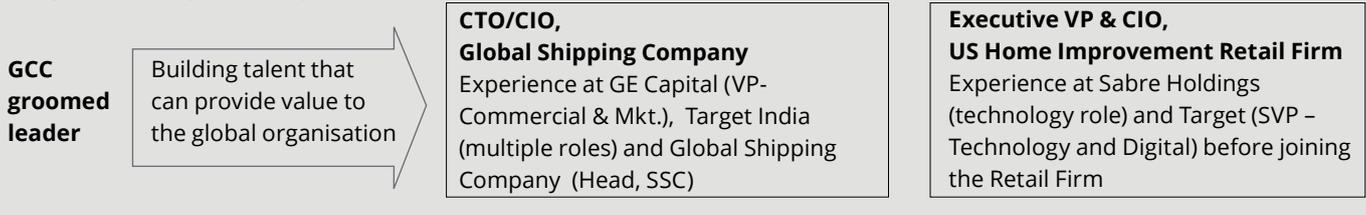


High-impact case snippets

Leadership development

Enhancing the leadership pool

GCC groomed leaders are not only moving to global parent roles but also sharing best practices by joining Indian companies to help them leap forward



Spearheading an innovative mindset



Diversity & Inclusion

Empowering the career driven woman

Target aims to equip women in STEM with strategic skills

- Imparts women studying STEM subjects with **soft/strategic skills**, which studies show are critical to succeed in the field of technology and are not always provided as part of the college curriculum
- Target has **hired 16** out of the 22 students trained in the first cohort of Ignite+
- Expanding the scope of the programme in 2021 to **three engineering colleges**

Financial services company promoting women entrepreneurs

- A women-specific programme focusses on training **women entrepreneurs from across India** by providing business and management education in partnership with IIM Bangalore
- Since 2008, the programme has trained more than **1,600 women** entrepreneurs from across India

Creating opportunity for all

Dell aims to mainstream inclusion of differently abled at the workplace

- Programme aims to make **accessible infrastructure and provide assistive technology, conduct employee sensitisation, and create hiring opportunities** for differently abled
- Hired 290 differently abled people; created a smooth transition for the differently abled to work-from-home

UBS is providing career opportunities to Indian veterans

- Help veterans learn **new technical and management skills** keeping in mind the value they bring to the sector through their diverse backgrounds and experience in serving the nation
- The company has hired **15 veterans** in India in leadership position; the cohort has been recognised for their expertise

Creating a benchmark for employee development through best-in-class GCC policies and programmes

GCCs have crafted innovative practices for employee development by making them hyper-contextual to the Indian market and the GCC talent landscape.



Capability development

1. Create a holistic training programme

Create a structured training approach that incorporates continuous learning programmes and specific interventions through internal (e.g., e-universities, mentorship programmes) and external sources (e.g. academia, start-ups, sector consortiums, intrapreneurship programmes).

Internal sources:

- Next-generation skill specific trainings through internal training
- Upskilling and relearning programmes for the workforces' ongoing L&D programmes
- Efficient induction trainings for new hires

External sources:

- Next-generation skill specific trainings through trainings with academia
- Keeping faculty up to date through trainings and summits
- Co-development of curriculum with university for a future ready student
- Improving student skills and company brand awareness through training initiatives

2. Promote proactive skill building in line with business requirements

Identify the different types of skills required for the changing work environment and today and in the future and create a structured training approach that ties in business requirements

3. Build relevant digital and professional skills to help maximise the GCC impact

Identify relevant up skill content to help maximise the GCC impact by creating further business depth through functional skills and widen width through new value and strategy for business. The different types of skillsets would be:

- Functional/process skills (e.g., software usage skills)
- Domain/sector/industry skills (e.g., STEM)
- Digital and emerging technology skills (e.g., AI, analytics)
- Novel ways of working skills (e.g., agile)
- Communication/soft skills (e.g., collaboration, persuasion)

4. Create clearly defined partnership outcomes

List the overall need and objective of partnership with academia or start-ups, identify the correct paths for intervention for optimum outcome

5. Structured mobility and secondment policies

Offer opportunities for employees to move to and from global offices for a specified period of time, for enhanced exposure to global policies', ways-of-working, and cross-sharing of ideas and culture. Explore short global stints for exposure and networking with peers and customers



Leadership development

1. Hire and groom senior leadership

who can run the GCC like a business

Create experienced leaders who have worked in global settings and who take ownership to run the GCC as a business. This can be done by leadership who creates:

- Accountability metrics
- Governance and decision rights that complement business objectives
- Objectives that align to the overall corporate strategy
- A strong brand for the GCC both within India and globally
- A digital transformation by applying technology to reduce costs and create a future of automation

2. Offer structured programmes for developing a global outlook and a global leadership pool in India

Create opportunities for exposure to mature global ways of thinking through:

- Structured leadership mobility policies
- Mentorship with senior global leadership
- Cross-learning programmes across GCC and parent company leadership
- Assign cross-border responsibilities
- Expand responsibilities - Regional headquarter roles, global capability centre leadership roles, etc.
- Include developmental programmes that build confidence and communication skills

3. Change the culture from a service mindset to ownership mindset

- Create an environment that

fosters healthy employee discussion and provide opportunities where employees can voice new ideas and concerns in a structured manner

- Tweak rewards and recognition in a manner that encourages managers to move from being task oriented to being outcome oriented



Diversity and inclusion

1. Adopt egalitarian D&I guidelines

Adopt global D&I practices that are formed keeping in mind diverse groups of people and inclusivity goals (e.g., application of inclusive infrastructure, such as ramps and assistive technology for differently abled people).

2. Create alternate talent pools

Extensive reach out to diverse talent pools through structured hiring and onboarding programmes and tie-ups with NGOs and placement agencies

3. Recognise inherent & unique strengths in diverse people

Recognise and identify the diverse skill sets brought in by different people, map these to business objectives, and offer opportunities to fulfill individual potential, create engagement and maximise business impact (e.g., team management and organisational strengths brought in by veterans to organise new business verticals)

4. Provide specific programmes for diverse employees at different career and life stages

To retain the best talent the organisation can identify individual needs and design programmes around them that benefits the company and the employee. For example, provide flexible working schedules to provide time for social work, returner programme for

women post maternity, work-from-home programmes, support groups for new parents, global networking groups for shared experiences)

5. Create mature talent policies around employee benefits and insurance

Use consistent global policies around employee benefit and insurance to be consistent with the best-in-class global employee offerings

6. Design empathy building workshops for the organisation

Offer training and development workshops to increase employee understanding of personal biases around D&I and to allow an open forum for discussion around benefits and need for diversity

7. Take a stance against modern slavery

Clear guidelines around prohibition of forced labour through active collaboration between the company, recruitment agencies, and government.



Since the very beginning we have made conscious decisions on the kind of work we want to deliver from India. With expertise in banking and finance and a strong grasp of technology, the India teams are well placed to deliver solutions that give us an edge in the market.

Our success lies in the culture of inclusion, collaboration and excellence that we have fostered over the years. Work place environment has been rapidly changing for the last few years and a diverse workforce keeps UBS India up to speed, humane and driven. With this team we are able to make a positive social impact internally and among our communities.

Uday Odedra – Country Head: India Operations, UBS



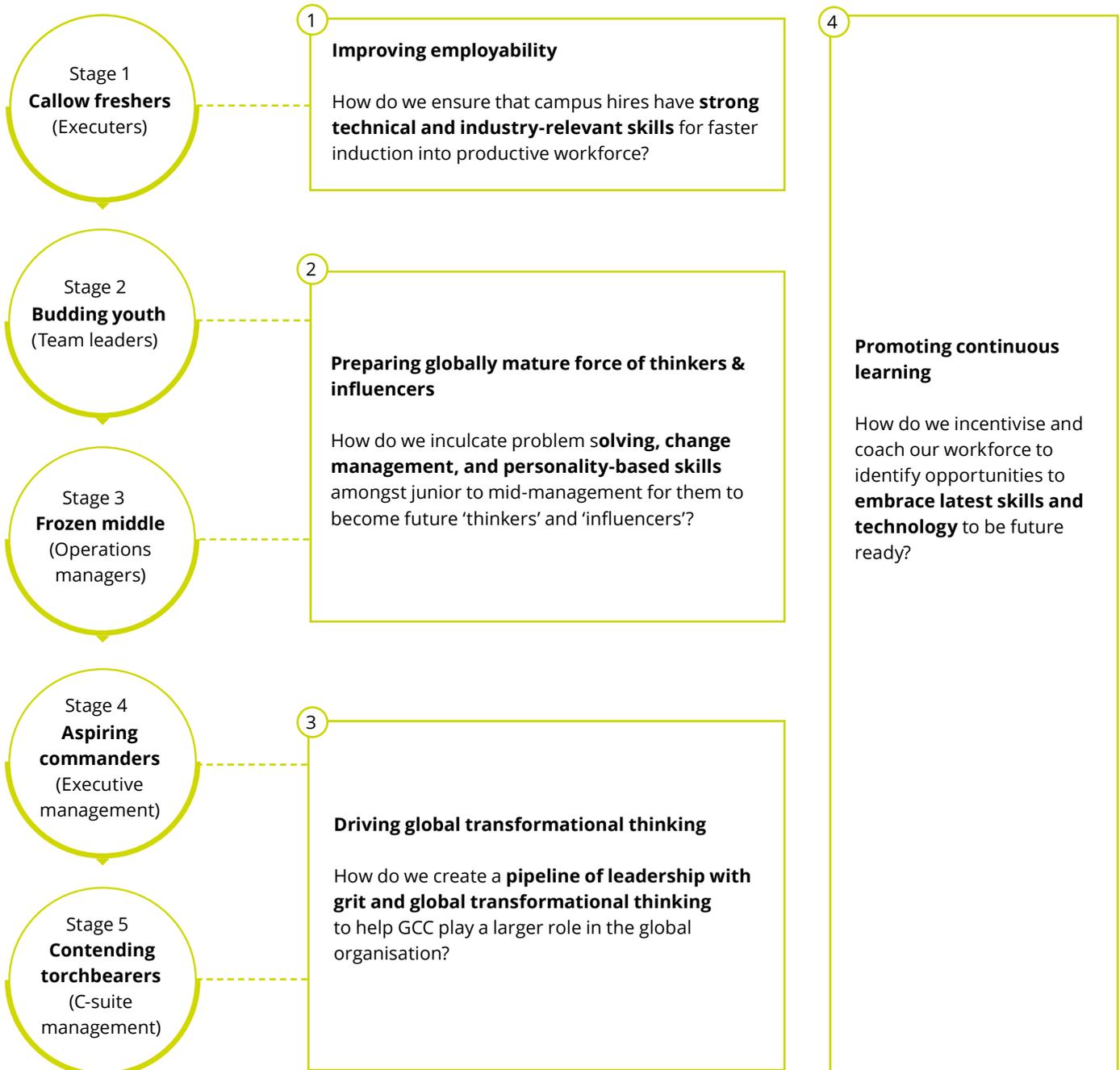
We have seen rapidly changing consumer demands and the need for proficiency in emerging tech and innovation to address those demands. Our focus on Digital Analytics, Data Engineering, Intelligent Automation or UX facilitates horizontal expertise across a diverse set of Fiserv solutions and technologies, enabling us to provide clients meaningful solutions and experiences. The demand for this type of expertise is huge, which led to our focus on upskilling our associates in order to cater to emerging technologies – this approach also provides associates opportunities to grow and learn.

Vishal Pratapwant Head – Engineering & Transformation, Fiserv Global Services

Recognising the continued skill gaps and challenges in the current value chain

While GCCs have been constantly investing in talent, certain challenges must be addressed for India to be seen as a 'provider of intellectual capital at scale'

Talent Stage Framework



Initiatives to bridge the skill demand-supply gap

The government, industry bodies, and GCCs will need to come together to solve these challenges at a larger scale and thereby, ensure a smooth growth journey for this sector.

1. Improving employability

How do we ensure that campus hires have **strong technical and industry-relevant skills** for faster induction into productive workforce?

Co-develop relevant curriculum

Create framework for GCCs to work with academic institutions to develop industry-relevant modules (e.g., AI/ML, DevOps) to make students ready for the future-of-work and decrease induction time

Keep up-to-date on latest industry talent requirements

Assign an agency to understand GCC's talent related requirements (new coding languages, tech platforms) and help universities to design specific courses to improve student's employability

GCC-specific apprenticeship model

Design apprenticeship model to provide flexibility in academic courses and allow students to take time off in between their education for internships and apprenticeships; extend incentives to corporates to participate in the programme

Provide access to latest technology

Facilitate GCC partnership with universities to set up labs or donate latest technology to give students' exposure to the cutting edge ways-of-working

Train the trainer programme

Create industry internship opportunities/ learning programme for faculty to remain up-to-date, which also allows cross-learning between academia and GCCs

Provide interdisciplinary courses

Intersperse technical, liberal art and management based modules in universities to create well rounded and industry-ready talent

Collaboration between one of India's largest IT Services firms AND a state council for curriculum development¹

- The IT services firm provides free courseware to 1,500 higher education institutions across the state
- Courseware aims to help students build skills aligned with the industry requirements, thus enhancing their employability

Joint cancer research by one of the leading AI Research Labs AND biomedical research centre in UK²

- The AI lab conducting cancer treatment research at the Radiotherapy centre
- Exploring whether machine learning techniques can help reduce these planning times before radiotherapy treatment is started

Offering interdisciplinary courses¹

- **University** established by **one of India's largest Automobile Manufacturers** offers interdisciplinary learning and promotes innovative curricula; plans to integrate liberal arts with science and technology
- One of the leading **liberal arts and sciences universities in India** allows students to choose their major from an array of 21 single or interdisciplinary courses

2. Preparing globally mature force of thinkers & influencers

How do we inculcate **problem solving, change management, and personality-based skills** amongst junior to mid-management for them to become future 'thinkers' and 'influencers'?

Develop a subscription based e-learning programme

Identify key learning requirements and develop a learning portal that can be used by the GCC workforce to up-skill and learn at any point in their career

Promote an innovative mindset

Work with vendors to design and offer 'Design Thinking' industry workshops/programme for selected employees nominated by GCCs to help promote an innovative mind-set amongst workforce

Create opportunities for global exposure, networking, and mentorship

Conduct forums/interest groups to give the workforce opportunities for discussion (e.g., concept pitches, update meetings) with global leaders/programme managers to build confidence and share ideas

Promoting innovative mindset at workplace of one of the world's leading consumer and industrial goods manufacturer³

- Provides centres and forums to create a **pool of practical ideas**, which are nurtured into opportunities and provided the necessary resources for success
- Encourage **scientists to go out into the field to observe customers and understand their pain points**; allows customers to also visit Innovation centres for exploring possibilities, solving problems, and generating product ideas
- Scientists share knowledge at **Technical Council**, to discuss progress on technology projects, and the **Technical Forum**, an internal professional society where 3 million scientists present papers

3. Driving global transformational thinking

How do we create a **pipeline of leadership with grit and global transformational thinking** to help GCC play a larger role in the global organisation?

Promote reverse brain drain

Create a platform (portal, events, communications) that showcases the high-impact GCC opportunities, culture, similarities in global way-of-working and benefits for people to consider moving to India based roles; serve as platform to connect GCCs with India-origin talent exploring return to India

Top leadership global round tables

Have regular round tables with internal senior leaders to provide a platform for GCC heads to contribute to goal strategies, co-learn, and pitch ideas

Malaysia promoting reverse brain drain⁴

- Malaysia's national talent agency runs the '**Returning Expert Programme (REP)**', a government programme designed to encourage Malaysian professionals abroad to return home by using various incentives

Top leadership global round tables⁵

- This leading **corporate interaction facilitator** brings together peer-level executives in confidential, dynamic, cross-industry groups to learn from each other's experiences and discuss common themes

4. Promoting continuous learning

How do we incentivise and coach our workforce to identify opportunities to **embrace latest skills and technology** to be future ready?

Skill ownership incentive programme

Promote individual's skill development ownership by providing adequate tax benefits, similar to educational loan to promote a culture of continuous learning and upskilling

Advanced mentorship platform

Build a platform that allows GCCs to subscribe to a mentorship plan, which allows their talent at all levels to choose from a range of experienced mentors across industries

Financing continuous learning⁶

- Multiple EU countries such as Ireland, Netherlands, UK, and Germany provides tax relief on the tuition fee of certain certified courses (undergraduate, postgraduate, and training courses in technology) undertaken by individuals to improve their employability

One of the leading Mentorship platforms⁷

- It offers a service that matches programmers and product managers with a network of experienced leaders at world's leading companies starting at US\$199 per month

Source: ³Harvard Business Review; ⁴Harvard Business School; ⁵Company Website, NASSCOM Deloitte Analysis

Source: ⁶Organization Website, ⁷Analyst Report, NASSCOM Deloitte Analysis



Innovation and ecosystem impact

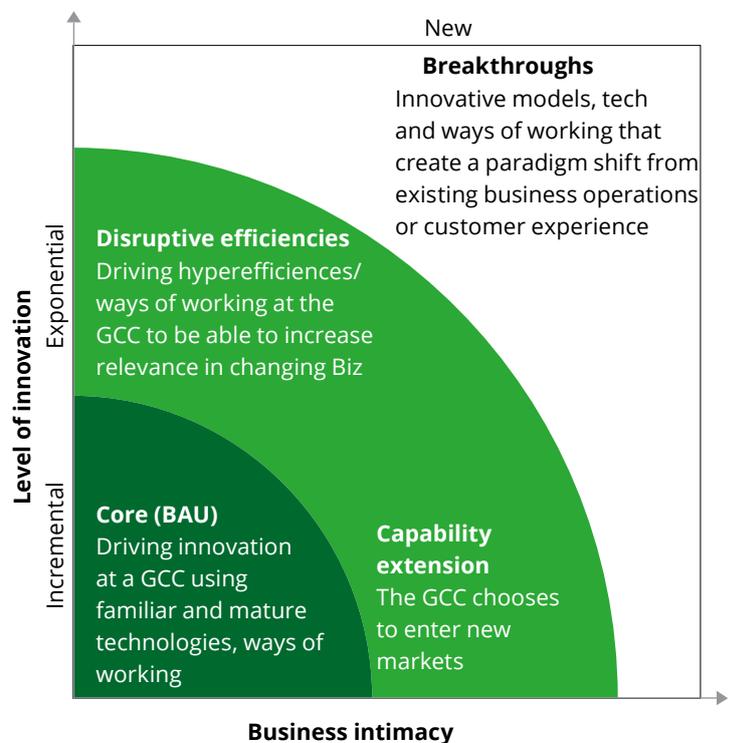
GCCs provide parent organisation access to Indian talent, organically or through the ecosystem, to solve critical business problems, be it in the core business or means to develop breakthrough innovation that benefits the overall organisation

Innovation is no longer an option but a necessity for organisations to survive and succeed in their end markets. While a majority of GCCs continue to provide their respective parent organisation the required IT and functional support, there are many that are moving away from being just a doer to support their parent's innovation agenda. To bring about innovation, certain ingredients such as market/customer insights, creativity, agile approach to problem solving, diverse talent (technical, domain, design), and investment are required. Rather than looking within the organisation for all components, organisations are also looking for ecosystem partnerships that leverage external communities, collaborations, and alliances—and GCCs are no different.

In the pursuit for delivering exponential value GCCs have been exploring innovation areas across the spectrum that could impact the GCCs' core operations and in some cases bring breakthrough innovation for the parent organisation. To drive innovation in 'Core' GCCs double down on their operational excellence practices by infusing exponential changes to ways of working within the GCC, this is typically driven organically in the GCCs or in collaboration with the parent or other centres worldwide. For driving 'disruptive efficiencies' or to 'extend capabilities', the GCCs follow a combination of organic and open innovation - by engaging with the extended ecosystem. The GCCs typically start with a Proof of Concept (PoC) and then leverage solutions developed successfully to the larger organisation across functions and regions. A 'breakthrough' innovation is a usually driven through systematic engagement with the extended ecosystem.

The open innovation establishes a symbiotic relationship between the ecosystem and the GCC and its parent organisation. GCCs as an extension of the parent organisation bring in the domain expertise, use cases, and the ecosystem provides newer ways of working, talent, and access to latest technology.

Today, only a handful of GCCs leverage this ecosystem. However, as GCCs look to contribute to their parent organisation's growth journey, they would need to leverage this ecosystem more and



strive to move from innovation projects focused on 'business-as-usual' coupled with low-cost output to a self-sustainable and frugal innovation construct that increases their work-related maturity and moves them up the value chain. To boost GCC partnerships, a structured approach enabled by regulatory bodies and the government is required to ensure a favourable environment for such partnerships to flourish.

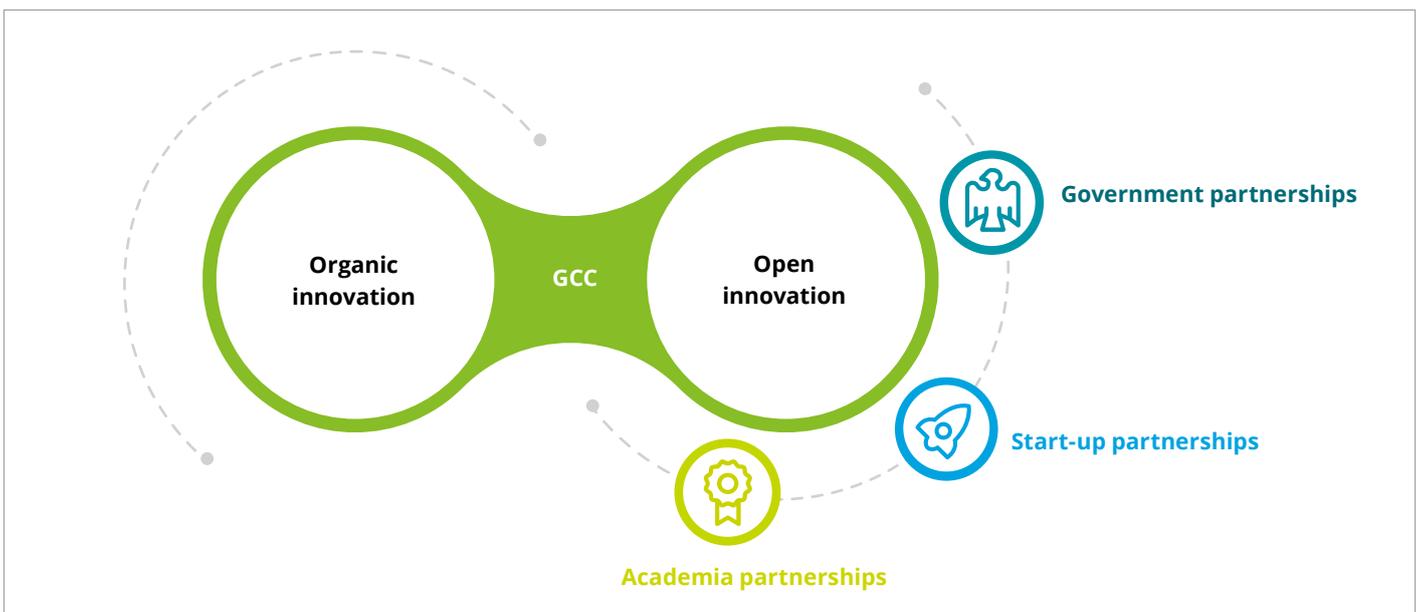
While there are interventions needed to allow GCCs to engage more meaningfully with the ecosystem, GCCs also provide a great opportunity for India to further its innovation agenda. India can utilise the domain expertise that GCCs can bring to boost its national agenda by offering GCCs specific incentives and schemes to invest in innovation areas the country requires. If India drafts these GCC benefit schemes, the nation can use GCCs as a channel to build a collaborative and thriving ecosystem and achieve new heights in innovation.

Ecosystem for driving innovation

The need to drive innovation at GCCs has been one of the key factors to establish an ecosystem connect; through an open and organic innovation GCCs drive synergies that benefit their parent, the ecosystem partners, and the Indian economy as a whole.

GCCs coordinate with internal stakeholders (the parent and other capability centres) to drive **organic innovation** for the parent organisation

- GCCs participate in organic innovation by playing the role of the doer, inching towards a thinker, with close guidance from the parent organisation
- GCCs create innovation opportunities with **free flow of information and ideas** from parent, other capability centres, and in-house R&D
- Focused and well thought through **intrapreneurship programmes** are run by a handful of GCCs to drive organic innovation and percolate a culture of innovation within the organisation
- Through the process a symbiotic relationship gets established, GCCs based on their evolution lean on parent organisation for **domain expertise** and over time gain it and parent leans on GCCs to scale innovation



GCCs partner with external participants to tap into talent, technology, and novel ways of working to drive **open innovation**

Academia-GCC partnership

- GCCs engage with academia for focused research as well as crowd sourcing ideas from students as well as the faculty community
- This helps GCCs stay at the forefront of emerging research and also creates a steady pipeline of **technology-ready talent**

Start-up-GCC partnership

- GCCs share a **symbiotic partnership** with start-ups, where start-ups are leveraged to infuse new-age technologies and novel practices in an accelerated/agile manner while the GCCs give them access to infrastructure and contextual knowledge
- They **invest in or engage start-ups** in various ways to cater to specific technology intensive activities/ operational **requirements**

Government-GCC partnership

- GCCs provide ideation and technical support to the parent's Indian commercial organisation to bring global technologies contextualised to India and in process improve India's **platform for proliferating innovation** in India (Smart cities, Aadhar card, etc.)

Impact from organic innovation

Organic innovation is embarked on scale by a few GCCs who have been successful in building/harnessing the internal capability for cutting edge innovation through the GCC, in process exposing local talent to emerging technologies and global ways of working.

Entrepreneurial mindset

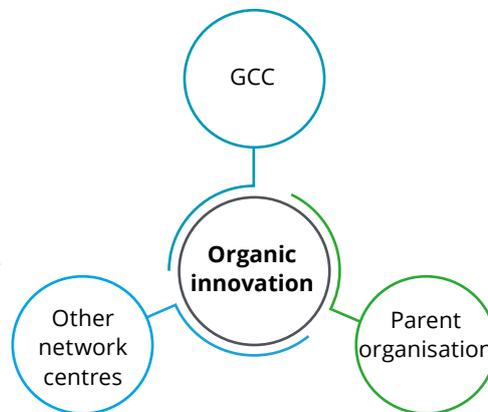
GCCs create an entrepreneurship mindset by driving internal programmes:

- Benefits the parent organisation and the national economy
- Creates a start-up mindset (lean, agile, and continuous improvisation) and in some cases new businesses

Case in point

Société Générale (SocGen), Bengaluru centre, has launched an initiative to create start-ups within the GCC. This resulted in launch of an internal start-up, **Cashberry**:

- This helped in **additional revenue** for SocGen and also helped the bank **expand into African market**
- **Introduced innovative solutions** - Virtual ATM, peer-to-peer cash withdrawal, cash withdrawal from shops and liquidity management solution for mobile money



Trained resource pool

GCCs create a trained resource pool:

- Local talent is equipped with emerging technologies, use cases, and global ways of working (AI, ML, DevOps, Agile, etc.)
- This attracts new players/further investments – **over the past five years, 30+ new centres for R&D and 60+ centres for digital work have been setup in India**

Case in Point

Europe based global insurance provider launched a business service centre in India to create a knowledge pool and transform their company:

- To drive digital transformation and be truly compelling in a digital age the company has decided to create a knowledge pool in India
- This knowledge pool will build critical digital skills and expertise in data analytics, machine learning, quantitative sciences, and intelligent process automation.



The idea was always there but Cashberry would not have seen the light of day if SocGen was not here with its intrapreneurship programme. We learnt business and tech both, and SocGen provided us the right market, infrastructure, and safety net to take the idea forward.

-Sreekanth Krishnamoorthy,
Founder of Cashberry



The talent we hire in India will be an important complement to the teams already established in our regional technology delivery centres

- Global Head of Operations for the company

Impact from academia partnerships for driving innovation

GCCs engage with academic institutes to drive research in areas of interest/growth to the parent; while the larger GCCs enter into extensive partnerships, there are several others who work with academia on a need basis.

How the partnership helps students?

Enable student entrepreneurship

GCCs provide **incubation support and hands-on training** to scale relevant ideas and take them to market, thus accelerating student entrepreneurship

Encourage and reward innovation

GCCs organise events such as **live projects, hackathons, and competitions** on campus to create a competitive mindset and encourage innovation amongst the student community

Sharing new technology

GCCs provide exposure to **global ways of working** and training in the latest digital technologies, such as **AI and machine learning**, providing first-hand experience and making students future ready for jobs

Estimated impact

Spend on R&D through academia-GCC partnership is estimated to be

~\$5-10 million¹

Microsoft in collaboration with NASSCOM aims to skill

1 million

students in AI by 2021

500,000+ students affected through industry-academia partnership of which

1,55,000+ students are upskilled with future skills of AI and IOT by Cisco

How the partnership helps academia?

Create research infrastructure and platforms

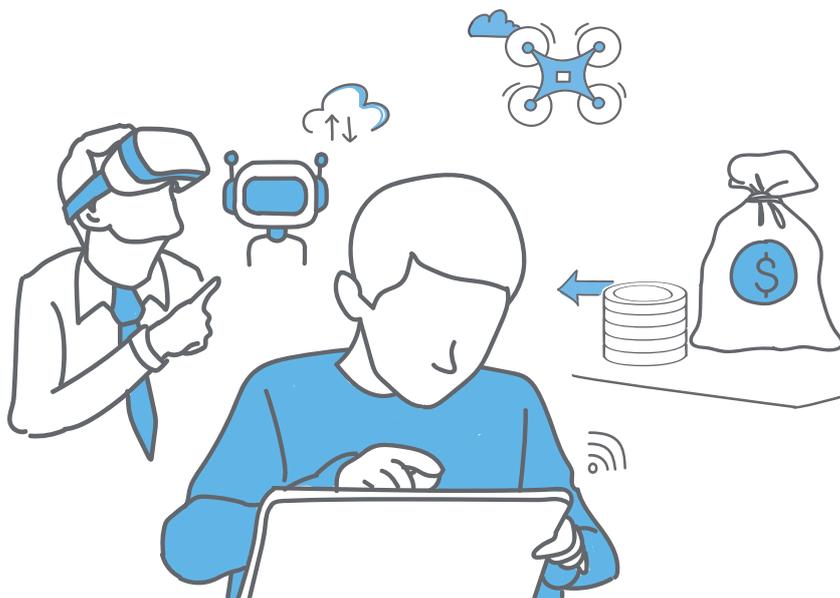
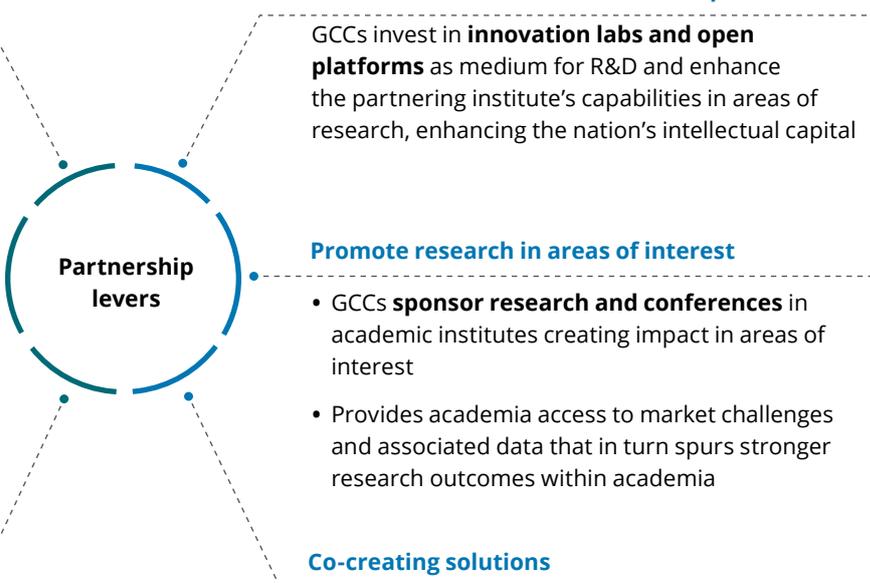
GCCs invest in **innovation labs and open platforms** as medium for R&D and enhance the partnering institute's capabilities in areas of research, enhancing the nation's intellectual capital

Promote research in areas of interest

- GCCs **sponsor research and conferences** in academic institutes creating impact in areas of interest
- Provides academia access to market challenges and associated data that in turn spurs stronger research outcomes within academia

Co-creating solutions

GCCs engage in pro-active joint **research collaborations and provides support** in designing, engineering, procurement, testing, and other services to help institutes accelerate research work leveraging expertise from the sector



Source: NASSCOM Deloitte analysis, news articles, Annual Report – IIT-D, IIT-B; Company Website

Note: ¹Estimates based on the partnerships announced between 20+ GCCs and universities/ colleges; assumed that each such partnership would have resulted in at least 1 project sponsorship and an average project size is assumed to be USD 100k; the 20+ GCCs have been assumed to contribute at least 50% to this spend

High-impact case snippets

Academia partnership

Stronger research outcomes

A tech company launches a centre at IISc to develop next generation networking methodologies

- The company has **launched a centre for networked intelligence** to generate positive outcomes from exposure and research with academia
- This will **facilitate the development of intellectual capital** in our country by hiring PhDs and post-doctoral students

A technology company ties up with IISc Bengaluru for IOT research and innovation

- The company has **created an academic research centre**, which is established at IISc
- This centre has **successfully executed over 30 technology-oriented projects** with real-world applications ranging from smart energy to agricultural automation

A global food processing company has funded Central Food Technological Research Institute's research on impact of a particular ingredient on baked food system

- **Two international publications have been published** based on research work
- It was **selected at the 18th World Congress** of Food Science and Technology at Dublin
- It was **useful in solving current concerns** with quality of gluten-free baked products

A global technology company supports faculty research through its Annual Faculty Research Award

- Under the Research Scholar program, the **company provides funding to world class research** conducted by early career professors
- **Winners receive ~\$60,000** and in last 15 years, 2000+ academics across 400 universities have been awarded

Infrastructure enhancement

A global technology set up innovation lab at IIT Kharagpur to train students on IOT

- The company has **partnered with IIT Kharagpur** to set up an innovation lab and train students in IoT through a formal programme
- The company **aims to train 100+ students annually in next-gen technologies** and operating systems at IIT Kharagpur

Sharing new technology

A global manufacturing giant sponsors a state-of-the-art laboratory at IIT Bombay

- Creates **upskilling opportunities for new technologies** that are part of the digital disruption the Indian workforce faces
- Includes **integral skills spanning across 70+ job roles** on 10 emerging technologies
- **Aims to reskill 2 million professionals** and potential employees and students in the industry over a period of five years

A global automation company and IIT Roorkee will collaborate

to construct a smart electricity distribution system

- **The company and IIT Roorkee will collaborate** on assimilating supply and demand side equipment, devices and systems into an automated energy distribution and management system
- This will help in **creating a 100 percent green campus** and achieving zero CO2 emissions

A multinational tech company will setup 5G innovation lab at IIT Delhi

- The lab will **help the industry and academia leverage 5G** to develop new 5G-based apps and business models
- This will **fast-track 5G deployments** by bringing together telecom ecosystems, academia, industry, and start-ups

Encourage and reward innovation

A tech company sponsors research and encourages entrepreneurship and innovation amongst students

- Company has **partnered with 18** of India's finest technology and business institutes
- Academia Accelerator Programme helps **expose students to important tech trends**
- **Minimum grant of INR 75,000** is given to each research student, and 60 such students received travel grants

A global technology company to set up innovation labs in five Indian academic institutions

- The lab runs a rotating **cohort of about 50 students** every six months
- It enables **students to get hands-on technology** experience and drive entrepreneurship

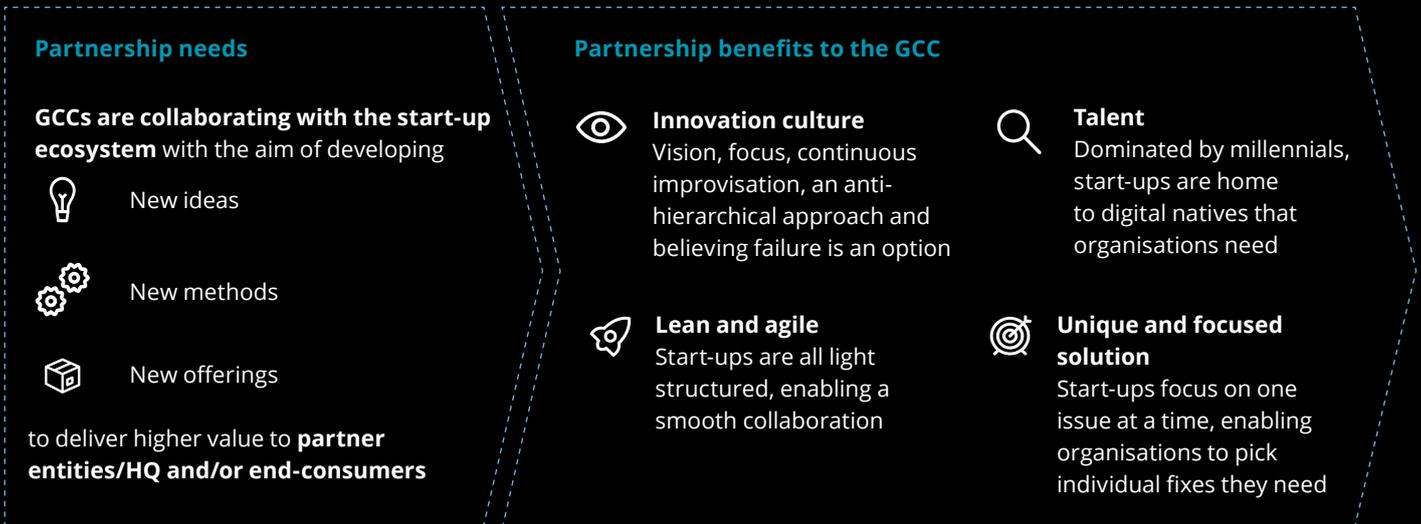
Government partnerships for innovation

GCCs are able to bring global technology and use cases and are able to contextualise the solutions for India in a cohesive manner given the proximity of the centre to the market



Start-up ecosystem partnerships

Emerging technologies are affecting GCCs' operations and parent's business models. Partnering with start-ups, who are at the forefront of leading innovation agenda, GCCs are creating adjacent and breakthrough innovation for the parent organisation.



Key start-up partnership engagement models



Vendor for new-age solutions

GCC leverages start-ups as traditional vendors and buys cutting-edge solutions from them in exchange for a fee

300+ estimated sourcing transactions between GCCs and start-ups each year



Accelerator/incubator

GCC has a running model of working with start-ups to drive disruptive efficiencies for GCC and/or business innovation for the parent organisation

40+ structured accelerator/ incubators run by GCCs in India, graduating **350+** start-ups each year



Solution validation/co-development

GCC works with start-ups to co-create solutions for specific pain points within the GCC or the parent organisation

5+ co-development programmes run by GCCs in India, hosting **25+** start-ups each year



Acquisition/Acqui-Hire

GCC takes a majority stake in start-ups with focus on competitive advantage/market expansion/talent acquisition

15+ acquisitions/acqui-hire made by companies with GCC in India in 2019



Investment

By virtue of engaging and working with start-ups in other models, over time GCCs become technical due diligence authority to invests/ assists in investing in start-ups

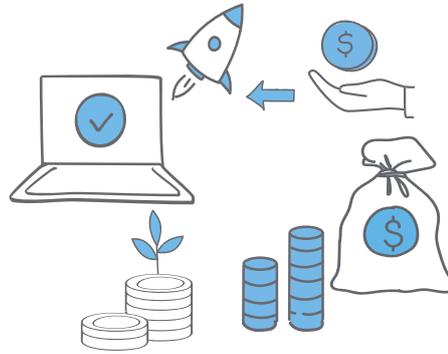
30+ investments made by companies with GCC in India in 2019

Impact on the start-up ecosystem

GCCs are a conduit for start-ups to go global and solve business problems at scale while developing capabilities and maturing their use cases, leading to induced monetary impact; different partnership levers have varying degree of impact on the start-ups.

300+ Start-ups engaged by GCCs each year in India

US\$1.5 billion+ Invested in 2019 in start-ups by companies with GCC in India



US\$15 million+ Direct revenue contribution to the start-up community by GCCs

US\$8 million+ Annual funding given through incubator/accelerator programmes run by GCCs

Impact lever

Impact



Direct revenue

- **~10 percent** of GCCs are sourcing new-age solutions from Indian start-ups, providing revenue of **~US\$15 million/year**.
- Typical relationships start with a POC; however, ~5-10 percent POCs are scaled resulting in exponential revenues for the start-up and the objective of the GCC/parent to scale being met.



Capital access

- GCCs serve as technical due diligence arm for Global Co.
- Global Co. with GCCs in India have invested over **US\$1.5 billion** in 2019 and over **US\$650 million** in 2020, in Indian start-ups in equity investment form and acquisition/acqui-hire through investment arm or accelerators/incubators.
- Global company, with GCC in India acquired/acqui-hired 15+ start-ups in 2019.
- GCCs invest close to **~US\$8 million+** in start-ups annually through their accelerator/incubator programmes



Expertise and testbed

- GCCs provide **domain/industrial expertise** to start-ups through the engagement journey.
- Start-ups with a good technology but unclear use cases often benefit from GCCs accelerators programmes.
- GCCs are microcosm of larger enterprise, for start-ups they create a **sandbox environment** and provide their own data for testing their solutions.
- Deep tech start-ups crave for data, GCCs enhance the start-up's product just not for the requirement but for themselves to further hone their products and have an impact on their product roadmap.



Market/customer access

- GCCs represent global enterprises, partnering with whom significantly establish the **brand reputation** of start-ups and established credibility that leads to further business.
- GCCs introduce start-ups to **global markets** and sectors.
- Marketing initiatives through GCCs allow start-ups to directly **interact with GCC clients** and leverage their **scaling benefits** to deliver.
- GCCs bring the sector perspective that provides refinement and focus to start-ups to play in the global arena.



Infrastructure access

- Accelerator/incubator and co-development programmes provide start-ups **access to their physical and virtual infrastructure** - physical space, data, sandbox environment, etc.

Source: NASSCOM Deloitte Analysis, NASSCOM, Industry Reports, Company websites, Tracxn

Note: Impact has been estimated through primary insights from GCC leaders overlaid with available industry data such as investments in start-ups, funding across corporate accelerator programmes etc.

High-impact case snippets

Start-up ecosystem partnerships

Accelerator/incubator

A global aircraft maker runs a large-scale accelerator programme

- The company made a series **A investment of US\$3.54 million** into a deep tech (AI, IoT, and analytics) for designing smart procurement solutions and provided access to the company's global locations.
- This ' partnership has also **promoted the Government of India's 'Make in India'** initiative.

A technology company runs an accelerator programme, hiring cohorts of start-ups

- The company **provided seed funding of US\$1.17 million** to a start-up that leverages AI and IoT devices to create a SaaS based platform to help airlines and airports improve their on-time performance of flights.
- Further, the **company added the scalability** necessary to deliver big projects.

A global technology company runs an accelerator programme

- **A start-up that built a smart robot** that can automatically cook customised food based on customer's taste **received mentorship and guidance** from the company's leadership over 18 weeks.
- The **company invested US\$774K in the start-up** and provided access to its design studio, IoT lab, and vocational centre.

A technology company runs an accelerator programme for B2B deep-tech start-ups

- The company selects and **hosts start-ups for a six-month session, twice a year**, where they co-create business-relevant end-to-end solutions.
- **45+ start-ups have graduated** from the programme, and many have received seed and series A funding.

Solution co-development

A global automobile maker leverages Indian start-ups through its start-up platform to address challenges in its operations globally

- A Pune based start-up, was on-boarded on this programme to build a simulation model that can predict motor aging and **provided US\$30K equity-free grant to build a PoC.**
- The **start-up presented its successful PoC at the company's global auto expo** to 30+ partners and an audience of 5000+

A global automobile maker leverages Indian start-ups through its start-up platform to address challenges in its operations globally

- The **company runs a 100-day sprint with selected start-ups** to co-develop solutions.
- The **company has run two batches**, working with nine start-ups in the areas of AI, Simulation, AR/VR, EV, and ADAS.
- The **programme ensures a paid PoC (equity-free grant) upto US\$30,000.**

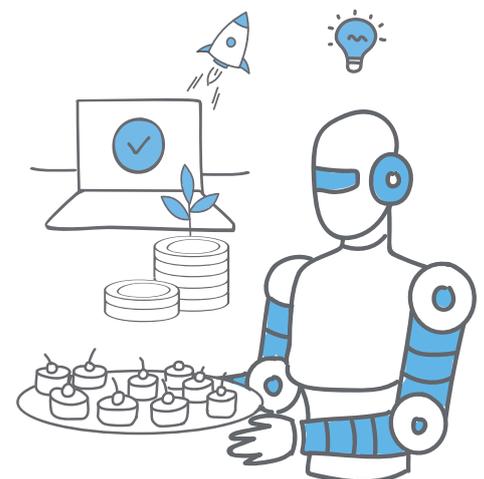
A global bank has been co-creating the future by leveraging in-house expertise Indian FinTech start-ups/technology firms

- Company has **engaged with early-stage start-ups** incubated by NASSCOM.
- **75,000+ hours** of manual effort have been saved till date.

Investment

A leading technology company invested and scaled up the IoT platform of the start-up

- The **company provided resources** and training for the start-up operations.
- It **hired a five-person sales team** for joint go-to-market with the start-up.
- **Start-up valuation rose to US\$46K** following the relationship with the company.



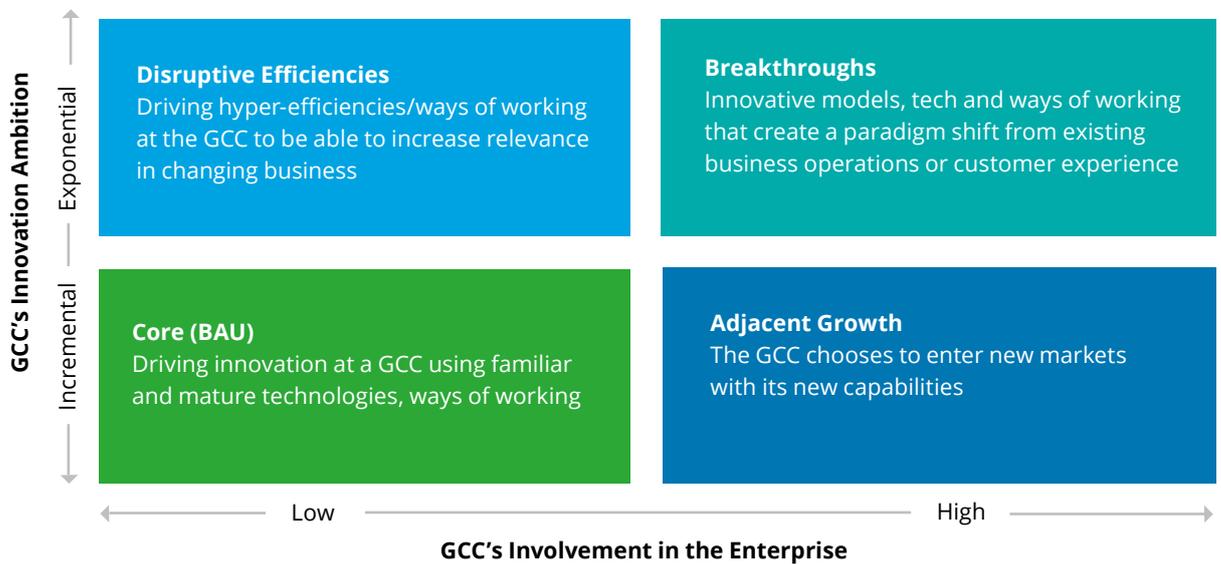
Driving structured innovation programs to benefit the parent, the centre and the ecosystem

GCCs are an ideal environment to accelerate and scale innovation for the larger enterprise. The innovation ecosystem provides the much-needed impetus to this objective



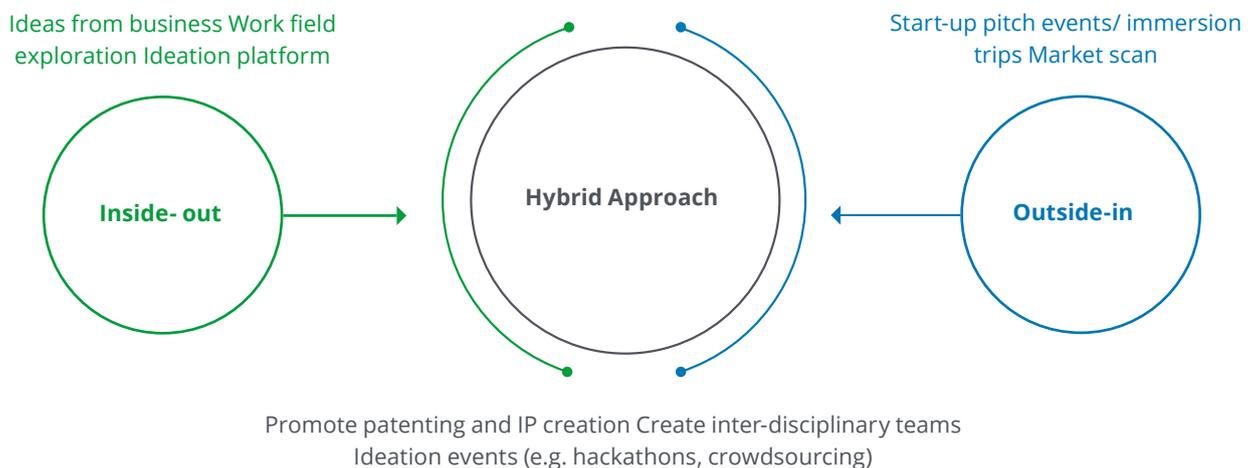
1. Set the innovation agenda

- Align on GCC's intent and agenda for innovation with the parent organisation and secure commitment on funding/resources
- Manage a balanced portfolio of initiatives across ambition levels



2. Converge on themes/use cases

- Explore channels that facilitate a continuous flow of ideas or problems into the demand pipeline serve - a prerequisite to launching an innovation programme





3. Allocate resources

- Develop framework (criticality, internal capabilities, economics) to evaluate uses cases to be delivered through organic or open innovation
- Take a portfolio view on the projects to be taken up, which allows for tracking of overall success of the programme and not just one project, allowing for continued support and excitement from the organisation
- Align on the business case with leadership and assign an owner for each initiative, ensure continued commitment from GCC leadership to drive the innovation effort
- For open innovation, scan ecosystem (start-up and academia) for suitable partner
- While the execution is agile, ensure funding commitment from parent to ensure successful POC and scaleup to ensure benefit realisation from the innovation efforts



4. Manage PoC Development

- Scope the PoC in a way that is large enough to show success and small enough to fail
- Allow quick on-boarding of internal team/start-ups and a PoC development, with clear go, no-go criteria; in case of start-up partnership:
 - Align on PoC agreement and a non-disclosure agreement (NDA) and clarity on IP ownership
- Establish an **Innovation Committee** team that:
 - Seeks continuous results while providing the desired level of flexibility
 - Ensure adequate resources and funding through the development
 - Evaluate innovation initiatives based on two factors – leading to innovation (idea pipeline, number of projects scaled) and generating result (revenue generated, savings, etc.)



5. Exit to Scale

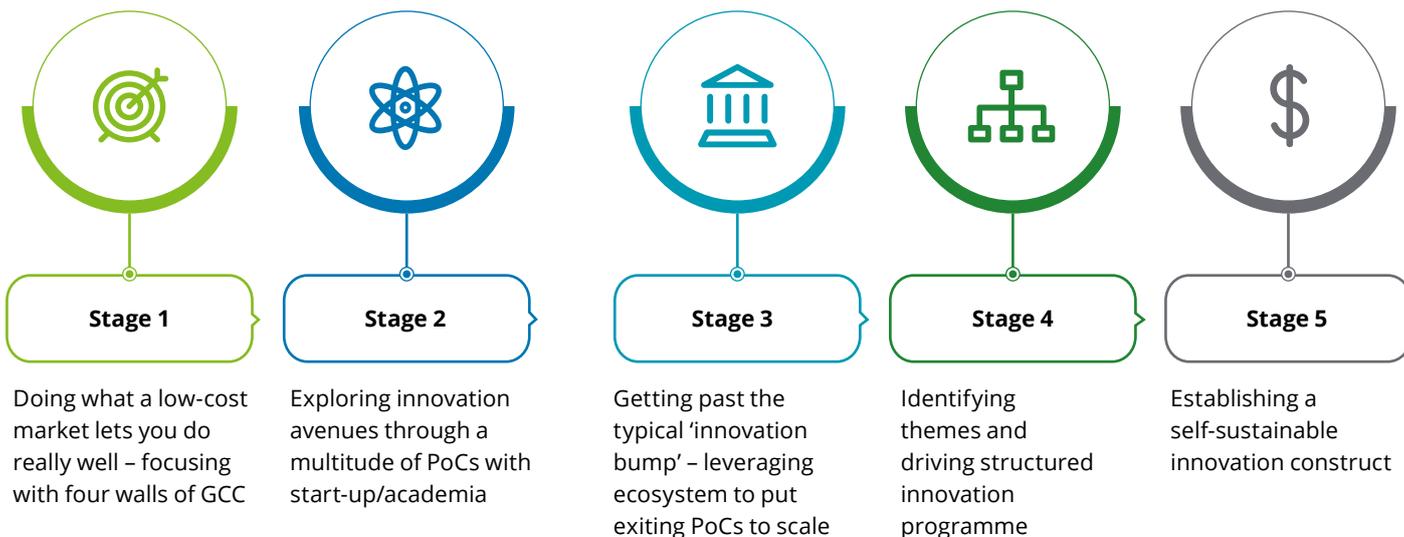
Scaling up the PoC requirement involves the following phases:

- **Planning:**
 - Stakeholder Alignment
 - Framework for execution – internal team hiring, acqui-hire or acquisition
 - Project onboarding and solution approach/ architecture finalisation
 - Establish a governance structure
 - Infrastructure requirement finalisation
 - Finalise budget/funding requirements
- **Execution:**
 - Solution transfer to scale team
 - Review and approvals
 - Governance progress meeting
- **Stabilisation:**
 - Hyper-care support
 - Any open/pending documentation
 - Technical support

Recognising the gaps in enabling strong collaboration with ecosystem for open innovation

While open innovation is a win-win for the parent organisation, the GCC and the ecosystem, there are challenges that need to be overcome to drive innovation from India at scale and maximise the overall impact for the nation.

Driving agile and frugal innovation in GCCs



First-time collaborators:

Limited understanding of ecosystem capabilities and ambiguity on implications for IP, taxation, etc., creating an inertia to drive collaboration for innovation

Ecosystem explorers:

Risk to scale with Indian start-ups and limited showcase of success stories that make collaborations dependent on push from the GCC leaders vs. a pull from the parent organisation to collaborate



Initiatives to drive strong collaboration with ecosystem for open innovation

There is a need to showcase capabilities and success stories with the ecosystem as well as a need for targeted policy interventions that reduces the risks and encourages parent organisations to leverage India for open innovation.

Driving agile and frugal innovation in GCCs

Need for a robust framework to promote structured GCC start-up/academia partnerships by leveraging the current ecosystem to drive frugal and sustainable innovation

Build an integrated innovation ecosystem (NASSCOM enabled)



Showcase start-up/academia strengths and talent

- Create a platform that highlights all the start-ups and academia research and innovation possibilities to help GCCs get a quick view.
- Showcase start-up expertise and talent availability to conduct specialised PoCs and other research projects.
- Brand the industry specific knowledge pools in India to draw interest from new GCCs.



Highlight successful scale up stories

- Create a directory of industry specific stories around successful GCC – start-up/academia partnerships.
- Showcase examples around innovation at scale, which lead to the GCC creating new skill sets and starting new business verticals.
- Create a collaborative platform through which start-ups and academic institutions can share success stories in real time.

Policy considerations required from government (Government enabled)



Ease up taxes

- Incentivise high-end work.
- Provide tax breaks to GCCs for the work done in partnership with start-ups.
- Offer tax incentive if companies invest in start-ups that their GCCs worked with.



Form government partnerships

- The government can work with GCC community to run Niti Aayog's start-up accelerators/incubators.
- Provide easy access and innovation ramp-up and financial incentives.
- Setup ecosystem consortium in Tier-1 cities to foster collaboration and solve 'sector problems' (e.g., FinTech, MedTech etc.).
- The government can work with GCC community to strengthen the National Policy on Education with regards to curriculum and infrastructure.



Create IP regulation visibility

- Provide more clarity on and standardise IP regulations, sharing and taxation.
- Provide a list of IP specialists on a portal for easy outreach.

Initiatives to drive strong collaboration with ecosystem for open innovation

India could also provide incentives to both start-ups and Global Co. and create a platform that helps drive collaboration across GCCs and Indian ecosystem in areas that help further India's innovation agenda as a nation.

Cluster based innovation opportunity platform

- A single platform showcasing all **start-up and academia R&D opportunities** and benefits for investors, to allow GCC's to make informed decisions and efficiently reach out to required talent
- Select knowledge clusters to be identified and branded for **targeted industry specific GCC investment approach**



Academia benefit scheme

- The government could consider offering incentives such as contribution towards salaries and tax benefits to GCCs who appoint specialists to work with academia to conduct research in areas promoting advanced technology
- Academia to **benefit through company/industry specific expertise brought in by the corporate with an added opportunity to commercialise that innovation**

Start-up benefit scheme

- The government to form a framework for sector focused Indian start-ups (e.g., deep technology) that require global innovation capabilities and who might be possible customers for GCCs
- This will help **Indian start-ups get global expertise in technology and business management, scale their operations, and work with more GCCs**
- This would provide GCCs with the opportunity to invest in areas for their own business and innovation agenda and reduce their risk (e.g., case of the start-up winding down) of working with the start-ups due to government co-investment or offering insurance-based safeguards



Joint IP ownership

- The government to establish a law permitting joint IP ownership to the corporate funding the start-up/academia project
- Increasing corporate interest in skill and monetary investment and **allowing India to accelerate its IP ownership in new research areas**



Plug and play incubation hubs

- The government has set-up incubation hubs (e.g., T-Hub, Hyderabad) for innovation in identified areas of need
- Investment in global subject matter expertise for management and mentorship
- Opportunity for GCCs to invest in project for their business benefit

Mentorship from industry specific veterans

- India can leverage the skill, expertise, and experience of global leaders who might have recently retired from their post
- Select subject matter experts can be selected to lead the innovation agenda for different industry specific areas in the country



The above incentives can also be extended to Global Co.

Case in point

The Israel Innovation Model

- **Finance:** Co-investing funds of government and private sector to attract additional participants to invest in the ecosystem
- **Commercialising:** Technology Transfer Offices within universities tasked with commercialising research outcomes
- **Capability development:** Technological Incubator programme to provide people with funding and know-how to become successful entrepreneurs
- **Ecosystem integration:** Built and integrated ecosystem that combines military, start-ups, academia, private sector, and government
- **Incentivising:** The government provides plug and play incubation centres while also paying part of salaries of Global Co. employees that work in Israel at these incubation centres



Social impact

GCCs are using their inherent skillsets along with an approach deep-rooted in service and empathy to create a sustainable social impact

The social construct of India is interwoven with multiple challenges that are spread over the vast terrain and deep-rooted cultural nuances. India is the first country to make investing in corporate social responsibility (CSR) related activities mandatory as a way of addressing societal challenges and putting the best minds behind various initiatives. GCCs have always had an understanding of this responsibility as they have adopted the mature practices followed by their parent companies who abide by the UN Sustainability Developmental Goals. GCCs have an estimated CSR spend per year of ~US \$100 million (~INR 750 crores).

GCC CSR impact goes far beyond their monetary spend. Their ongoing digital initiatives and employee volunteering towards CSR are above and beyond the mandatory 2 percent of the average net profits and go a long way towards making a sustainable social impact. In several instances GCCs have acted as conduit for their parents' global funds to be invested in India. By investing in the correct social initiatives, GCCs maintain their mature global reputation and alongside build a strong stakeholder network in India. They are also cognisant of India's youth, the majority of their workforce, who desire to work for a company with strong ethics and one which notices the societal issues they see around them and acts to improve them.

GCCs' social impact engagement practices are at par with more mature Indian organisations and make use of their inherent talent, knowledge, and skill sets together with the strong network of implementation partners existing in India to carry out their CSR activities. GCCs collaborate with various implementation partners for different impact pathways based on their programme intent and timespan. Under the sector of 'Education' itself, the largest sector for GCC CSR spend at ~38 percent, GCCs may engage in various types of CSR programmes. For example, some GCCs may sponsor the education of primary children, develop curriculum, or volunteer employees to mentor and teach the teachers, sponsor infrastructure (e.g., library, stationery), co-develop an education-based application, and invest in multiple programmes cutting across activities. After education, GCCs spend ~26 percent of their CSR spend on 'Livelihood Enhancement' programmes and ~23 percent on 'Rural Development' under which they prioritise women's empowerment, primary education, sanitation, and healthcare related initiatives. Through all the initiatives we see

that GCCs are focused on elevating India's employable talent and building skills of the future as they understand the specific talent requirements of the nation. GCCs have also used their resources during the COVID pandemic both to donate relief kits and use their technology-based expertise to digitise initiatives to allow the public easy access to education and healthcare.

These well planned and researched, outcome-oriented and empathy-led initiatives have helped GCC CSR activities to create a strong impact on the communities they are addressing by increasing their standard of living, level of education, employability, and healthcare. While GCCs have had a significant impact till date, there is an opportunity to make this impact more cohesive by allowing capabilities and learnings from different GCCs come together to maximise impact for the nation.

A mature social impact outlook

GCCs are mature players in the area of societal impact, which is supported by strong parental roots, highly sensitive workforce, and a clear understanding of on-ground realities.

Social impact drivers

All Indian companies have to comply to the Companies Act, which makes it mandatory for 2 percent of the average net profit to be invested in CSR activities since 2013. GCCs are committed to being more mature investors in socially responsible activities for the nation due to the following reasons:

Building a local stakeholder ecosystem

- GCC's impact a large ecosystem of stakeholders through their CSR initiatives and due to their responsibility towards the surrounding communities.
- Investment in these stakeholders include the government, local and national NGOs, and other needy communities.



Global reputation requirements

- GCCs maintain a global reputation that highlights the company's ethics and values.
- Action for social responsibility is a strong lever to showcase these values on a global stage.



Employee fulfillment

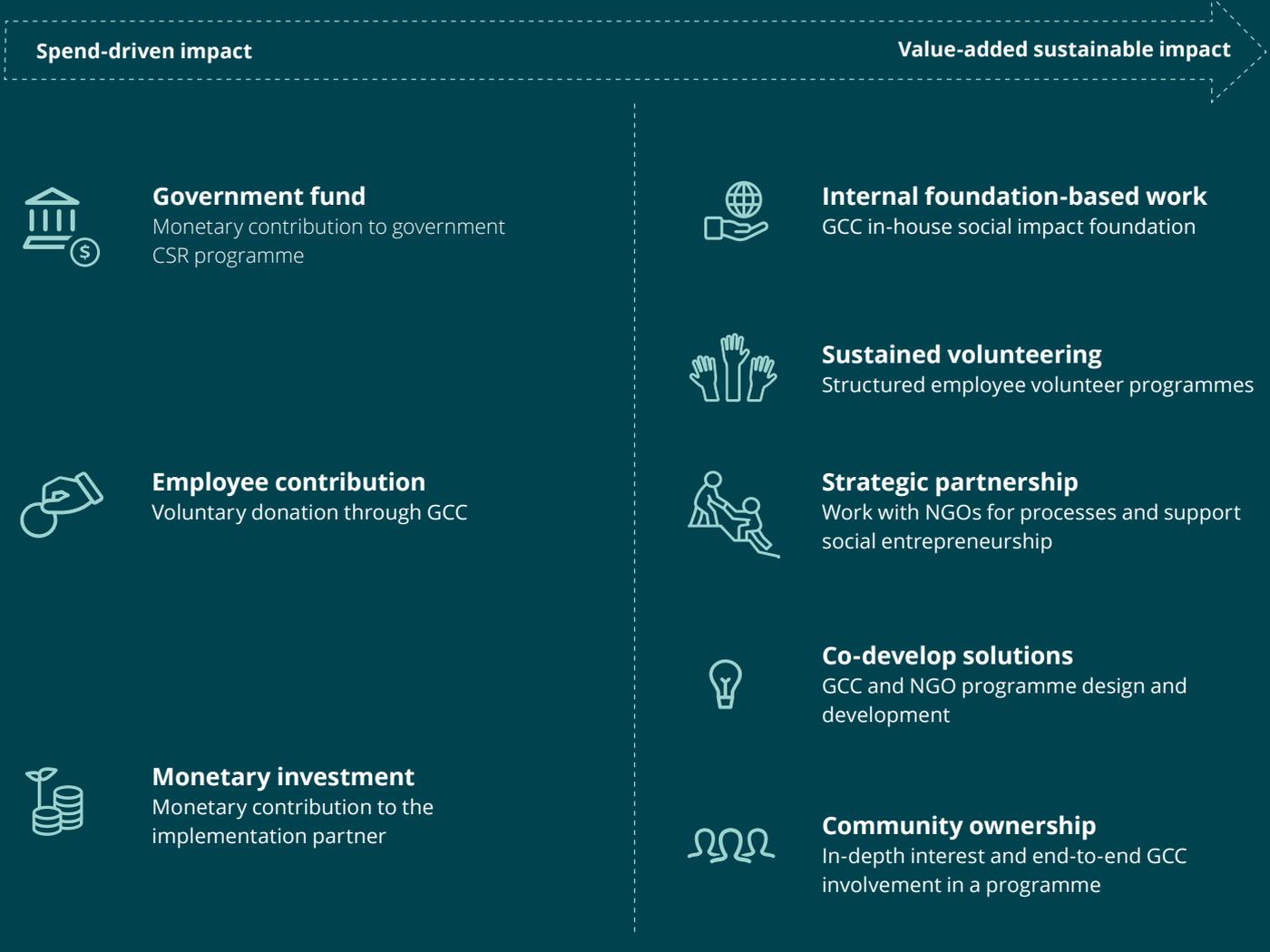
- A majority of GCC employees constitute junior level workforce, who may be the first generation to move into Tier-1 cities.
- These employees have a first-hand understanding of the social issues, relevant to their towns and villages.
- They wish to work for a company that addresses these social issues and gives back to the society.



Outcome-oriented initiatives that make an impact

With CSR gaining strength as a source of development finance, GCCs have a huge opportunity to leverage their innate abilities to facilitate meaningful programmes in areas of need.

GCCs involvement, whether spend or time driven, is mature, structured, and empathetic



“GCCs are interested in the process of their social programmes and not only the outcome... they want to be involved.

“I have presented to international corporates and they are more concerned about the NGO as an organisation than the project.. The implementation is left to the NGO.

Impact that truly delivers a change

The impact from a project can span over multiple stakeholders and tangible and intangible outcome.

Sector	Prioritised beneficiaries	Types of programmes	Impact
 Education	<ul style="list-style-type: none"> Primary and secondary school children Girl child 	<ul style="list-style-type: none"> Fund teacher's salaries Train the teacher Fund the annual education cost for a child Build education related infrastructure 	<ul style="list-style-type: none"> Increased chances of future employment Improvement in livelihood Improvement in learning outcomes Increase in confidence levels <p>7-7.25 million underprivileged children</p>
 Livelihood enhancement	<ul style="list-style-type: none"> Youth Women Differently abled 	<ul style="list-style-type: none"> Fund a skill development programme Develop and deliver a skill development programme Fund infrastructure for skill development 	<ul style="list-style-type: none"> Increased chances of future employment Improvement in learning outcomes Increase in confidence levels Acceptance into society <p>~6 lakh beneficiaries</p>
 Rural development	<ul style="list-style-type: none"> Women Community 	<ul style="list-style-type: none"> Develop and deliver women empowerment programmes Fund farming/agriculture-based programme Fund, develop, and deliver a complete community upliftment programme Fund a water and sanitation programme 	<ul style="list-style-type: none"> Improved access to healthcare, education, sanitation, and infrastructure Improved standard of living Improvement in livelihood <p>~1.7 million households benefitted through initiatives aimed at empowering women and girls</p>
 Poverty and hunger	<ul style="list-style-type: none"> Children Community 	<ul style="list-style-type: none"> Fund a mid-day meal or a nutrition meal programme Develop a nutrition outreach programme Fund a housing or slum development programme 	<ul style="list-style-type: none"> Decrease in mortality Improvement in overall health Improvement in livelihood Increased access to shelter <p>~ 1 lakh children and ~8K shelters</p>

International corporates make sure their leadership is empathetic towards CSR programmes and encourage them to spend time in such environments.

Sector	Prioritised beneficiaries	Types of programmes	Impact
 Health and safety	<ul style="list-style-type: none"> • Maternal and infant • Child • Community 	<ul style="list-style-type: none"> • Fund a health care programme • Fund health care infrastructure • Develop and deliver a health care outreach programme 	<ul style="list-style-type: none"> • Improvement in livelihood • Decrease in mortality • Increased awareness about health • Change in disease patterns • Prevention of loss of wages <p>60–70K beneficiaries</p>
 Disaster relief	<ul style="list-style-type: none"> • Community 	<ul style="list-style-type: none"> • Fund disaster relief kits and care packages 	<ul style="list-style-type: none"> • Access to healthcare • Access to shelter • Access to funds • Access to nutrition <p>140–150K disaster relief kits</p>
 Employee donation	<ul style="list-style-type: none"> • Various stakeholders depending on corporate employee donation initiatives 	<ul style="list-style-type: none"> • Various programmes depending on corporate employee donation initiatives 	<ul style="list-style-type: none"> • Added beneficiary impact over and above the company CSR impact due to employee donations to different causes <p>10–15 percent employees contribute ~US\$100–150 towards CSR, which leads to a total impact of US\$15–20 million (~INR 100 crore) annually</p>

“ When it comes to working with GCCs the buzzword is digital, as that has potential to deliver impact at scale.

“ Companies that are truly sensitive towards social work show it across all levels from the senior most to junior most levels.

Source: NASSCOM Deloitte Analysis, Industry Reports, The State of CSR in India 2014-19 - Sattva, India CSR Five Years and 100,000 Cr. - CSR Box

Note: Impact has been estimated through primary insights from GCC leaders overlaid with available CSR spend data across different initiatives by major GCCs in India. These estimates are pre-COVID and therefore not accounting for spend on disaster relief during the pandemic.

High-impact case snippets

Education and livelihood enhancement

A global tech company used technology to spark an interest in science amongst children

- The company **conducted employee-led** sessions for children to teach science through simple experiments and developed a **mobile app to enable volunteers** to join such programmes.
- The **programme has benefited 10,000+ government school children** in rural India.

UBS co-developed a literacy application for financial awareness

- UBS, through its foundation, **partnered with 'Pratham India' to co-develop an Android application** to promote digital and financial literacy in rural India.
- The pilot application would be **launched in 100 training centres across India, serving 25,000+ young adults**, annually.

A global bank affected the local-level scaling up of enterprise development initiatives for women

- The bank has signed an arrangement with Mann Deshi Mahila Sahakari Bank to **identify borrowers for microfinance**
- **~90,000 women** have opened bank accounts, **~US\$15 million deposited**, and **~US\$25 million transacted**

Poverty alleviation

A technology conglomerate digitised the kitchen programme for an NGO

- The company partnered with 'Akshaya Patra' to **accelerate digitisation of kitchens**
- It **deployed enterprise grade network and collaboration suite** to connect the foundation's kitchens and offices
- Recorded 5 percent increase in operational efficiency and **extended mid-day meals to 28,500 additional students daily.**

Healthcare accessibility

A financial services firm co-developed a tech solution to promote vaccination for children

- The company used their inherent knowledge around technology-based solutions to **develop FollowApp, which has reached 4,000 caregivers in Mumbai.**
- **Technology has made it easier to reach isolated or mobile populations**, which may lack basic education and awareness around healthcare.

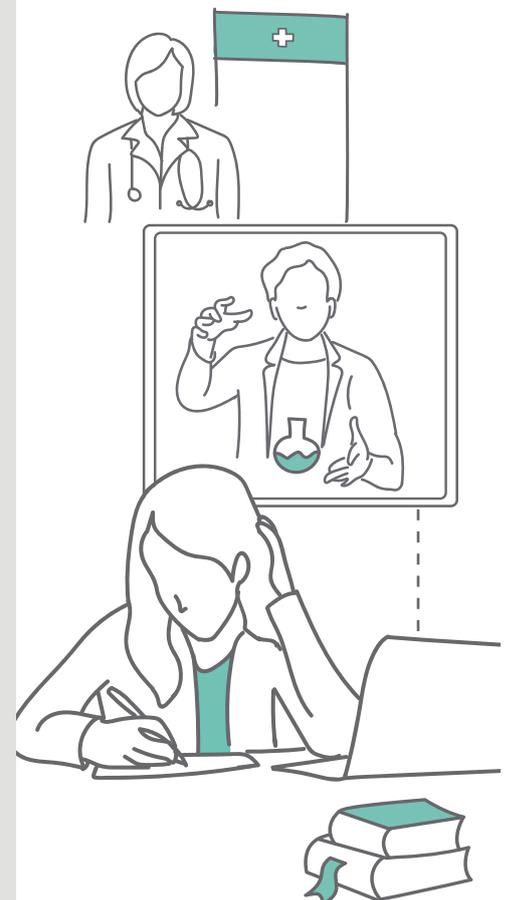
Rural development

Juniper Networks actively contributed for holistic social and economic upliftment

- The company **partnered with NGOs to improve civic sense** in Bengaluru:
 - **800+ people, including 500+ women** attended health camps.
 - **1,500+ people attended sanitation awareness classes.**
 - **1,200+ households sensitised** towards waste management.

A financial services company developed sustainable solutions through community-based organisations (CBOs)

- The company focuses on **holistic development of women**
 - **1,763 CBOs formed in villages** for market linkages to committees for water, sanitation, electricity, etc.
 - **~INR 8 crore contributed by the community** for energy and sanitation.



High-impact case snippets: Interventions during COVID-19

GCCs upheld their stature as mature social investors, as they quickly responded to the countries' pandemic-related relief requirements

BT Group supported digital education for children and youth

Objective

- To **bridge the digital divide** between children and youth and help them develop 21st century work skills amidst the pandemic

Approach

- BT had two initiatives:
 - **School TV** - To support school going children with their school learning, using TV as a medium instead of internet and smartphone, that these children do not have access to
 - **Map of Me** - To enable young men and women continue and foster skill-based learning using two different platforms – TV and Smartphones

Impact

- School TV initiative broadcasted with Doordarshan **and had viewing figures of 20 million** in Bihar alone
- Map of Me will be a 30-part TV series reaching between **7-10 million people**

A tech company announced a range of initiatives to offer support

Objective

- To **strengthen the country's defenses against the pandemic**
- To **offer help through different avenues**, which can impact multiple stakeholders

Approach

- Contributed **US\$1 million to NGOs** to help frontline and migrant workers
- **Doubled employee donations to a total of US\$3,93,334**
- Worked to **streamline the NGO Caruna's food distribution process** to make sure food reach people in distress
- **Offered free distant learning resources**, and conducted a series of digital workshops

Impact

- Provided **3 million meals** to affected families
- Provided **professional digital development courses for teachers** to help them imbibe digital skills and in turn unlock the creative expression of their students in the new normal



A power management company's employees took on an indoor donation drive

Objective

- To **contribute to the nation's fight** against the rapidly spreading pandemic by supporting the foremost vulnerable

Approach

- **Matched employees' contributions and doubled an equivalent with its own funds**, for donation to frontline workers and daily wage earners
- Worked through its internal foundation to **streamline and broaden community efforts in India**
- Worked to move content online, **minimising disruption in-class education for the disadvantaged**

Impact

- Provided **frontline workers** with PPE kits
- **Provided migrants and daily wagers** with meals and ration kits
- Provided safety and hygiene kits to **local police** in several cities

A tech company deploys IoT-enabled COVID-19 test labs and OPD centers to help contain the pandemic

Objective

- To contain the pandemic through high-quality and quick-testing methods

Approach

- The company is using its **access to high-tech solutions** to deploy COVID-19 test labs and OPD centres across India to enable quick testing of individuals who may have COVID-19
- Worked with specifications provided by the **Ministry of Science and Technology**
- Committed to help communities, customers, and partners during this time of global uncertainty

Impact

- The company has deployed four test labs and four OPD's across India, which has facilitated over **1,00,000 patient** visits in India



Adoption of best-in-class GCC practices for maximum benefit to society

GCCs are committed to making social responsibility a part of their organisation's DNA by following mature global mandates and creating engagement opportunities that can be used by other companies as a benchmark

1. Follow structured governance and go beyond spend

Minimum investment of 2 percent or more with a focus on process and outcome versus spend

- Follow mature global mandates for specified outcomes, which are aligned to the UN Sustainable Development Goals and the Indian Companies Act 2013
- Follow structured measurement and reporting frameworks of global standard

2. Promote structured volunteering

Creation of unique volunteering events and employee voluntary donation schemes

- Encourage and enable employees to take part in volunteer work and donate to a cause of their choice
- Offer employees time off (weeks or even sometime months) to volunteer with an NGO or work on a pro-bono project

3. Create programme sustenance

Clarity in programme planning - immediate impact and long-term outcome

- Co-develop a social programme or work with an NGO to enhance their internal systems
- Spend time to understand the deep-rooted issues on ground, which enables corporates to build solutions for the NGO and community and create more robust outcomes

4. Offer clear and strong communication to employees

Internal clarity in social impact project plans and average number of employee volunteer hours per year

- Create strong internal communication, with appointed employee leaders, for CSR programmes, to make the employees feel more involved and take ownership
- Offer employees clear information about different company lead volunteer activities to make sure they are well informed beforehand

5. Use inherent GCC talent

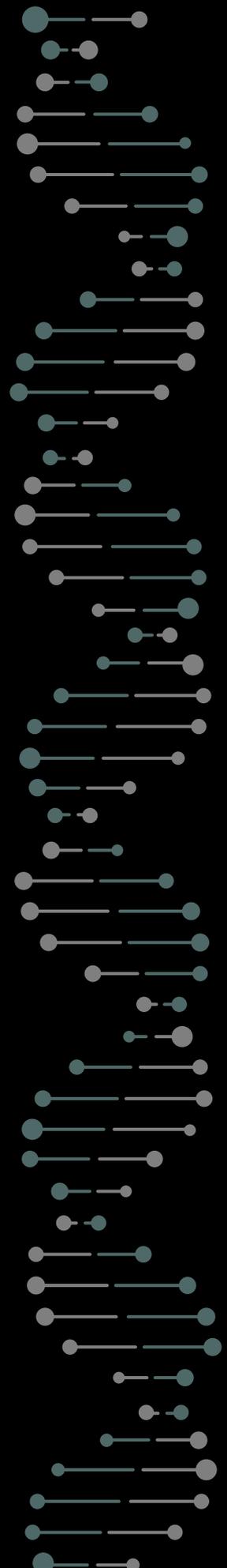
Application of digital skillsets and experiento enhance social impact work

- Co-create technology based solutions to enhance NGO processes, enrich outcomes, and create an impact at scale
- Provide strategic advice to NGOs, which are backed by mature global standards and on-field involvement

6. Design enhanced leadership involvement

Structured leadership training to enhance social impact sensitivity and time investment for social strategy work

- Include social work as part of leadership and management training, which increases empathy and helps form clear CSR guidelines in the future



Driving holistic impact through collaboration

Collaboration amongst GCCs can bring the best of capabilities, knowledge, and tools together to drive a more holistic and sustainable impact for the society.

Collaborative platform for wide lens viewing of social impact need and programmes

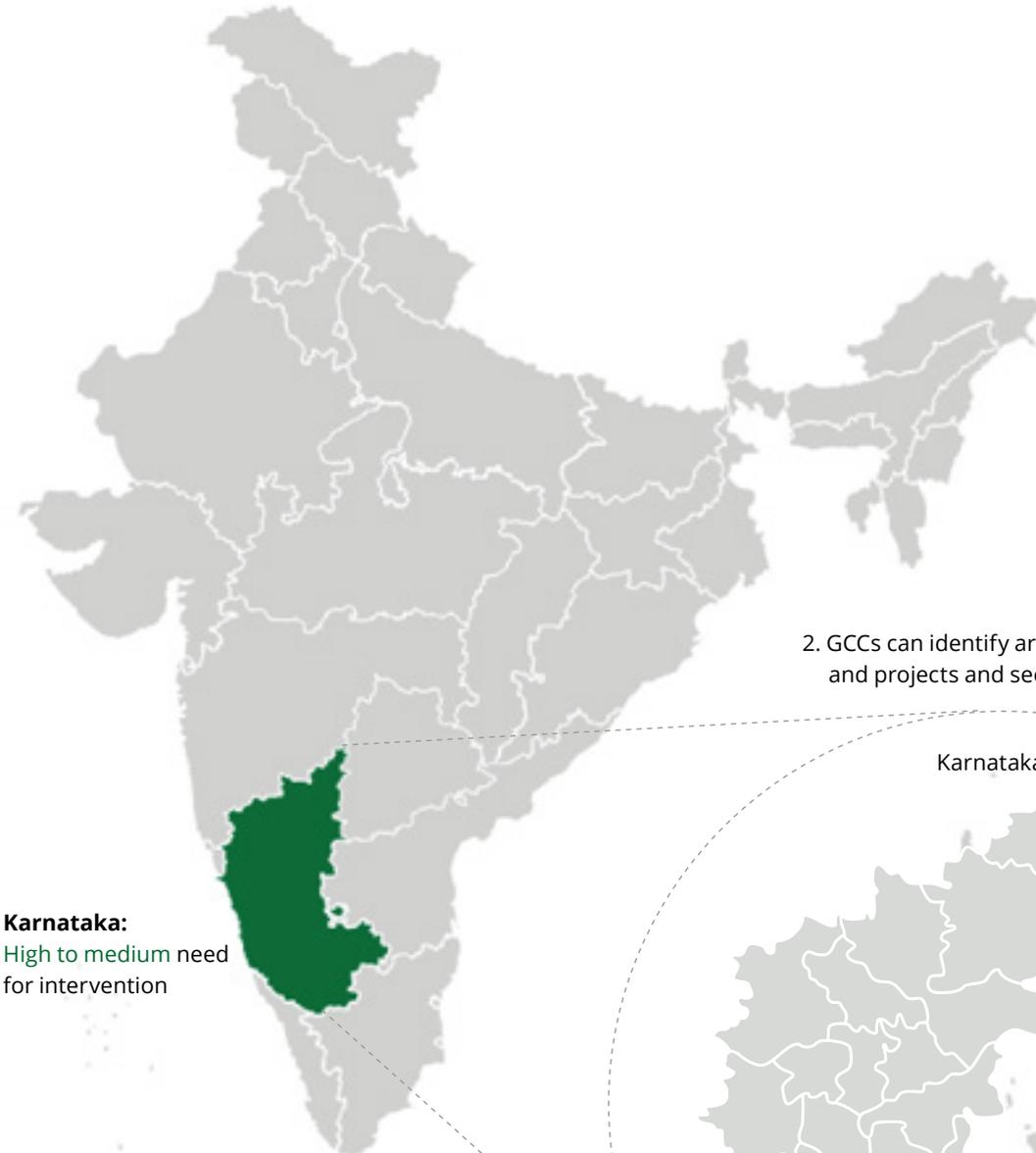


Benefits to the nation



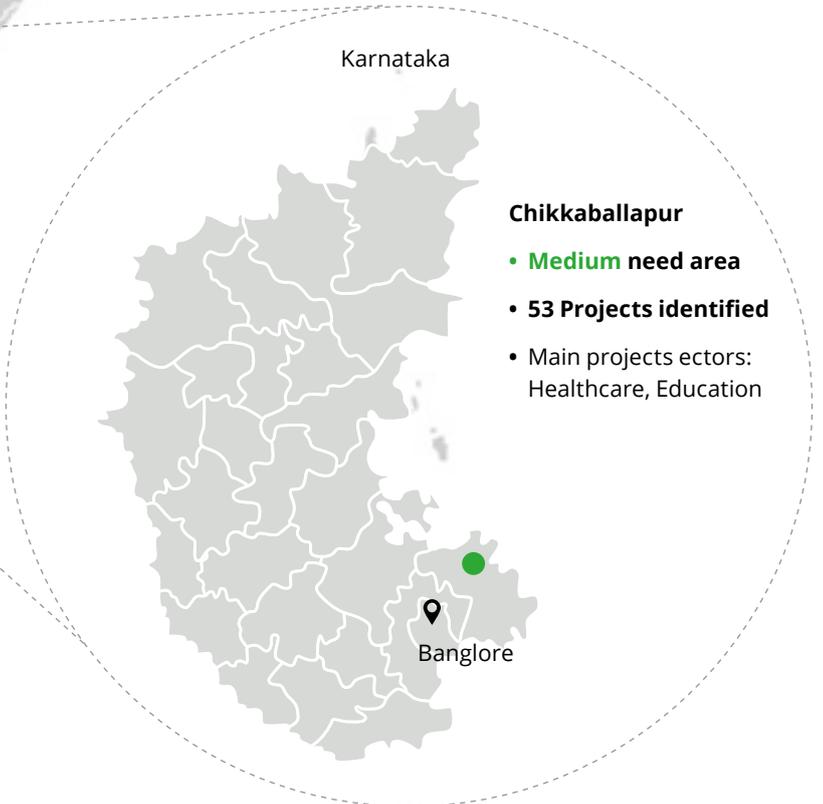
Illustrative concept: GCC journey on platform

1. GCCs can identify required area for social intervention based on factors such as proximity to office



Karnataka:
High to medium need for intervention

2. GCCs can identify areas based on portal need analysis and projects and sectors available



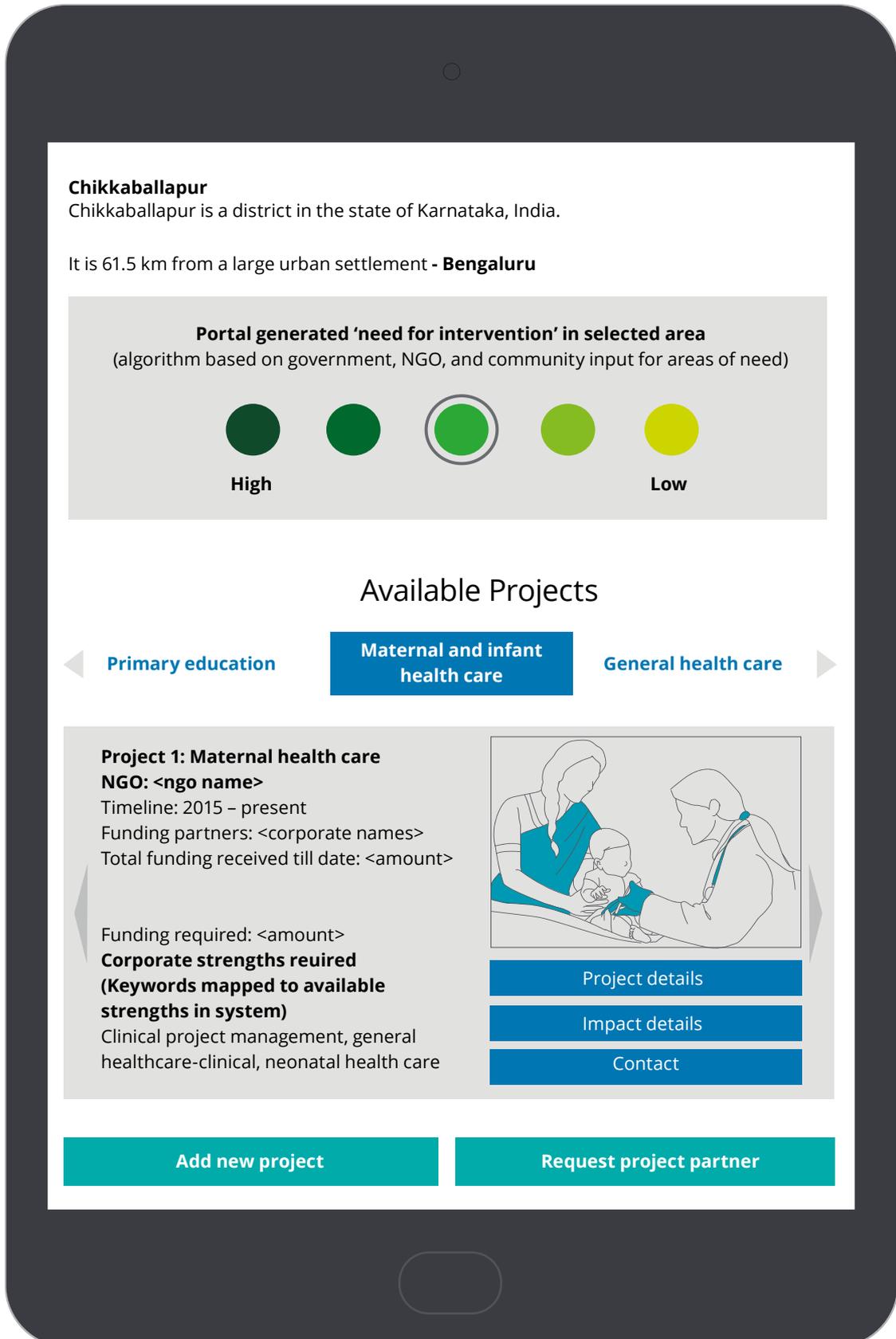
Karnataka

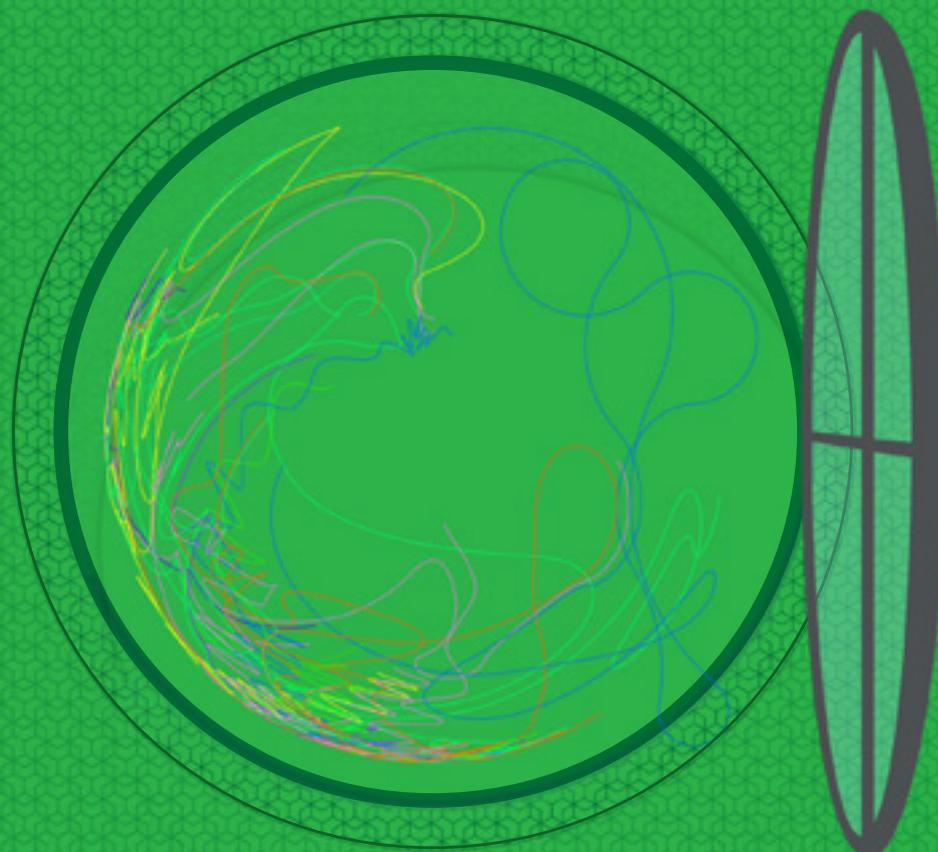
Chikkaballapur

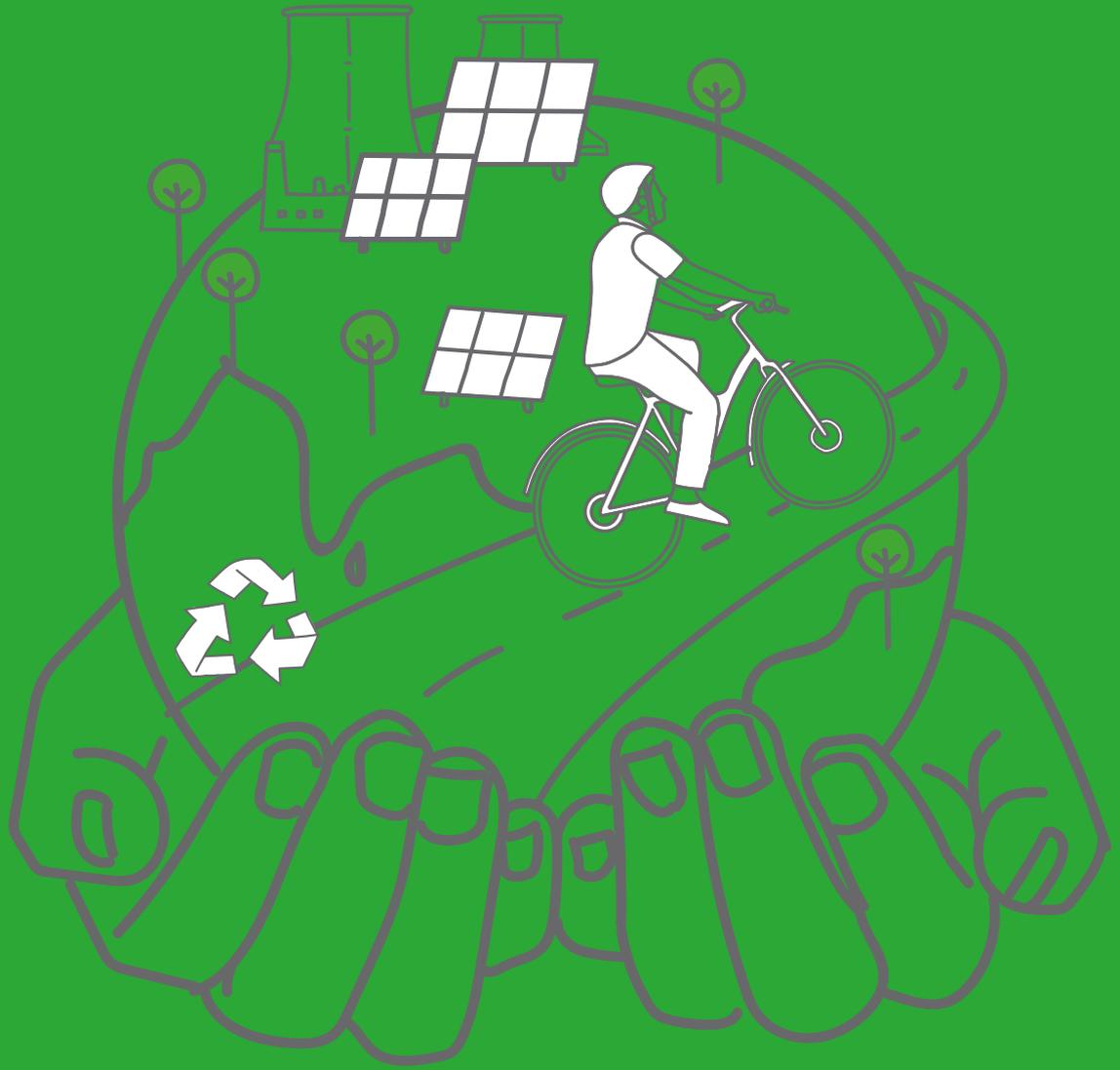
- **Medium need area**
- **53 Projects identified**
- **Main projects sectors:**
Healthcare, Education

Banglore

- 3. GCCs can view area details, available projects, project details, reach out to implementation partners, view impact reports and add new project requirements and collaborators







Environmental impact

GCCs understand the far-reaching impact of sustainability and strive to invest more in this space to address the urgent global call for environmentally sustainable actions

Today, most companies are aware of the need to enhance environmental sustainability in their operations (e.g., all campus facilities get linked to an integrated dashboard with pointers on energy usage, transportation, space utilisation) and they are at varying levels of maturity on this journey.¹ Most global organisations are trying to go beyond the 'bare minimum' prescribed actions and thinking boldly on ways to further improve their sustainability quotient. For example, many global companies are developing robust and innovative sustainable initiatives and strategies. GCCs, due to their operating construct, tend to be typically glued to the practices of their parent organisations and hence, also embrace the sustainability related goals of their parent organisations. By following the global leading practices in sustainability, GCCs are bringing some of these mature thoughts in India and helping increase the overall awareness of sustainability amongst communities and corporates in India. These leading sustainable practices not only help GCCs contribute towards a better and healthier planet, but also helps them reduce operational cost, create a safe and high performing work culture, develop a reliable brand, and attract bright minds to work in their organisations. Additionally, India, as a country, benefits from the efforts of GCCs as it helps the country achieve its own publicised sustainability goals, create opportunities for new types of companies and jobs, and improve the country's brand in the global community. This proverbial 'win-win-win' strategy is helping GCCs create another important source of value for itself, its stakeholders (including employees, customers, vendors, and parent organisations) and its communities (including the cities they operate in and for India as a country).

GCCs partake in a range of sustainable activities, such as those that help reduce energy consumption (using grid-connected solar energy) and reduce their carbon footprint in their surrounding ecosystem. Some GCCs strive to rent real estate, which is LEED certified while others conduct more robust internal sustainable operational activities when they own their campus. Many GCCs are cognisant of recycling their e-waste and try to minimise plastic and paper consumption. Most GCCs encourage employees to adopt sustainable practices and at times collaborate with other stakeholders to drive sustainability in communities. Though GCCs represent a small percentage of the overall number of Indian companies, they, as a sector, tend to follow some leading global

practices in environmental sustainability. They help to increase the overall awareness of sustainability in their communities and create safer, better, and healthier workplaces and communities. Certain GCCs also recommend and drive sustainability initiatives for their parents and with right incentives could also act as conduit to bring some of their parent's sustainability investments into India further increasing the environmental sustainability impact.

Source: ¹ Deloitte sustainability perspective, 2020

² Is Europe superior on sustainable business, 2016

Understanding sustainability-related contributions and the implementation

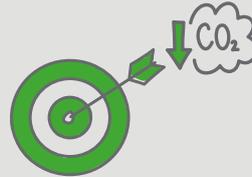
GCCs are aligned to mature environmental philosophies as followed by global organisations and understand the need for application of green practices within their spaces.

Environmental impact drivers

GCCs in India strive to follow sustainable practices for the following reasons:

Alignment with goals of parent organisations

- Parent companies follow a structured sustainability process under the UN Sustainable Development Goals.
- GCCs tend to follow the guidelines and practices of their parent organisations and contribute actively to help them achieve their goals in this area.



Commitment to local sustainability

- GCCs feel responsible to help the country meet its targets, including Nationally Determined Contribution 2030 targets.
- GCCs, at the minimum, comply with local government regulations, such as those set out by the state and central pollution boards.



More efficient and sustainable operations

- GCCs invest in sustainable business practices that are not only good for environmental health but also save costs in the long run (e.g., investment in a solar plant for energy requirements).



Better employee engagement

- Employees, especially millennials, want to work for companies that have strong values and ethics around environmental sustainability.
- Sustainable practices also have a positive impact on employee health and welfare.



Types of GCC initiatives for environmental sustainability

Partnership with NGO

Investment in a project/ activity carried out by an implementation company for sustainability

Sustainable business practices

Internal processes that have an impact on environmental footprint reduction

Investment in sustainable infrastructure

Investment in infrastructure and resources that allow the company to reduce their footprint and conduct sustainable activities

Sustainability for external stakeholders

Investment in a project/ activity that will impact the environmental footprint of stakeholders other than the company or its employees

Driving green impact by adhering to global and national goals

GCCs are contributing significantly to environmental sustainability of the communities in which they operate.



Adhering to global and Indian environmental guidelines

Though GCCs as a sector may have less environmental footprint as compared with others, they have a mature understanding of the need for emission reduction and adhere to regulations around the same.

180–200K tonnes
of GHG emission (scope 1+2+3)
savings



Contributing mindfully to carbon footprint reduction

GCCs are guided by global environmental goals, UN Sustainable Developmental Goals and India's Nationally Determined Contribution goals, to build a low-carbon future and curb climate change by using non-fossil fuel energy (e.g., grid-connected solar energy).

~600 million kWh
of energy consumption from
renewable sources



Reducing and recycling waste

GCCs, considered as 'bulk consumers' under the E-waste (Management and Handling) Rules, 2010 are cognisant of waste, especially e-waste generated, and ensure their waste is collected, dismantled, or recycled appropriately.

20–30 tonnes
of waste recycled



Preventing water waste and pollution

GCCs understand water is a finite resource and abide by the guidelines set out under the Water Consumption (Prevention and Control) Act, 1974 by implementing systems that would reduce water consumption and water pollution

7–8 billion liters
of water recycled



Conserving surrounding habitats

GCCs maintain their surroundings (mostly in the case of their own campus) in and around their offices by providing green cover and promoting less paper usage to save trees in the long run.

~1 billion pages
13–15K trees saved



Investing in green infrastructure and resources

Nine out of the top 10 largest GCCs, by headcount in India, are housed in LEED-certified premises, showcasing their awareness around best practices for resource conservation and overall environmental sustainability.

9/10 of the largest GCCs by
headcount are housed in LEED-
certified premises

High-impact case snippets

Carbon footprint reduction

A tech solutions company creates high-impact initiatives to create a drop in GHG emissions

- The company carries out **multiple carbon reduction activities** that align with their goals towards the environment.
- It aims to **reduce GHG emissions by 70,000 Mt/year** (equal to 1.8 million trees).
- It aims to **reduce electricity consumption by 40 percent** during the annual shutdown.

A multinational company creates oxygen hubs by converting spaces into forests

- The company along with Pune municipal corporation, defence department, and NGO partners, **formed oxygen hubs in Pune.**
- It **developed more than 50 species of flora and fauna** at the afforested sites.
- It increased the green cover by planting and **maintaining more than 45,000 trees.**

Habitat conservation

An insurance company goes green by building a biodiversity park

- The company has partnered with 'Give Me Trees Trust' on a three-year project to plant **30,000 trees and create a biodiversity park** in New Delhi.

- The new park is **expected to release 24,00,000 kg of oxygen** per year.
- Aim for the forest to become **self-sufficient after two years.**

Resource conservation

A financial services company invests in shared transport services for employees

- The company **employees were offered free pick and drop-off ride sharing services** across Delhi and Gurugram, and private vehicles were not allowed in the premises.
- About **80 percent of the employees made used this service.**
- It resulted in optimised fuel usage and GHG emission reduction.

Sustainable infrastructure creation

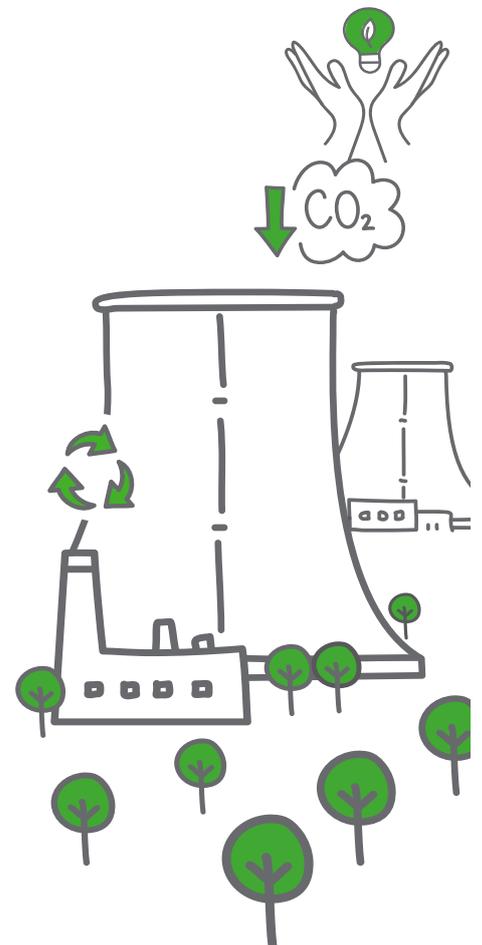
A construction company develops a LEED Gold certified corporate park allowing GCCs to rent quality sustainable infrastructure

- A large corporate office Building in Hyderabad is **LEED Gold certified and houses several prominent GCCs**, across FS, Technology and Telecom sector
- This **project yields annual savings of INR 24 million** in energy and INR 3 million in water.

Waste reduction

A global hardware company applies responsible e-waste management systems

- The **company has 34 drop-off points in India**, offering free recycling for its consumer segment customers.
- The **company has recovered 76.2 million kg of used electronics** in FY16 and 722 million kg of electronics since FY08.
- The company has a **target of recovering 2 billion pound of used electronics** by 2020.



Creating an agenda for well-planned sustainability outcomes

Best-in-class GCCs not only strive to achieve sustainability within their four walls but also help their parent organisation to achieve their overall green vision by integrating sustainable practices as part of their operating model.

Best practices for future sustainability

1. Follow sustainable business agenda

Strive to incorporate sustainability in all aspects of business from **adopting a LEED certified space** to having a **tracking mechanism** for all sustainable in-house activities.

2. Adopt green technology

Overlay digital and sustainable components to create a smart and connected workspace environment. (e.g., air conditioning systems per design specifications that promote energy efficiency).

3. Encourage green transport

Create infrastructure and **encourage employees to use shared rides**, electric vehicles for their commute; encourage walking and cycling within the campus **to reduce transport footprint**.

4. Use renewable power

Install **solar panels on campus**, and purchase electricity from **renewable sources** or invest in solar cover in remote areas.

5. Reduce waste (including e-waste)

Recycle waste (including e-waste and organic waste) both through in-house and vendor mechanisms and use less resources – go paperless in office, reduce use of paper cups.

6. Use green vendors

Adopt a **strict vendor selection criteria** by making vendor related green practices part of the request for proposal.

7. Promote water conservation

Reduce water consumption through methods, such as waterless urinals and rainwater harvesting.

8. Allow biodiversity

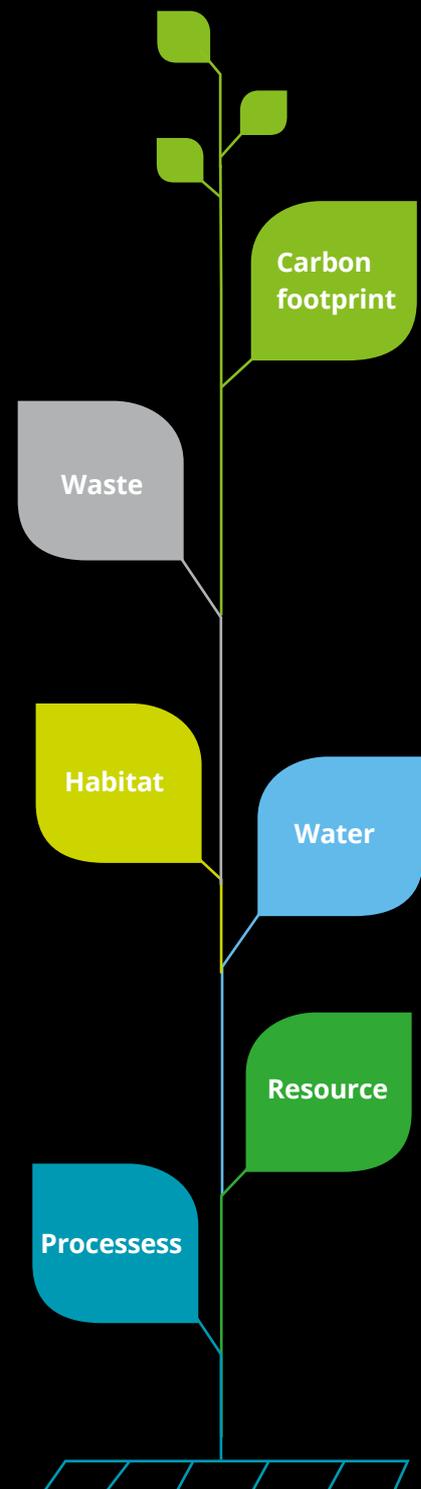
Build gardens, adopt lakes, and other areas around the GCC to conserve plant and animal life and maintain an ecological balance.

9. Encourage employee involvement

Have a clear and structured communication with employees and leadership to create awareness and get their buy in for sustainable practices, such as waste segregation, decreased paper usage, and saving electricity and water.

10. Apply remote monitoring

Integrate sustainability into everyday business practices by having dedicated remote monitoring systems to decrease employee travel.



Making India first choice for executing the parent organisation’s sustainability goals

GCCs are mature organisations when it comes to sustainability initiatives but as a conduit to parent organisation they could further enhance the sustainability impact in India, if they were incentivised to execute their parent’s sustainability goals in India.

Challenge

GCC parent companies have mature and structured sustainability related agendas, which are in line with their business goals. India can leverage this to achieve the nation’s wider environmental goals (e.g., India has pledged to improve the emissions intensity of its GDP by 33-35 percent by 2030 below 2005 levels). Parent companies may have taken global measures to mitigate their environmental footprint. For areas where mitigation is a challenge, parents may opt to purchase credits and offset their emissions. Companies are already investing in countries, such as Africa where purchase of offset credits may be cheaper than India. Parent’s that already have GCCs in India can use them as a gateway to invest in projects through a strong pool of available NGOs and implementation partners and reap tax and real estate benefits that could potentially be offered in the country.

Case in point

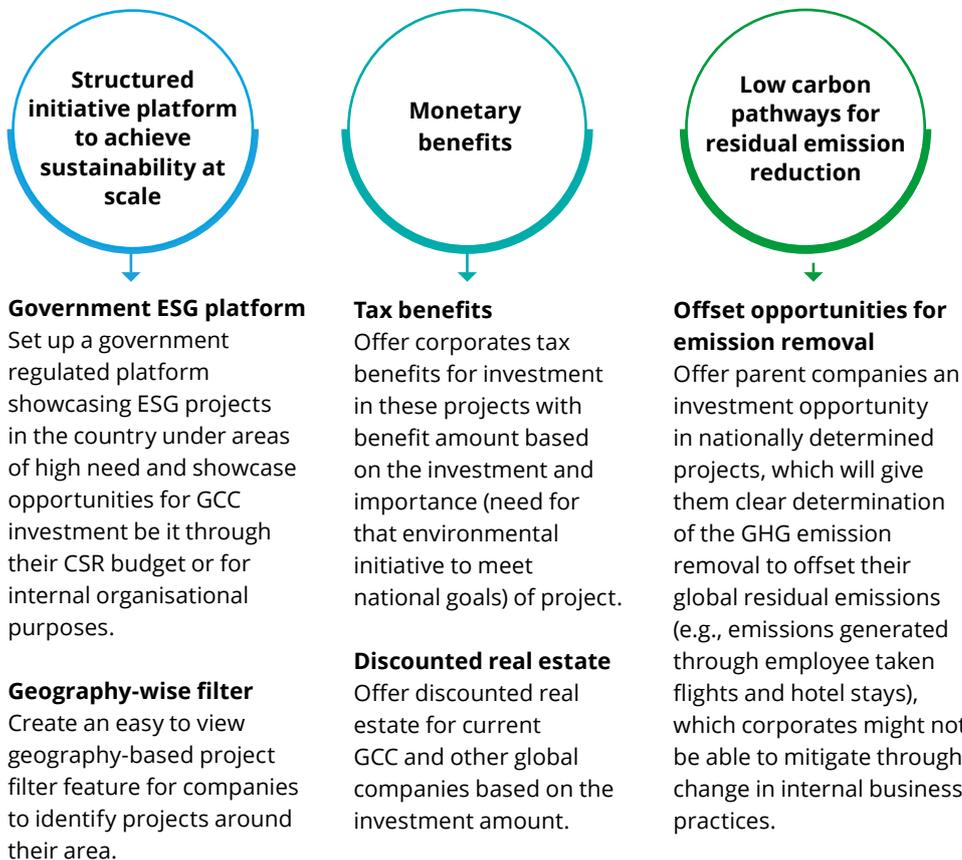
The Swiss Emissions Trading Registry²

The National Emissions Trading Registry is an online accounting system that ensures the issuance, holding, transfer, acquisition, cancellation, surrender, and accurate recording of emission credits against the federal reduction targets required to be achieved. In 2015, Switzerland submitted its Intended Nationally Determined Contribution to the United Nations Framework Convention on climate change committing to a 50 percent reduction in GHG emissions compared with 1990 levels by 2020. At least 30 percent of this reduction has to be achieved within Switzerland itself.

How can India provide sustainability related investment opportunities that would help organisations meet their global environmental goals?

How can India provide sustainability related opportunities at scale as compared with initiatives by other countries?

India can offer specific benefits to boost investments, which benefit the environment

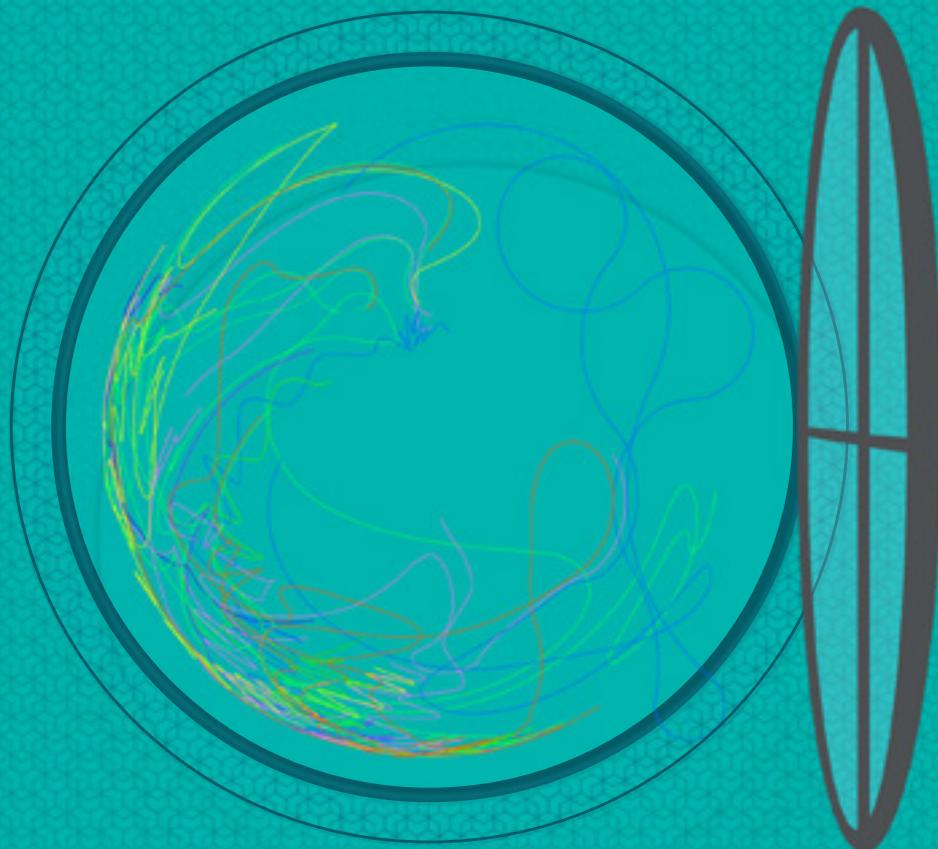


Available state tax credits and incentives in the USA to help reduce the upfront costs of solar installations¹

Illinois Green Energy Loans: Business owners may apply for a rate of reduction on loans (maximum US\$10 million) if the proceeds are intended for use in purchasing qualifying solar installation related property.

Maryland Commercial Clean Energy Grant programme: The Maryland Energy Administration provides grants to business owners who install solar systems, solar water heating, geothermal heating and cooling, and wind turbine systems. The grant amount depends on the capacity of the system.

Source: Deloitte: Credits and incentives provide green for going green, 2015
¹IETA: Switzerland, An emissions trading case study, 2015

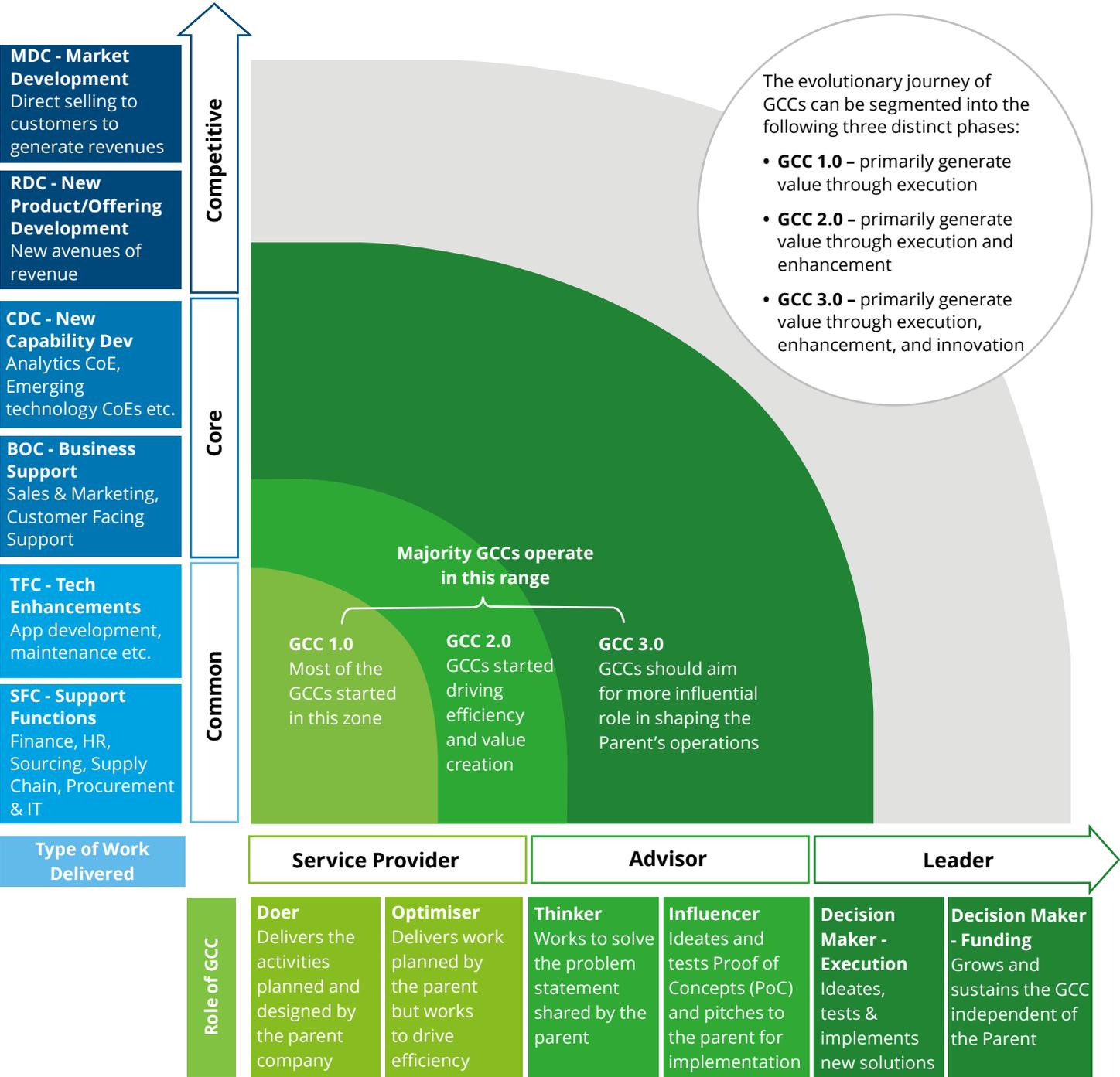




Reputational impact

Evolution of GCCs

There are primarily two dimensions that determine the DNA of a GCC – the type of work delivered, and the role played by the GCC in delivering the type of work. The future of GCCs will be largely determined by the evolution of their role.



Along the evolutionary journey, several GCCs have increased the depth and breadth of the services offered and increasingly establishing themselves as a microcosm of their parent organisation



Consequently, the reputation of India has changed across three aspects:



India, the engine room for global operations

Traditionally, GCCs were single function transactional service centres primarily providing finance and IT services
Now, GCCs are multi-function, multi-geography service centres catering to varied needs of their parents

A. Serving the world effectively

By effectively and efficiently providing enterprise operations globally, GCCs have put India on the map of sought after global business destinations



By providing enterprise operations to majority of the Fortune 500 corporations across 150+ countries, GCCs have gained India the repute for serving the world

B. Delivering multiple functions

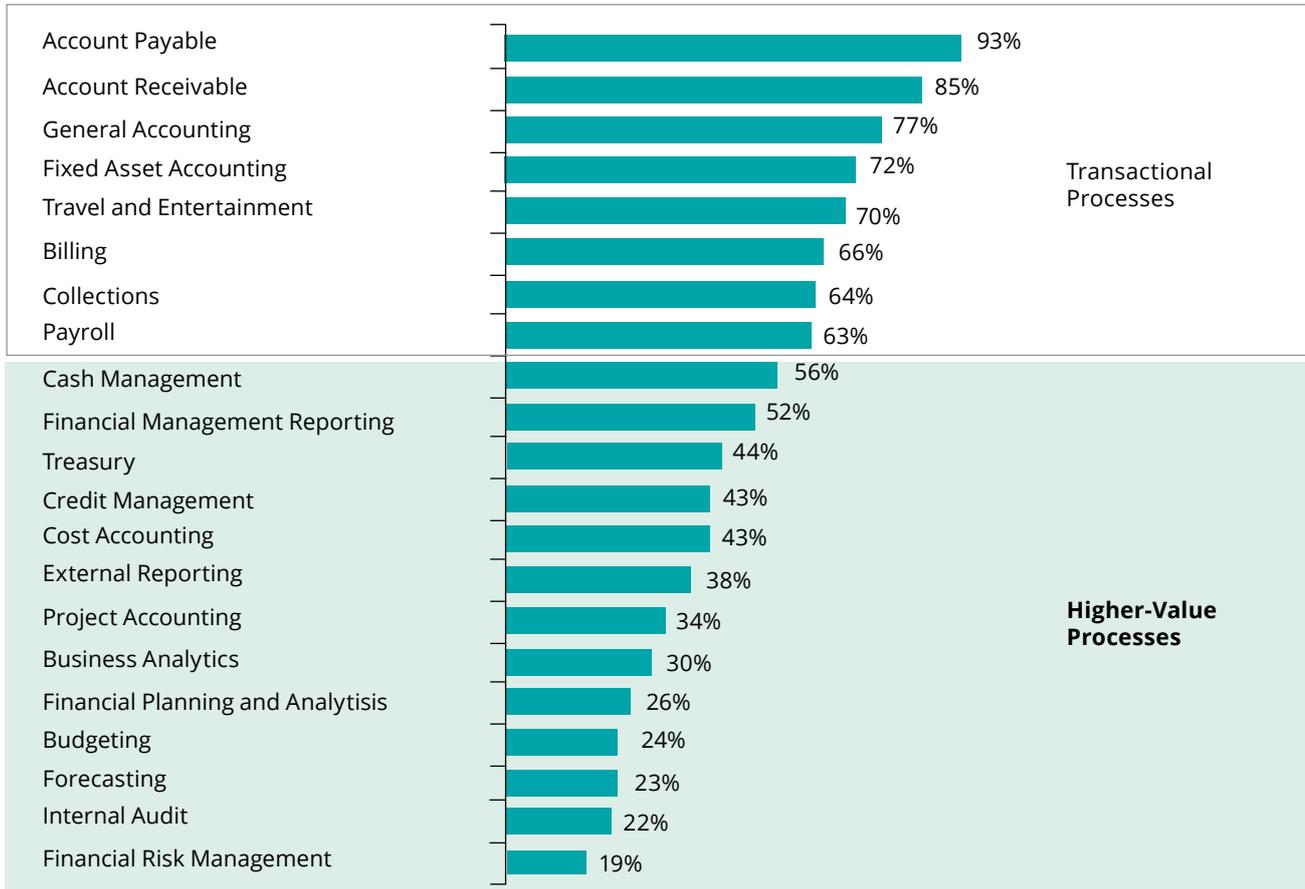
Given their early success with the finance and IT functions, GCCs gained the confidence of their parent organisations to deliver multiple functions out of India

-  Finance and Accounts
-  Human Resources and Payroll
-  Remote Infrastructure Mgmt.
-  Procurement and Sourcing
-  Customer Service/Contact Centre
-  Tax
-  Sales and Marketing
-  Supply Chain/Mfg. Support
-  Legal
-  Real Estate and Facilities Mgmt.
-  Engineering Domain
-  Research and Development

Given their multi-function structure, GCCs have become microcosms of the entire organisation and are hence best suited to be used as testing grounds for the entire organisation

C. Embedding deeper within functions

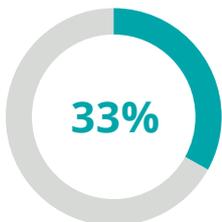
GCCs have embedded themselves deeper within business functions, moving up the value chain to deliver higher value processes within business functions



For instance, in the finance function, GCCs have moved from running transactions to housing controllers with increased global ownership¹

D. Optimising through technology

Comprising a significant share in RPA adoption, GCCs in India have significantly contributed to India's reputation as the Automation Capital of the World



33% of GCCs have made sizeable investments in RPA as of 2020

Leveraging its vibrant ecosystem of vendors and professionals (25%+ of the global RPA talent²), India has enabled 450+ GCCs to optimise processes using RPA

Multinationals have India in their prime consideration set when thinking of setting up a capability centre

Source:¹Deloitte: Global Shared Services Survey - 2019

²Zinnov: Zinnov Zones for RPA Platforms - 2019

Traditionally, GCCs were focussed on providing transactional processes without having processes ownership
Now, GCCs are not only global process leaders but are also responsible for delivering core business operations

A. Undertaking end-to-end global process ownership

GCCs globally own end-to-end processes that cut across the organisation, providing an objective perspective to organisational workflows

GCCs have increasingly addressed adjacencies on operations that drives insights into the business

- **Context:** For e.g., the GCC of a global CPG corporation started out by delivering basic finance processes such as procure to pay and order to cash amongst others
- **Initiative:** Given its global ownership of these processes and the data, the GCC took the initiative to roll out a supplier spend forecasting system
- **Impact:** The new system has improved traceability and facilitated accurate forecasts of third party spends to the tune of US\$1 billion for the corporation

Based on conversations with 50+ GCC leaders, we observed that GCCs' are at the centre of business transformation due to end-to-end global process ownership and overall delivery

C. Building global leaders

GCCs enabled Indian employees to move up the value chain from finance clerks to finance controllers and from delivery staff to chief strategy officers amongst others

Based on our interviews with 50+ GCC leaders, we observed the following key global leadership positions residing within GCCs

- The delivery lead of the GCC of a professional services firm went on to become the global chief strategy officer
- A finance clerk at the GCC of a technology company went on to become the global chief accounting officer
- The India-based GCC of an agriculture company houses country-specific CIOs and finance controllers

We observed that GCCs in India are increasingly exporting leaders, e.g., the GCC of an agri products company appoints global CXOs that have been groomed within its GCCs

B. Providing core business operations

Scaling up multiple functions, GCCs have gained the trust of their parent organisations and have proved the capability of India to provide core business operations

- **A CPG GCC** we interviewed said that the GCC is responsible for global sales enhancement through pricing analytics
- **A retail chain GCC** we interviewed states that it is responsible for designing customer experience for all its stores globally
- **An international banking GCC** conducts digital product management from India
- **A CPG GCC** has developed the reputation of being an extended business office owing the degree of innovation-led business impact it has created

D. Leadership testimonials about India's importance

Global CEO of a pharma global organisation comments on how India is the operations hub for the whole company



..The Hyderabad centre has now evolved into a full operation centre and does everything from manufacturing and chemistry to digital. All our drug development operations are done out of Hyderabad. Our business service operations are there. India is thus a real operations hub for the whole company.."

- CEO, Global Pharma Major

Multinationals now actively consider India as a destination to offshore business operations support, attracting higher value work

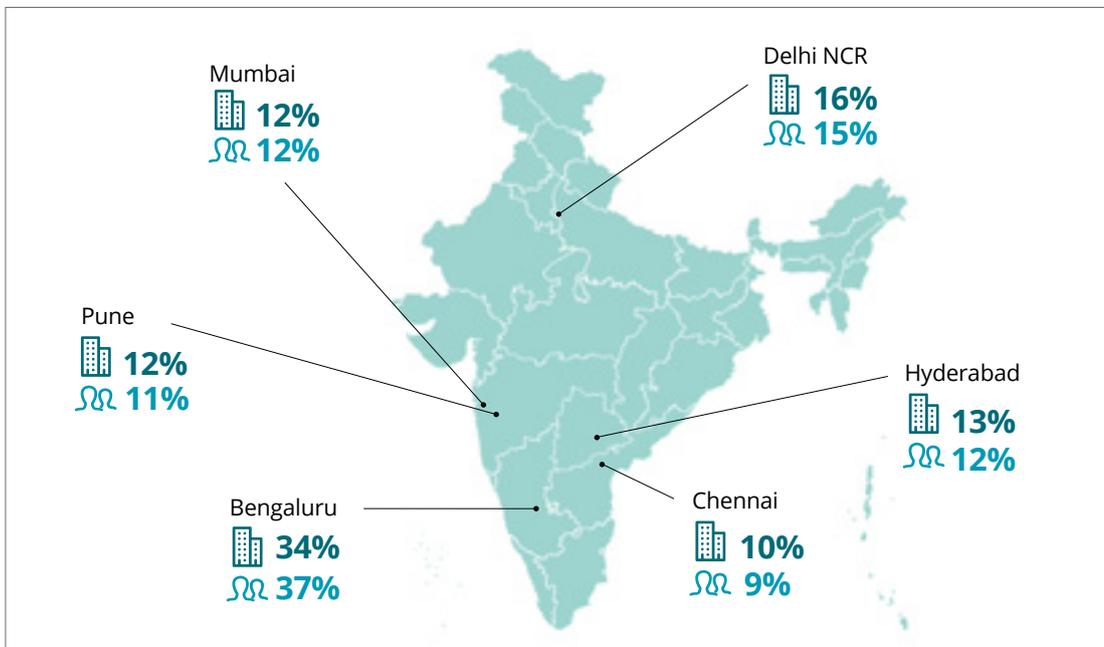
Traditionally, parent organisations were wary of setting up and scaling up GCCs in India
 Now, parent organisations are commending GCCs for their resilience, particularly brought about during the pandemic

A. Diffusing concentration Risk

- Spreading operations across Indian cities, GCCs have created demand for entire ecosystems comprising talent, vendors, and infrastructure
- India has responded by incentivising educational institutions and real estate and providing business with tax incentives
- Consequently, GCCs have flourished and the local economy of Indian cities has developed, creating a pull effect for additional GCCs

← **Distributed Talent across cities** →

Availability of talent across geographies, given opportunity to mitigate location risk within the country



B. Building long-term resilience

- GCCs in India had groomed MDs and global process owners who built the resiliency to support 100% remote operations prior to the pandemic
- Consequently, business as usual was made possible for global corporations due to their GCCs in India
- With virtualisation becoming the new normal, GCCs are driving this agenda for the larger enterprise

← **What we heard about India's resilience during the pandemic** →

A global bank's global executives complimenting India's resilience during the pandemic
 The India centre supported global operations seamlessly during the pandemic – there were 90,000 people working from home during the pandemic and the centre enabled it! Global leaders have been quite vocal and appreciative about the India centre's role in helping proactively manage risk and disruption due to the global pandemic. This has further enhanced the image of India centre in the global organisation
- Chief Administrative Officer, India Operations of the Bank

Multinationals are setting up/scaling up their GCCs in multiple Indian cities as a testimony to India's resilience

India, the global hub for scalable and frugal innovation

Traditionally, GCCs were considered to be “doers” of transactional work, hiring average talent

Now, GCCs are delivering cutting edge work (product R&D, big data, AI, automation, etc.), hiring top tier talent at scale

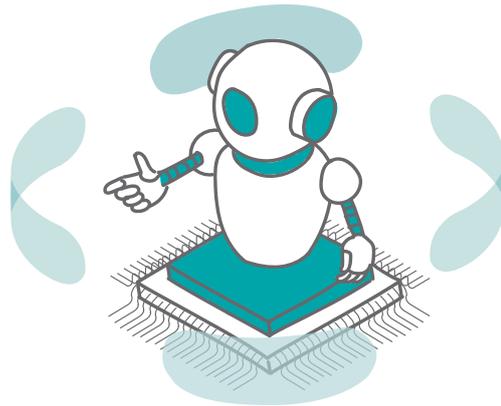
A. Ideal testing grounds for innovation

GCCs acted as the key demand generators for automation, with majority of today's mature automation vendors tapping the sector for their growth

UK based robotic process automation software company started off to create an “outsourced workforce” for the large global enterprises

An Indian company discovered a platform for robotic process automation while undertaking a pilot project

US based developer of robotic process automation software started with the vision of making business process automation ubiquitous



...We started focusing on the business process space as a route to market..

- CEO, robotic process automation software company (UK)

B. Collaborating strategically with the ecosystem

Some GCCs have started bringing in business for their parent organisation by driving sales of innovative market offering

Indian telecom company collaborated with Israel's leading communication software and services firm

Leveraging Innovation Centre's delivery expertise of the Israeli firm and its ecosystem of startups, they will deploy machine learning and artificial intelligence-based technologies across Telecom company's multiple lines of business to help pre-empt and self-heal operational issues, introduce smart-bots into digital channels, and quickly launch and activate new services, thereby enabling a seamless customer experience



We are delighted to have the communication software provider as part of our ecosystem of strategic business partners and look forward to collaborating with them to build a solid innovation pipeline for the future..

- MD and CEO, Telecom Company (India)

C. Addressing needs in important markets from India

GCCs take initiatives to solve local and global business problems through innovation and technologies, capturing

A French Multinational Financial Services firm Automating KYC process for the India business

- The KYC process for the bank was cumbersome, requiring a lot of paper and staffing several hundred FTEs
- The DNA of the talent force was such that it did not like doing repetitive work and it possessed abundance of digital skills
- Consequently, the GCC undertook a project to completely automate the KYC process using machine learning



..None of them were worried that this is their jobs that they're automating, because they know they can do something else. So there is this automatic value creation here which out headquarters value significantly..

- CEO, Financial Services firm (France)

D. Innovation skills at scale

Driving innovation globally through India's talent skilled in exponential technologies, GCCs have communicated India's ability to provide innovation at scale

Inside scoop on the US home improvement retail firm's analytics function, Bengaluru

-  Employing 55% of global in-house analytics talent
-  Leveraging open-source best in class tools (R, SQL, etc.)
-  Accelerated move to the cloud globally
-  Cross pollinating learnings with startups



Leveraging data and analytics amongst other exponential technologies, the innovation labs Bengaluru drives technology led business impact globally

- India Centre Head

Multinationals are evaluating India as the destination for blitzscaling innovative products and services from their GCCs

Traditionally, GCCs were doers dependent on their parent organisations’ funds for driving process efficiency
 Now, GCCs are influencing parents’ spend to leverage India’s rich start-up ecosystem and deliver business impact globally

A. Encouraging open innovation

For GCCs in India, organic innovation is an imperative and mature GCCs are encouraging open innovation to accelerate infusion of new technologies and ways of working into the larger enterprise

An array of GCCs have set up open innovation platforms, as accelerators or co-development models, which are providing spillover effects to other MNCs and indigenous corporations to undertake innovation activity in India, for e.g.,

- Microsoft Accelerator
- Catalyst
- Barclays Rise
- Plug and Play Start-up Autobahn
- Cisco Launchpad
- Google Developers’ Launchpad



Impact

200+ start-ups accelerated/incubated through these programmes every year

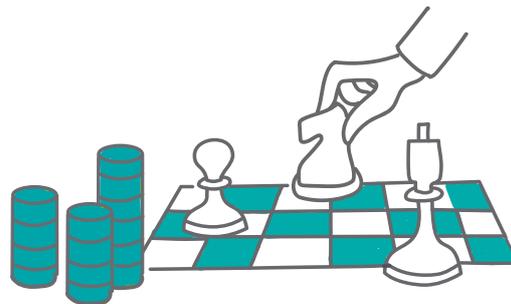
US\$15-20 mn as annual revenue to start-ups through vendor relationship

B. Tapping into future tech and use cases

GCCs act as conduit for their parent to tap into the active and continuously evolving start-up ecosystem in India by means of strategic investments and acquisitions in areas of emerging tech or unique use cases being solved by start-ups

Several companies continue to make strategic investments in startups in India, using GCCs as conduit

- Amazon
- Colgate
- Facebook
- Bosch
- Experian
- Fidelity
- Hyundai



Impact

US\$65 million
Acko

US\$6 million
Bombay Shaving Company

US\$0.05 million
MinionLabs

US\$0.8 million
SimYog

US\$250 million
ThoughtSpot

US\$10 million
Revv

GCCs have helped India mobilise start-up funding, making India a destination of choice for venture funding

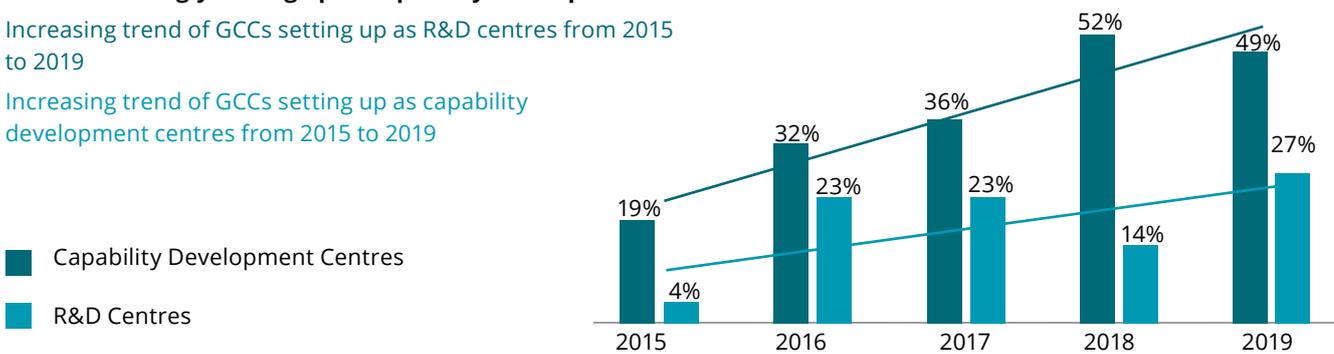
India, the global digital and R&D hub

Many GCCs are taking strides to evolve rapidly and create additional value for their parent organisations as can be seen in increasing number of GCCs setting up as capability development centres and R&D centres

GCCs increasingly setting up as capability development centres and R&D centres*

Increasing trend of GCCs setting up as R&D centres from 2015 to 2019

Increasing trend of GCCs setting up as capability development centres from 2015 to 2019



	2015	2016	2017	2018	2019
R&D centres set up from 2015 to 2019 (Cumulative)	1	8	13	17	28
Capability development centres set up from 2015 to 2019 (Cumulative)	5	15	23	38	58

Case in point

1. A global bank developing a Product Management capability centre

- Building digital CoE for carrying financial product management globally from India
- Ahead of target to growth headcount to 750 with 70 scrum teams comprising 30% business roles and 70% technology roles
- Hired 10 SVPs and 15VPs with a focus on maintaining ~35% diversity

•• We are planning to create a digital CoE, which is a pretty novel concept in India ••

**-SVP Strategy
GCC of a global bank**

2. A global industrial manufacturing company setting up a digital capabilities hub

- Setting up a digital hub to carry out software requirements management and design and development
- Focusing on end-to-end engineering tools support globally
- Accounting for 50% of the software engineering talent for the company globally

•• India is considered as the CoE for digital excellence and the global heads of RPA and data mining sit out of the India centre ••

**-GCC Head and CFO
of a tech. company**

3. Signify delivers Global R&D and Product Management roles from the Innovation Centre

- Global Product management role being delivered from India, for specific products owning global Marketing, Strategy and partnerships
- Global R&D Management and Global Project Management is also delivered from the centre
- The centre is a strategic site for Signify globally

Fiserv is focusing on digital capabilities as part of its GCC journey in India

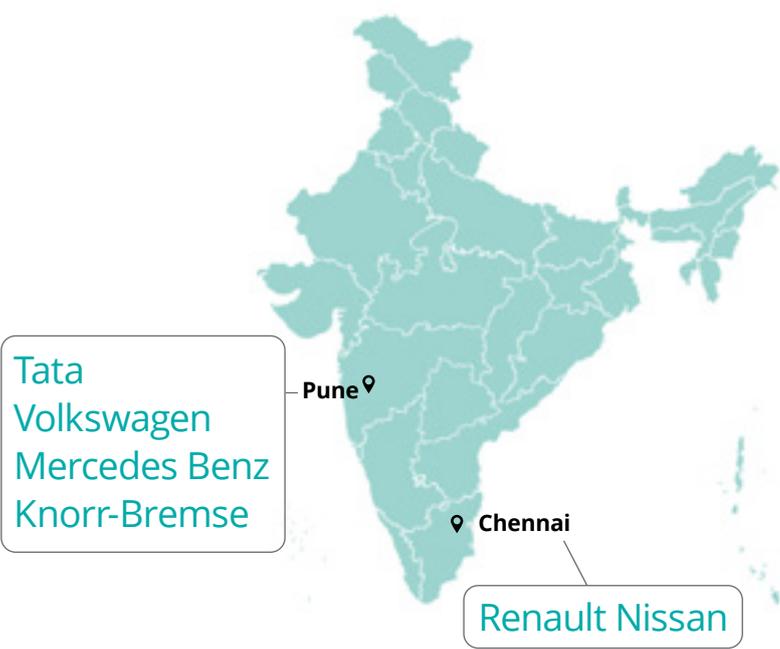
•• As we become more digital, it is bringing teams together in ways to best serve and support clients. With the high level of maturity and capability displayed by capability centres in India, they have become integral to accelerating development of vital end-to-end product management capabilities. We are involved in driving targeted innovation, architecting products from the initial gathering of market intelligence to defining product roadmaps and following through user journeys and implementation, keeping clients at the centre of everything we do ••

**- Vishal Pratapwant
Head - Engineering &
Transformation, Fiserv
Global Services**

Traditionally, GCCs were considered cost centres, involved in testing and engagements with few vendors
 Now, GCCs are considered market expansion centres, involved in end-to-end development and product localisation

A. Gaining cluster advantages – Automotive ER&D

By coexisting with manufacturing facilities and developing global IP from Chennai and Pune, GCCs have made these cities known as global automotive and industrial hubs

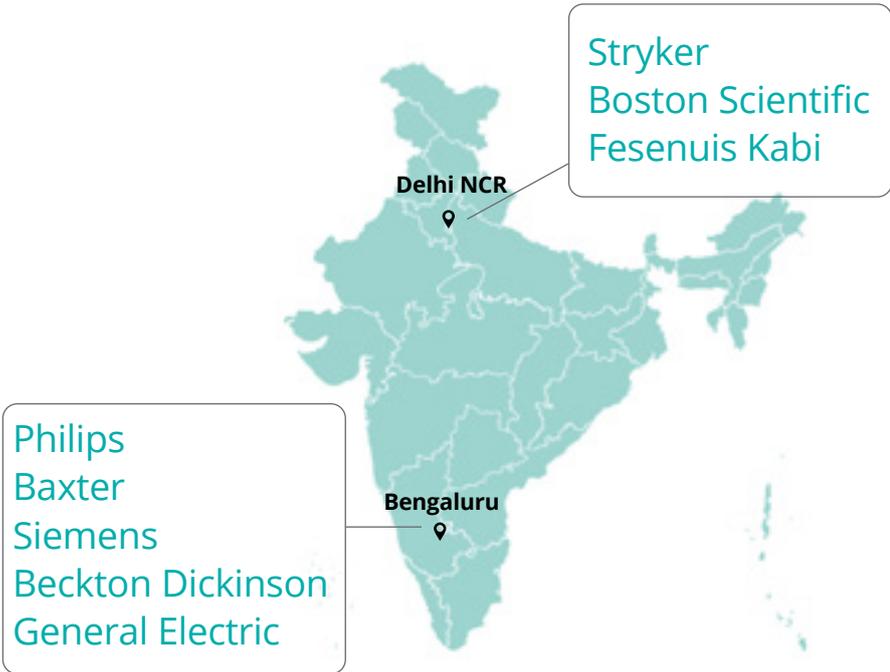


Research and Development Centre of Global Auto Player

- Set up as a captive for research, IT, and product development activities, the centre has transformed itself to be the company’s largest R&D centre outside of headquarters
- Providing high-value services such as CAD, CAE, IT services, design, simulation, analytics, and PLM, the centre has also created a pull-effect for additional automotive and industrial R&D centres

B. Gaining cluster advantages – Med-Tech ER&D

Leveraging India’s STEM talent, multiple medical devices companies have clustered their ER&D GCCs in Bengaluru and Delhi NCR to drive value for parent organisations



One medical device company has multiple GCCs in India focusing on analytics, ER&D, finance, innovation, and IT

- At 200 FTE, the healthcare innovation centre has launched 6 global products and delivered 1,000+ systems to 90+ countries
- At 700 FTE, the GBS GCC supports Austria, China, Germany, Hong Kong, India, Singapore, and USA and houses CoEs for FP&A and RPA
- At 1,500 FTE, the Innovation Campus supports 40% of global software development and testing and also carries out data analytics

C. Deepening presence in Software R&D

Software GCCs are also scaling up their presence to delivery high-value R&D services from India, speaking volumes of India's capabilities in these areas

India Development Centre of a global technology company

- Company's largest R&D centres outside headquarter location, houses AI and research, cloud and enterprise, experiences and devices, and core services engineering – its most impactful business divisions in India
- With operations commencing in Hyderabad in late 90s, moving on to Bengaluru, and recently to Delhi NCR, the company has increased its penetration in India – a testimony corroborating the India story



- Presence across Bengaluru, Delhi, Hyderabad, and Pune
- 8,000 employees across sales and marketing, R&D, and support services

D. Engineering platforms globally

By driving platform engineering globally from their GCCs in India, Unicorns have contributed to India's popularity as the destination of choice for platform engineering

- UI Path
- Zenefits
- AppDirect
- OVH Cloud
- Apttus
- Gojek
- Uber
- Grab



India is the #1 destination of choice for platform engineering services globally and is especially sort after by globally renown unicorns

Consequently, Indian cities are now renowned globally for agglomeration of GCCs and their coexistence with parent organisations

Branding India as 'Global GCC Hub'

While the GCCs are doing their part to enhance the reputation, there is opportunity to enhance India's brand globally, that eases the case for those GCC leaders trying to bring more value-added work to India but are currently restricted to personal efforts



Stakeholder responsible: G Government N NASSCOM I Industry Members

Case Study



Source: ¹Department of Enterprise, Trade and Employment, website

²MachineCon Comes At The Right Time In Singapore, Asia's Big Data Hub, 2019

Detailed case studies

1. Human capital impact

- Building a specialised knowledge pool
- Providing employee capability enhancement through continuous learning
- Creating future-ready graduates
- Empowering the career-driven woman
- Creating opportunities for all
- Improving employee benefits
- Enhancing the leadership pool
- Spreading innovative mindset

2. Innovation and ecosystem impact

- Infrastructure enhancement
- Stronger research outcomes
- Accelerate research
- Stronger research outcomes
- Skill development and entrepreneurial mindset
- Skill development
- Solution co-development
- Investment
- Startup Partnership: Accelerator/incubator
- Accelerator / Incubator

3. Social impact

- Education
- Livelihood enhancement
- Poverty and hunger
- Health care
- Rural development

4. Environmental impact

- Carbon footprint reduction
- Habitat conservation
- Resource/material conservation
- Creating sustainable infrastructure
- Waste reduction

Disclaimer: Information provided in the case studies is based on information collected as a part of the study from the concerned organisation or from secondary sources and we have not independently verified the same.

Human capital impact: High-impact case studies

Building a specialised knowledge pool

A medical technology company develops specialised healthcare and medical technology related content to keep employees learning

Engagement Objective:

- To provide an **engaging and comprehensive source of advanced learnings opportunities** to help educate employees in clinical specialties
- To improve the quality of medical care

Approach

- The company has a Healthcare innovation Campus located in Pune, which plays a pivotal role in the company's global innovation agenda
- It acts as the content development centre for the in-house University
- The content is designed to:
 - Offer content on the **latest in healthcare technology.**
 - Teach **product usage.**
 - Provide healthcare and **clinical education** through online tutorials by expert physicians.
 - **Be interactive** in its format and viewable on any device.
 - **Be a meaningful learning guide** for individual employee career path.

Impact

- The E-university is available for the company's **~81,000 global employees**
- The opportunity for employees to engage in specialised learning helps the company achieve its greater **purpose of improving people's lives through meaningful innovation** all over the globe.

NASSCOM's Futureskills programme creates upskilling opportunities for new technologies that are part of the digital disruption the Indian workforce faces

Engagement Objective:

- **To help the workforce develop integral skills spanning across 70+ job roles on 10 emerging technologies** namely Artificial Intelligence, Blockchain, Big Data Analytics, Cloud Computing, Cyber Security, Internet of Things, Mobile Tech, Robotic Process Automation, Virtual Reality, and 3D Printing.

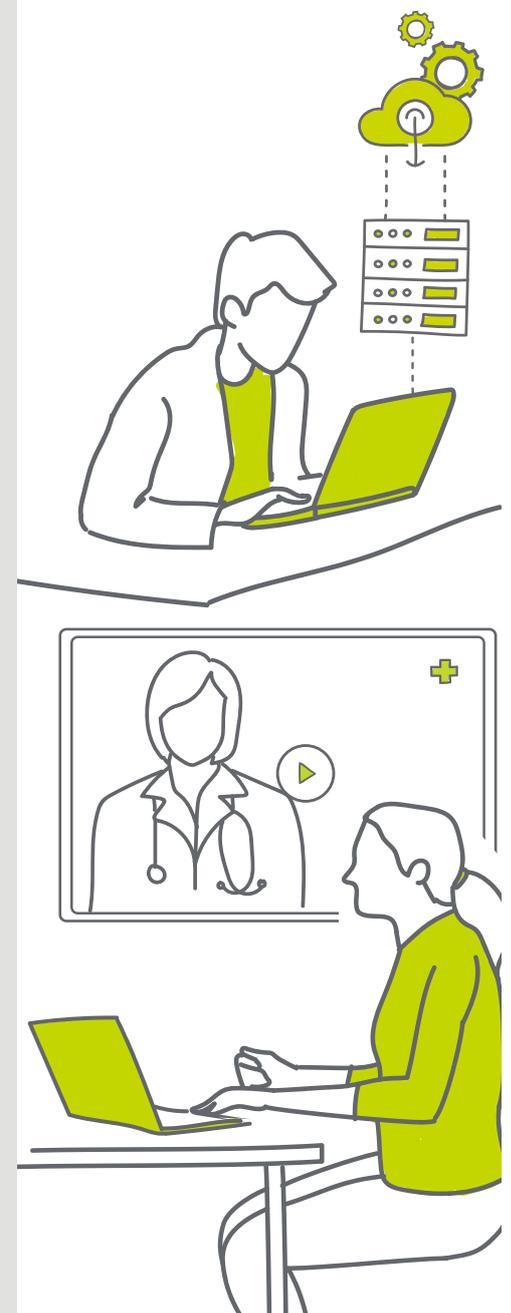
Approach

- NASSCOM FutureSkills was launched on 19 February 2018 due to the realisation that out of the 4.5 million people employed in the industry today, 1.5 -2 million are expected to require reskilling in the next 4-5 years.
- FutureSkills portal uses the technology of the future, to create a space where a learner can access content on all the skills of the future.
- A learner can seamlessly access free and paid content, assessments, virtual labs and get certified on the skills of their choice.
- The platform also has a curation feature that allows subject matter experts from industry and academia to contribute by curating content and learning pathways on these technologies.

Impact

- 20+ GCCs are utilising the Future Skills platform to reskill their employees as well as during onboarding of new employees.

- The programme aims to reskill 2 million professionals and potential employees and students in the industry over a period of five years.



Providing employee capability enhancement through continuous learning

A professional services firm partners with the Indian School of Business (ISB) to build an Executive Eminence programme for high-impact leadership professional improvement

Engagement Objective:

- The ISB Executive Eminence programme is a pathway to create meaningful impact for the firm's employees by helping them build business confidence and drive growth
- The specific aim of the initiative is to:
 - Build the personal and professional eminence quotient of senior leadership.
 - Invest in top talent and expand their sphere of influence.
 - Build a broader employee perspective that will lead to identification of new business opportunity.
 - Increase market reach and accelerate revenue growth through client retention and repeat business.

Approach

- The firm partnered with ISB for this high-impact programme to offer its leadership a chance to learn from some of the best faculty from across the world and bring international industry experience, research-based knowledge and teaching experience to the classroom
- The ISB Executive Eminence programme is designed to be a six-day on campus programme followed by three sessions of individualised online mentoring. Some of the main features of the programme include the following:

- Exposure to the three major skills for achieving eminence - Teacher, mentor, and researcher.
- Three instances of 1:1 mentorship by ISB faculty for each participant to help leadership get unique perspectives from an outside-in perspective to their eminence building journey and make the right connects along the way.
- Access to two academic-industry conferences and workshops hosted by various research centres at ISB for a year.
- Access to ISB's Learning Resource Centre (LRC) for a year.
- Inclusion in the ISB Guest Speaker Circle.
- Internal support from Deloitte on an on-demand basis (if required) to help participants with any research or editing required in assisting for their project.
- An EEP certification which provides for special consideration for admission into the proposed ISB Doctoral Programme in Business Administration.

Impact

- The programme has certified a total of 20+ top leaders from the firm to date
- Success measures include participants:
 - Being nominated for Advisory Board positions at the firm.
 - Designing and teaching new courses at esteemed academic institutions.
 - Conducting IP creation and paper presentations.
 - Conducting keynote addresses at conferences.
 - Being awarded excellence awards and being given industry recognition.

A global financial services company invests in an internal academy to help employees succeed

Engagement Objective:

- To help employees succeed in their role and **develop a dynamic and successful career**

Approach

- The company has started its own **global Academy** that exists solely to coach and develop employees
- The support from the Academy helps employees master the many facets of their current role **and helps hone and develop skills.**
- The Academy helps employees learn about their professional interests and helps **carve out potential career paths** by exposing employees to other lines of business.
- The **Advisor Development programme** under the Academy focuses on financial advisory related training.

Impact

- The Academy is an award-winning employee development organisation that **trains around 40,000 people globally per year**
- It helps **decrease the company's turnover rate** by giving employees a great onboarding experience and equips them with tools for problem solving, communication, empathy, and adaptability.

Creating future-ready graduates

A professional services firm fosters thought leadership and innovation for students

Engagement Objective:

- To foster a mutually beneficial relationship with educational institutes, create an **ecosystem that nurtures the workforce of the future**, and build the next cohort of leaders

Approach

- **Catering to academicians:**
 - The **Deans Summit and Empowered Educator programmes** bring together educators (from national and regional school, respectively) and business leaders to **shape the next-generation curriculum**.
 - **Dean Transition Lab™** helps newly minted Deans crystallise actions to take to achieve their organisations' goals.
- **Catering to students - Graduate School Competitions, Hackathons, and Bridge** programmes provide platforms for undergraduate and engineering school students to **experience real-life business scenarios**.
- **Salient features** - Each of these programmes brings educators and students a step closer to industry practices in management and technology, giving them access to latest research and **making them future ready**.

Impact

- Enabled heads of institutions to **navigate through their institutional goals**.
- Enabled **800+ educators to drive innovation and thought leadership**.
- Exposed **30,000+ students to real-time industry solutions and**

prepared them for the future of work.

- Published the first-of-its-kind **whitepaper focused on the 'Future of education' in India**.
- Increased **employability** of students through industry exposure, future-ready faculty, and exposure to emerging technologies.
- Created a **360-degree view of the ecosystem**, capturing the voice of students, industry, alumni, and academia.

- Providing access to tools, such as Microsoft Quantum Facility and Quantum Development Kit.

Impact

- The company will train **900+ faculty** across institutes to equip students with the required skills to start building their quantum future.
- Over **7.4 lakh government schoolteachers** and over **4,228 educators** across **148 universities** have also been trained by the company in various other aspects of technological knowledge and computer skills.

A technology company creates a future in quantum computing for Indian students

Engagement Objective:

- To create a pool of future graduates **trained in the use of next-generation technologies**, such as quantum programming
- To create a **new learning experience for students** to help them build effective solutions

Approach

- The company partnered with IITs across the country to build skills and capabilities for quantum computing.
- As a part of the partnership, the company was involved in the **end-to-end design and delivery** of the course to students and trainers, including the following:
 - Structuring the course curriculum and the content.
 - Utilising in-house engineering experts for lectures.
 - Organising a 'Train the Trainer' programme.



Creating future-ready graduates

A financial services company helps Indian students learn concepts of re-insurance through an in-depth programme

Engagement Objective:

- To **develop reinsurance skills**, insights, and expertise amongst students and professionals aspiring to pursue insurance careers in India
- To create awareness about **diverse career opportunities**

Approach

- The company has partnered with National Insurance Academy (NIA) as a technical partner
- The company has used its **global and local market expertise** to develop a curriculum for reinsurance that will include the following::
 - Bespoke workshops
 - Specialist modules
 - Research projects
 - Summer and final placements
 - Real-world projects through internships
 - Access to international trainings and webinars
- The company, as part of its larger efforts, also launched an **insurance-focused accelerator** in India to provide mentorship to start-ups, which are disrupting insurance practices

Impact

- The company has trained ~**120** students so far to **help close the gap** between the rising demand for specific jobs and their limited availability at present
- The company has helped **create opportunities for NIA students** to gain first-hand experience of the reinsurance industry

Empowering the career-driven woman

Target equips women in STEM with required strategic skills

Engagement Objective:

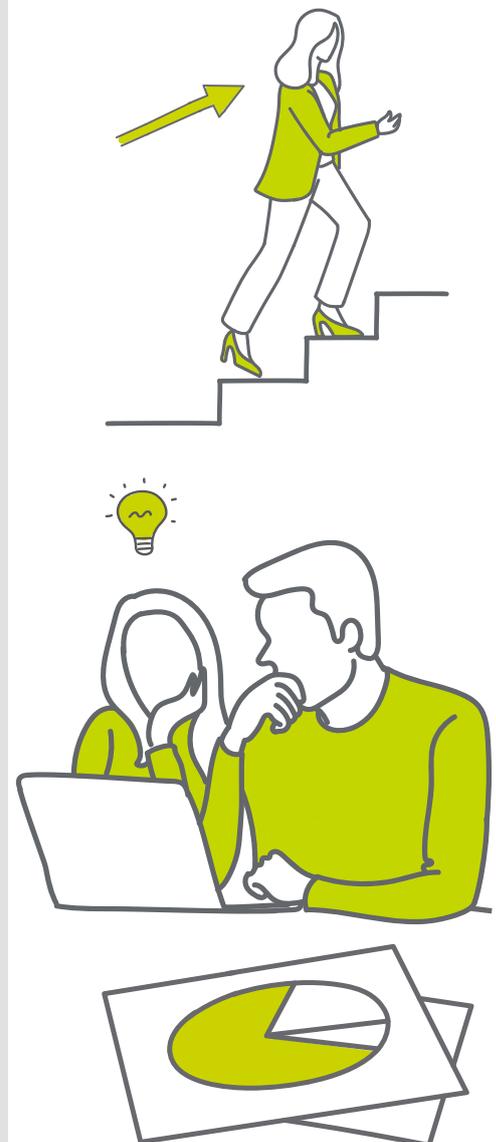
- To enable **women studying STEM subjects with soft/strategic skills**, which studies show are critical to succeed in the field of technology and are not always provided as part of the college curriculum
- To encourage social inclusion through this programme with an aim to **provide equitable opportunities to all**

Approach

- Target's women focused programme Ignite+ falls under its larger agenda to make **diversity as important business imperative** for the company
- In 2020, the company decided to adopt a Tier-3 engineering college, Sir MVIT Bengaluru, to pilot the programme because such colleges often get lesser visibility when it comes to **job placements and harnessing talent**
- The students received **training and mentorship** through the programme which equips them to enter the workforce and become intentional about their career right from the beginning

Impact

- Target has **hired 16** out of the 22 students trained in the first cohort of Ignite+
- Based on the success of Ignite+ Target aims to expand the scope of the programme in 2021 to **three engineering colleges across the country** and make a bigger difference in the ecosystem



Empowering the career-driven woman

A financial services company commits to achieving gender balance

Engagement Objective:

- To **achieve gender balance** at all levels across the organisation
- To focus on **developing the female talent** pipeline at both junior and senior levels and enhancing recruitment processes to facilitate this

Approach

- The company focusses on **developing gender equity in remuneration, promotion, and development** practices
- Initiatives under this include the following:
 - Efforts to **hire more women** during campus recruitment
 - Initiatives to maintain a gender balance from **junior to senior levels**
 - Post-maternity **Women Returner Programme** that provides mentorship, upskilling, and job flexibility
 - **Women in finance networking group** to share best practices, learnings, and experiences

Impact

- **100 percent** women return post their maternity break
- **70-80 percent** female hires from campus
- **Overall 40 percent** women in the workforce
- Ranked within the top 100 Avtar **Best Companies for Women** in India

A financial services company designs the '10,000 Women' programme to promote women entrepreneurs through business education

Engagement Objective:

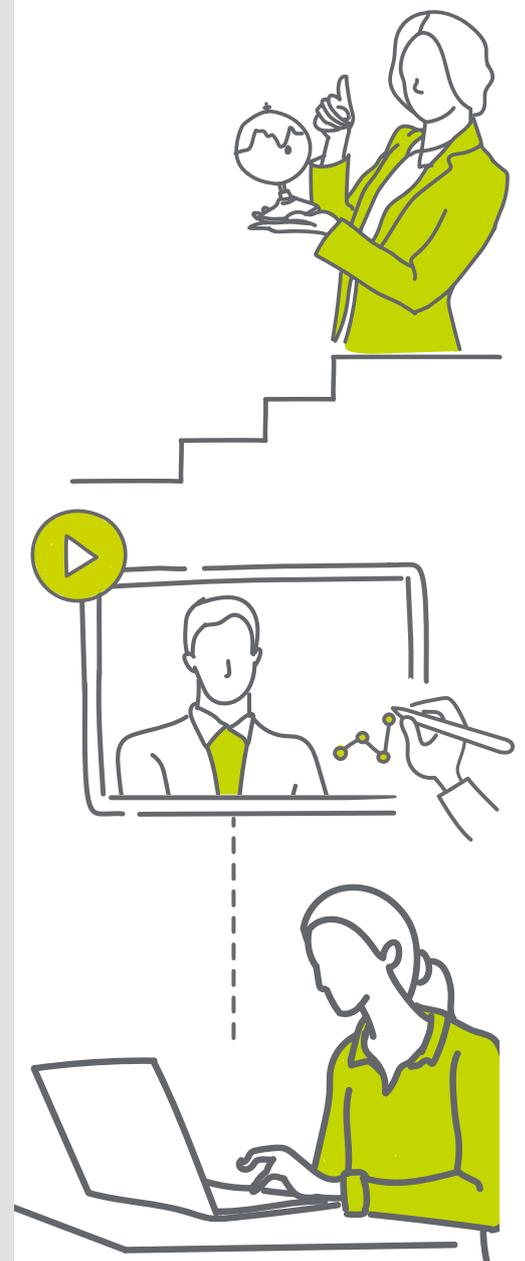
- To **foster economic growth** by providing women entrepreneurs with business and management education

Approach

- The company focuses on **training women entrepreneurs** from across India in partnership with IIM Bengaluru
- The initiative was founded on the belief that **investing in women entrepreneurs leads to economic growth** and stronger communities
- The programme includes the following:
 - Financial and accounting skill development
 - Business growth plan development
 - Cash flow management
 - Strategic thinking methods
 - Customer relations and branding
 - Self-transformation and personal reflection
- The programme has been moved online due to the pandemic and will be **delivered by IIMB's eminent faculty and guest lecturers** using proven concepts and local examples specific to the current scenario

Impact

- Since 2008, 10,000 women have trained more than **1,600 women** entrepreneurs from across India



Creating opportunities for all

Dell mainstreams inclusion of differently abled at the workplace

Engagement Objective:

- To build an **enabling environment** for people with diverse abilities and talents
- To **empower and provide a career platform to differently abled persons**
- To decrease the **disproportionate impact that the pandemic** would have on the differently abled

Approach

- Dell aims to create a truly diverse environment and have equal recognition of all talent by launching **initiatives to include differently abled people into the workforce**
- The programme includes the following:
 - Make **infrastructure accessible** and provide assistive technologies (e.g., digital in-house application to guide differently abled in the office space, motorised wheelchairs, accessible transportation, accessible countertops)
 - **Workshops for employee sensitisation towards** inclusivity
 - Flagship accessibility programme called 'True Ability' that intends to start by creating 1,000 hiring opportunities for the differently abled

Impact

- Hired **290** differently abled people
- Created a **smooth transition** for the differently abled to a work-from-home scenario by providing technology support and infrastructure

UBS India provides career opportunities to Indian veterans

Engagement Objective:

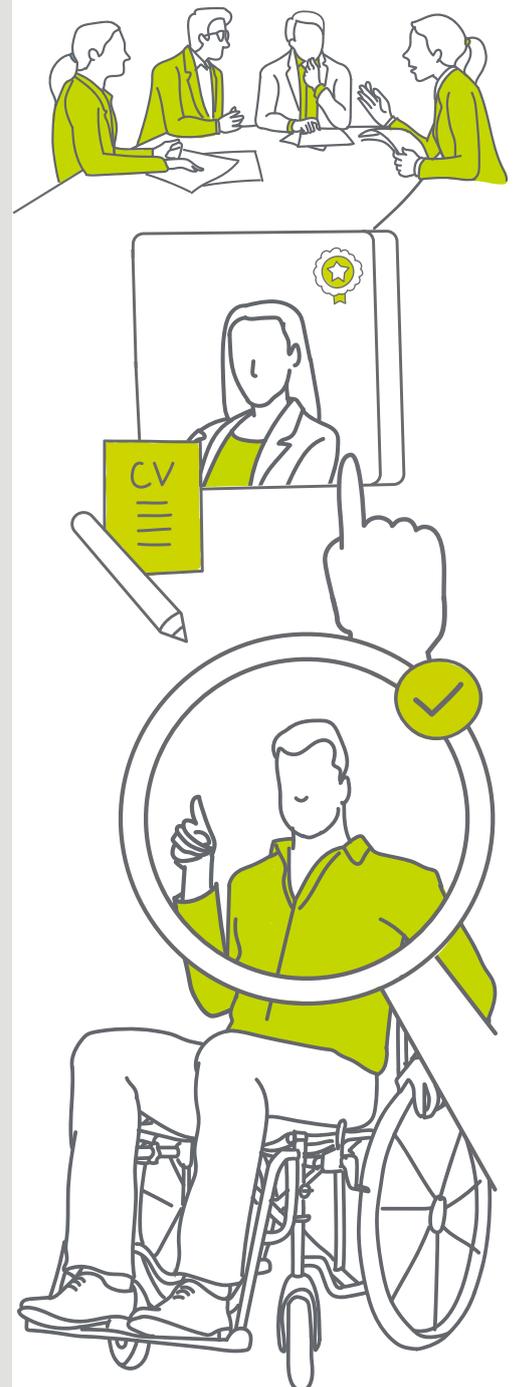
- To help them learn **new technical and management skills** keeping in mind the value they bring to the industry through their diverse backgrounds and experience in serving the nation

Approach

- UBS keeps **in line with its global policies** and recruits graduates from IIMA's Armed Forces Programme for its internal Veteran programme
- The company helps them transition by:
 - Offering a year-long **mentorship** programme to make sure the candidate transitions smoothly
 - Offering **upskilling opportunities** for specific technologies, such as AI for candidates who show an aptitude for the same
 - Creating a **veteran networking group for employees** from across their global offices to share learnings and best practices

Impact

- The company has hired **15 veterans** in India in leadership positions of Director and Associate Director
- This cohort not only has integrated well to the corporate setup but also has been recognised for their expertise
- The employees continue to add tremendous value to the bank, and at the same time have developed strong followership on professional networks for their profile, work, and insights.



Improving employee benefits

Adoption of global best practices helps an Indian technology company to become one of India's best places to work

Engagement Objective:

- To create a high trust, high performance culture that **promotes a sense of respect, fairness, pride, and camaraderie** amongst employees

Approach

- The company has been able to create a great place to work for its employees by **providing global career development** support to employees
- Some best people practices include the following:
 - Leadership support through **weekly check-ins**
 - **Connecting employees globally** to senior leaders, medical professionals, and guest speakers

Impact

- Awarded **India's Best Companies to Work** for two years in a row by Economic Times
- Recognised as **best Multinational Workplaces in Asia 2020**

One of the world's largest technology multinationals runs a corporate wellness programme to promote health and happiness

Engagement Objective:

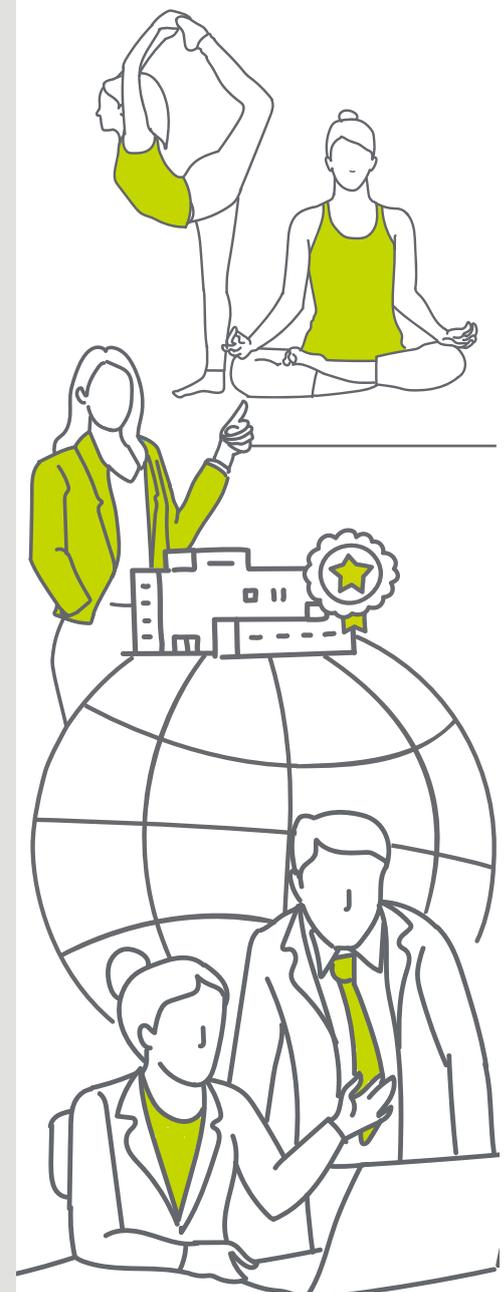
- To build a unique office environment that **focuses on health, happiness, and work-life balance** of employees resulting in business growth

Approach

- The company's corporate wellness programme is a class above its peers. The programme includes the following:
 - **Option for flexible hours**, vacation time, and volunteer time to achieve work-life balance
 - Availability of **nutritious food** in campus cafes and micro kitchens
 - **Onsite healthcare facilities**, such as physical therapy, massage services, and access to fitness centres, classes, and community bikes
 - **Option to pick up new personal and professional skills** such as cooking, guitar lessons, and coding

Impact

- **37 percent rise in employee satisfaction** at the company due to their corporate wellness programme as per a research by Warwick University in US
- Top spot in **Fortune 100 Best Companies to work for in 2017**



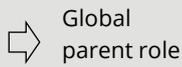
Enhancing the leadership pool

GCCs are helping create a large pool of globally mature leaders.

GCC groomed leaders have inculcated the best-in-class international practices leading to global level roles ...

GCC groomed leader

Building talent that can provide value to the global organisation



GCC groomed leaders are not only moving to global parent roles but also sharing best practices by joining Indian companies to help them leap forward

High-impact examples

Sharing global thoughts
2017

CTO/CIO, Global Shipping Company
(2017 – Present)

- **Global Shipping Company** – Worked in multiple roles from global head, shared service centres in 2017 to present role as CIO/CTO
- **Target India** – Worked in multiple roles starting from director, business services in 2006 to strategic advisor and external board member in 2018
- **GE Capital** – VP Commercial and Marketing (2002-2006)
- **University of Chicago** – MBA
- **IIT, Kanpur** – B.Tech, Chemical Engineering

A global view on technology
2018

Executive VP & CIO, US Home Improvement Retail Firm
(2018 – Present)

- **US Home Improvement Retail Firm**– Transitioned to take up the global role of Executive VP and CIO in 2018 leading verticals such as innovation, product engineering and Tech Opps
- **Target** – Worked in multiple roles starting from Director (Technology) on 2010 to Senior VP (Technology) – Digital (Target.com + stores) in 2017
- **Sabre Holdings**– Worked in multiple roles starting from Technical Lead in 1995 to Senior Manager, Technology in 2004
- **Texas Tech University**– MS, Computer Science
- **NIT, India**– Bachelor of Engineering, Electrical & Electronics

Sharing mature global thinking and learnings leading to a seat at the CXO table

Spearheading an innovative mindset

GCCs are helping create a large pool of globally mature leaders.

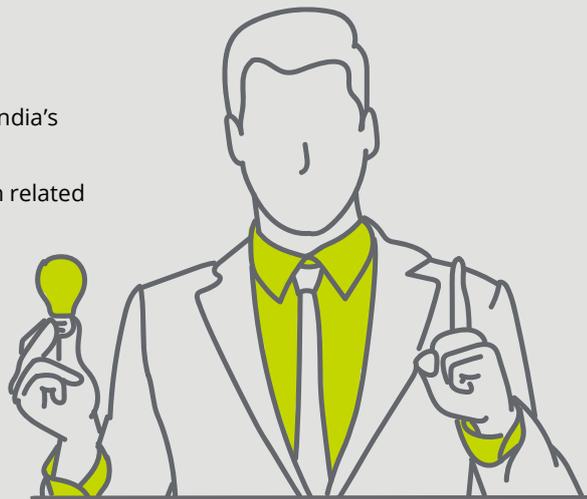
GCC leaders are taking bold decisions to spearhead innovation and transformation in the country by using global thinking for innovation...

GCC grooming

Inspired
innovation
leading to...



~10-15 percent of India's
startup leadership
~35 percent of tech related
profiles in startups¹



High-impact examples

Simplifying analytics

2011

US & India based Analytics Solutions Firm

CEO and Co-founder (2011 – Present)

- **US & India based Analytics Solutions Firm**– Founded in 2011 to help enterprises achieve accelerated outcomes by simplifying analytics and embedding it in their DNA. The company has 400+ employees and received Series A funding in 2016
- **US IT Firm** – Director, Decision Support and Analytics Services 2005-2011
- **Financial Services Division of a US Conglomerate** - Worked in multiple roles from 1999 ending as assistant vice president in 2005
- **Indian Economics & Statistics Institute**– M.S. Quantitative Economics

Making travel hassle-free

2010

Indian Ridesharing Company

CEO and Co-founder
(2010 – Present)

- **Indian Ridesharing Company**– Co-founded this company which used technology to bridge the gap that connects cab owners and commuters order to provide quality cab services with pre-fixed prices. It has raised a total of US \$3.8 billion in funding over 25 rounds and has ~4500 employees.
- **Microsoft Research India**– Worked as a Research Intern and Assistant Researcher from 2007 to 2010 where he filed two patents and got three papers published in international journals.
- **IIT, Bombay** – B.Tech, Computer science & engineering.

Disrupting the food industry

2014

Indian Platform for Food Ordering and Delivery

Co-founder (2014 – 2020)

- **Indian Platform for Food Ordering and Delivery**– Co-founded in 2014 where he was instrumental in laying the tech foundation and helped disrupt the food delivery industry that changed the way the country now eats food. They have raised a total of ~US \$240 Mn in funding and has ~2L employees.
- **Myntra**– Worked as a Software Engineer from 2012 to 2013
- **NetApp**– Worked on product engineering and data protection as a Member Technical Staff from 2011 to 2012
- **IIT, Kharagpur** – Dual degree (B.Tech + M.Tech), Computer science & engineering

Source: LinkedIn profiles, Company Websites, Primary Interviews

Notes: 1. The companies considered for the research include Indian start-ups who have received significant funding in the past 5 years and/ or have been part of the a start-up accelerator programme

Innovation and ecosystem impact: Industry-academia engagements: Case studies

Infrastructure enhancement

Global electronics player set up innovation lab at IIT Kharagpur to train students on IoT

Engagement Objective:

- To reduce the digital divide in the country
- To bridge the gaps in proficiencies by training students in industry-relevant skills and making them job ready

Approach

- Under the Company's Digital Academy programme, the company has partnered with IIT Kharagpur to set up the **innovation lab**.
- Students will be trained on **IoT** to learn industry - relevant skills.
- It is a 14-week programme including classroom lectures, lab room sessions, and projects.
- The course will also facilitate students to conduct research and develop app on IoT platforms.

Impact

- Through this partnership, the company aims to train over **100 students** annually in next-gen technologies and operating systems at IIT Kharagpur.

Stronger research outcomes

Global engineering solutions provider ties up with IISc Bengaluru for IoT research and innovation

Engagement Objective:

- To enable research in development of innovative technology products
- To create significant impact on society in water, energy, and health care sector

Approach

- Under the University reach programme of the company, an **academic research centre** has been established at IISc.
- The centre focuses on creating new **technology, products and IP** in
 - Cyber physical systems (IoT)
 - Robotics with advanced ML
 - Connected autonomous systems (Drones, 5G autonomous vehicles)
 - Urban transportation and smart cities

Impact

- The research centre has successfully executed over **30 technology oriented projects** with real-world applications ranging from smart energy to agricultural automation.



Stronger research outcomes

Global FMCG player funded CFTRI's research on impact of a particular ingredient on baked food system

Engagement Objective:

- To enable research in predicting the bubble behaviour in the bread making process
- To create impact by developing novel methods to modulate volume of bread

Approach

- Central Food Technological Research Institute's (CFTRI) excellence and the global organisation's quest to seek the solution for an innovative research problem were the driving factors for the collaboration.
- The company investigated scientific influence of adding wheat bran particulates to bread.
- The company developed insights around bubble dynamics, which can be applied to baked product category in general.

Impact

- **Two international publications** have been published from this research work.
- The work was selected at the **18th World Congress of Food Science and Technology** at Dublin.
- The research proved to be very useful in solving the current concerns with product quality of gluten-free baked products and thus, has created **possibilities for further research.**

Global technology player supports faculty research through its Annual Faculty Research Award

Engagement Objective:

- To fund early career faculty who are doing research in fields relevant to Google and making an impact

Approach

- Under the Research Scholar programme, the company provides funding support to world-class research conducted by **early career professors.**
- Interested researchers submit a proposal, which is then evaluated through an **internal review process.**
- Winners get funding support of **upto US\$60,000**, to support advancement of the professor's research.

Impact

- In 15 years since the programme's inception, the company has funded over **2,000 academics at ~400 Universities in 50+ countries**, including Indian universities



Accelerate research

Global materials manufacturer sponsors state of the art laboratory at IIT Bombay

Engagement Objective:

- To develop new materials for electronics and renewable energy focused applications, such as next-gen PV cells

Approach

- The company partnered with IIT Bombay to conduct research on nanoelectronics and solar PV technology.
- The company has committed US\$12 million over five years to:
 - Establish a **Nano-manufacturing Laboratory**, which is India's first 200 mm semiconductor fabrication facility
 - Three state-of-the-art **process chambers** for depositing thin films for solar cell application
 - Establish a **Chemistry Laboratory** for Energy and nano-electronics

Impact

- With the government support, potentially enable **creation of domestic ecosystem** for manufacturing efficient PV cells. This can result in **shifting manufacturing from China to India.**
- Enhance IIT-Bombay's **capabilities** in areas of renewable energy-focused research.
- Develop advanced **infrastructure** at IIT-Bombay.

A European heavy electricals manufacturer collaborates with IIT Roorkee for research

Engagement Objective:

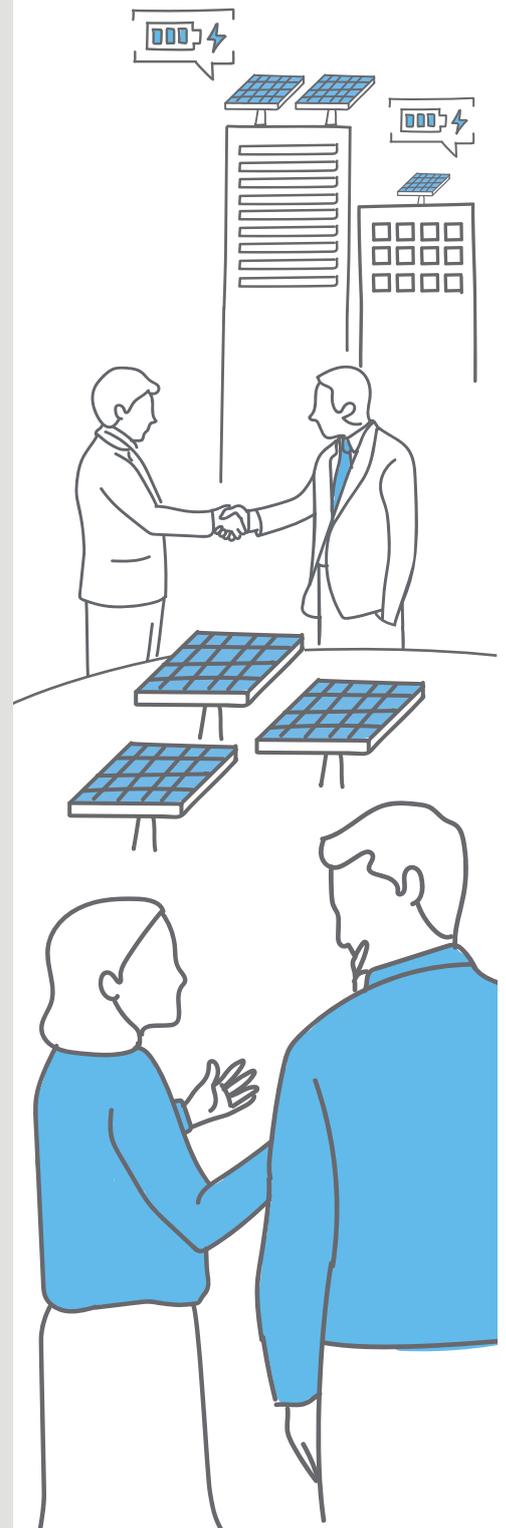
- Support the Smart Electricity Distribution network and management system (SDNMS) project, through design, engineering, procurement, testing, and other services required for the project

Approach

- The company has a strong portfolio of products for the integration, distribution, and automation of interconnected renewable energy sources that form local distribution grids. This will help accelerate IIT-Roorkee's pioneering work in building an eco-friendlier campus.
- IIT Roorkee and the company will collaborate in assimilating various supply and demand side equipment, devices and systems into an automated and hybrid energy distribution and management system for the campus.

Impact

- A cost-effective smart distribution system has the potential to significantly **reduce India's carbon footprint.**
- Help in creating a **100 percent green campus** and achieving zero carbon dioxide emission in the long run.



Stronger research outcomes

A tech company launches a centre at IISc to develop next generation networking methodologies

Engagement Objective:

- To develop next generation **networking methodologies** and concept solutions
- To build network applications and public policies for the benefit of society in areas such as smart cities, IoT/CPS, and data exchanges

Approach

- The company has launched a Centre for Networked Intelligence at IISc to **generate positive outcomes from exposure and research with academia.**
- The collaboration aims to have an impact on the type of technology that can be offered with a focus on:
 - Communications infrastructure
 - Smart city infrastructure
 - Security, privacy
 - Policy studies and e-learning

Impact

- Strengthening the partnership with academia through **shared learnings** around latest developments
- Facilitation of the **development of intellectual capital** in our country by hiring PhDs and post-doctoral students

Skill development and entrepreneurial mindset

A tech company sponsors research and encourages entrepreneurship and innovation amongst students

Engagement Objective:

- To propagate the use of technology to solve pertinent challenges and encourage entrepreneurship amongst students
- To ensure more and more people have access and exposure to technology from a young age

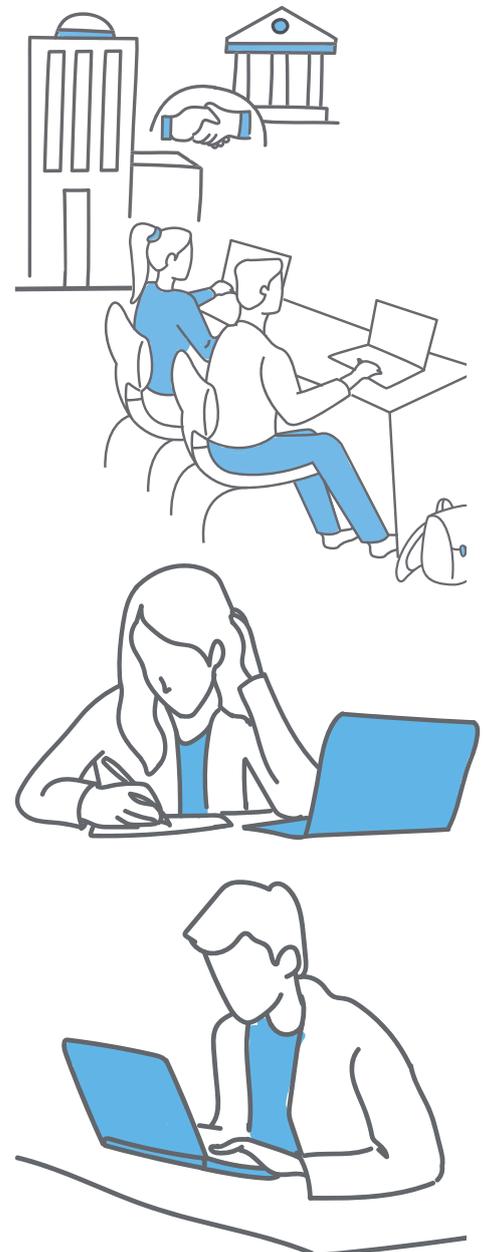
Approach

- Academic outreach programme offers several programmes and grants to university students and researchers to interact and resolve pertinent issues.
- Partnered with 18 of India's finest technology and business institutes.
- Academia Accelerator programme helps expose students to important tech trends and practices, and equips them with vital skills and experiences that enrich their careers and fuel innovation
- Hackathon Cups and coding hackathons series run on various campuses.

Impact

- All hackathons see huge turnouts, i.e., 10,000+ students registering from 50 campuses
- 175+ students receive internships across five institutes, and the total funds disbursed amounted to INR 12,00,000.

- A minimum grant of INR 75,000 is given to each research student, and 60 such students received travel grants.



Skill development and entrepreneurial mindset

A tech company to set up innovation labs in five Indian academic institutions

Engagement Objective:

- To enhance digital skills development and entrepreneurship amongst the student community
- To set up IoT makerspaces to help them accelerate innovation around IoT and digital technologies in their campus

Approach

- A rotating cohort of about 50 students will join the programme every six months.
- Over the course of the six months they get 24/7 access to the makerspace and all the equipment and tools therein as well as mentorship and training.
- The cohort culminates with a demo-day wherein decisions are made on how to proceed with the prototypes built by the cohort.
- Rapid prototyping includes resources, content, mentors, training, and P2P collaboration

Impact

- Enable students to get hands on with technology and conceive digital solutions to solve local problems.

Skill development

Multinational tech company to set up 5G innovation lab at IIT-D

Engagement Objective:

- To help the industry and the academia to leverage the 5G technology to develop new 5G-based apps and business models

Approach

- Lab to help establish use cases of 5G technology in areas, such as rural connectivity, connected healthcare, industrial automation, public safety, video surveillance, energy and agriculture amongst others.
- As networks evolve towards 5G, offer products and solutions as well as the expertise to help operators evolve seamlessly from 4G to 5G.
- Pilot use cases enabled from 5G to drive overall innovation related to connectivity.

Impact

- Fast-track 5G deployments in the country by bringing together telecom ecosystems, academia, industry and start-ups
- The Indian operators can generate additional revenue of **US\$13 billion** or if they take up roles beyond being connectivity and infrastructure providers to become service enablers and service creators



Start-up ecosystem impact: Case studies

Solution co-development

Noumenon Multiphysics partnered with a global auto player's GCC to develop a PoC

Engagement Objective:

- Noumenon participated in a start-up programme run by the GCC of a global auto company in 2018 and got an opportunity to develop a PoC to predict motor aging in vehicles and the performance of mechatronics system

Approach

- The Pune-based start-up was onboarded to the programme in 2018.
- The startup developed a (PoC) within three months to showcase their solution and followed it by a **year long co-development project**
- Noumenon worked with the **manufacturing engineering team** at the GCC and their HQ counterparts to build and deliver high-end technologies involving **applied and computational physics**.

Impact

- The programme's **equity-free grant** allowed Noumenon to build a PoC without a cost.
- Access to **cutting-edge German technologies and an auto sector expertise**.
- Noumenon presented this success story on Startup Autobahn's global Expo Day to **30+ corporate partners and an audience of more than 5,000**.



The GCC in India has been our customer and partner throughout. They have promoted us at various public forums in India and globally – with the result that we are now opening our second overseas office in Germany.

- **Udayan Kanade**,
CEO, Noumenon MP

Investment

A global heavy equipment major invested in a start-up providing IoT solution

Engagement Objective:

- A global heavy equipment company aimed to leverage an Indian start-up's industrial intelligence and IoT platform and scale it for its operations in Japan and Europe

Approach

- The company made a **>US\$1 million investment** in the start-up to establish a formal relationship.
- The company provided **resources, manpower, and training** to overcome language barriers in Japan.
- Hired a **five-member sales team** to assist the start-up run their operations in Japan
- The two companies are jointly

exploring larger opportunities in the **European market**

Impact

- **The global organisation's brand name and support** allowed the start-up to work in Japan seamlessly and quickly expand to Europe to **attract other global organisations**.
- Jointly submitted **multiple multi-million-dollar bids** with large European customers in the energy and process manufacturing sector.



Start-up partnership: Accelerator/ incubator

A HiTech player runs a start-up accelerator programme

Engagement Objective:

- An IoT start-up was onboarded on a Global HiTech player's ecosystem in the fourth cohort of the company's accelerator programme. The start-up impressed stakeholders during the acceleration phase and thus, became a go-to market partner for the company.

Approach

- The start-up leverages **AI and IoT** devices to create a SaaS-based platform to help airlines and airports **improve their on-time performance of flights.**
- The start-up received **mentorship and guidance from the global organisation's leaders** and other stakeholders during the accelerator programme.
- As their joint go-to market offering, they have **closed an agreement with one of India's leading airports.**

Impact

- The global organisation made a seed funding of **~US\$1.2 million** into the start-up.
- The company provided **access to their data and physical assets** (including co-working space) that helped the start-up to test their solution and joint go-to market potential.
- The company provided **added scalability** necessary to deliver big projects.

Start-up partnership: Accelerator/ incubator

Macquaire partners with start-ups to build a fintech mindset across stakeholders

Engagement Objective:

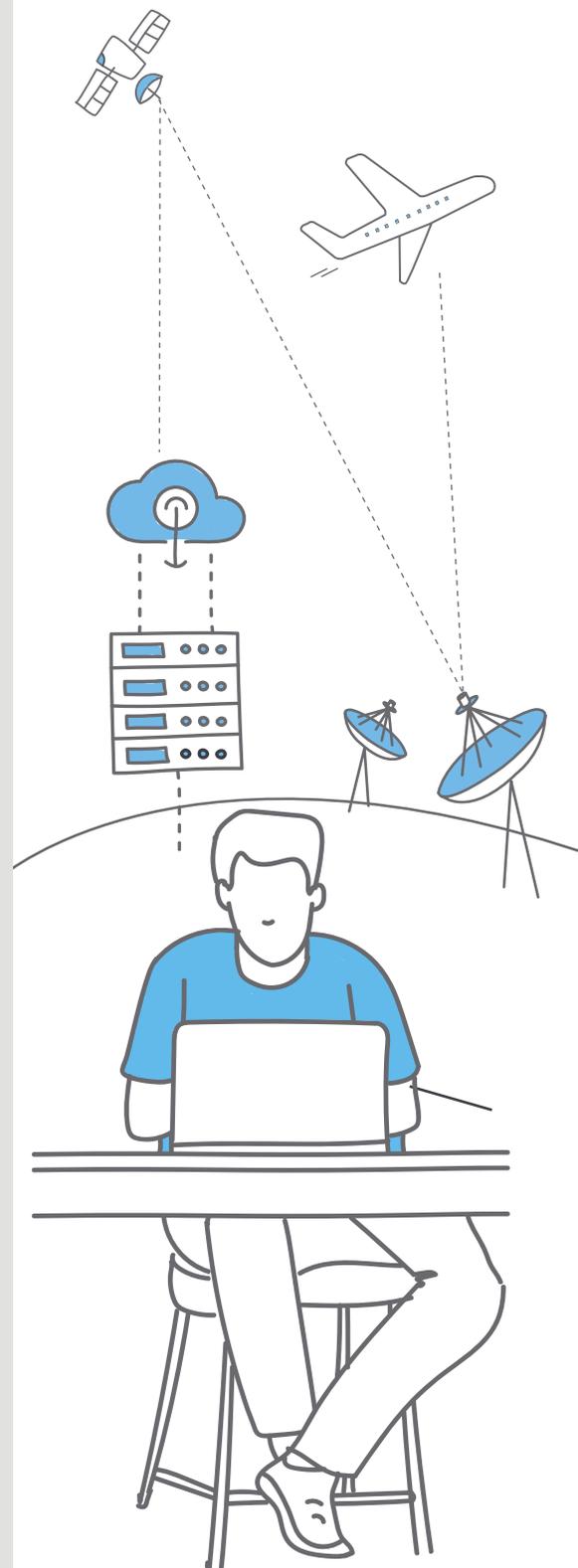
- Co-creating the future by utilising in-house expertise and collaborating with India-based FinTech start-ups/ technology firms

Approach

- Dedicated space to experiment, collaborate and innovate—proof of concepts held with start-ups on emerging technologies such as Natural Language and OCR
- Engaged with early-stage start-ups incubated by NASSCOM. Example: Augmented reality firm to develop knowledge management portal
- Partnered with Indian technology organisations to develop intelligent solutions. Example: Built a Financial Reporting application with a boutique Fintech firm

Impact

- **75,000+ hours** of manual effort saved till date using enabling technologies



Start-up partnership: Accelerator/incubator

A HiTech player onboarded a start-up in robotic space as part of the accelerator

Engagement Objective:

- The start-up offers a smart robot that can automatically cook customised food based on customer's taste. The start-up engaged with a global engineering solutions provider as part of their start-up accelerator programme

Approach

- The start-up received **mentorship and guidance from global organisations' leaders** and other stakeholders over an **18-week acceleration phase** to build a venture (idea validation, customer validation, and pitching).
- The company also **established one of the cooking bots in their canteen** of its Bengaluru office.

Impact

- The company made an investment of **US\$774K** into the start-up.
- The start-up received access to the company's physical and digital infrastructure, such as the **IoT Cloud**.
- Additionally, the start-up was also given access to facilities such as the **design studio, IoT Lab, and the Vocational Centre**.

A HiTech player runs a start-up accelerator for deep tech start-ups in the B2B space

Engagement Objective:

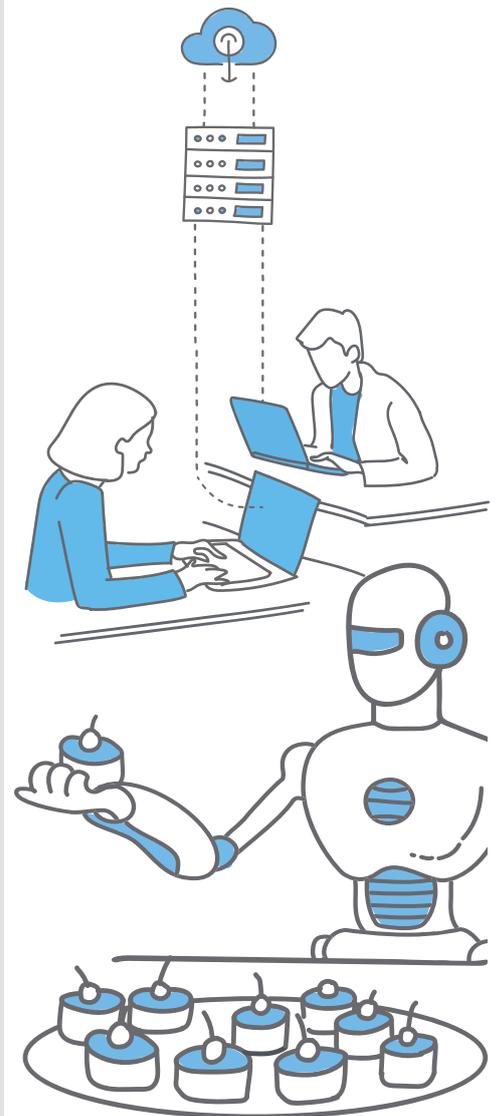
- A global HiTech player Launchpad is a start-up accelerator that hosts B2B deep-tech start-ups to co-create disruptive solutions that can bring value to the MNC and the society as a whole.

Approach

- The accelerator selects and hosts startups for a **six-month session, twice a year**, where they co-create business-relevant end-to-end solutions.
- The accelerator provides **mentorship, equity-free grants, investor connects, tech platform and support, customer/partner access and co-working space** to the selected start-ups.
- Start-ups are provided with access to the MNC's ecosystem and technology platforms in **wireless/mobility, IoT, collaboration, security, networking, and cloud**.
- The start-ups get a membership to the company's **alumni network**.

Impact

- **45+ start-ups** have graduated from the accelerator programme.
- **Multiple Seed and Series A investments** in start-ups that graduated from the programme.
- One of the start-ups was granted US\$6 million seed fund and its **multi-lingual AI platform**, that **automates call centres** and voice assistants, was **integrated with the company's Unified Voice Portal**



Start-up partnership: Accelerator/incubator

An aircraft manufacturer runs an accelerator programme from its centre

Engagement Objective:

- A global aircraft manufacturer runs a start-up accelerator programme out of Bengaluru. A deep-tech start-up was one of the five start-ups chosen from over 135 applications to the second batch of the programme

Approach

- The start-up is using its **deep tech** (AI, IoT, and analytics) based offering, to enhance **manufacturing** certainty and improve the company's **procurement** operations.
- The start-up became a **registered vendor** for the company.
- It took the start-up seven months to implement the solution at one plant, which was later **scaled to the company's other manufacturing locations in Europe**.

Impact

- The company made a series A investment of **US\$3.54 million**
- As a vendor, the start-up got access to **manufacturing locations across the globe**.
- The partnership promoted the Government of India's **'Make in India'** initiative.

Accelerator/incubator

A German luxury auto GCC runs a start-up Autobahn to drive innovation

Engagement Objective:

- Mercedes-Benz R&D India (MBRDI) started an innovation programme as an extension to the global start-up programme in 2018. The programme aims to engage with start-ups who have cutting edge work and leverage their capabilities to help create and deliver best-in-class digital solutions, that contribute towards building world class products.

Approach

- The GCC runs a **100-day sprint** with selected start-ups under the programme.
- The programme generates **pointed problem statements** that the company is working on and selects **relatively-mature** start-ups from the Indian ecosystem to co-create solutions.
- Start-ups get the opportunity to create Proof of Concepts of their innovative tech-enabled solutions for the company's specific business problems.
- The start-ups are provided access to **infrastructure, leaders in India, and HQ and business partners**.

Impact

- The programme has run **two batches** where it worked with **nine start-ups** in the areas of AI, Simulation, AR/VR, EV, and ADAS.
- The start-ups got access to not only the Indian ecosystem but also the **global programme's ecosystem**

operated in **more than three countries** with over **30 corporate partners**.

- The programme also ensures a **paid PoC** (equity-free grant) for the start-up.



Social impact: Best-in-class examples

Education

A global tech company uses technology to spark an interest in science amongst children

Engagement Objective:

- To use technology to **widen the reach** of the social initiative 'Chhote Scientists'
- To **encourage children to solve real-world problems** using practical applications and experiments

Approach

- The company has a two-level approach towards building an interest in science along with the NGO 'Jnana Prabodhini'.
 - **Employee-led sessions** for government school children to teach basic science concepts through simple experiments
 - **Design a mobile app** that will enable people looking to volunteer for such teaching programmes, and provide an opportunity to receive mentoring from the company to conduct classes at beneficiary schools

Impact

- The 'Chhote Scientists' programme has benefited over **10,000 government school children** in rural areas of Pune, Mumbai, Jalna, and Bengaluru.

Livelihood enhancement

UBS India co-develops a financial literacy gaming application

Engagement Objective:

- To support **economic growth** and **digital literacy** in rural parts of India by imparting business fundamentals knowledge to children and youth

Approach

- UBS, through its foundation, partnered with 'Pratham India' to **co-develop an Android application called 'Meri Dukaan'** to promote **digital and financial literacy** along with **basics of entrepreneurship** in rural parts of India.
- The application **gamifies** basic financial concepts by simulating the experience of running a grocery store
- The application would teach financial concepts, such as
 - **Digital Banking, Insurance and taxes**
 - **Financial prudence**
 - **Inventory management**

Impact

- In the first phase, the application has been launched across 3,000 villages across the country with **65000+ young adults** annually
- Second phase would include a much wider reach to over 11,000 villages across the country with 100,000+ incremental users
- In addition, seeing the impact this application can have, UBS is now launching a local version of the app in China and Singapore



Education and livelihood

HSBC affects local-level scaling up of enterprise development initiatives for women

Engagement Objective:

- To engage women across the country through development initiatives to create equal chances for them to enter the organised sector
- To affect all parts of a women's life from education and health care to societal acceptance
- To put in place structured policies and mechanisms to help groom women
- To create transgenerational effects in the nation through the economic and social empowerment of women
- To boost India's GDP through this effort
- To help increase the female labour force participation that fell from 36.7 percent in 2005 to 26 percent in 2018

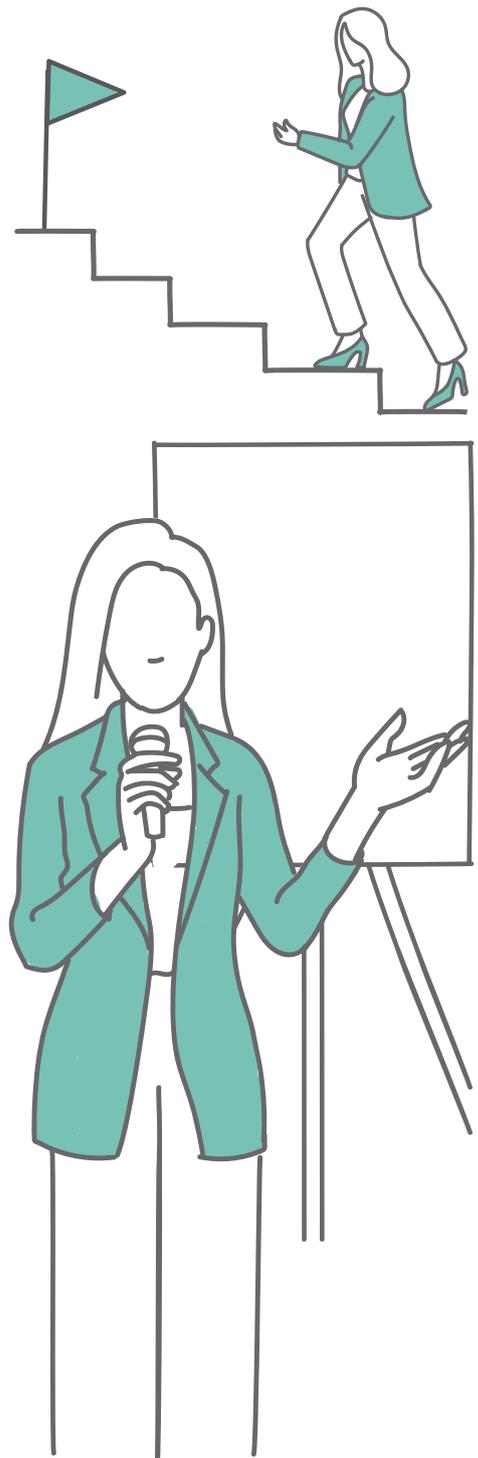
Approach

- HSBC has signed an arrangement with Mann Deshi Mahila Sahakari Bank, based out of Mhaswad, in Satara, Maharashtra, under which the latter will operate as the company's corresponding bank and also help identify borrowers for microfinance schemes
- Mann Deshi Bank will also extend microfinance assistance to its members to undertake activities in self employment especially, for the economic self reliance of rural women
- These efforts aim to bring the marginalised self employed women from rural India into the country's economic mainstream

- HSBC extended a line of credit and granted the bank US\$1,00,000 for microfinance loans
- The company is also looking at its other global work in Mexico and some Asian countries to offer microfinance to women in urban slums
- These efforts have now been ongoing since the past 8-10 years

Impact

- ~90,000 women have set up bank accounts in the Mann Deshi Mahila Sahakari Bank
- ~US\$15 million have been made in deposits
- ~US\$25 million has been completed in total business



Poverty and hunger

A technology conglomerate helps digitise the kitchen programme for an NGO

Engagement Objective:

- To **alleviate hunger** in India by improving process efficiency of 'Akshaya Patra' and providing mid-day meals

Approach

- The company partnered with 'Akshaya Patra' to accelerate **digitisation** of their kitchen operation in seven locations in India.
- **They deployed enterprise grade network** and collaboration suite to connect the foundation's kitchens and offices.
- This will enable them to track the following:
 - **Kitchen production**
 - **Distribution**
 - **Supply chain**
 - **Logistics**

Impact

- An **increase of 5 percent** in operational efficiency of 'Akshaya Patra' through real-time data analysis is expected.
- The company extended the scope of mid-day meal programme to reach over **28,500 additional students** everyday.

Health care

A financial services firm co-develops a tech solution to promote vaccination for children

Engagement Objective:

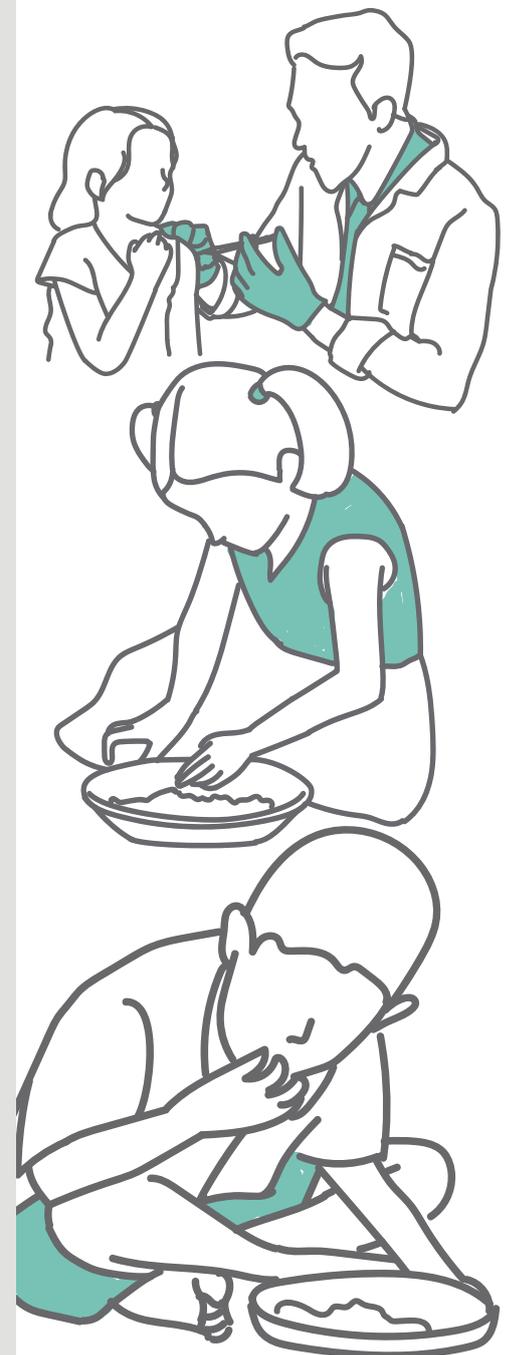
- To improve health, nutrition, and play for children in impoverished situations through focused interventions at scale

Approach

- The company worked under the **global mandate** for healthy cities along with:
 - Local leadership
 - Employee engagement
 - Technology to create a focused impact and sustainable outcomes
- The company used **their inherent knowledge around technology-based solutions** to build real on ground solutions.

Impact

- The FollowApp has **reached 4,000 caregivers** in Malwani – Mumbai area.
- Technology has made it **easier to reach isolated or mobile populations**, which may lack basic education and awareness around health care.



Rural development

Juniper Networks actively contributes for holistic social and economic upliftment

Engagement Objective:

- To enhance the quality of teaching, learning, health care, and sanitation in Orohalli in rural Bengaluru
- To build community awareness to improve livelihoods

Approach

- Juniper along with NGO partners HOPE foundation, Swami Vivekananda Youth Movement, and Saahas worked towards improving primary education and healthcare in rural Bengaluru starting in 2016-17
- As a part of this initiative, Juniper was involved in the following ways:
 - **On ground research** to understand deep-rooted societal challenges
 - **Employee involvement** through donations and volunteering
 - **Structured initiative-wise project planning** based on maximum outcomes

Impact

In 2019-20, the Juniper saw improvement in standard of living:

- **450+ children** benefited from STEM education, sports, camps, and science labs
- **800+ people** attended health camps
- **500+ women** attended health awareness workshops
- **1,500+ people** attended sanitation awareness classes
- **1,200+ households** sensitised

towards waste management

- The company was also able to transition children from private schools to Government schools and could get **58 children** admitted to Government schools
- Enrollments in Anganwadis – from couple of children in 2016-17 to **full capacity (20-25) in all 9 anganwadis**
- Institutional deliveries – **over 98%**

A financial services company develops sustainable solutions through Community-based Organisations (CBOs)

Engagement Objective:

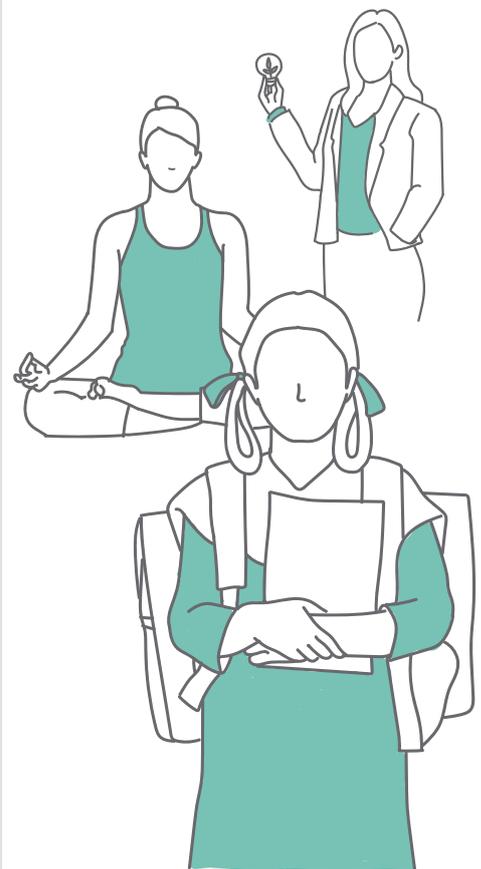
- To impact rural development by enabling girls, women, and the broader community to **emerge as owners of their own development process**

Approach

- Focus on holistic development of female stakeholders across different interventions of WASH, Energy, Education & Skill development.
- Designing structured programmes to build ownership-strong emphasis placed on:
 - Forming CBOs and strong community participation in decision making
 - Financial contributions towards infrastructure and its O&M
 - Consolidation of evidence on issues pertaining to adolescents
 - A wider policy advocacy through research and thought leadership

Impact

- **1,50,000+** women and adolescent girls benefitted by MHM&N and WASH interventions
- **2,80,000+** adolescent girls gained access to quality education, with a focus on increasing their agency
- **20,000+** young women received skill-development training
- **1,763 CBOs formed** in villages, ranging from collectives for market linkages to Committees for Water, Sanitation, Electricity, etc.
- **~INR 8 crore** contributed by community for Energy & WASH infrastructure and its O&M



Environmental impact: High-impact case studies

Carbon footprint reduction

A tech solutions company creates high-impact initiatives to create a drop in GHG emissions

Engagement Objective:

- To give the organisation an opportunity to **reduce carbon emissions and operation** costs through different initiatives

Approach

- The company carries out **multiple carbon reduction activities** that align with their goals towards the environment.
 - Requires employees globally to take time off for an **annual office shut down** resulting in a drop of used and unused energy
 - Installation of **1MW of solar power on rooftops**
 - Purchase of electricity **generated from renewable sources**
 - Encourage employees to **bike to work** or within the campus

Impact

- The company aims to reduce electricity consumption by at least **40 percent** during the annual shutdown.
- It aims to reduce GHG emissions by **70,000 Mt/year** (equal to planting 1.8 million trees)

A multinational company creates oxygen hubs by converting spaces into forests

Engagement Objective:

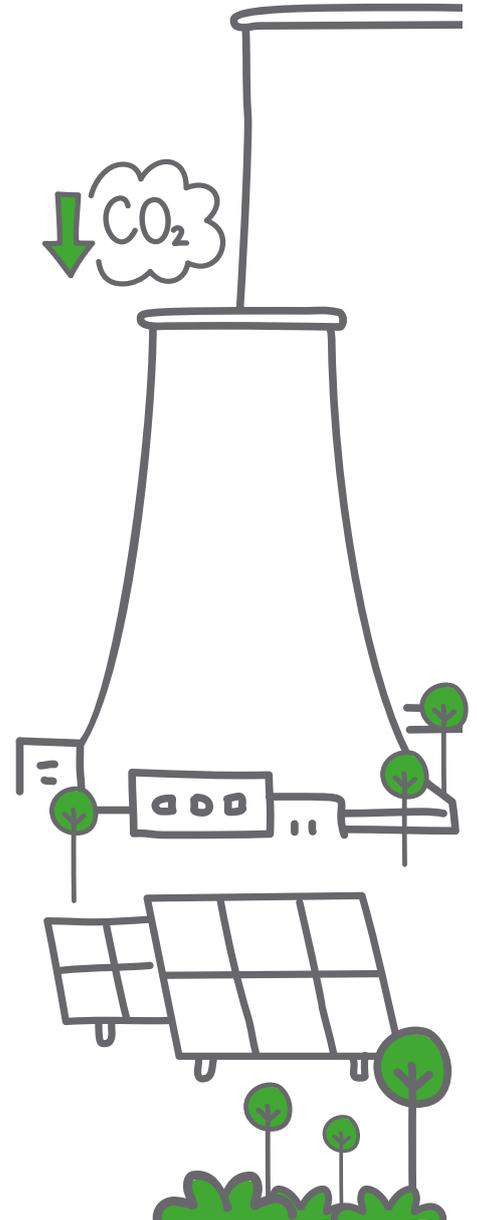
- To reduce pollution in Pune, by **decreasing the carbon dioxide** and increasing oxygen levels

Approach

- The company along with Pune municipal corporation, defence department, and NGO partners, formed oxygen hubs in Pune.
 - The company showcases commitment towards the importance of protecting bio-diversity.
 - Focussed on **planting and maintaining** native trees and shrubs
 - Use of **organic manure and deploying innovative methods** to improve sustenance

Impact

- The company developed more than **50 species of flora and fauna** at the afforested sites.
- It increased the green cover by planting and maintaining more than **45,000 trees**.



Habitat conservation

AXA XL* goes green by building a biodiversity park

Engagement Objective:

- To **create a healthy biodiversity** to breakdown and absorb pollution and provide resilience to climate change
- To **manage ground water** levels to prevent flash floods and enrich the soil quality

Approach

- The company has approached this project as part of its **overall corporate responsibility strategy**
- It has partnered with a charity – ‘Give Me Trees Trust’ to embark on an three-year project to plant 30,000 trees and create a **biodiversity park** in Jaunapur, Chhatarpur - New Delhi.
- The company will help to:
 - **Develop and monitor** the land with the ‘Give Me Trees Trust’
 - **Assist with fundraising** for raw materials, such as seeds, soil, and gardening equipment

Impact

- The new park in Delhi is expected to release **24,00,000 kgs of oxygen** per year
- Aim for the **forest to become self-sufficient** after two years
- Engaged employees on the importance of nature-based solutions, such as healthy forests, to promote a healthier planet, through hands-on activities such as sapling planting drives, and educational webinars

*AXA XL, the property & casualty and specialty risk division of AXA, provides insurance and risk management products and services for mid-sized companies through to large multinationals, and reinsurance solutions to insurance companies globally

Resource/material conservation

A financial services company invests in shared transport services for employees

Engagement Objective:

- To use **resources efficiently** and decrease transport generated emissions

Approach

- The company, as part of its **employee benefits and sustainability practices**, encouraged the use of shared transportation services.
- Employees were offered **free pick and drop-off ride sharing services across Delhi and Gurugram**, and private vehicles were not allowed into the premises.
- The company also planned out the most **time efficient and fuel-efficient routes** to use less resources and save time.

Impact

- About **80 percent** of the employees made use of the shared ride service.



Creating sustainable infrastructure

A construction company develops a LEED Gold certified corporate park allowing multiple GCC companies an opportunity to rent quality sustainable infrastructure

Engagement Objective:

- To build green workspaces for businesses to **combat the threat of global warming and climate change**
- To offer businesses that do not own their own spaces an **opportunity to occupy high-quality sustainable infrastructure** that meets their global vision and sustainability targets

Approach

- The construction company in Hyderabad is **LEED Gold certified** and houses GCCs, such as HSBC, Broadcom, Verizon, Qualcomm, and United Technologies.
- The company keeps in mind its **overall vision** of being environmentally responsible by **keeping in line the global vision of GCCs** to invest in green office spaces.
- The building features include the following:
 - **Low water use** landscaping techniques and reduced flow fixtures
 - Stormwater and **rainwater harvest-and-use systems**
 - **Sewage treatment** systems
 - **Architecture to maximise natural daylight** and provide stress-free lifestyle and better views for occupants

Impact

- This project:
 - Yields annual savings of **INR 24 million** in energy and **INR 3 million** in water
 - Houses corporate green building footprint of more than **33 million square feet** of LEED-registered space

- The company has a target of recovering **2 billion pound** of used electronics by the year 2020.
- By 2030, for every product a customer buys, the company has pledged to **reuse or recycle an equivalent product**, while more than half of the materials that products are made of will be from recycled or renewable sources.

Waste reduction

A hardware company applies responsible e-waste management systems

Engagement Objective:

- To work towards developing a sustainable ecosystem for **effective management of e-waste** and encourage adoption of more innovative sustainable policies

Approach

- The company has 34 drop-off points in India, offering **free recycling for its consumer segment customers**.
- The company works with a producer responsibility organisation to meet their extended producer responsibility by:
 - **Creating awareness**
 - Meeting **collection targets**
 - Working towards **development of a sustainable ecosystem** for effective management of e-waste

Impact

- The company has recovered **76.2 million kgs** of used electronics in FY2016 and **722 million kgs** of electronics since 2008.



Methodology for estimating indirect and induced impacts

Domestic-use input-output tables: Input-output tables are designed to give a snapshot of an economy at a particular time, showing the major spending flows from 'final demand' (i.e., consumer spending, government spending, and exports to the rest of the world); intermediate spending patterns (i.e., what each sector buys from every other sector – the supply chain); how much of that spending stays within the economy; and the distribution of income between employment income and other income (mainly profits)

The idea behind the input-output table is that the economy can be divided into several producing industries, and that the output of each industry is either used as an input into another industry, or in final consumption. For example, grain produced by the farm sector becomes an input into flour milling; flour produced by the milling sector becomes an input into the baking sector; and so on. In essence an input-output model is a table that shows who buys what from whom in the economy

The National Council for Applied Economic Research (NCAER) has published the Indian input-output tables in usable form in December 2016. Our calculation approach towards multiplier calculations is based on this table. The table uses data from the 2015-16 Supply Use table published by MOSPI

Calculating the indirect and induced impacts

Using the input-output table, and the revenue figures for the GCC sector, its indirect economic impact can be calculated. This is done by calculating the Type-I multiplier for the GCC sector that can be used to show how its supply chain affects other industries. The induced impact is modelled using a similar method using the Type-II multiplier

Multipliers

A primary application of domestic use input-output tables is to create multipliers that are used to illustrate how an increase in demand in one sector affects the whole economy:

- Type I multiplier (also known as a supply linkage multiplier) – It estimates the impact on the whole economy of INR1 spent in each industry, through its supply chain.
- Type II multiplier – It includes the Type I multiplier, but also includes the effect of spending by households stimulated as a result of the additional employment generated by the additional INR 1 spend. The latter is known as the income multiplier

The indirect and induced contribution of the GCC sector can therefore be estimated in the following way:

- The 'indirect effect' on the whole economy of INR x spend in industry y as:
= (INR x * Type I multiplier for industry y) - INR x
- The 'induced effect' on the whole economy of INR x spend in industry y as:
= (INR x * Type II multiplier for industry y) - (INR x + indirect effect)

Connect with us

Deloitte

Ravi Mehta

Partner, Consulting

Email: ravmehta@deloitte.com

Keerthi Kumar

Partner, Consulting

Email: keekumar@deloitte.com

Gaurav Gupta

Partner, Consulting

Email: gugaurav@deloitte.com

S Anjani Kumar

Partner, Consulting

Email: anjanikumar@deloitte.com

Viral Thakker

Partner, Consulting

Email: vthakker@deloitte.com

NASSCOM

Sukanya Roy

Director GCC and BPM

Email: sukanya@nasscom.in

Namita Jain

Digital Transformation Research Lead

Email: namita@nasscom.in

K S Viswanathan

Vice President, Industry Initiatives

Email: ksv@nasscom.in

Contributors

We acknowledge the efforts put in by the following individuals in the publication of this report

Manisha Gupta

Abraham Kuruvilla

Manoj Kumar

Richa Gupta

Vamsi Karavadi

Shubha Srinivasan

Inderjeet Singh

Pragati Chakraborty

Amer Qureshi

Vijai K Jayaram

Pulkit Saxena

Harjot Singh

Devesh Doshi

Ankit Shah

Anant Pandey

Nitish Suman

Rashna Engineer

Varun Mittal

Naren Kashyap

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

All the facts and figures that talk to our size and diversity and years of experiences, as notable and important as they may be, are secondary to the truest measure of Deloitte: the impact we make in the world.

So, when people ask, “what’s different about Deloitte?” the answer resides in the many specific examples of where we have helped Deloitte member firm clients, our people, and sections of society to achieve remarkable goals, solve complex problems or make meaningful progress. Deeper still, it’s in the beliefs, behaviours and fundamental sense of purpose that underpin all that we do.

Deloitte Globally has grown in scale and diversity—more than 312,000 people in 150 countries, providing multidisciplinary services yet our shared culture remains the same.

About NASSCOM

The National Association of Software and Services Companies (NASSCOM®) is the premier trade body and chamber of commerce of the Tech industry in India and comprises over 2800-member companies including both Indian and multinational organizations that have a presence in India. Our membership spans across the entire spectrum of the industry from start-ups to multinationals and from products to services, Global Service Centers to Engineering firms. Guided by India's vision to become a leading digital economy globally, NASSCOM focuses on accelerating the pace of transformation of the industry to emerge as the preferred enablers for global digital transformation. Our strategic imperatives are to reskill and upskill India's IT workforce to ensure that talent is future-ready in terms of new-age skills, strengthen the innovation quotient across industry verticals, create new market opportunities - both international and domestic, drive policy advocacy to advance innovation and ease of doing business, and build the Industry narrative with focus on Talent, Trust and Innovation. And, in everything we do, we will continue to champion the need for diversity and equal opportunity. NASSCOM has played a key role in not just the growth of the Industry to become a \$180+Billion industry today, but we have helped establish the Tech industry in India as one of the most trusted partners, globally. NASSCOM continues to make significant efforts in contributing towards India's GDP, exports, employment, infrastructure development and global visibility. Our membership base constitutes over 95% of the industry revenues in India and employs over 4 M professionals, and as technology blends into every aspect of the economy, we expect the industry to become key driver of growth, development and inclusion for the country. Our mission is to make India a global hub for Innovation and Talent so when the world thinks Digital, the world will think India.

NASSCOM®

The information contained herein has been obtained from sources believed to be reliable. NASSCOM disclaims all warranties as to the accuracy, completeness or adequacy of such information. NASSCOM shall have no liability for errors, omissions or inadequacies in the information contained herein, or for interpretations thereof.

The material in this publication is copyrighted. No part of this report can be reproduced either on paper or electronic media without permission in writing from NASSCOM. Request for permission to reproduce any part of the report may be sent to NASSCOM.

Usage of Information

Forwarding/copy/using in publications without approval from NASSCOM will be considered as infringement of intellectual property rights.

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

This material has been prepared by Deloitte Touche Tohmatsu India LLP ("DTTILLP"), a member of Deloitte Touche Tohmatsu Limited, on a specific request from you and contains proprietary and confidential information. This material may contain information sourced from publicly available information or other third party sources. DTTILLP does not independently verify any such sources and is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such sources. The information contained in this material is intended solely for you. Any disclosure, copying or further distribution of this material or its contents is strictly prohibited.

Nothing in this material creates any contractual relationship between DTTILLP and you. Any mutually binding legal obligations or rights may only be created between you and DTTILLP upon execution of a legally binding contract. By using this material and any information contained in it, the user accepts this entire notice and terms of use.