Global Capability Centers

What Works, What Doesn’t, and What’s Next

58th Annual ECC Conference

Team Members:
Paul Barshop, Amy Scott, Iker Anzola, Gustavo Navia

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Audience Q&A

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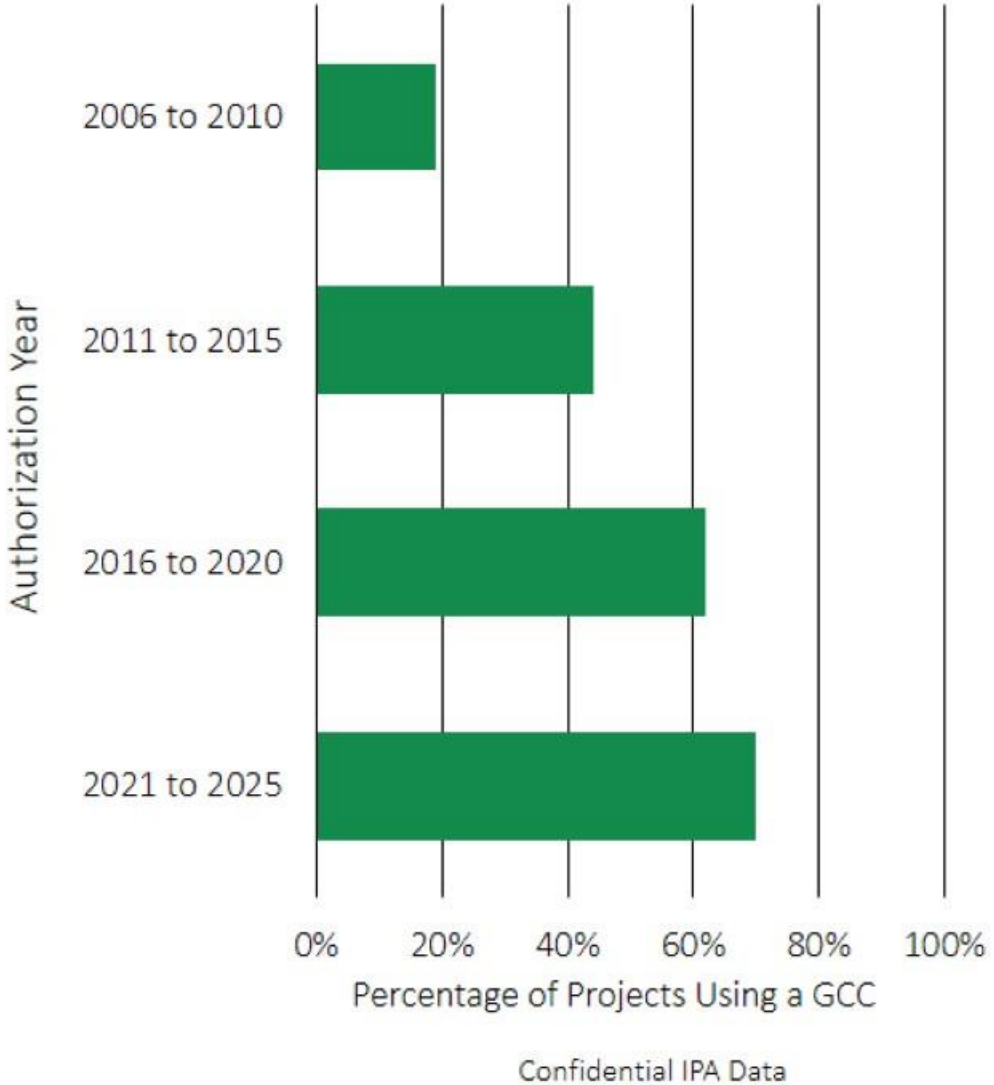
US Based Projects Are Using Global Capability Centers (GCC) More Frequently



Confidential IPA Data

Projects Using a Global Capability Center*

Sample includes:

- US based projects only
- Projects larger than $5 million
- Industrial sectors: energy and chemicals

690 projects authorized from 2006 to 2025 used a Global Capability Center (GCC) in some form

65 different owner companies represented

Median project size is $105 million

* Overseas location established by engineering companies to take advantage of lower wages and to access talent

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What is your prediction for the future of GCC's over the next 5 years?

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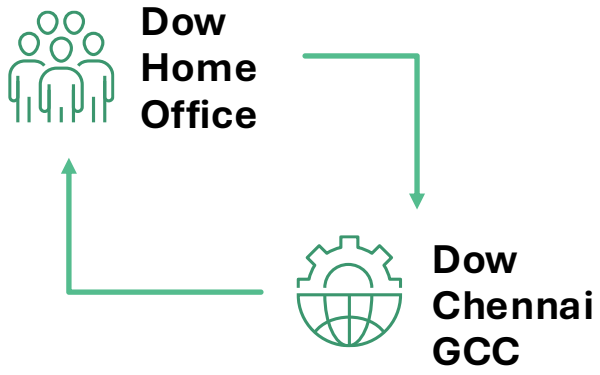
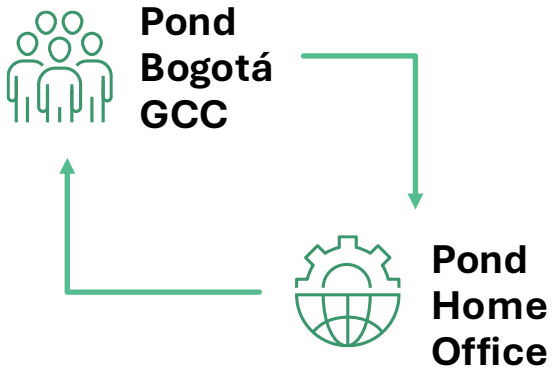
Panelist Perspective - Developing and Managing GCCs

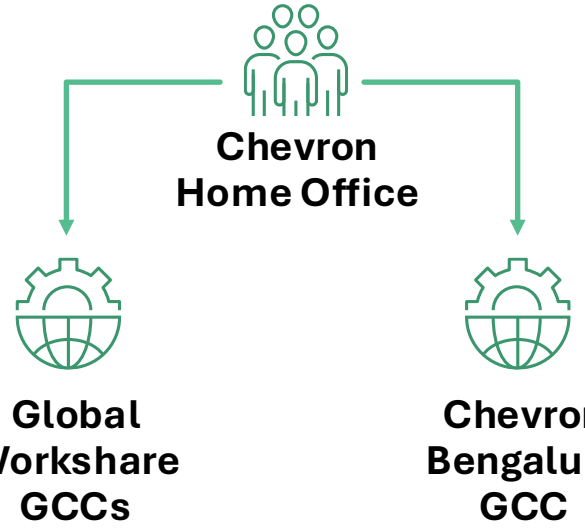
Amy Scott
Dow, Sr. Dir. of Project Engineering
Houston Based



Gustavo Navia
Pond & Co., Assoc. VP & Dir. of Engineering
Bogotá based



Iker Anzola
Chevron, Sr. Mgr. Engineering Capability & Performance
Houston Based



Key Takeaways

- **Amy**
  - Engineering expertise is a competitive advantage, not a commodity. The true value equation goes beyond cost per hour.
  - Don’t underestimate the need for strong leadership and the impacts of cultural differences – technical problems are usually easier than people problems
  - Don’t sacrifice expertise development in your home office while building expertise in the GCC

- **Gustavo**
  - Get the house clean first before engaging a GCC, otherwise you will end up blaming your GCC for your own underlying issues.
  - Appoint the right leaders. They need to be strong communicators, understand cultural differences, and know how to build trust, engagement, and psychological safety across locations.
  - The lines are blurring. GCCs continue to evolve and integrate more closely with their home offices as one global team. Technology and AI are accelerating this trend.

- **Iker**
  - Effective use of GCC’s allows organizations to tap talent pools and take advantage of cost arbitrage opportunities; however, intentional leadership and management of quality and performance are the best way to ensure competitiveness
  - It is important for organizations to understand the difference between the cost of engineering and the value of engineering…
  - Mature organizations have implemented an operating model where the GCC’s take “a first bite at the apple” this maximizes the effective utilization of GCC resources

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