NANO GCC SERIES · PAPER 4 · POINT OF VIEW

When Does a Company Actually Need a Nano GCC?

Revenue is the wrong trigger. A readiness test for mid-market leaders weighing their first Global Capability Center.

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EXECUTIVE TAKEAWAY

Do not launch a GCC because you have reached a revenue milestone. Launch when operational pressure, strategic priority and organizational readiness converge. Three or more need triggers, combined with a readiness score of 23 or more, typically signal a viable nano GCC opportunity.

AT A GLANCE

- Between $100M and $2B in revenue is where the first-GCC question is most often on the table. But revenue does not answer it: in H1 2026, the largest single group of companies setting up GCCs in India had **under $100M** in revenue.[2]
- The real triggers are operational: engineering capacity ceilings, core work sitting with vendors, AI talent gaps, coverage gaps and value-creation mandates.
- Need is only half the test. A company can show every trigger and still launch too early.
- The **Vertara GCC Readiness Index** scores six dimensions and maps the result to one of three paths: wait, start lean, or build a nano GCC of 20–200 people.

01 The question has moved from "if" to "when"

India now hosts **2,117 GCCs** operating 3,728 units, which generated **$98.4 billion** in FY2026 revenue and employ 2.36 million professionals. The same dataset counts 583 mid-market GCCs and 504 PE-backed centers.[1]

The newest entrants look different from the ones that built the industry. ANSR tracked 62 companies that set up GCCs in India in the first half of 2026. Forty came from North America, private companies outnumbered public ones, and the largest single revenue band was companies with under $100M in revenue: 17 firms, or 27% of the cohort.[2]

Small no longer means simple, either. TeamLease Digital's analysis of 130 nano retail GCCs found AI penetration of 10.2%, against 3% among India's top 50 retail GCCs.[5] And Nasscom-Zinnov find that 27% of GCCs reach the "Portfolio Hub" maturity stage, with end-to-end ownership of product, platform and IP from India, within five years.[1]

For a mid-market leadership team, the question is no longer whether the GCC model works at their scale. It is whether it makes sense **now**, for **their** company, and whether the organization is ready to run one.

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02 Why revenue is the wrong trigger

Industry research usually defines mid-market GCCs by parent revenue of $100M to $1B.[6] In our experience, the first-GCC question is most often live in a wider band, from $100M to $2B. These companies are large enough to feel capacity pain and fund a dedicated team, yet small enough that every senior hire and every dollar is scrutinized.

Revenue, however, is a lagging proxy. Consider two companies at $300M. The first is a software business with 250 engineers stretched across three time zones and a roadmap slipping every quarter. The second is a services-led business with 20 engineers and a stable product. The first has a GCC question. The second has a vendor-management question. Same revenue, opposite answers.

> ***Revenue tells you whether you can afford a GCC. It does not tell you whether you need one, or whether you are ready to run one.***

03 Seven triggers that signal need

In practice, the decision is driven by what is happening inside the business. These are the seven triggers we see most often.

Trigger	What it looks like in practice	Indicative signal
1. Engineering capacity ceiling	Roadmap commitments slip because hiring cannot keep pace in the home market	Critical roles open 90+ days; roadmap delivery below plan for two or more quarters
2. Core work held by vendors	Product, platform or data work that differentiates the business is delivered by outsourcing partners	Over a third of engineering spend goes to vendors for core, not commodity, work
3. AI and data capability gap	AI is a board priority, but the team lacks ML, data engineering and MLOps depth	AI initiatives stalled by hiring, not by funding
4. Coverage and continuity gaps	Customers, platforms or security operations need extended or round-the-clock cover	A small home-market on-call rota is burning out
5. Value-creation mandate	Investors or the board want margin expansion without slowing growth	A PE hold plan or EBITDA target with a fixed timeline
6. Fragmented offshore footprint	Freelancers, EOR contractors and several vendors have accumulated without a design	15+ offshore contributors with no single owner, culture or IP framework
7. Post-acquisition integration	Acquisitions leave duplicate functions and inconsistent tooling	Two or more acquired entities with overlapping engineering, finance or support teams

Indicative signals are Vertara practitioner heuristics, not industry benchmarks. Three or more triggers usually justify a formal readiness assessment.

Two of these triggers have sharpened over the past year. On AI, India counts over 250,000 AI/ML professionals and ranks first globally in AI hiring.[4] On value creation, PE-backed firms accounted for more than 64% of new GCCs set up by emerging enterprises since 2020.[3] For a portfolio company with a fixed hold period, a GCC has become a standard lever, not an exotic one.

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04 Five red flags: when the answer is "not yet"

A credible advisor should be as clear about when not to launch as about when to launch. These are the warning signs we look for.

- **No accountable sponsor.** If no executive owns the GCC outcome, with budget and decision rights, the center becomes an orphan within a year.
- **A roadmap still searching for fit.** Companies still finding product-market fit change direction faster than a new team can absorb context.
- **Undocumented work.** If critical knowledge lives in a few people's heads, moving it creates risk before it creates capacity.
- **A cost-only business case.** Centers justified purely on salary arbitrage tend to be the first cut and the last given meaningful work. The gap is real but narrowing: GCC salary increments in India averaged 10.4% in 2026, ahead of the 9.1% India Inc. average.[4]
- **Headquarters not ready to delegate.** Nasscom-Zinnov sum up the wider market in one line: "The ecosystem is ahead. The org chart is behind."[1] A first GCC will not change that on its own.

05 The Vertara GCC Readiness Index

Need tells you **why**. Readiness tells you **how fast**. The Index is built on six dimensions that, in our practitioners' experience of first-time GCC launches, most consistently separate centers that scale from those that stall. Each is scored from 1 (not in place) to 5 (fully in place).

Dimension	What we test	A score of 1	A score of 5
Strategic intent	Is the GCC tied to a business outcome?	"We should probably be in India"	Named capabilities, outcomes and a three-year role
Executive sponsorship	Who owns it, and with what authority?	Interest, but no owner	C-suite sponsor with budget and decision rights
Work portability	Can the work move without breaking?	Tribal knowledge, tightly coupled teams	Documented, modular work with clear interfaces
Operating model and decision rights	How will India and headquarters work together?	Undefined; India seen as a capacity pool	Clear ownership, governance cadence and escalation paths
Talent and culture readiness	Can headquarters managers lead a distributed team?	No distributed-team experience	Leaders experienced with global teams; hiring profile agreed
Compliance and governance	Are legal, IP, data and labour obligations understood?	Not yet considered	Entity, IP, data protection and labour-code plan in place

The total score, from 6 to 30, points to an entry path:

Score	Reading	Recommended path
6 – 14	**Not yet**	Close the gaps first. Keep work with vendors or a handful of EOR hires while you build sponsorship and document the work.
15 – 22	**Start lean**	Pilot with 10–30 people through an EOR or managed setup, and prove the delivery model within six to nine months before committing to an entity.

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Score	Reading	Recommended path
23 – 30	**Build**	Launch a nano GCC of 20–200 people with your own governance and a partner-enabled operating model. Choose the model (managed, hybrid, BOT or direct) based on how much control and speed you need.

06 Three archetypes

The composites below are illustrative, drawn from patterns we see in the market. None represents a specific client.

A note on definitions: Vertara defines a nano GCC as a capability center of 20–200 people. Other studies use different thresholds; the TeamLease Digital nano retail cohort, for example, averages 253 employees per center. Readiness Index bands, indicative signals and archetypes reflect Vertara's practitioner view.

Company	Index score	What it shows
PE-backed vertical SaaS $180M revenue	24 – Build	Five triggers, including a capacity ceiling, vendor-held platform work and an EBITDA mandate. A strong sponsor and a modular codebase support a nano GCC of about 60 engineers that owns a platform module end to end.
Series D scale-up $85M revenue	17 – Start lean	Below the traditional mid-market floor, yet showing three triggers: an AI gap, a capacity ceiling and 20 scattered contractors. The CTO sponsors the move, but work is undocumented. Consolidate into an EOR pod first, then move to an entity at 40–50 people.
Industrial technology group $1.4B revenue	13 – Not yet	Seven vendors in four countries and two recent acquisitions. The need is clear, but business units disagree and no one owns the outcome. Launching now would add an eighth delivery location, not a capability. Align leadership and design the operating model first.

The lowest-revenue company is the most ready to start, and the highest-revenue company is the least ready to build. Revenue did not predict the answer.

07 Plan for year two, not just day one

Most first-GCC plans stop at go-live. The harder test comes in year two. Early hires expect career paths. Headquarters managers drift back to treating the center as a ticket queue. Compliance obligations mature.

The regulatory baseline has also shifted. India's four Labour Codes took effect on 21 November 2025, and the final central rules were notified on 8 May 2026, with states adopting their own rules at different speeds.[7] Talent costs need the same realism: AI, ML, cyber and cloud skills in GCCs carry a 30–40% pay premium because demand outpaces supply.[4]

In our experience, many first-time GCCs struggle not during setup but during the shift from delivery center to capability center: the point where the center is expected to own outcomes, and leadership accountability on both sides has to be clear. A readiness assessment should therefore include a year-two plan: a leadership pipeline, a path to a broader mandate, and a governance rhythm that keeps headquarters and India accountable to each other.

The cost of waiting. None of this argues for delay. When the triggers are present and readiness is in reach, waiting has a cost of its own: product roadmaps slip further, vendor dependence deepens, offshore teams fragment, and competitors lock in access to the specialized talent you will need later.

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THE VERTARA VIEW

We believe GCC success is best predicted by the intersection of business need and organizational readiness, not by company size. Companies that wait for a revenue milestone often arrive late, with a fragmented vendor estate to unwind. Companies that launch on need alone often build a center their organization cannot absorb. Measure both, then choose the entry path that fits.

Revenue may determine affordability. Need and readiness determine success.

08 How Vertara can help

Vertara works alongside leadership teams at every stage of the first-GCC decision, from the first readiness question to the year-two review. Clients can engage us for a single stage or across the full journey.

Stage	The question you are facing	How we help
Assess	Do we need a GCC, and are we ready to run one?	Run the Vertara GCC Readiness Index: trigger review, leadership interviews and readiness scoring, ending in a clear build, start-lean or not-yet recommendation.
Align	Is our leadership team behind the same decision?	Executive alignment sessions on intent, sponsorship and decision rights, and a business case that looks beyond cost.
Design	What should the center own, and how should it run?	Operating model and governance design, location and workspace assessment, and an unbiased choice of setup model: managed, hybrid, BOT or direct.
Launch	How do we get up and running quickly and compliantly?	Entity and legal support, labour-code-ready HR and payroll, talent strategy and leadership hiring, and digital, AI and engineering foundations.
Sustain	How do we make year two work?	Post-launch health checks, a mandate-expansion roadmap, leadership pipeline planning and change management. We stay engaged after handover.

START WITH A READINESS CONVERSATION

If three or more of the triggers in this paper sound familiar, a short readiness conversation is a useful first step. In a focused working session with your leadership team, we score your organization against the Readiness Index and leave you with a clear view of whether, when and how to proceed.

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ABOUT VERTARA GLOBAL

Vertara Global is a practitioner-led GCC advisory firm that helps mid-market companies across sectors design, build and scale Global Capability Centers. Our focus is simple: help clients make the right capability decision, then make it work.

Every engagement is **leader-driven**, led by senior practitioners rather than handed down to junior teams. We work with clients **as partners**, recommend operating models on merit rather than steering toward any single one, and **stay engaged after go-live**, because many GCCs face their toughest tests in year two.

Our services

GCC Consulting | Legal & Entity Support | People Advisory | Digital & AI | Engineering GCC Solutions

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Sources and notes

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