ISG

Unlocking AI at Scale with Global Capability Centers

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Executive Summary

Global Capability Centers (GCCs) are at the center of one of the biggest enterprise transformations of our time: the adoption of artificial intelligence. With centralized data, cross-functional scope, and deep engineering talent, GCCs are uniquely positioned to move enterprises from **AI pilots to production-scale outcomes.**

Yet the road is steep. Today, **only 15% of generative AI projects are in production**, despite billions of dollars in enterprise investments. Meanwhile, workforce disruption is imminent, and it will have a significant downstream impact on GCCs. Case in point: **40% of current GCC roles may no longer be relevant by 2028**, replaced by AI-first jobs such as AI translators, product managers, and platform architects.

Given the convergence of AI and the global delivery model, GCC leaders have a unique opportunity to:

- **Establish GCCs as enterprise AI hubs** that drive applied innovation across CX, operations, and supply chains.
- **Fix data readiness and trust gaps** that currently block adoption.
- **Balance efficiency and innovation,** using automation to optimize costs while reinvesting in growth.

However, leaders will need to rapidly redesign the workforce by reskilling and redeploying talent into AI-centric roles. With these moves, GCCs can cement their position as the AI engines of the enterprise — converting technology investment into lasting business impact.

Enterprise Dual Mandate Meets the AI Moment

Enterprises face a paradox. Budgets are flat, revenue forecasts are weak, and global GDP is expected to slow. At the same time, boards are pushing for faster innovation and measurable returns from AI. It's these dual mandates – simultaneous cost optimization and innovation – that are accelerating demand for AI-driven transformation.

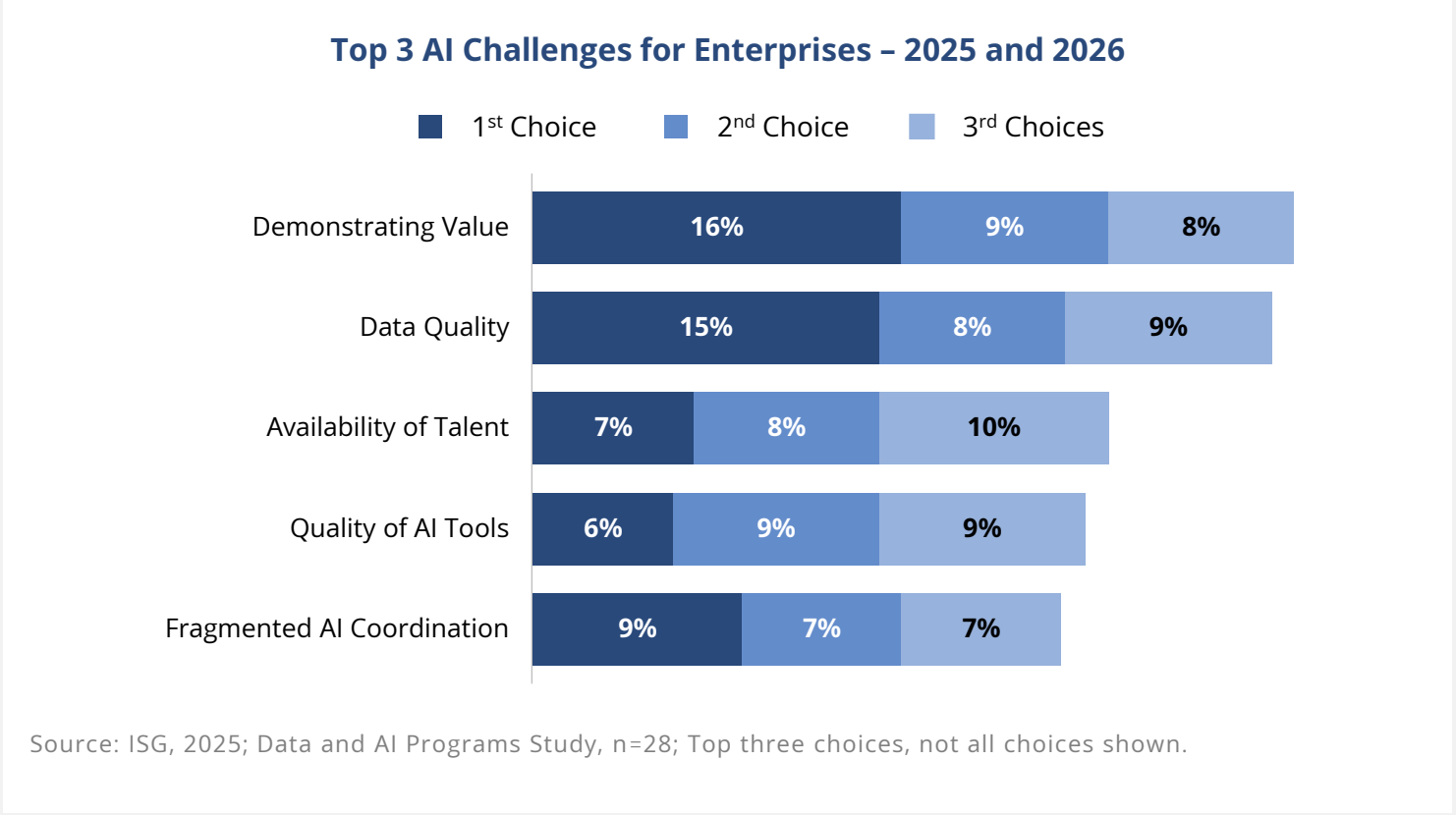
However, there are significant challenges ahead as enterprises try to use AI to solve for this dual mandate:

- **Value is hard to quantify.** Enterprises are struggling to define the ROI of AI initiatives – both for revenue growth and cost reduction.
- **Enterprise data is not ready.** Poor data quality is slowing AI adoption. This is especially problematic as firms move toward agentic AI models that require high-quality, contextual data.
- **AI talent is hard to find.** Scarcity exists across all layers of the AI stack, from technical engineering and data science to product leaders who can translate AI into value.

The result: **AI projects are stuck in pilots, with only 15% reaching production scale**. Enterprises know they need AI, but they lack the structures, skills, and data foundations to move from intent to impact.

Global capability centers have a unique opportunity to help their enterprises scale the AI wall — moving from pilot projects into production-scale value delivery. By virtue of their geographic footprint and organizational role, GCCs sit closer to both the enterprise's core data and its technical talent, giving them leverage that other business units often lack. This makes them natural candidates to help solve for the dual mandate of cost optimization and innovation.

Figure 1: Top Three Challenges for Enterprises – 2025 and 2026



Source: ISG, 2025; Data and AI Programs Study, n=28; Top three choices, not all choices shown.

Scaling the AI Wall: Opportunities and Challenges for GCCs

Opportunity: GCCs Hold the AI High Ground

Unlike fragmented business units, GCCs sit at the intersection of enterprise data, talent, and operations. With centralized data and fewer silos, they have a unique vantage point to drive AI adoption across customer experience, operations, and supply chains. Just as importantly, they are positioned to tackle one of the biggest barriers enterprises face: **poor data quality**.

By taking a leadership role in data cleansing, contextualization and governance, GCCs can build the trusted data foundations required for AI to scale. This is especially critical as enterprises move toward more advanced and agentic AI models, which demand higher fidelity and domain-specific inputs.

ISG data shows that **65% of GCCs are adding AI and ML skills through 2026**, embedding those skills not just in product engineering, but in data management and business processes as well. In this way, GCCs can evolve from support centers into enterprise-wide AI accelerators, solving the data readiness challenge that has kept so many AI projects stuck in pilots.

Opportunity: Harness Talent at Scale to Bridge the AI Gap

AI talent is scarce and expensive, but GCCs have a structural advantage: access to deep local pools of engineers, data scientists, and AI specialists at competitive cost. To win the talent war, GCCs must pair this access with retention strategies such as career pathways, continuous upskilling, and AI-focused Centers of Excellence. By doing so, they can position themselves as the enterprise's primary source of AI capability — **an edge that headquarters or regional units cannot match.**

This concentration of capability gives GCCs the ability to scale AI programs quickly and cost-effectively — blending domain expertise with technical depth in a way headquarters locations often cannot. With this unique talent advantage, GCCs are positioned to solve the enterprise problem of scarce AI skills, providing the scale and speed needed to move AI from aspiration to impact.

Challenge: Redesigning Roles for the AI-First Era

Even with the right data and talent, GCCs face disruption from within. By 2028, **40% of current GCC roles may no longer be relevant**, as coordination-heavy jobs like project managers and generic BAs are automated away. At the same time, demand is rising for AI translators, platform architects, and product managers.

This shift requires more than incremental reskilling — it demands a wholesale redesign of workforce models into autonomous pods built for AI-first delivery. GCCs that fail to adapt risk a widening skills mismatch that could erode their strategic value and undermine their ability to support the enterprise's AI agenda.

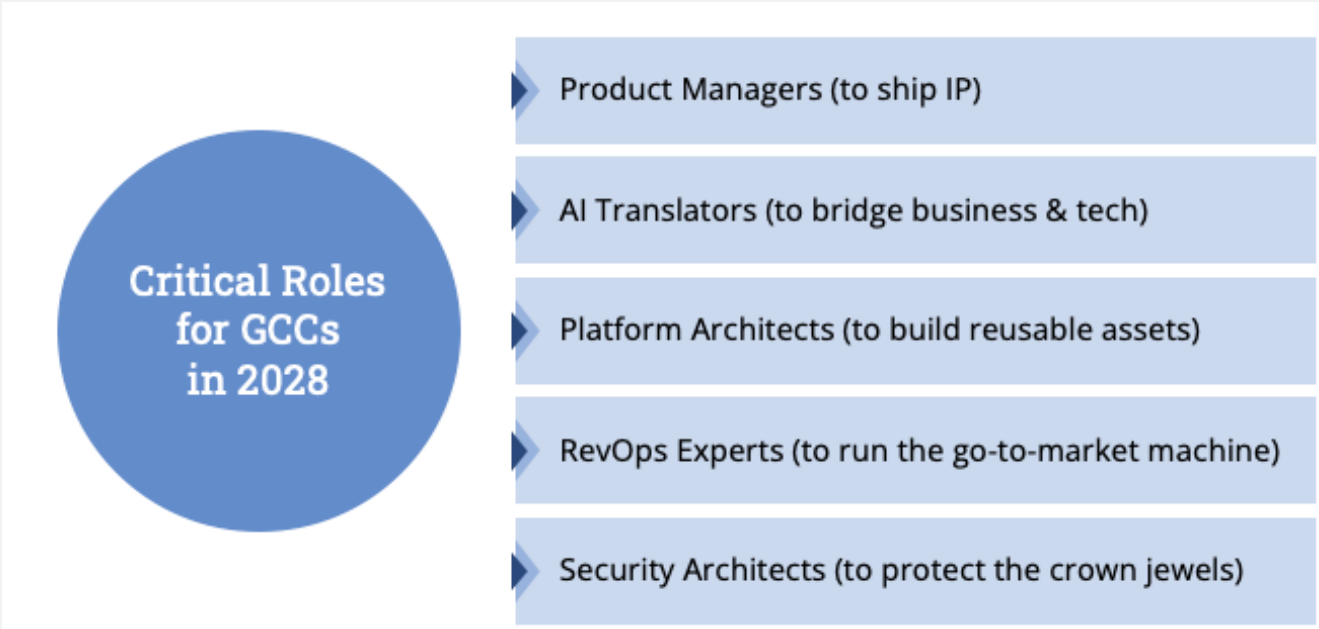
Challenge: Move Beyond Pilots to Demonstrate ROI

Finally, GCCs must solve the ROI challenge by moving AI out of endless experimentation. Enterprises expect them to convert AI pilots into measurable business outcomes — faster product launches, productivity gains, and cost reductions.

But without strong governance, execution discipline, and alignment to business priorities, many AI programs will remain trapped in proof-of-concept purgatory. GCCs must take the lead in bridging this gap — turning AI into both a cost lever and an innovation driver, and in doing so, proving the tangible ROI enterprises have been searching for.

Taken together, these opportunities and challenges define where GCC leaders should consider focusing their efforts as they build and scale their organizations.

Figure 2: Critical roles for GCCs in 2028



Source: ISG, 2025

The 2028 Mandate: From Pilots to Productivity

AI represents both the greatest opportunity and the sharpest risk for GCCs. By 2028, as much as 40% of today's GCC roles will disappear under the weight of automation and AI-driven operating models. The question is whether GCCs will remain trapped in endless pilots or evolve into AI hubs that deliver enterprise-wide productivity and innovation at scale.

Today's cost-focused GCCs can transform into tomorrow's value engines by:

- **Anchoring AI hubs in their centers**, driving adoption across the enterprise.
- **Tapping into and retaining scarce AI talent at scale**, positioning GCCs as the enterprise's primary source of capability.
- **Fixing data readiness and trust gaps** by focusing on data cleansing, contextualization and governance.
- **Redesigning workforce models for the AI-first era**, with autonomous pods and AI-centric roles.
- **Balancing cost-out with innovation reinvestment**, making AI savings a growth engine rather than a budget bandage.

Next steps: ISG recommends auditing your GCC workforce for AI readiness, launching data foundation programs, and piloting enterprise-scale AI deployments now. Those who act will position their GCCs as the engines of enterprise transformation — resilient, innovative, and indispensable in the AI-first economy.

Tech Mahindra Perspective: Empowering GCCs to Lead in the AI-First Era

Tech Mahindra envisions a future where GCCs are no longer simply offshore support units — they have evolved into strategic business accelerators, driving transformation, fostering innovation, and building resilience across organizations. Their AI-first GCC framework is designed to address the toughest challenges highlighted in this report: from data readiness and governance to talent transformation and ROI realization.

Central to this journey is the unique iBOT (Improve-Build-Operate-Transfer) framework. By embedding AI-driven intelligence, next-generation automation, and end-to-end cybersecurity into every aspect of the GCC lifecycle, Tech Mahindra ensures seamless setup, efficient operations, and future-ready transitions. This approach delivers tangible results, including significant cost reduction, industry-leading talent retention, and rapid digital adoption.

*"Our next-gen GCCs are built at the intersection of domain expertise and digital execution — with embedded AI, automation, and cybersecurity. By aligning business context with engineering depth, we accelerate time to market, unlock IP, and drive co-innovation. These are not generic setups; they're tailored, intelligent, and outcome driven."- **Rohit Madhok**, SVP, Global Head of Large Deals, Strategic Solutions & Transformation (SST), Tech Mahindra*

With a proven track record in delivering enterprise AI, Tech Mahindra bridges the gap between intent and impact — making GCCs indispensable engines of transformation in the AI-first economy. For GCCs seeking to lead, Tech Mahindra is the partner of choice for sustainable, scalable, and future-ready AI innovation.

About this Research

The insights in this paper are derived from ISG's ongoing primary research into global capability centers, our ongoing work with global 2000 firms as they execute on their GCC strategies, and insights from a recent roundtable held in India with 30+ GCC leaders. **ISG would like to thank Tech Mahindra for being a Knowledge Partner in support of this research.**

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ISG (Nasdaq: III) is a global *AI-centered* technology research and advisory firm. A trusted partner to more than 900 clients, including 75 of the world's top 100 enterprises, ISG is a long-time leader in technology and business services that is now at the forefront of leveraging AI to help organizations achieve operational excellence and faster growth. The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

For more information, visit **www.isg-one.com**.