

THE CONSULT COMPASS

Edition 2, April 2026

Insights and perspectives about the world of consulting

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OUR OBJECTIVE

The Consult Compass
Consult Club, IIMA

Our goal is simple: to make conversations about consulting more relatable, insightful, and grounded in reality. Each issue aims to bring together clear PoV, newer perspectives, and thoughtful commentary from all contributors to understand what's shaping the industry today.

We extend our sincere gratitude to all authors for their contributions and sincerely hope that this edition helps us move closer to our goals – fostering better understanding and conversations around the world of consulting.

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The GCC Imperative

Anjali Tanwar, IIMA'27, ex-Bain Capability Network

A market that can no longer be ignored

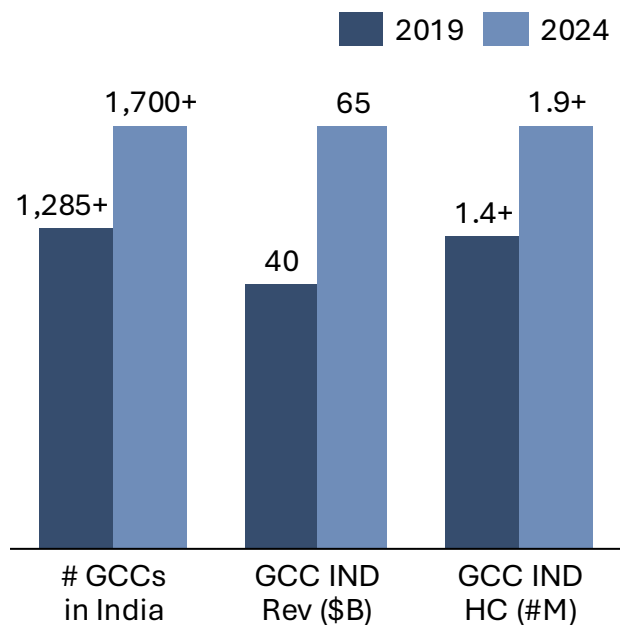
In July 2024, a major global professional services firm made an equity investment of approximately \$170 million in a specialist GCC setup company, securing a board seat and a direct stake in one of the fastest-growing segments of the advisory market. That a firm of that scale chose to acquire its way into the GCC space rather than build organically says a great deal about the pace of change. By the time the incumbents looked seriously at this market, the specialists had already set the pricing norms, built the client relationships, and defined what good delivery looked like.

That deal was not a one-off. Within twelve months, other large technology-consulting firms had announced dedicated GCC service lines and full-fledged GCC practices targeting captive, BOT, and joint venture arrangements across multiple sectors. These were not exploratory programs. They were strategic commitments from firms that had concluded that GCC was a permanent structural feature of how global enterprises organize their most important capabilities.

The scale justifies that conviction. India alone hosts over 1,700 GCCs generating revenues exceeding \$64 billion, with projections pointing toward \$100 billion by 2030. Over half of all centers are expanding headcount beyond 2024 levels. This is not a market in flux. It is a market that has found its floor - and is still growing.

The maturity gap: A key consulting pipeline

The timing of consulting's serious engagement with the GCC market is worth examining. For

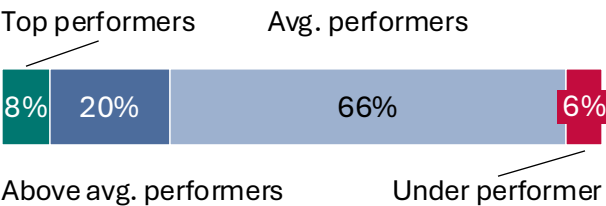


Source:Zinnov-Nasscom Report 2024

most of their history, GCCs were operationally interesting but strategically peripheral -real estate and HR decisions that generated limited advisory work. What changed was not the GCC itself but its ambition. The model evolved from cost-focused back-offices into multi-functional hubs, then into strategic partners co-developing platforms and analytics. Today's GCC 4.0 is a globally integrated unit leading AI deployments and technology transformation programs that the parent organization's headquarters often lacks the talent density to run itself.

That evolution has produced strategic questions -about AI governance, operating model design, innovation architecture -that are fundamentally different from anything the cost-arbitrage era generated. A 2025 study found that just 8% of GCCs globally qualify as top performers across innovation, competitive differentiation, and operational efficiency. The remaining 92% are still concentrated on

delivery execution. That figure is not an indictment of the GCC model. It is a description of a market in transition -and for any advisory firm seeking a large, sustained pipeline of complex strategic work, it is about as compelling a number as exists in professional services today.



Source: BCG survey of GCCs across innovation, competitive differentiation, & op efficiency

Three Games Being Played Simultaneously

The consulting response to the GCC's rise has not been uniform. The market is being contested by three distinct types of players, each with a different theory of where value will concentrate.

Strategy Consultancies: Claiming the Upstream

The leading global strategy consultancies have made deliberate moves to anchor their GCC propositions at the strategic layer -the questions about direction, governance, and enterprise-wide operating model design that sit upstream of anything a specialist execution firm can credibly address.

One school of thought frames the core advisory challenge as a transition from cost arbitrage to innovation and value creation, with AI integration as the central mechanism. By positioning the GCC's primary challenge as an AI maturity and governance question, a firm places itself in territory where deep strategic expertise and cross-industry perspective matter considerably more than operational depth in center setup - territory where the

specialists, however capable, simply do not have the same footing.

A second approach, adopted by others in the same cohort, embeds GCC advisory within a broader global operating model practice - advising clients not on GCC setup per se, but on how to distribute functions across geographies, which capabilities make strategic sense to internalize, and how to design governance for an enterprise spread across multiple jurisdictions. A global operating model mandate is not contingent on a GCC being established; it generates advisory work regardless of what the client decides. That structural independence gives these firms something the rest of the market cannot credibly offer: the ability to recommend against a GCC where the numbers do not support one. In a space where virtually every other provider has a financial interest in a bullish outcome, the willingness to give the other answer - grounded in analysis rather than commercial incentive - turns out to be a differentiated product in its own right.

Technology-Consulting Hybrids: Buying the Execution Layer

The large technology-consulting firms have taken a different route -closing the gap between advisory and execution rather than retreating to the strategic tier. The 2024 equity deal is the clearest example: the acquiring firm brought enterprise relationships and transformation credentials; the acquired specialist brought GCC-specific execution depth that the larger firm alone could not replicate at the same level. Together, the proposition is stronger than either could field independently. The underlying recognition is shared across this cohort: the market has become specialized enough that generalism is a liability, and winning GCC mandates without a specific, credible GCC

proposition is no longer possible.

Specialists: Setting the Standard

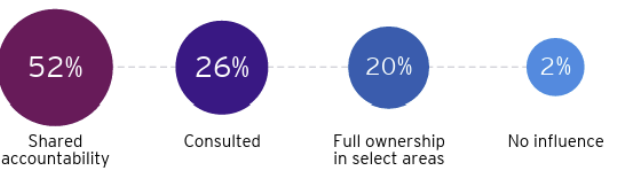
The specialist GCC advisory firms created this market before the incumbents arrived. Their integrated lifecycle models -spanning location strategy, regulatory setup, talent acquisition, and operations management -proved that clients would pay for consolidated GCC accountability rather than managing multiple vendors. In doing so, they set the service standard every subsequent entrant has been measured against. Their position is now more contested, but their most durable advantage - the regulatory knowledge, government relationships, and talent market intelligence that comes only from having built hundreds of centers - is slow to replicate. It is precisely why the incumbents are buying it rather than building it.

The AI Inflection and the Shifting Client Relationship

Artificial intelligence has become the dominant lens in GCC advisory. Over 90% of top-performing GCCs have established or expanded AI Centres of Excellence in the past 18 months, and multinationals are now actively seeking out Indian GCCs specifically for AI engineering talent - not as a cost play, but as a capability strategy. The investment is already there. The consulting opportunity is in what follows: pilots that have not scaled, governance frameworks that exist on paper but not in practice, and model outputs that are not yet integrated into regulated workflows.

That gap - between AI investment and AI maturity - is where the most defensible advisory mandates now sit, and it is a problem that compounds rather than resolves as regulation evolves and GCC autonomy grows.

The market's structure is shifting alongside the technology. GCCs increasingly commission advisory independently of their parent organisations, with more than 65% of decision-makers expecting GCC authority to grow through 2025 and beyond.



Source: EY GCC Pulse Survey 2025 – GCC Nature of influence on global firm decision making

For firms accustomed to managing everything through a board-level sponsor at headquarters, this is a real structural problem. The decisions that matter are being made by people they have never met, against criteria a standard strategy engagement was not designed to address.

Conclusion

GCCs have completed their transition from back-office instrument to strategic asset, and consulting has arrived - at different speeds and with uneven preparation - to serve a market that barely existed a decade ago. All expressions we noticed arrive at the same conclusion: the market is large, durable, and in early innings.

The problems GCCs will need to solve over the next five years - AI governance, operating model redesign, the blurring boundary between captive centre and innovation hub - are precisely the problems the best consulting firms are built to address. The question is whether individual firms are building the relationships and capabilities to be genuinely useful at the level of sophistication GCC clients are rapidly reaching, or whether they are still pitching to headquarters while the real decisions get made somewhere else entirely.

Behind the Bonus

Kaustabh Chatterjee, IIMA'26, ex-Goldman Sachs

Consulting has always been a pyramid. But what's changing isn't the shape, it's the pressure inside it. Historically, the apprenticeship model assured relatively predictable progression. It marketed intensity, but it quietly offered stability. You entered as an analyst, performed well, and progressed steadily on a visible ladder, where your tenure and performance ensured that each rung brought more seniority, higher responsibility, and a bigger pay check.

The fixed salary formed the bedrock. Variable pay existed, but it rarely defined your economic reality. The system felt meritocratic, structured and almost predictable. The balance is now tilting - not as a complete structural shift, but as a visible intensification of existing dynamics. Consulting's shift toward performance-linked, rewards-based compensation is not just a change in a payroll line item. It's the subtle economic architecture shaping how careers unfold. The ladder still exists. But the cushioning has thinned.

This shift is not arbitrary. It mirrors broader economic realities. Consulting demand has become more cyclical, more scrutinized, and more outcome-driven in recent years, particularly post-pandemic. Clients expect measurable impact. Margins are under pressure. In such an environment, firms need cost structures that are flexible. Variable compensation offers precisely that flexibility. Global firms have increasingly delayed promotions or recalibrated bonus pools during leaner periods, reinforcing the elasticity of compensation, though similar adjustments have historically occurred across cycles.

Recent actions by major consulting players illustrates how that flexibility is being operationalized. Deloitte reduced bonus payouts and slowed promotions in parts of its business after missing profit targets in certain geographies. Accenture, facing softer demand, delayed promotions globally before rolling them out in calibrated waves once conditions stabilized. Meanwhile, Tata Consultancy Services (TCS) has reinforced performance linkage more explicitly with over 70% of its employees received 100% of their variable pay, with the remainder tied directly to business unit outcomes. These are not isolated HR adjustments. They are structural responses that underline a broader truth: compensation in consulting is becoming more elastic, more differentiated, and more visibly aligned with business realities.

However, reducing this shift to margin management misses the more interesting story, variable compensation is also about signaling. Fixed salaries represent commitment. Variable pay represents alignment.



It embeds economics into everyday behavior. Bonuses tied to utilization sharpen staffing discipline. Client feedback influencing ratings elevates stakeholder management. Firm profitability shapes promotion velocity. Metrics attached to compensation become a silent curriculum, teaching consultants what matters.

This evolution nudges the profession from pure analysis toward operational ownership, a transition that is powerful, but not entirely comfortable. Strong performance linkage can incentivize short-term optimization. Consultants may hesitate to take stretch roles that risk imperfect outcomes. Teams may prioritize metrics over long-term capability building. The healthiest firms recognize this trade-off, ensuring that measurement sharpens discipline without narrowing judgment.

For individuals, awareness becomes essential. When compensation is partially at risk, comparisons intensify and anxiety can rise. In such environments, clarity about one's own standards and long-term goals matters more than ever. Understanding both the official metrics and the unofficial signals of success is no longer optional; it is strategic.

So what does this mean for young consultants?

At the analyst or associate level, base salaries remain strong, especially in top-tier strategy

firms. Variable pay often constitutes a relatively modest portion of total compensation, perhaps ~10–20% depending on firm and tier. However, its directional weight carries more significance than its raw magnitude. It signals which behaviors the firm rewards and which trajectories it accelerates.

Globally, entry-level compensation has shown signs of stagnation across hiring cycles, with base salaries and bonuses remaining largely flat as firms attempted to cushion compensation through perks and non-cash benefits. In India, this intersects with local dynamics: fierce competition for talent, cost discipline, and the country's dual identity as both delivery center and innovation lab.

Work quality, utilization, and client feedback now feed more directly into the bonus calculus. Bonus pools are increasingly allocated selectively. The gap between top and middle performance bands is widening. When compounded with faster promotion velocity, these differences create material financial and reputational divergence over time.

For young consultants, the implication is profound: *compensation is no longer simply a function of tenure, it is increasingly a function of differentiation. Variable pay does not merely reward performance. It sorts, and sorting systems shape careers.*



Understanding this arc early changes how you approach your work. Analysts who learn to articulate impact clearly, manage client relationships thoughtfully, and understand the financial undercurrents of their projects build capabilities that compound as variable components grow. This is not internal politics. It is structural economics. A pay system that ties income to measurable outcomes embeds accountability around delivery quality, financial discipline, and practice growth. Over time, compensation reflects not just what you deliver, but what you influence.

India's consulting landscape is uniquely dynamic. Cost discipline coexists with innovation ambition. GCCs, domestic transformation mandates, and platform-led managed services models are reshaping engagement structures. As firms experiment with performance-linked client contracts and outcome-based pricing, internal pay structures begin to resemble the value proposition firms sell externally: impact over effort.

Variable compensation is not about instability. It is about visibility. It makes performance

visible. It makes contribution visible. It makes differentiation visible. In a profession built on advising others to optimize performance, it is perhaps fitting that consultants themselves now operate within incentive systems that reward measurable impact with precision.

The future consultant must understand not only frameworks and financial models, but also incentive architectures. Ask how bonus pools are structured. Understand what drives ratings. Observe which behaviors are celebrated in promotion stories. Knowing what your firm pays for is knowing what it values. Knowing what it values is knowing how to grow within it.

You cannot control macro cycles. You cannot control practice-level economics. But you can control clarity about how your work creates value, how you communicate impact, and how you prioritize effort.

Your base salary may be fixed. Your trajectory isn't.

In modern consulting, the difference between the two is where careers are quietly made.

Inside the Summers: A conversation with two past interns (PGP'26)

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What does a summer internship at two reputed firms actually look like - the brainstorming sessions, the client conversations, the 3 AM outings, and the weeks you just want to end.

Most write-ups you find about consulting internships are written with one of two POVs in mind: the LinkedIn celebration, all airport check-ins and five-star lobbies, or the cynical dismissal of the role calling it all fluff and well-formatted PPTs. Neither is especially useful, nor truly honest. The actual version is more ambiguous, messier, and more interesting than either and it is one worth writing about.

We spoke to two students from the PGP'26 batch of IIM Ahmedabad – referred to as Aarav and Kailash in the article (anonymized) - who spent their 2025 summer interning at two of the world's top consulting firms, Firm X and Firm Y respectively, and walked out with pre-placement offers from both. What follows in the article, is an account of what a consulting job actually feels like as experienced from the eyes of an intern.

Before we dive in, it's worth highlighting one thing at the outset, something that clearly came out from these interviews and our experience at IIMA. The cohorts that these interns/ consulting hires sit alongside aren't uniform. A fresher out of undergrad. A practicing doctor. Engineers with two years of work experience. Career switchers who had spent three years doing something else entirely. There is no single

consulting archetype, which we felt is perhaps the first myth worth dispensing with right here. All these firms look to recruit intelligence wherever they find it, and intelligence does not come in a single shape or form. Thereby, the cohorts that all interns / hires eventually join with, are by default wildly varying.

How are you allocated your case for SIPs

Going in, a thought on the minds of every intern is – what industry will I get to work in? What will be the case about? Will I be travelling every week? Experiences of our interviewees provide some views into how this happens, and how they felt when they got their cases.

As a general rule, case allotment is mostly demand-supply with some profile consideration layered on top, however the exact weighting varies by firm. In initial cases, like those for interns, there is also an aspect of randomness. In this instance, Aarav ended up on a strategy case and Kailash on an implementation case, which happens to give us a useful spread: two quite different versions of what an intern actually does.

Aarav was staffed on an international case which also involved travel, one which is relatively less common for an intern. He was staffed on a public policy case for a Middle Eastern client, which took him to Dubai multiple times over the course of the two-month internship.

When he recounted how this happened, there's still a hint of disbelief, but also a clear recognition of why he was a fit.

"During orientation, I casually asked whether interns could be staffed on international cases. People laughed. By that evening, I had an email saying I'd been staffed on one." While the timing felt unreal, it wasn't purely accidental. Staffing, he explains, is ultimately a supply-and-demand game. Firms align project needs with individual backgrounds, skillsets and stated preferences. In his case, his prior experience with diverse consulting engagements, combined with a demonstrated interest in the space, made him a relevant match when the opportunity arose. He is quick to acknowledge that such outcomes don't always happen. But the episode reinforced a principle he now strongly believes in : visibility matters. Raising your hand can open doors, especially when backed by credible skills and intent. "You miss 100% of the shots you don't take."

Kailash's staffing was more conventional. His engagement was based in Chennai and was implementation-heavy, which meant his days looked less like building PowerPoint slides all day and rather more like walking across client floors, listening to people at every level, and adjusting their plan and next steps in real time.

What the work actually is

The engagement Aarav sat on was national in scope, long-horizon, and of the kind where decisions have measurable consequences for how an economy develops. His team owned one sector within the broader mandate; within the team, he owned a slice of initiatives. His job was to figure out what was achievable at scale, conduct research, determine what the execution path would look like, and who inside the client machinery owned which piece & how to progress there.

"You're in your late twenties and you're sitting with people who actually lead corporation and countries," he says. "That is a feeling that is very hard to describe." As an intern, he often was not expected nor given the role to run the meeting. But he was in the room, and his slide was the one being discussed. It gave him immense exposure.

Kailash's work ran in the opposite register – it was not advisory from a thirty thousand feet distance, but one where you are solving alongside the client in real time about plans already set-in motion. You are adapting, improving, and solving. "You're not solving for the client. You're solving with them." Every deliverable was presented, reacted to, adjusted, re-presented. The feedback loop was shorter, the conversations broader, running from the C-suite down to the people doing the actual execution.



How did a typical week look like?

A typical weekday looked roughly the same at both firms. A morning check-in at 9 or 10 with the manager/ team. A varying mix of secondary research, benchmarking, expert calls, excel modelling, whiteboard problem-solving defined each day. Days closer to key meeting like 'SteerCo' were more hectic than others. As a general routine though, preliminary outputs would go up to the lead / manager / partner for feedback, both on the substance and form of it. What follows is an iterative process of revisions until the deliverable is finalized and then they close out the night. Twelve to fourteen hours was generally the norm on most days.

For outstation cases, the typical model is Monday to Thursday at the client site, then a flight back to base on Friday. However, norms varied by team, project, and firm context. Aarav, during one of his trips, chose to stay back over a weekend to explore, on his own dime.



However, the part that both said you aren't prepared for but becomes a part of your day is ambiguity. "It depends" as the cliché goes, is the favourite phrase of every consultant, and for good reason. A lot of the work is learning to live without clean answers – cause things move rapidly, new information can surface any moments, but even with limited data, you find the preliminary answers anyways – and solidify

hypothesis as things go – and this can lead to more ambiguity. For people who like closure, this might wear down a bit on you, in a way that the long hours might not.

How much ownership is actually given?



A question that shadows every internship, not just consulting: is the work actually meaningful, or are you running simple/ dummy tasks for folks who already know the answer?

Both emphatically agreed that the ownership is actually real. Kailash, for instance, was interviewing senior client stakeholders not as a learning moment but because the work required it, and he was expected to deliver it. "You get to express your opinion in meetings. Problem-solving is collaborative. You get space to think."

Similarly, Aarav was building models whose outputs fed directly into discussions with client stakeholders. Nobody babysat him. "You are expected to come in with your own thinking, challenge your manager if you have data to back it up, and take your work seriously. That said, early on in a project, you don't have the relationships yet, so the team does more of the guiding. But once you're on, you're on."

The mentorship, they both argue, is less a formal program than a willingness. Kailash broke it down into two aspects. Tactical coaching on communication and slide logic is

easy to come by. Broader career mentorship is available to anyone willing to ask – you need to initiate it, people are genuinely willing to help.

The 3AM nights and Fun outings

It was Friday night in Dubai. The team had been working on a deliverable for hours, it was close to 3AM. But, Saturday was free. Somewhere in the fatigue, Aarav floated an idea: why don't we drive to Abu Dhabi in the morning. It'd be a good outing. Everyone was game, and what followed was one of the days that Aarav recalls most fondly from the internship – Ferrari World, Yas Island, and tons of conversation.

This culture exists across firms. Case Team Outing can sometime look like a dinner at a fancy restaurant or sometimes a trip to a great location. Interns are often the "fun champs," of the team, and are responsible for organizing these events. Given the hours these teams spend together, the banter and the bonding are not incidental. They are perhaps intentional, and a core part of how the consulting machine keeps running.

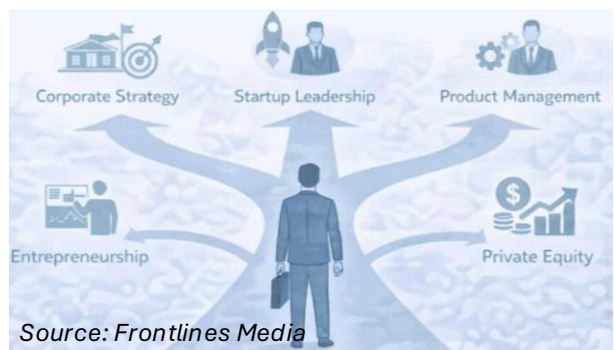
The Career Ladder

The career path for a MBA graduate roughly goes like: Junior Consultant, Consultant, Manager, Associate Partner or Principal, and then Partner. Nomenclature varies, but if nothing goes sideways, Partner is about eight-nine years away. However, very few people actually run that full length, and that for two reasons. First, there are serious exit opportunities at every level. Second, it is a pyramid by design, not everyone is meant to stay.

Consulting is 'one of the' but not 'THE' highest-paying option post-MBA, and Aarav was quick to acknowledge that. However, what it offers instead is optionality and growth rate – which in

its own sense is also pretty valuable. "You're growing fast, your peer group is exceptional, the work is genuinely varied, and when you're ready to exit, whether that's year two or year eight, the doors are open"

These exits, in practice, cover most of what an MBA graduate might plausibly want: private equity and venture roles, corporate strategy seats at large firms, operating roles at high-growth startups, founder paths, and moves into public policy or social-sector leadership. Not every door is open at every level, not every door is easily accessible, but the optionality available remains meaningfully wide for a much longer time than most other post-MBA paths.



What you actually need to succeed in Consulting?

The skills that actually matter to succeed in the industry as consultant are an even mix of hard and soft skills. Problem-solving, the very bread and butter. But it does not mean recalling frameworks, but rather the ability to work through a messy problem that fits no template you've seen in a structured and cohesive manner. Emotional intelligence, because a large part of job is actually reading the room and managing stakeholders. Clear communication: saying the thing plainly, without overshooting. And a genuine liking for the work itself, because "consulting sits at the intersection of analytical rigor and creative



Source: Getty

storytelling, and if that doesn't excite you, it'll definitely drain you.”

Kailash added one more, which was over-communication, especially early on. If you're unsure whether to ask a question, ask it. Set up daily check-ins even if no one has suggested them, obviously after checking with the relevant parties first. It is the best way to avoid “yield loss”, the time that you lose solving the wrong problem because you simply didn't verify the question up front.

The not-so-glamorous things

Burnout is real. There will be weeks where, by mid-week, you are already exhausted and looking forward to the weekend. It is not that the work is bad, the work, mostly, is genuinely good and intellectually challenging. It is that the rigour can get the better of you especially when exhaustion of long weeks accumulates over time. The most practical thing to tackle this they both say, repeatedly, is to protect your health. Because that is what lets you power through the weeks that demand it.

Furthermore, they advise - “find your people. Consulting firms hire in cohorts, so there will be people your age who are going through exactly what you are. Find the ones you can trust and be honest with”. Aarav highlighted how weekend outings with other co-interns whether for a game of pickleball or exploring a new place in Mumbai helped him recharge.

Furthermore, it perhaps worth saying that not every week is intellectually alive. Some weeks the asks are just repetitive or simply grunt work that would eventually lead to the meaty analysis. It's the background work that goes into what finally is presented to the client. It's not always pretty, but it's one this is needed, and you need to go in with clear expectations about this.

The travel is appealing. Monday-to-Thursday client travel is exciting for the first few months. But overtime might start to eat up into your schedules and feel more like a task. Often, nobody flags this before you start, and that's partly because it doesn't sound like a problem until you're living it.

The End

As we closed, we asked them to describe the job in a single sentence, A crude answer to “What is consulting?”, if you may. Aarav said: “solving diverse, complex problems with very smart people, and somehow also having a great time doing it”. Kailash's was similar: “problem-solving with the client to create meaningful impact.”

Our conversation with Aarav and Kailash touched upon multiple facets, but at the end they helped paint a picture of what consulting as an intern is – demanding, uneven, occasionally dazzling, occasionally dull – but it's definitely more interesting than what you'd hear in posts talking about the ‘consulting life’

From trucks to tech: The evolution in India's Logistics Industry

Degain Goyal, IIMA'27, ex-Bain Capability Network

Few industries reveal a country's economic ambitions as clearly as logistics. A well-functioning logistics network ensures supply chain stability, wider distribution of goods, and systemic efficiency. Logistics is the backbone for developing economies. Strong logistics ensures supply chain stability, wider distribution of products and increased efficiency of the economy. Valued in excess of \$350 Billion, logistics contribute ~18% of India's GDP. Looking at it as an expense centre, cost of logistics has dropped and stands at ~8%.

Prima facie, India's logistics seem robust. However, a deeper analysis reveals various challenges in the current system.

- Unorganised:** More than 99% of India's logistics is unorganised (such as owners of less than 5 trucks, affiliated to a broker or a transport company, small warehouse operators, customs brokers, freight forwarders, etc.)

- Asset heavy:** The inherent asset heavy nature of the industry leads to entry barriers, making it unattractive for new players to enter
- Low utilization:** Since setting up a large utilization network is capital intensive, players end up setting up smaller scale establishments. However, these establishments struggle with keeping utilization rates high, leading to poor margins
- Connectivity:** While distribution networks thoroughly cover the majority of urban India, rural and remote connectivity still poses a challenge
- Road network:** The poor quality of roads in India leads to high repair & mtce. costs

Alongside these persistent structural challenges, the nature of demand the industry sees has also seen a shift.

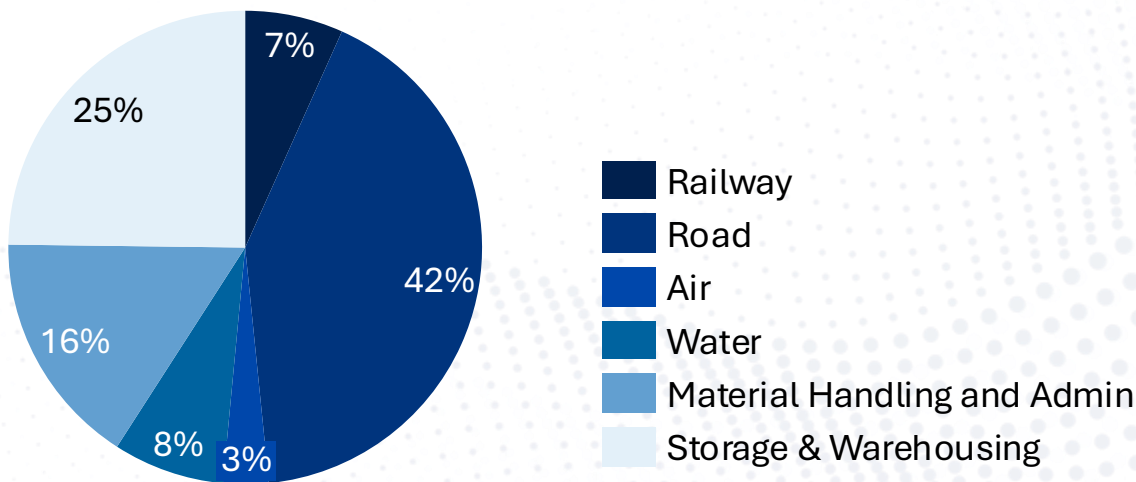


Fig: Breakup of India's Logistic Cost by Components (2024) | Source: Ministry of Commerce & Industry

Penetration of e-commerce into tier 2 and 3 cities has led to an exponential increase in the requirement of last mile delivery setups. Quick commerce has reduced the average waiting time for customers from days to minutes. Logistics is no longer about reliability and wide distribution, it is also about speed. Additionally, lowering reverse logistics costs is also important to maintain e-commerce margins.

Logistics 2.0, from infrastructure heavy to innovation driven

Indian logistics industry is seeing a fundamental shift – one where focus is shifting from execution to orchestration. Companies are not looking to own assets. Rather, they are shifting to a franchising model, wherein a company issues its licenses to smaller local players and adds them to their delivery network. This is commonly known as the 3PL model (3rd party logistics model). For instance, Xpresbees, was able to build a network of 4500+ fulfilment centres via this model.

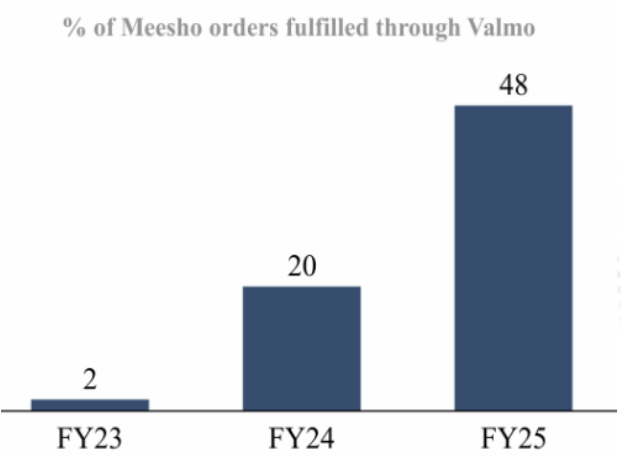
An even more nuanced model of logistics is the platform model. Here, the logistics player only acts as an aggregator of various small players – be it truck owners, warehouse owners or delivery agents. The benefits are manifold. Firstly, it is asset light for the logistics player since there is no investment involved. Secondly, it is also beneficial for the small logistics players as it helps them boost their utilization rate, thus improving margins. Another key aspect of logistics 2.0 has been using technology to drive this transformation. Startups have started offering AI enabled route optimization softwares, which help lower last mile costs and delivery times. Customers want granular level tracking of their orders and sellers want to see more intricate details such as delay rate, damages, etc. Thus, visual analytics surrounding logistics has become a lucrative market.

Understanding logistics 2.0 through the example of Valmo

Consider Valmo, Meesho’s own delivery platform, as a case study. Having started in 2021, Valmo now has over 100,000+ delivery agents and fulfils 40 lakhs orders everyday across 17,000+ pincodes.

Valmo is a prime example of the platform model discussed above. Delivery agents and logistics partners can register on Valmo to start receiving order requests from them (they can continue their own logistics services as well, differentiating this model from franchising).

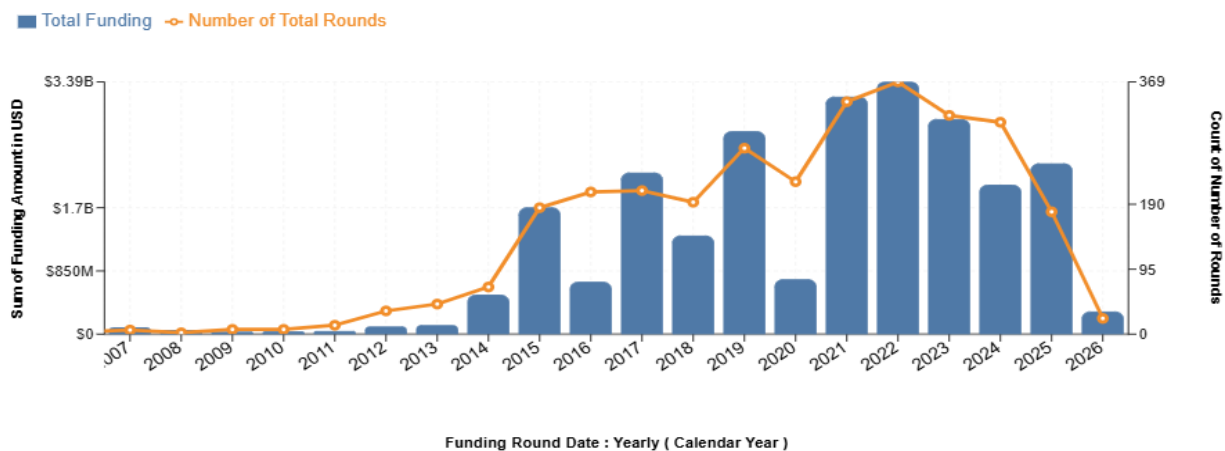
Once Meesho receives an order, it tries to see which delivery agent in the Valmo network would be able to fulfil the order at lowest cost, keeping factors like utilization, transportation cost, route distance, etc in consideration. The delivery agent with the lowest marginal cost is offered the order and therefore, logistics costs come down by a significant margin.



Source: Meesho filings

Funding trends in logistics

Increased venture capital interest in logistics and logistics SaaS services has been a significant catalyst in developing logistics services in India.



Source: Tracxn (basis best available data, directionally right, may not be fully accurate)

Companies like Shiprocket, Porter, Loadshare have received over \$200M+ in funding. There are 5 active unicorns & overall, the sector continues to see inflow of companies & funds.

Government support for logistics

The government is playing its part in helping improve logistics in India. The focus is dual-fold: improving existing infrastructure and building dedicated channels for transport.

PM Gati Shakti National Master Plan aims to improve existing highways and roads in India, to ensure faster transport and lower maintenance cost. The railway ministry is also developing 2 dedicated freight corridors to enable faster and cheaper rail transportation of cargo.

Beyond surface transport, the government is investing in maritime capacity to improve logistical efficiency. Under Maritime Amrit Kal Vision, it laid down investments in excess of INR 10 lakh crores in order to develop India’s maritime transport sector by 2047.

Future trends and expectations

Indian logistics is at a pivotal stage, where changing requirements and business models can take it to newer scale. The shift to 3PL and platform-based logistics

services is expected to continue, with traditional incumbent players also shifting to this model for scale

AI and sophisticated data analytics will lower logistics costs through better route optimization, reverse logistics integration and reducing last mile delivery times

In order to improve sustainability, companies are looking at alternatives to traditional fuel vehicles for last mile services. Many companies are shifting to electric vehicles to continue intra-city operations. In some countries, drone-based deliveries are being piloted successfully.

Conclusion

An industry which was once being gatekept by intensive capital requirements has now opened its doors to disruption and sustained innovation. In an ever-changing world marked by an AI led paradigm shift, robust logistics is essential for both development and equity.

Indian logistics, led by entrepreneurial spirit, funding boom and technological advances, has seen a rapid transformation, helping business and the economy scale. However, the road to fully efficient logistics is yet distant and filled with challenges, which can only be overcome by government support and strong organisational drive.

Evolving landscape of India's CPG industry: The playbook is updating

Shreya Gupta, IIMA'27, ex-KPMG



Source: Microsoft PPT stock images

India's massive CPG sector, valued at ~\$110B by the end of this year, is not just growing – its also splitting. At its core is a K-shaped divergence that we are witnessing the sector post-pandemic, with different consumer groups experiencing sharply different outcomes at the same time: some improve rapidly while others stagnate or decline. This bifurcation is impacting consumer preferences, patterns, and altering the competitive dynamics in the industry.

India currently ranks as one of the world's most optimistic consumer market, with a net optimism of +27%, against a global average of -12% (BCG Global Consumer Radar, 2026). However, this consumer optimism is divided across two groups: urban consumers are showing affinity towards mass-prestige value propositions, while rural consumption is driven mostly by regional players and a select few national players offering micro-affordability.

The headline looks good, but the composition underneath might not be as attractive.

Increasing consumption polarization: Premiumization and affordability can co-exist

The traditional mid-priced product, once considered the default choice for the aspiring Indian household, is steadily losing its central position as the Indian consumer is no longer choosing the 'standardized middle option'. Instead, the consumption is increasingly shifting towards two poles.

On one end, a segment of aspirational consumers is actively increasing. People who are not just purchasing for utility, but for better quality, indulgence, and identity. This is what's described as 'Mass-Prestige', i.e. products that offer the look, feel, and experience of luxury, but at accessible price points. Beauty, packaged foods, & home care, are domains

where this trends has been gaining traction. Where consumers are willing to stretch budgets for brands that signal upward mobility and superior value.

On the other hand, a significant portion of the market is becoming more price-sensitive and careful with their money. They seek ‘Micro-Affordability’ through smaller pack sizes, lower entry prices, and products that minimize immediate cash outflow. The trend does not necessarily mean that people are rejecting brands, but is a reflection of tighter budgets and higher income volatility.

This results in hollowing out of the middle as the Indian CPG landscape is increasingly defined by aspirational upgrading at the top and pragmatic affordability at the bottom.

Rise of Agentic AI enabled consumer

In urban India, premiumization is no longer limited to a small group of elite consumers. It’s being driven via a rapidly growing cohort of agentic AI enabled consumers resulting in individuals who are confident, well-informed,

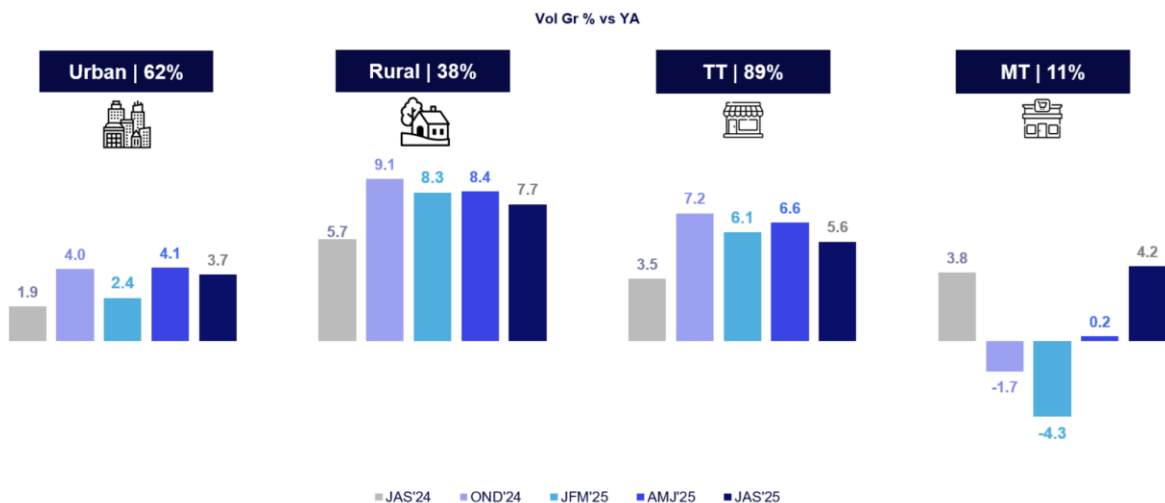
and deliberate in their purchasing decisions. These consumers would not just be swayed by legacy brand imagery but rather would also be guided more by tangible value parameters such as product efficacy, wellness benefits, ingredient transparency, and ethical considerations.

Premium and super-premium categories like organic foods, clean beauty, and functional nutrition are witnessing 1.5x to 2x faster volume growth than mass-market segments. Critically, this growth is not just price-led; it reflects genuine increases in adoption and repeat usage.

Leading CPG companies have already started to repositioning their portfolios to adapt to this market shift. For instance, Hindustan Unilever (HUL) has been moving towards premiumization as a part of its ‘Future Core’ and ‘Market Maker’ strategic priorities. Brands like Dove and Love Beauty and Planet have reaped the benefits of this approach, achieving sustained double-digit growth by tapping into evolving consumer needs around quality, sustainability, and self-care.

Rural growing 2x faster than Urban

Urban observes a slight dip vs AMJ'25



Source: Nielsen IQ

Alongside product portfolio shifts, companies are also rethinking the way they package and price products. Revenue Growth Management (RGM) approaches are replacing blanket pricing strategies. Firms are redesigning their price-pack architecture to serve multiple consumer cohorts at once by introducing larger, value-added premium packs (like 500ml formats with enhanced features) for wealthy households, while maintaining appropriately priced options to sustain their relevance in the mid-market.

Taken together, these trends signal that - premiumization in India is no longer aspirational alone; it is intentional.

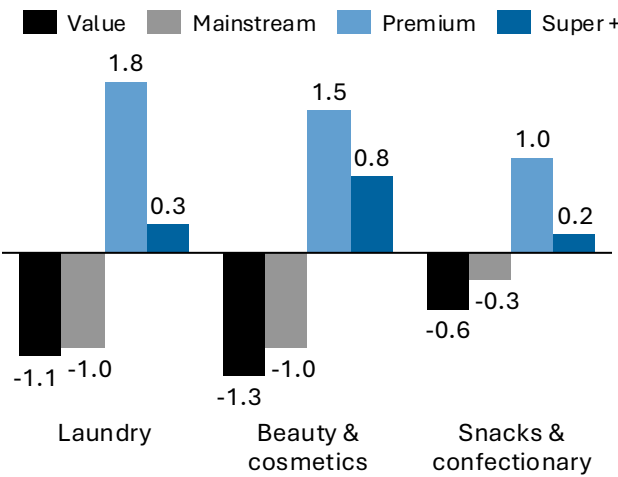


Fig: India market share change by price tier (MAT June 2025 vs 2023)

Sachet 2.0: The Micro-affordability frontier

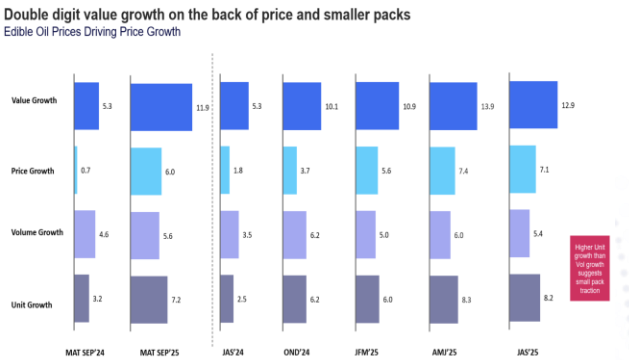
While urban India is still trading up, the rural households remain very sensitive to absolute price points instead of value per unit. A recent NielsenIQ report (Q3 2025) reveals that rural FMCG volume growth has been faster than urban growth for seven quarters in a row. This indicates demand is strong, but also constrained.

The growth, although, is being driven less by higher consumption and more by sachetisation. Strong unit growth alongside

-muted volumetric expansion indicates that consumers are increasingly shifting toward micro-packs to manage weekly and even daily cash flows. In effect, affordability is being achieved not through lower prices, but through smaller entry points.

CPG companies have responded by aggressively redesigning their price-pack architecture. Players such as Dabur and Marico have expanded ₹1, ₹5, and ₹10 packs across hair oils and healthcare products, using pack-size innovation to protect penetration in price-sensitive markets. In packaged snacks, for instance, Bikaji Foods has leveraged supply-chain efficiencies to defend the ‘₹5/ ₹10 magic price point’, effectively sachetising indulgence for the mass market.

The rural story, therefore, is not one of declining demand, but rather that growth is being unlocked through micro-affordability, not premiumisation.



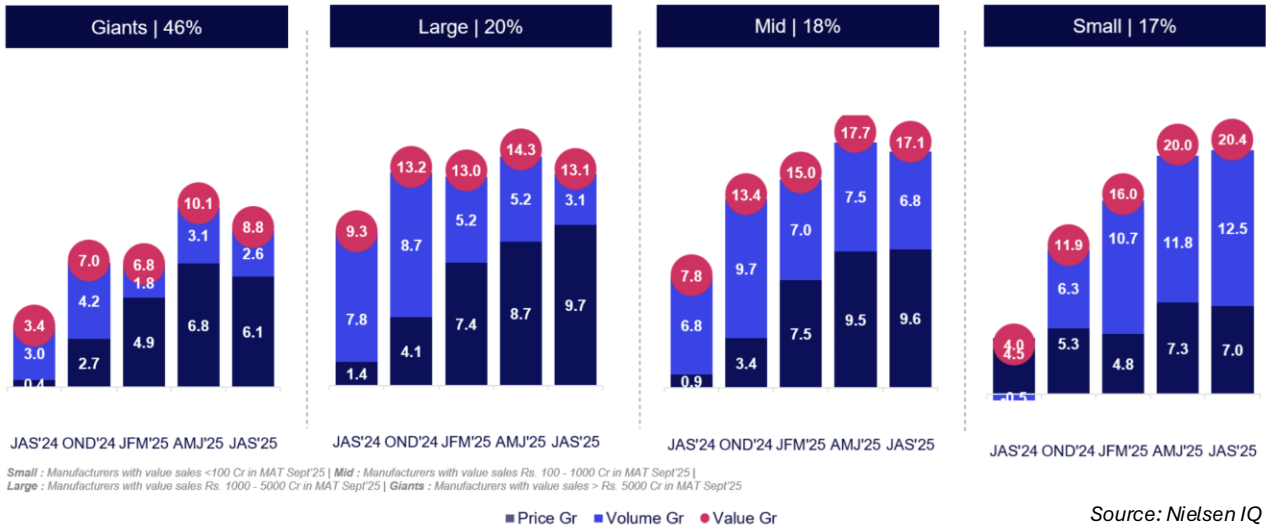
Source: Nielsen IQ

Localization at Scale: Regional Relevance Outperforming National Standardization

Each half of the polarization story that we see above, highlight a common implication. The old national playbook to achieve a ‘national scale’ - standardize products, optimize supply chains, flood distribution, and win through reach – is being challenged A recent report by Bain & Company highlighted that scale without

Small players owning the volume game

Large and mid players are tripping over the consumption slowdown beat



cultural relevance can become challenging. Increasingly, growth is shifting toward regional players that combine sharp local insight with disciplined execution.

The Rise of the Regional Relevance Champion

Small and regional FMCG brands are growing at nearly double the rate of large incumbents in several categories. Their advantage is not just price, it is brand recall and identity as these brands embed themselves in local tastes, language, and consumption habits. The following examples illustrate how culturally embedded, region-first strategies are enabling smaller FMCG brands to outpace larger incumbents.

- *The 'Taste Moat' Advantage:* Balaji Wafers dominates large parts of Western India, specifically Gujarat, Maharashtra, and Rajasthan by tailoring region-specific flavors such as 'Kathiawadi Masala' and offering visibly higher grammage at the ₹5 price point. The proposition is not just functional value; it is regional pride combined with superior price-pack economics.

- *Culturally Rooted Beverages:* Lahori Zeera built scale by leaning into a distinctly North Indian 'street-food' flavor profile rather than mimicking mainstream cola positioning. By preserving its cultural authenticity while expanding distribution, it transitioned from regional favorite to credible national player.

Overall, the shift in growth is increasingly accruing to local first, scalable second brands.

From National Strategy to Cellular Strategy

Recognizing this shift, large FMCG companies are re-designing their operating models and moving towards granular growth mapping by breaking India into micro-markets with distinct consumer cells rather than treating it as one homogenous demand pool.

For example, Hindustan Unilever's 'Winning in Many Indias' framework de-averaged India into 16 socio-economic consumer clusters, giving it the competitive edge to access granular level consumer trends. It has now launched WiMI 2.0, in which it plans to focus on top 100 cities which generate ~30% of the demand/ revenue

contribution and invest differently in these cities. Even core products like Surf Excel are formulated differently in North India (hard water conditions) versus the South.

The implications here are significant. Winning today relies on building micro-market intelligence, flexible supply chains, and decentralized decision-making which can respond to regional taste, climate, income patterns, and channel dynamics. Essentially, national brands must rethink their strategies like regional champions by empowering local customization.

Conclusion

The two forces described in this article – polarization of consumer spending and fragmentation of geographic strategy – at its core, highlight towards the changing Indian

CPG landscape. It is becoming less about sheer scale and more about how well companies understand who they are serving. The underlying reality is: India is not one homogenous market. It never was, and recent trends are increasingly making firms realize and plan for this reality.

For large players, this shift calls for sharper choices – on where to play, how to price, and how closely to adapt to local realities. For emerging brands, it reinforces what has already been working: staying close to the consumer, building relevance, and expanding without losing identity.

Ultimately, the future of India's CPG sector will belong to the companies that stay more in tune with how India is actually consuming – diverse, value-conscious, and increasingly self-aware, and not the ones that simply scale faster.

Beyond the metros: India's Tier 2/3 Healthcare play

Prasanna Vivek Telawane, IIMA'27, ex-Citigroup

India's hospital industry was worth \$108B in 2024 and is projected to reach \$197B by 2030 (10.6% CAGR). Growth is there, it's real, however it's unevenly distributed. Metro cities are currently operating at near saturation capacity levels, while Tier-2 and Tier-3 cities are underserved with just 0.8-1.2 beds per 1,000 people against an average of 2.7-3 beds per 1,000 people in metro cities. Infact, the National Health Policy 2017, recommends a minimum of 2 beds per 1,000 people population. This article aims to deep-dive into the Tier-2 and Tier-3 city market, explore business models that have worked, and evaluate relevant metrics/ deals.

Tier-2/3 Demand Drivers

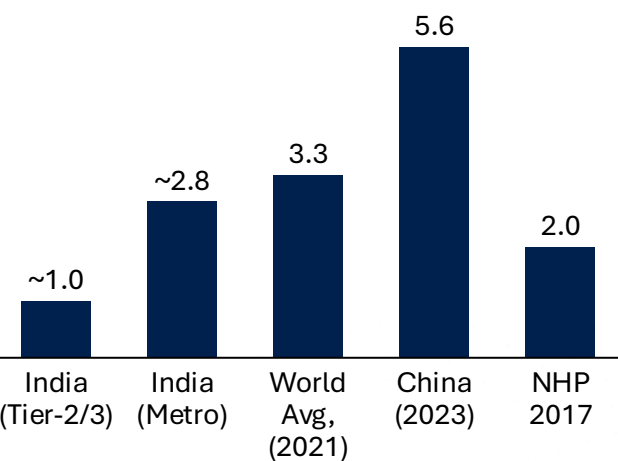
Three forces are converging to make non-metro India commercially viable for organised hospital chains:

a) Insurance Penetration: Ayushman Bharat-PM JAY covers approximately 500 million people by design, and with state-level extensions underway in certain regions (like Andhra Pradesh) coverage is further being pushed higher. Health insurance premiums also reached ₹1.17 lakh crore in FY25, up 9% YoY (IRDAI). While rising coverage increased likelihood of more demand on the healthcare system, it does not directly imply higher

utilisation. Furthermore, with AB-PMJAY reimbursement rates are set below private payer rates, healthcare companies could experience a margin squeeze.

b) Chronic disease burden: Diabetes, cardiac conditions, and cancer are not just a metro-concentrated phenomenon. This incidence is rising across India (incl. non-metros) generating demand for complex / advanced treatment and not just basic OPD. Categories that are likely to drive average revenue per operating bed (ARPOB) and margins.

c) Lower entry costs: Land and construction costs in Tier-2 cities run 40–60% below metro rates. This bring about potential to improve return on invested capital, but this is only feasible if the operating model is well set and calibrated to local purchasing power.



Fig; Hospital Beds per 1000 population | Source: World Bank, Hans India

Delivery Models for Tier 2/3 expansion

Transplanting a full metro hospital in a Tier-2 city would rarely work. Specialist shortages, slow patient ramp-up, and lower purchasing power would all undermine the economics, and potentially lead to an unsustainable model. However, over time three models have proven potentially viable:

Hub-and-Spoke model: A metro hub handles complex, high-acuity cases (transplants, cancer surgery, cardiac intervention); spoke clinics in Tier-2 towns manage routine care and refer upward for advanced/ complex cases. HCG Oncology's network operates on this logic with Bengaluru acting as it's hub. Break-even could typically run 3–5 years after the hub reaches steady state, but the model scales efficiently once that threshold is crossed.

Asset-light O&M: A local developer or trust owns the physical asset; an established chain manages clinical operations under an operations-and-maintenance contract. This compresses expansion timelines from the 3-5 years typical of greenfield to 18–24 months, and eliminates balance sheet risk on real estate for the entity.

Franchise: The company licenses out its brand, processes, and purchasing system to the local franchisee. Very little capex required up front, with a payback period as quick as 12-18 months. While large firms have underutilized the concept, it is becoming more pertinent for chains. For instance, diagnostic chain, Dr. Lal PathLabs utilizes this model.

However, one key structural constraint cuts across all these model and is critical to be paid attention to: physician supply. India has ~1 physician per 1040 people (WHO, 2025), with majority concentrated in the metro regions. This creates a scarcity in Tier-2 regions, where healthcare facilities who cannot recruit specialists gets trapped in low-complexity, low-margin care - beds filled, ARPOB flat, margins thin. Physician partnership structures and retention incentives are not issues to be sorted post-launch; but rather are the pre-condition for the model to work at all. Telemedicine-assisted specialist coverage can act as a stop-gap but is not a permanent solution.

Growth

One good proxy signal of non-metro demand is the growth differential between regional and pan-India chains. Regional MSH players posted a ~27% CAGR growth between FY22-25, while national chains grew only ~15%. Three key factors have been driving this 2x jump for regional chains: patient preference for tertiary care in a shorter radius to their place, faster capacity additions by regional operators, and occupancy improvements at Tier 2/3 facilities as demand consolidates from smaller secondary-care hospitals.

However, while the market is seeing growth, profitability metrics on the other hand would require time to reach those of mature standalone players. Margin expansion would first require the expansion opportunities to mature.

At a sectoral level though, this trend is likely to moderate the ARPOB growth to 6-8% in line with the 7% expansion seen in 2025 due to outside metro expansion.

Capacity Expansion

Rising demand coupled with a vast underserved market with increasing disposable incomes and lower operating and setup costs, provides a potential opportunities for chains to expand & consolidate in the non-metro market.

Leading chains have started to act on the same and are directing real capital to non-metro expansion. For instance, Fortis is planning to expand it’s total bed capacity by 29% by FY29. Out of the FY29 bed count, ~32% share would be in non-metro regions, up from the earlier share of 26%.

In general several chains like Apollo, Fortis, Max, Aster DM, KIMS, Max Healthcare, Narayana, etc. are looking to expand into tier 2 and tier 3 cities, both via Greenfield (e.g., Apollo in Varanasi) and Brownfield (e.g., Max in Mohali) projects.

M&A

Large chains and PE funds prefer buying existing Tier-2 hospitals over building new ones, offering to revenue and lower execution risk. The top 20 groups control under 15% of the market, so consolidation has a long runway.

Standalone hospital acquisition could be good vehicle for non-metro deal activity. Over the last five years, 22+ standalone deals have been closed with an average value of ~330 crore for ~280 beds (avg.), with deal activity prevalent in the North, South, West & Central regions.

Some notable non-metro acquisitions include:

Acquirer	Target & Location	Value	Key Detail
Max Healthcare	Sahara Hospital, Lucknow (550 beds)	₹940 Cr	Intent was to enter into UP and target T-1/2 cities
Max Healthcare	Alexis Hospital, Nagpur (200-340 beds)	₹412Cr	Tier-2 & Maharashtra expansion
KKR (PE deal)	HCG Oncology: 54% stake	\$400Mn	Largest oncology platform deal. Hub-and-spoke model across 19 cities
Care Hospitals	United CIIGMA, Aurangabad (300 beds)	₹300-400 Cr	Maharashtra expansion; CIIGMA branch in Aurangabad

A defining feature of the deal cycle was also valuation re-rating. Standalone hospital deals historically closed at 8–9x EV/ EBITDA. However, with current deals are closing at 12–13x; a 40–50% expansion in the multiple indicate high interest in the segment post pandemic.

This is the multiple most Tier-2/3 acquisitions actually transact at, and it sits meaningfully below the 25–26x at which listed MSH chains now trade. That gap of 12x private Tier-2/3 versus ~25x listed is the core arbitrage that is driving strategic deal flow – especially from private equity players.

Conclusion

The Tier 2/3 opportunity is no longer speculative. Regional chains are growing at a faster pace than national ones, standalone

acquisition are seeing higher multiples, and real capital is flowing to non-metro to build/ acquire new hospitals. The key question left to figure out is how this cleanly converts to profits. Players who are able to make the model sustainable are likely to reap great rewards in the long run.

Three things are likely to help players become winners: right model selection, identifying one which allow scale & speed at low costs to meet Tier 2/3 nuances; clinical depth, where specialist and physician recruitment is a binding constraints for which attraction and retention mechanisms need to be built; and M&A discipline on brownfield investments where ensuring operational improvement is critical. The bed density gap will be closed over the next few years, the question is who will be able to do it right.

AI Infrastructure Landscape and Opportunities for Consulting Firms

Aaditya Prashant Mehar, IIMA'27, ex-IDFC First Bank

Investment and adoption of AI infrastructure worldwide are growing at a rapid pace - and the scale of growth is hard to dismiss. In 2024, U.S. private AI investment reached about \$109.1 billion, nearly 12 times what China committed at \$9.3 billion. Generative AI globally pulled in \$33.9 billion, up by 18.7% compared to previous year (Stanford AI Index Report 2025). Four major hyperscalers spent \$410B on AI-linked data center capex in 2025, up by 50%+ YoY, with the spend projected to reach above \$600B in 2026. Nearly 60% of enterprises report using AI agents in their organizations, with most just experimenting today, with plans to expand later (McKinsey State of AI 2025).

AI is no longer a fad, it's becoming real and is here to stay. Data centers, chips, and power infrastructure are being built out rapidly. The question is no more of whether capital will move this way. It's going to be about who is able to capture this value and reap the rewards.

India's AI Infrastructure: Investments & Policy

India has quickly emerged as a central hub for AI infrastructure investment. At the India AI Impact Summits in early 2026, ministers and industry leaders announced approximately \$200 billion in expected commitments for data centers and AI capital expenditure. Prominent foreign tech companies lead this initiative:

Google pledged \$15 billion to establish an AI hub in India, Microsoft committed \$17.5 billion for cloud and AI services, and Amazon aims to invest \$35 billion in digitization by 2030.

The government is supporting these efforts with meaningful policy initiatives. Data centers in GIFT city qualify for a 20-year tax holiday. IndiaAI Mission fund (₹10,371 Cr), has already operationalized 38,000 GPUs at roughly 30-40% lower cost than global levels, to make AI computing accessible and affordable for startups, academia, and the public sector. Commercial semiconductor production is expected onshore in early 2026 (Micron, Gujarat). Overall, India's AI infrastructure, from data centers to domestic chip manufacturing, is rapidly expanding, positioning the nation as a trusted hub for AI in the Global South. The ambition here is clear – position India as a trusted AI hub. The question is execution.

Demand Drivers and Infrastructure Gaps

India generates roughly 20% of global data but holds only about 3% of the world's data center capacity - a structural imbalance that defines the opportunity. This demand is further rising on both sides of the economy. In 2025, India ranked second globally in enterprise AI transactions. AI use in the public sector is also rising, with government programs employing AI for agriculture (such as crop forecasting), health (including imaging and telemedicine), finance, and more. Initiatives like AI-powered language translation (Bhashini) aim to include rural and multilingual populations. This combined public and private demand exceeds current supply. Deloitte highlights that India's "AI gap" flags a pressing need for new data centers and computing clusters.

While there are policies slowly being brought in to close this gap, it's critical to understand the key supply constraints that actually cause this, and which need fast resolution.

1. **Power, not compute, is the near-term bottleneck:** A single high density AI rack could draw at least 40-50kW of power – roughly ten times that of a standard enterprise rack. India's 500+ GW capacity, with plans for further expansion, might not be the constraint. Transmission and distribution of the same may be. Data centres can be built relatively quickly. Transmission lines, substations, and grid upgrades take far longer. Without well defined contracts, faster grid interconnection, and dedicated and reliable procurements, capital commitments might run faster than what the actual on-ground infrastructure can support.



2. **Talent:** A recent Bain & Company report highlights that India's AI sector could surpass 2.3M job openings by 2027, while the AI talent pool is expected to grow to around 1.2M only - highlighting the demand-supply mismatch and also uncovering reskilling opportunity. Furthermore, the scarcity is sharpest where it is needed the most: MLOps, systems engineering, and applied GenAI – are roles where the demand is strongest, yet the supply has to catch-up to provide talent with the right depth of knowledge.

The implication is clear: India's AI ambitions cannot be realized without a parallel push on infrastructure and workforce.

Consulting Opportunities in the AI Infra wave

The AI infrastructure wave creates a broad consulting opportunity - but the value is not evenly distributed. The difference between capturing premium advisory fees and being commoditized within two years comes down to specificity.

Energy & Site Strategy (Highest near-term value): The most capital-intensive questions currently being answered exist at the convergence of energy and technology - which sites to develop for data centers, where to source dependable energy, how to negotiate renewable PPAs and interconnection deals. Firms that integrate and provide energy advisory with technology consultancy services could command prime positions with data center builders, hyperscalers expanding into India, and domestic conglomerates making decade-long commitments

AI governance & compliance (high value): Adoption has outpaced regulation. Most organizations today lack formal AI governance structures. With India's governance frameworks maturing alongside global developments – OECD guidelines, EU AI act, India's DPDP act, etc. – consultants who build policy depth today, can build an edge combining this knowledge with organization and governance policy frameworks, to help organizations prepare themselves for the future.

Workforce transformation and talent strategy (essential): Any data center or AI deployment advisory that does not address the operating talent plan is incomplete. This means designing upskilling programmes, restructuring org models for AI-native operations, and in fact for consulting firms themselves to field full-stack teams across data engineering, cloud architecture, ML engineering, and DevOps, rather than bolting a few data scientists onto their existing practices.

Ecosystem integration and partnerships (emerging, high-potential): There is a significant opportunity in fostering collaborations between clients, hyperscalers, and infrastructure providers. For instance, the Tata-TCS-OpenAI partnership on hyperscale AI data centers reflects the growing demand for third-party integrators. As pointed out in an industry study, the need for integration of high-performance AI infrastructure in India has created new ways for channel partners to help customers integrate and manage AI applications. Consulting organizations can play an important role in building such joint ventures (e.g., with chip makers like NVIDIA, AMD, or telecommunications operators for edge computing AI applications) and help clients build their AI capabilities & infra.

Public-sector AI advisory (growing): With AI adoption rapidly growing, public-sector



organizations and the government are racing to build a supportive ecosystem as well as laws that control how AI is used. The IndiaAI Mission, state-level AI programs, sector regulators' AI playbooks, etc. are all taking place today and will continue to evolve. Consulting firms can provide advisory services to help identify the right opportunity domains, keep policies honest with global developments, and build the future path for AI embracement across countries.

While these are some budding areas in the AI wave, along with cloud & on-premise migration, AI lifecycle management, etc. Consulting firms are not the only entrants here. Hyperscalers are expanding captive professional services; Indian SIs like TCS, Infosys, and Wipro are selling directly into the same accounts. The firms that win will specialize, not generalize.

Building the Capabilities to Deliver

The skills required to capture this opportunity span both clients and the firms that advise them.

For clients, the priority is to set-up multidisciplinary teams who have the AI, infrastructure, and domain expertise. With AI entering healthcare diagnostics, credit decisions, and public welfare, training in safety, fairness, and explainability is operational, not aspirational. There is a need to inculcate the habit of ethical AI use. With evolving government regulation, building ethical knowledge in after the fact could rather prove extremely expensive for firms.

For consulting firms, the traditional model of deploying a team of generalists who learn on the job is unlikely to work – especially with AI projects. Firms that deploy data engineers, cloud architects, ML engineers, and DevOps professionals as a part of the core team might likely win better mandates. This flows in sync with recent shifts towards specialists within the

industry. Agile delivery and dedicated innovation labs are what will suit such projects better. The real differentiation comes from pairing AI expertise with genuine sector knowledge - knowing how credit risk actually works, or what drives length of stay in a hospital, or where the real bottlenecks sit on a manufacturing line.

At a national level, India's demographic base is a real advantage - a young, literate workforce that already underpins global tech. NEP 2020 is pushing computational thinking into school curricula, but there are more efforts that need to be made. Skill India's AI readiness courses are running in parallel and are a good start. However, the supply gap is large and government programmes alone are unlikely to close the gap. Private firms that run managed AI centres of excellence or structured training partnerships, providing capacity, not just advice could differentiate sharply.

Conclusion

India's AI infrastructure push is real, well-capitalized, and strategically significant. Even if only 60–70% of the announced \$200 billion materializes on schedule, the infrastructure investment is huge. However, capital alone would not close the gaps between the current state and future ambition. Power delivery, talent supply, and build the right data architecture are constraints that would determine execution speed and are areas where advisory work would be valuable.

The consulting opportunity truly lies in being able to help clients navigate the bottlenecks that are keeping their capex stranded, then being effectively deployed. Firms that have strong expertise, and bridge the gaps between tech and industry expertise, build depth in workforce architecture, and in regulations, are the ones that could truly charge the premium. The rest will likely compete on price.

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