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Avasant Competency Spotlight Paper: GCC-As-A-Service Offering

This report is supported by LTM.

Introduction

Global Competency Centers (GCCs) have firmly moved beyond their origins as cost-arbitrage engines to become strategic hubs for digital, AI, and product innovation. Enterprises are scaling GCCs not just to optimize operations, but to drive enterprise-wide transformation and access global talent pools. This shift is reflected in evolving operating models, with nearly 30% of GCCs (according to Avasant GCC Economics Survey 2026) expected to operate as innovation and revenue engines, underscoring their growing role in driving business value beyond traditional support services.

However, while the role of GCCs has evolved, the models used to build and operate them have not kept pace. What was once designed for stable, long-term delivery is now being stretched to support agility, speed, and continuous innovation, creating structural friction in how GCCs are set up, scaled, and governed.

The GCC Execution Challenge at Scale

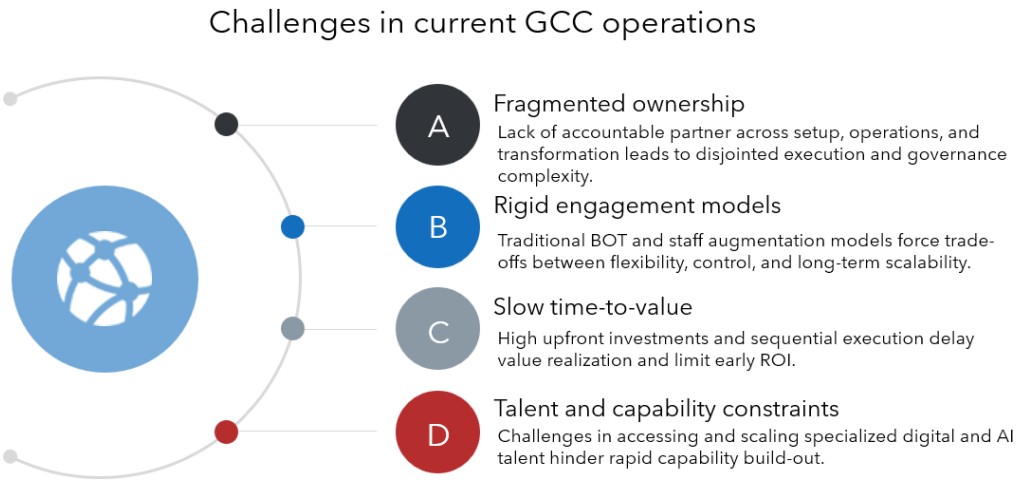
The GCC market today reflects a maturing ecosystem, but one that remains structurally constrained. At its core is a clear ambition–execution gap. While GCCs are expected to deliver innovation, agility, and enterprise value, they continue to be built on rigid, linear models designed for scale and stability. This misalignment makes it difficult for enterprises to respond quickly to changing business needs and limits their ability to fully unlock the strategic potential of GCCs.

A key driver of this challenge is fragmented ownership across the GCC life cycle. Enterprises typically rely on multiple vendors across setup, talent, operations, and transformation, resulting in no single point of accountability. This fragmented approach leads to disjointed governance, slower decision-making, and inefficiencies in scaling. As GCCs grow in complexity and importance, this lack of integrated ownership increasingly becomes a barrier to execution.

At the same time, the market remains defined by polarized engagement models. Build-operate-transfer (BOT) models offer structure and control but require early, inflexible commitments, limiting adaptability as needs evolve. On the other hand, staff augmentation offers flexibility but remains largely tactical, lacking the long-term vision needed to strategically build and scale GCCs. The absence of a true middle-ground model that balances flexibility with scalability forces enterprises to make trade-offs between speed, control, and sustainability.

Rising talent and capability pressures further compound these structural limitations. Demand for AI, digital, and engineering talent is increasing rapidly, while enterprises struggle with slow hiring cycles, capability ramp-up challenges, and rising costs and attrition. This makes it harder for GCCs to scale at the pace required to meet evolving business demands.

Finally, there is a fundamental shift in how GCCs need to operate. They are no longer "build once, run steady" constructs but require continuous evolution through ongoing transformation, operating model redesign, and dynamic scaling. However, most current approaches still treat build, operate, transform, and transfer as disconnected phases rather than an integrated journey.



As a result, enterprises are managing increasing complexity and higher expectations with standard, inflexible models, underscoring the urgent need for a more integrated and adaptive approach to GCC design and operations.

Why Now?

Enterprises are rethinking how GCCs are designed and scaled in light of changing cost structures, flexibility requirements, and transformation priorities. They are increasingly looking to reduce upfront investments across infrastructure, talent, and governance, while still being able to establish GCCs quickly and scale capabilities on demand. The focus is no longer just on minimizing initial costs, but on enabling faster time-to-value without compromising long-term scalability.

At the same time, there is a clear shift toward phased and modular cost realization. Instead of waiting years to achieve full ROI, enterprises are prioritizing early cost takeout through location strategies and operating model choices, followed by progressive optimization through AI, automation, and rationalization initiatives. This reflects a move away from one-time cost benefits toward a more continuous and layered value-creation approach.

Flexibility is also becoming a critical requirement. Enterprises want the ability to activate different cost and transformation levers at various stages of the GCC life cycle, whether it is introducing automation early, scaling specific capabilities, or evolving the operating structure as the center matures. Avoiding lock-in to rigid, predefined cost structures is increasingly seen as essential to maintaining agility.

In parallel, there is a growing demand for integrated yet nonrestrictive models. Enterprises are seeking a single partner across the life cycle to ensure accountability, consistency, and smoother execution, while still retaining the flexibility to consume services in a modular, need-based manner.

More fundamentally, the focus is shifting from cost arbitrage to cost orchestration. Enterprises are looking to optimize across multiple levers, including location strategy, AI-driven productivity,

application and platform rationalization, and structural redesign, on an ongoing basis, rather than as one-time interventions. As a result, there is a need for a new approach; one that not only reduces upfront costs but also enables continuous, flexible optimization across the GCC life cycle, without locking enterprises into rigid or inflexible structures.

One player offering such a model is LTM, through its GCC-as-a-Service construct, designed to address evolving enterprise expectations for flexibility, modularity, and life cycle ownership.

Value Proposition: LTM's GCC-As-A-Service

Avasant observes that LTM's GCC-as-a-Service offering reflects a structured evolution of its GCC capabilities into a more formalized construct aligned to enterprise expectations around flexibility, ownership, and long-term value realization. The model is supported by a more dedicated organizational focus on GCC initiatives, with clearer accountability and a defined market-facing structure. This positions LTM to engage across the GCC life cycle, spanning setup, scale, transformation, and transition.

From Avasant's perspective, the componentized, as-a-service architecture underpinning the offering provides a degree of flexibility that aligns with how enterprises are increasingly approaching GCC adoption. By enabling consumption across build, operate, transform, and transfer stages in a modular manner, the model allows clients to select and combine services based on their requirements and maturity, rather than adopt a fixed construct. This makes the approach applicable across greenfield, nascent, and mature GCCs, supporting entry at different stages and progressive scaling.

This modular structure is supported by relatively granular and transparent pricing constructs, with visibility across key components such as talent, infrastructure, and operations. This enables alignment between cost and consumption and supports more informed sourcing and scaling decisions compared to traditional bundled models.

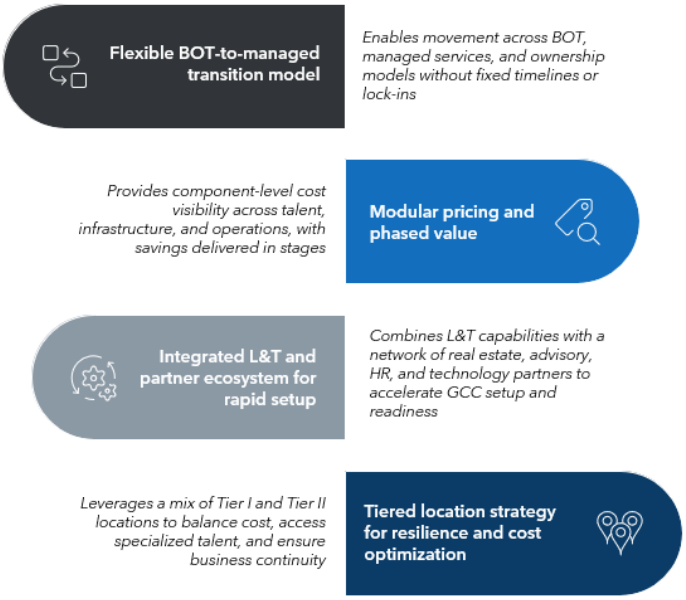
Beyond flexibility, the offering incorporates transformation as an ongoing element. LTM indicates the potential for significant cost optimization over the medium term, with additional incremental gains driven by transformation initiatives. Initial savings are largely attributed to location and operating model shifts, accounting for a substantial portion of the overall impact, with further improvements driven by AI-led automation, which contributes a meaningful share, alongside application rationalization and platform modernization. Additional value is expected as operating models evolve and capabilities mature.

AI is positioned as a core enabler across the life cycle, delivered through LTM's BlueVerse ecosystem, global AI studios, and agent-based platforms. These capabilities are embedded across talent acquisition, IT service delivery, and business operations (including finance, HR, and procurement), supporting automation, workforce optimization, and service delivery outcomes.

LTM's ecosystem-led approach reflects a structured effort to integrate capabilities across the GCC value chain through a combination of group entities and external partners. By bringing together infrastructure, advisory, talent, and technology providers, the model supports more coordinated execution across the GCC life cycle. Dedicated entities enable turnkey workspace and infrastructure setup for faster readiness, complemented by advisory, talent, workplace, and learning capabilities, as well as enterprise platforms and hyperscaler ecosystems. This integrated approach allows LTM to align capabilities across infrastructure, talent, and technology while reducing reliance on fragmented vendor models.

Its hub-and-spoke delivery model, anchored in India, aligns with prevailing enterprise approaches to balancing scale, cost, and resilience in GCC operations. Tier I locations are typically used for initial scale and capability build-out, while Tier II locations, such as Bhubaneswar and Indore, are introduced as GCCs expand.

LTM's differentiators



Avasant sees an opportunity to further enhance the scalability of the model, which is currently anchored in India and leverages the region's strengths in talent availability and cost efficiency. As enterprises look to extend GCC models into other geographies, particularly in regulated or nearshore markets, a more globally diversified partner network could help strengthen localization, compliance alignment, and operating model adaptability across regions. Additionally, as the model scales across clients and locations, further standardization of governance frameworks and delivery constructs could support greater consistency in execution while retaining the flexibility inherent in

the componentized approach. This could help enterprises replicate the model more seamlessly across a broader set of geographic contexts.

LTM's GCC-as-a-Service capabilities are reflected in a range of enterprise engagements:

A European financial institution engaged LTM to redesign its GCC operating model to address concentration risks, supported by advisory partnerships and a distributed delivery approach.	**A global energy organization** utilized LTM's talent-focused capabilities to scale its India-based GCC, incorporating AI-driven recruitment and onboarding.	**A US-based healthcare enterprise** adopted a BOT-led model to establish and scale its GCC across platform engineering and enterprise applications, with the engagement expanding into managed services and transformation initiatives.

Conclusion

GCCs have firmly transitioned into strategic engines of innovation and enterprise transformation, but the operating models underpinning them are still evolving. As enterprises demand greater agility, faster time-to-value, and continuous optimization, the limitations of fragmented, rigid, and phase-led approaches are becoming increasingly apparent.

In response to this shift, models such as LTM's GCC-as-a-Service are emerging to address these gaps, bringing together integrated life cycle ownership with the flexibility to consume capabilities in a modular, phased manner. By enabling enterprises to start small, scale progressively, and activate different levers across build, operate, transform, and transfer, such approaches align more closely with evolving enterprise expectations around flexibility and control.

Looking ahead, the success of GCCs will increasingly depend on the ability to orchestrate cost, capability, and innovation in a continuous and adaptive manner. Models that combine flexibility with integrated execution are likely to define the next phase of GCC evolution, as enterprises seek to balance near-term efficiency with long-term strategic value.