



**NASSCOM**

# The future of me

Reimagining Global Capability Centres



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# Foreword - KPMG

We recognise the excellent contribution made by the GCC community in shaping the services economy and providing a competitive edge to the overall global enterprise. The intent of this report is to enable actionable thoughts in leaders and to respond to the multitude of trends. At times a small chore seems innocuous and not future shaping. We are in an era where there are many such and the impact warrants working and thinking together.

At KPMG, we observe, nudge, and challenge our abilities as the pace of change warrants. This document has assembled trends and impact and serves as a wakeup call for each of us individually on our learnability, adoption and adaptation to new technologies. The ability to look in, look outside and sideways and learn, collaborate instead of compete, take positions on specialism and generalist skills, choose between being rigid and flexible, mindful of information security and privacy are all part of the hors d'oeuvre. As an organisation or individually we have a choice on how we respond to what we see happening around us.

Change is best done with conviction and by affirmation by many individuals in the community that then create a movement to ensure India is resilient to business model changes and we have the collective intellectual horsepower to navigate the sea of change that beholds us.

We hope that we are able to nudge the community gently towards being better, together tomorrow.

“The Capacity to learn is a gift, the ability to learn is a skill and the willingness to learn is a choice”

- Brian Herbert



**Akhilesh Tuteja,**  
**Partner and Head**  
Technology

KPMG in India

# Foreword - Nasscom

Winning on cost arbitrage alone is passé.

The future will be theirs, who can see it faster and get there in good speed. There are two incredible forces at interplay here – millennials joining the workforce and exponential technologies “swarming” into systems and processes to radically change business models. At the heart of everything-as-a-service economy, the significance of a learning organisation cannot be over emphasized.

The report that you are about to read addresses the changing attributes that the 1100-odd GCCs are adopting. The B2C world has re-defined customer preferences which hasn't spared B2B either, and the latter is just as driven in providing convenience to customers with little or no interaction – made possible because of technology.

Let's linger a bit on customers, particularly their loyalty which in all probability is a result of customisation. From a GCC standpoint, the customer is their parent. The question that most are tasked with is about aligning strategies with parent, delivering world-class value, adopting flexible models and yet sustaining the obvious – being competitive on cost!

The GCC narrative in India is more than two decades old. However, the last few years have been nothing short of incredible. They have relentlessly pushed boundaries, created powerful value, adopted the latest technologies and undergone radical transformation in process. The report goes on to add: “GCCs are implementing strategic leadership in supporting their global enterprise's digital transformation journeys and assisting in the adoption of enabling technologies.

Interestingly, the report talks about something called the “Swarm Effect”. It's the ability to drop what's worked in the past (a la Marshall Goldsmith's What Got You Here Won't Get You There) and let the avowed change proliferate across the organisation.

Inasmuch, Global Captive Centres will have to prepare for difficult conversations on existential threats by being aware of rapid tech shifts that are required, which will have to be ably addressed by heightened efforts towards re-skilling. The report estimates that as on FY18, 900000 employees work for GCCs based out of India. To add, transitioning is also about blurring lines between me-time and work life, inexcusability of poor services and a workplace which is increasingly becoming purpose-led.

In the earlier generations when GCCs invested in technology (ERP, BI for instance) they did so with reasonable assurance that the capex would pan out over a 10-year time frame or even 7. Today with disruptive technologies there is no such certainty. Moreover, there's an entire suite – AI, IoT, Cloud, AR / VR, Analytics, 3D Printing among others. How do we stitch all these into a successful narrative to drive superior value for the parent?

The report lays down a solid foundation for the future as well, and it should be a very useful addition to every leader's knowledge repository.

Hope you enjoy reading it, as much as I did!



**Ms Debjani Ghosh,**  
**President**

Nasscom

# 2

## See the future: Get there faster



1800s

Steam, water, mechanical production equipment



1900s

Division of labour, electricity, mass production



2000s

The Information Age - Electronics, IT, Mass Communication, Internet



Today

AI, nanotech, biotech, cyber-physical systems, digital labour



Without deviation from the norm, progress is not possible

Frank Zappa

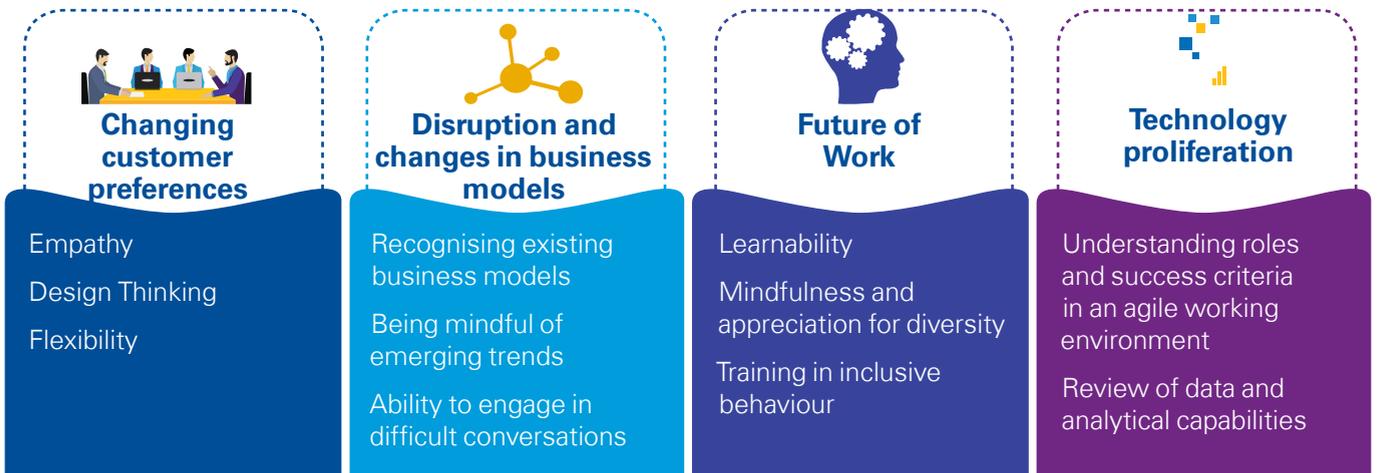
To understand what would change in the landscape of skills, it is important to look at possible emerging pictures of 'Society 5.0' and the Intelligent Enterprise. On one hand we have millennials on the brink of coming into the workforce, on the other we have emerging business models and technologies that are reimagining the future enterprise.

We are progressing into everything as a service, the redefinition of what is work and play, hi-tech health care, disruptions in financial sector and the list goes on. What

each of us plan to do on skills may be different, but one picture that is emerging is that the pace of change is overtaking the pace of learning.

So what should any person, enterprise or government do in this situation? We need to actively improve 'learnability', ingrain mindfulness into the founding principles of progress – 'live and let live', match regulations to the pace of change, drop what worked in the past, become millennial minded, get comfortable in a 'VUCA' (Volatility, Uncertainty, Complexity and Ambiguity) world and so on.

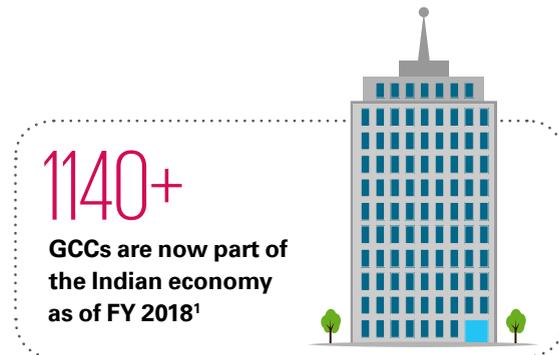
## Looking forward: Trends and their impact on skills



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Where does one start and 'how' has been described in parts but the final picture is yet to emerge...

We intend putting forth some attributes with reference to skills that individuals, organisations including Global Capability Centres (GCCs) could consider building. These may help in identifying emerging patterns that are emerging and respond in a befitting manner.



1. Primary research conducted by NASSCOMM, 2018

# 3.

## Key trends and the impact on skills

It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.

Charles Darwin

### 3.1 Changing customer preferences:

The economic existence of a GCC is built on how much value it adds by serving its global enterprise at an effective cost. There are some broad categories of change that are occurring:

- Theory of convenience and no interaction – for certain types of tasks, customers do not need to understand 'How' they are serviced but rather 'What' is being delivered, with convenience being the key. Today, e-commerce retailers are attempting to embody the theory of convenience. They ensure minimal interaction with customers during the process of choosing their desired product, while ensuring utmost convenience in terms of logistics and delivery mechanisms.
- Global enterprises find themselves catering to the ultra tech savvy and baby boomers at the same time. In such a scenario, they should consider integration of technology enabled services with traditional services in order to cater to all customer groups. Banks employ this mechanism in order to retain existing customer base while attracting new customers.
- Active involvement from customers in shaping what they like the enterprise to deliver- Coffee houses have innovative mechanisms to engage with their customers in developing new tastes by making them a part of

the creation process and thereby giving rise to new and exciting experiences.

- Redefinition of customer loyalty and customisation to reflect the individuality of each customer. Online music service providers create curated play-lists for their customers using an algorithm that determines the user's 'taste profile' based on listening behavior.

If GCCs need to respond to customer demands and intend on changing strategies in alignment with the global company, they need to evaluate how these trends would have an impact on cost to serve and the level of flexibility in operating models that it may warrant.

A Global retailer is working with startup communities on building innovative services to cater to changing customer preferences



## Impact on skills:

Empathy and design thinking become critical to understand and align to the customer. This focuses on 'Why?' and propels an individual to search for the 'What and/or how'. An essential variable to enable empathy and design thinking is understanding the context and types of stratified contexts or responses. Since majority of the GCCs work on specific tasks and outcomes, they need to significantly improve contextual appreciation for 'Why' and 'Why Not' in a business process.

The reason why it is so difficult for existing firms to capitalise on disruptive innovations is that their processes and their business model that make them good at the existing business actually make them bad at competing for the disruption

Clayton Christensen

### 3.2 Changes in business models and disruption becoming the norm:

GCCs have evolved as powerful value creators, pushing boundaries and finding ways to drive innovation and creating value beyond arbitrage for their global enterprises. In particular, GCCs are implementing strategic leadership in supporting their global enterprise's digital transformation journeys and are helping to drive adoption of enabling technologies.

It has always been difficult to drop what worked in the past but attempts are being made by global enterprises. There are various strategic responses such as fostering accelerators, creating a related sister enterprise that operates in the new world with a new workforce, buy out of startups, etc. It has been observed that the most resilient organisations adapt to changes in the environment at a slightly faster rate than peers. A distinguishing factor is the ability to steer a 'Swarm effect' across the organisation. What is becoming

tougher is the proliferation of change across continents in a global organisation and the speed of change itself. Very often since we cannot quantify the qualities that enable the 'swarm' action, it is attributed to the core culture of the global enterprise. This is the DNA of the enterprise. The pace of change warrants that every individual in the link be mindful of emerging patterns. The impact and the communication of what they experience traverses at an appropriate pace across the organisation. A key change and strategic response would be to ensure that the communication and response channels across the global enterprise's locations are wired well. Once the communication is received, action needs to be appropriately taken.



Impact on skills:

25 per cent

of the organisations  
accept that automation  
will change every job  
category in the next  
three years<sup>2</sup>



2. The Future of Jobs, 2027: Working side by side with robots, Forrester, 2017

“  
We are called to  
be architects of  
the future, not its  
victims  
”

R. Buckminster Fuller

#### Indian GCC employee demographic split

**Bengaluru - 40%**

**(of employee base)**

**Delhi & NCR - 15-17%**

**Pune- 15%**

**Mumbai and Chennai -11-13%<sup>3</sup>**



### 3.3 Future of work trends:

There are some key trends that are worthy of mention as we set the context for the future:

- **Blurring lines between work and play** - For many years, human beings had designated work and play hours and many a ‘dream’ was built on the premise of sacrificing personal time to achieve corporate goals. We now are experiencing blurred lines at work and play – you may be sitting on a beach and yet manage challenging work situations – accessibility and internet facilitated/interrupted the designated work times and leisure. The attention on economic status and work related to achievements prevailed. The millennial population may prefer to play more and work intermittently and reverse engineer their socio-economic status to suit their preference.
- **Convenience vs customised interactions** – We are entering

an age where simplicity in mundane transactions is a given – convenience rules – no one wants to meet or talk to anyone as much as possible for this category of tasks that need to get done by internal customers or external. These interactions are well suited for complete automation (example buying groceries, ordering specific types of gifts, etc.). There is no patience or pardon for poor service and the loyalty switch is completely malleable. The other end of the spectrum is the customised and nuanced interaction that requires refined skills from the service provider and deep understanding of what value the client is looking for.

- **Purpose lead work place** – Employees and customers both alike are changing to community and purpose lead delivery that answers ‘Why am I/You.?’ rather than ‘What am I/You doing ..?’. Why it actually matters is that the

3. Primary research conducted by NASSCOMM, 2018

working employable skilled population is scarce and if as a GCC, you want to direct this traffic to you, then there needs to be careful 'real' thought about purpose. Yes, it is possible to adopt a strategy of training by the GCC and hence rule-based skills may be acquired and the economic advantage widely boosted. The danger in this approach is that the machinery for training needs to be at a pace in keeping with the external

forces. It would be sensible to attract a learning hungry population who would be open to external influences and 'lead the enterprise to extraordinary sustainable successes'.

A technology giant is re-evaluating their skills profile considering various digital interventions that are impacting their business processes

As of FY 2018, **900,000** direct employees are working in Indian GCCs as against the **745,000** in FY 2015<sup>4</sup>



## Impact on skills:

Every GCC is trying to find 'the ideal employee'. The following skills need consideration in existing leadership, recruitment professionals and the employee pool:

- Design thinking this would promote empathy and appreciation for nuanced customer interactions whether internal or external
- Learnability becomes a critical success factor for the pace of change the environment dictates on the GCC
- Mindfulness and appreciation for diversity and training in inclusive behaviours.

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4. Primary research conducted by NASSCOMM, 2018

Technology is not an exogenous force over which we have no control. We are not constrained by a binary choice between 'accept and live with it' and 'reject and live without it'. Instead, take dramatic technological change as an invitation to reflect about who we are and how we see the world.

Klaus Schwab,  
The Fourth Industrial Revolution

### 3.4 Technology proliferation:

Enough has been said about how much technology is enabling us to conduct business differently sometimes with better economic value add. There is some amount of reimagining to do if we want to understand the massive impact on society and industry.

From a GCC angle the following aspects of technology become relevant:

- **Ability add better value** by zeroing in on relevant information and responding;
- The technology ecosystem can offer a distinct system of advantages that may not be easily replicated, thus increasing **sustainability of economic advantage**;
- **Agile vs fragile** – there is a growing need that 'techies' have propagated on business knowledge and ability to flex development methodologies to the 'speed

and convenience' aspect of environmental changes. Of course in that journey caution is advised not to become fragile. The trend is one of integrated skills being the ask;

- **Rigid vs flexible technology architecture** – There is a constant tension on how much flexibility the Enterprise Architecture should accommodate. It was appropriate to choose specific ERP, BI and so on and general assumption was that it would last at least for over ten years. Therefore, the capex models and decisions in the GCC were around effectiveness of portfolio spend – capex, opex should be made to ensure optimum benefit realisation. The new tech is disrupting some of the play within the architecture. This therefore warrants a differing approach. GCCs have to decide when they would be rigid and on what parameters, why

and which parameters they would be flexible to enable adoption of new technology. Imagine a periphery construct and rules of play that are flexible within that construct to promote new tech and served as appropriate to deliver additional economic value. We believe that the rules of evaluation of portfolio and participants and leadership in decision-making on technology interventions may need to be distributed and not centralised. Changing finance and costing models and cost of services is critical.

- **Cybersecurity** – Cyberattacks are no longer only perpetrated

by tech geeks. There are disgruntled employees, information mongers, hyper attacks on brands and customers. Hackers have become sophisticated with use of their technology so large enterprises and GCCs must take proactive measures to assess, evaluate and respond to threat.

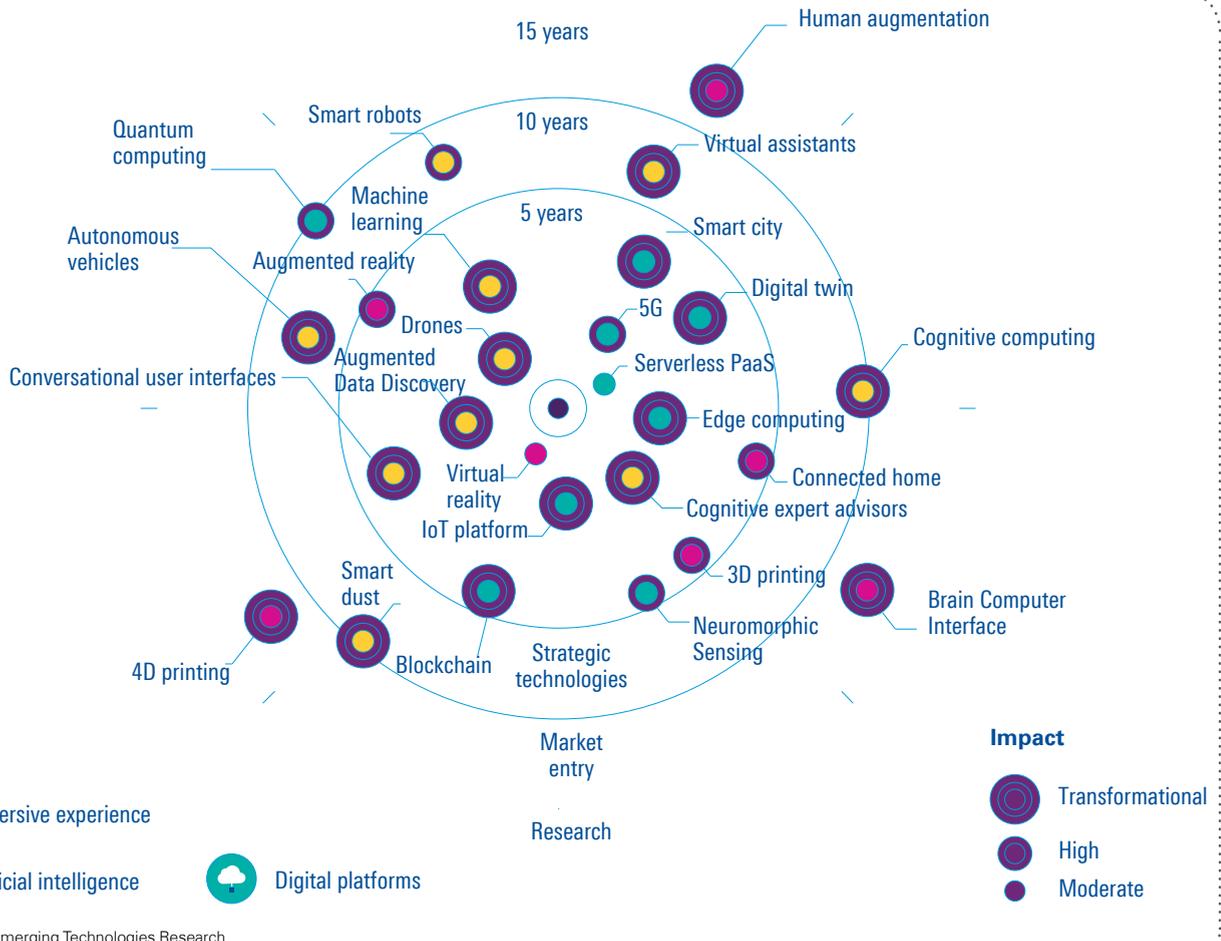
A global networking and telecommunications 'Work-Life-Balance' by engaging in sophisticated automation for monitoring network drops



## Impact on skills:

GCCs are expected to be rigid and fluid at the same time and this calls for revisiting the skill alignment,

considering the impact of emerging technologies as below:



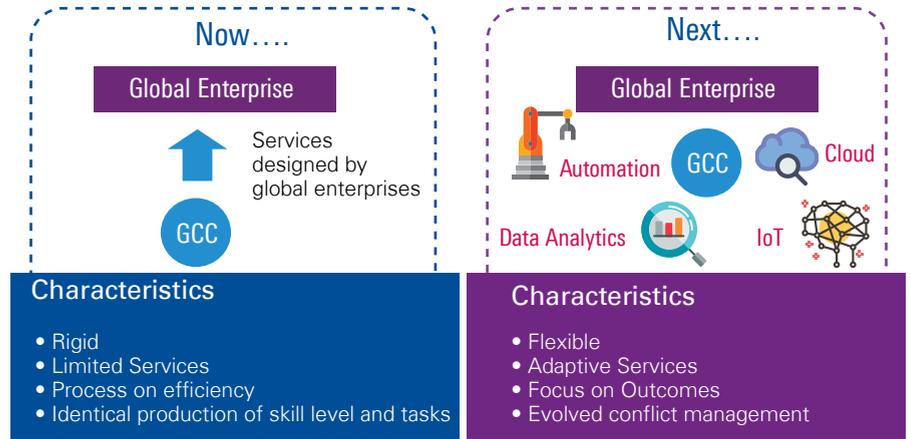
Source: KPMG Emerging Technologies Research

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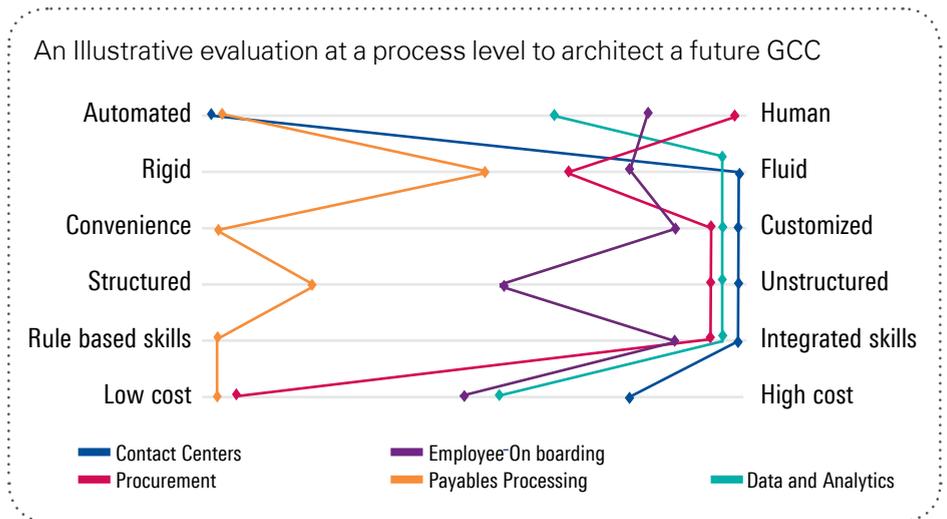
## Painting the picture of future GCCs

There are some patterns emerging on the attributes of a successful enterprise in the future including the GCCs. Clearly the customers determine the enablers and proximity. The 'Elasticity of a GCC', the ability to synthesise with the changing landscape is critical to evaluate whether they are going to play a much larger or smaller role in the enterprise.

This is quite the opposite of how GCCs established themselves earlier by consolidating same or similar processes done and ensuring rigidity in the process to enable effective cost to serve the client.



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# 5.

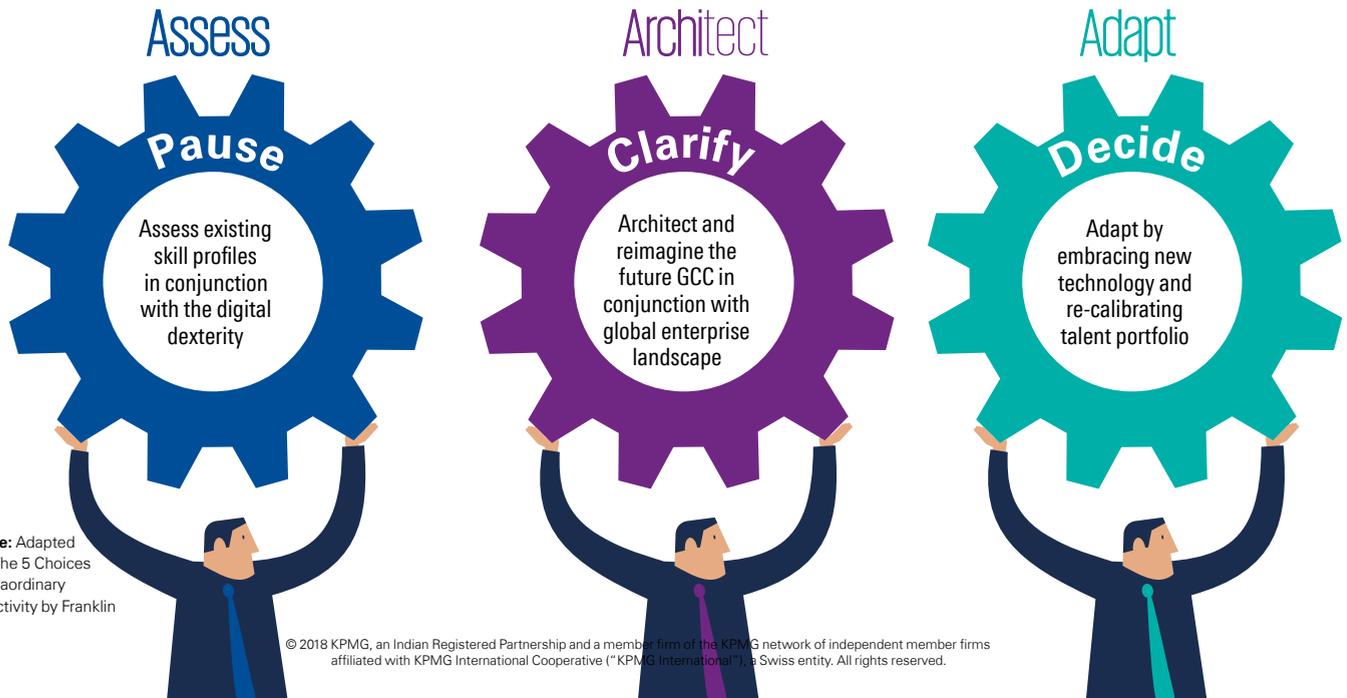
## What GCCs should be doing now

We have deliberated the 'why' and 'what' that needs change in GCC. The 'how' is discussed below:

We believe since the pace of change is fast there are two levers that may produce disproportionate positive outcomes for the GCC to remain relevant.

1. Adopt the changing technology landscape including intelligent automation
  2. Improve 'learnability' of workforce at GCCs across all levels including senior management
- Technology enables accessibility and learning in ways that have not been possible before. To get out of this productivity paradox, GCCs could use the technique of Pause, Clarify and Decide as emphasised by Franklin Covey in The 5 Choices. This technique could enable GCCs to execute their action plan with excellence, while staying focussed on what is really important in a fast-paced tech-driven landscape.

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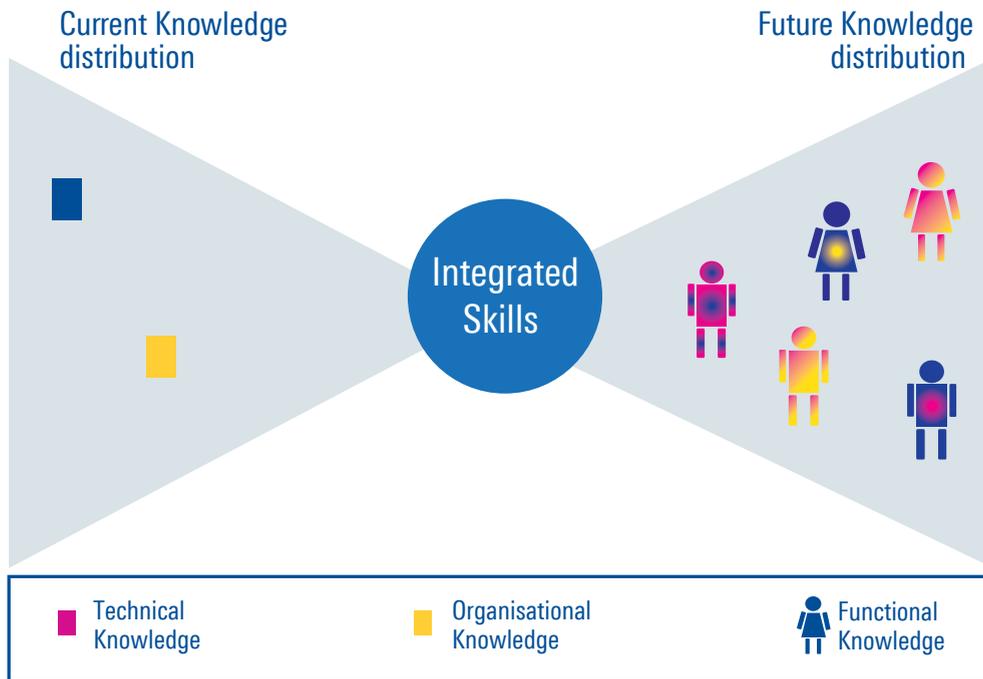


Source: Adapted from The 5 Choices to Extraordinary Productivity by Franklin Covey

- Arrive at the skill profile of the organisation as a whole preferably and if that is not possible – then within the GCC and across the

processes. If this is only reviewed in a contained one process approach, the result may potentially be dangerous since the enterprise may lose

critical company knowledge culture and incur an additional transient cost



- Changing skill profiles need to be addressed by:
  - Assessing existing skill profile in conjunction with the digital dexterity

- Determining the learnability and knowledge of the company which would help decide the changes that need to be effected
- Establishing learning processes that are enabled

- to respond to the changes in profile
- Determine a partner network that would enable the transition process



- Invest in career path design, learning and development
- Reskill workforce to deliver more business-centric services



- Foster relationships with key universities
- Source non traditional backgrounds



- Develop a multi-faceted workplace ecosystem (e.g., onshore, nearshore, managed service)
- Partner to build capabilities that feed into an environment of high-performing talent



- Develop rotational programs to retain and develop high performers and future leaders
- Understand critical roles and single-source dependency of Institutional knowledge

It is our duty as a community of professionals in India to call for action and reinitiate our future for the economy and society. We made a dent in the last twenty years creating jobs post a business model change and the next twenty years are at the horizon. Each GCC leader can commit and make a positive impact in our society and maintain our lead position in being a truly Global Capability Centre. We need to be mindful that 'what got us here will not get us there' and religiously drop what may have worked in the past and revisit. A perceivable change can only be felt if it is backed by a movement and this is our opportunity to show the world that India is resilient to change. There is a fear that people would lose jobs. We just need a correction to the statement to be – people may lose current jobs and it is our collective duty to ensure we enable the ecosystem to re-imagine future jobs and skills that would ensure progress of the Indian economy and society at large.

“It was character that got us out of bed, commitment that moved us into action, and discipline that enabled us to follow through.”

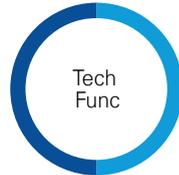
- Zig Ziglar



# 6 GCC: Skills of the future

Repurpose... Reimagine... Recalibrate

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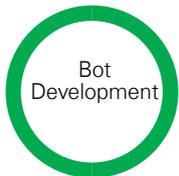
Digital Finance  
Maestro

Process  
Mentor

Accounting  
Detective

Automation  
Orchestrator

Risk  
Scientist



Automation Artist

Innovation Think Tank

Workforce Shaper

Cyber Security Captain

Obsessive Customer Delighter

Analytics Wizard

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