NANO GCC POINT OF VIEW

The Nano GCC Paradox

Why the Next Generation of GCCs Will Be Smaller, Sharper and Built by Mid-Market Companies

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For twenty-five years, the GCC industry kept score with one number: headcount. The biggest centres got the keynote slots, the press coverage and the budget. A 5,000-seat campus was proof that a company was serious about India.

That scoreboard is breaking.

India now hosts 2,117 GCCs employing around 2.36 million people and generating $98.4 billion in market revenue, according to the Nasscom-Zinnov GCC Landscape Report released in July 2026. Yet the people closest to the ecosystem no longer describe this as a growth story. Nasscom's president calls it a "fundamental reset", a shift from scale to value with AI as the catalyst.

Here is the paradox. Just as the GCC model reaches its biggest size, the advantages of size are fading. And the companies best placed to benefit are not the Fortune 500 with sprawling campuses. They are mid-market firms that were told for years that GCCs were not for them.

> This paper makes the case that the next generation of GCCs will be defined by **expertise density, not headcount**, and that a nano GCC of 20 to 200 people is no longer a compromise. For many mid-market companies, it is the stronger design.

The old scorecard

Headcount became the GCC metric for a simple reason: the original business case was arbitrage. Value equalled the cost gap between onshore and offshore, multiplied by the number of people. More people meant more savings, so bigger meant better.

That logic shaped how centres were built. A wide base of junior talent did the volume work. A thin layer of managers coordinated it. A few senior leaders stood between the centre and headquarters. The pyramid worked well when the work was repeatable, well-documented and easy to measure in hours.

It also shaped who could play. If value came from scale, a company that needed 40 engineers had no reason to build its own centre. It outsourced, and accepted that its knowledge, roadmap and talent would sit with a vendor.

What AI does to the pyramid

AI is not shrinking GCCs overnight. It is quietly changing their shape, and it is starting at the base of the pyramid.

The Stanford AI Index 2026, published in April, pulls together controlled studies showing productivity gains of roughly 14% in customer support and 26% in software development. Gains are weaker for work that depends on judgement. The same report finds that employment among US software developers aged 22 to 25 has fallen by nearly a fifth, while headcount for more experienced developers has kept growing.

India's GCCs are already hiring to the new shape. ANSR's 2026 talent study, based on more than 5,000 open roles and 20,000 hires in the past year, finds that nearly two-thirds of new GCC roles need AI skills. Its conclusion is blunt: teams are getting smaller and more senior, and the pyramid is turning into a diamond.

A word of caution, because the hype runs ahead of the data. McKinsey's Global Survey on AI shows that 32% of companies expected AI to cut headcount in 2025, but only 14% actually reported cuts a year later. Two-thirds saw little or no change in total employment.

That is the real point. AI is not mainly removing people. It is changing what a strong team looks like. Value is moving from *how many* people a centre has to *who* they are and what they are trusted to own.

Where scale starts to hurt

Large GCCs still do remarkable work. But in our experience, scale brings costs that rarely appear in the business case.

- **Layers slow decisions.** Every new management layer adds another approval loop between the people doing the work and the people at headquarters who decide.
- **Mandates get diluted.** Multi-function hubs end up doing a little of everything for everyone. When everyone owns a piece, nobody owns the outcome.
- **The pyramid becomes a liability.** A centre built for volume carries thousands of roles that AI is now compressing. Redesigning that is a multi-year change programme, not a quick fix.
- **Distance breeds a cost mindset.** The bigger the centre, the more headquarters tends to manage it as a cost line rather than a source of capability.

None of this makes large centres wrong. It means size alone is no longer an advantage, and that starting small is no longer a handicap.

Expertise density: the new measure

If headcount is the wrong scoreboard, what is the right one? We call it **expertise density**: the share of a centre's people who can own an outcome end to end, whether a product, a platform or a decision, rather than just a task.

As a practical lens rather than a precise science, it can be expressed as a simple ratio:

> EXPERTISE DENSITY
>
> **People who own an outcome, hold decision rights, or bring scarce AI or domain depth**
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>
> **Total headcount**

Count each person once, even if they meet more than one test. A high ratio means fewer people waiting for instructions and more people moving the business forward. The trend over time matters more than any single number.

You can see it in a few simple signals:

- The ratio of senior practitioners to junior staff
- How many roles in the centre carry real decision rights
- How long it takes an idea to reach production
- How often a headquarters leader calls the India team first

The data suggests the industry is already moving this way. The Nasscom-Zinnov report finds that 96% of GCCs set up since FY2021 started with a product or portfolio mandate, and nearly half were built with AI at their core from day one. It also finds that 64% of site leaders now hold dual mandates, running the site while owning a global function.

The old "crawl, walk, run" journey, where a centre spent years earning trust through low-risk work, is collapsing. New centres are expected to own something meaningful from the start. That rewards depth over breadth, and it rewards centres built around a few strong people rather than many average ones.

Traditional GCC vs nano GCC

Dimension	Traditional GCC	Nano GCC
Measure of success	Scale	**Expertise density**
Team shape	Pyramid	**Diamond**
What it owns	Processes	**Products and outcomes**
Business case	Labour arbitrage	**Capability arbitrage**
How it is judged	Cost per seat	**Business outcomes**
Typical size	Hundreds to thousands	**20 to 200 people**

The mid-market opening

This is where the paradox turns into an opportunity. The shift from headcount to expertise density removes the main barrier that kept mid-market companies out of the GCC game.

They are already moving. ANSR's Emerging Enterprises report (November 2025) counted more than 610 GCCs in India set up by high-growth, mid-sized and investor-backed companies. More than 64% of new centres set up since 2020 are backed by private equity, and ANSR expects the segment to cross 1,200 centres by 2030. Hiring data from staffing firm Quess Corp's Q1 FY27 talent report (July 2026) shows that GCCs with fewer than 500 employees posted the fastest hiring growth of any size group, at around 8%, driven by new launches and dedicated AI teams.

Why does a nano GCC suit a mid-market company so well right now?

1. **No legacy pyramid to unwind.** A centre launched today can be designed as a diamond from the first hire. Large enterprises have to dismantle what they built.
2. **The CEO is one call away.** In a mid-market firm, the India leader can sit one step from the person who makes the decision. That kind of access is very hard to get inside a global giant.
3. **Focus comes naturally.** A mid-market company cannot afford sprawl, so its centre starts with a sharp mandate. That focus is exactly what builds expertise density.
4. **Access to AI talent it cannot win at home.** Mid-market firms rarely outbid big tech for AI engineers in their home markets. India now has about 250,000 AI professionals, according to Nasscom-Zinnov.
5. **Speed.** Fewer layers and fewer stakeholders mean a small centre can move from idea to delivery in weeks, not quarters.

The obvious objection. If nano GCCs work so well, why won't large enterprises simply build their own? Many already do: focused innovation pods inside big companies are a real and growing trend. The issue is not ability but inertia. Large enterprises rarely start from a clean sheet. Existing governance, legacy operating structures and large installed workforces pull every new pod back towards the old way of working. Mid-market firms begin without that baggage.

> Put simply: a 60-person centre built in 2026, AI-native and focused on one or two outcomes, can out-deliver a much larger centre designed for a different era. For the first time, the mid-market is not playing catch-up. It has the better starting position.

What a nano GCC demands

Small is not automatically better. A nano GCC built with the old playbook simply becomes a small version of the old problem. Getting it right takes five disciplines.

- **A sharp mandate.** Pick one or two outcomes the centre will own outright. Resist the temptation to send it a little of everything.
- **A senior-heavy talent mix.** Average cost per person will be higher than in a traditional pyramid. Budget for capability, not for seats.
- **A business leader, not a site manager.** The India head of a nano GCC has to think like a general manager. This single hire shapes everything that follows.
- **Outcome-based measures.** Track what the centre delivers to the business, not how many people it employs or how many hours it logs. Nasscom-Zinnov makes the same recommendation for GCCs of every size.

- **Staying power beyond launch.** Many centres struggle in their second year, when the launch energy fades and the mandate stops growing. Plan for year two on day one.

The operating model, whether you build, partner or blend the two, should follow from these choices. It should never be chosen first.

The big question

Will the next generation of GCCs be defined by expertise density rather than headcount?

Our view is yes. Not because large centres will disappear, but because the reasons to start large are fading fast. The winners of the next decade will be the companies that ask "what must we own, and who do we need to own it?" instead of "how many people can we move?"

For a mid-market leadership team, four questions are worth an honest conversation:

1. Which capability, if we owned it fully, would most change our growth trajectory?
2. Where are we paying a vendor for work that holds our most valuable knowledge?
3. Could 30 to 60 of the right people deliver more than the larger team we have been imagining?
4. Who would lead it, and are they a business leader or a site manager?

If those questions spark debate in your boardroom, the nano GCC conversation has already started.

The Vertara view

Vertara Global works with mid-market companies to design and build nano GCCs that are focused, AI-ready and built to last. Every engagement is led by senior practitioners. We help clients choose the operating model that fits their stage rather than pushing a single template, and we stay involved after handover, because year two is where many centres stall.

If you are weighing whether a nano GCC fits your growth plans, we would welcome the conversation.

Sources

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