The $1 Million Dilemma:

The GCC Build vs. Buy Financial Checklist

Strategic Lead Magnet for Growing MSPs & MSSPs ($5M - $30M ARR)

Introduction: The CapEx Trap

For growing MSPs and MSSPs in the $5M to $30M annual revenue band, scaling specialized talent (Tier 3, Cyber, Cloud) is mandatory for growth. However, pursuing the traditional route—building a fully-owned Global Capability Center (GCC)—is a classic financial mistake built for Fortune 500s.

This checklist forces you to account for the hidden CapEx, regulatory risks, and massive management overhead that cripples mid-market profitability. Our data shows that for your revenue band, the cost of building easily exceeds $1 Million in sunk costs and lost revenue over five years.

Use this checklist to:

1. Immediately calculate your unbudgeted CapEx risk.
2. Verify if your current TCO justifies the "Build" path.
3. Discover the predictable, asset-light OpEx model we call the GCC-Alternative.

The CapEx Barrier & Sunk Costs

These items represent mandatory, non-recoverable initial investments required to establish a foreign entity in India. For MSPs under $30M, these costs are typically insurmountable and crush growth capital.

Hidden Cost Category	Detailed Component	Estimated Cost Factor (Hidden)	Accounted For? (Yes/No)
I. Legal & Entity Setup (The Foreign Burden)			
1.	Foreign Direct Investment (FDI) Entity Registration (Private Limited)	Legal fees, Government filing fees, Stamp duties.	[ ]
2.	Transfer Pricing Documentation & Tax Policy Setup	Specialized fees for cross-border tax compliance (required).	[ ]
3.	Labor Law & HR Statutory Compliance Setup	Consultant fees for local PF, ESI, Gratuity, and employee contract setup.	[ ]
4.	Intellectual Property (IP)	Legal fees to register software,	[ ]

	Protection Registration	processes, and trade secrets in India.	
II. Infrastructure & CapEx Investment			
5.	Commercial Real Estate Lease Commitment (3-5 years)	Security deposit, legal processing fees, and mandatory lock-in period.	[ ]
6.	Facilities Build-Out (Fit-Out)	Furniture, physical security access control, interior design, office readiness.	[ ]
7.	Dedicated IT Infrastructure Hardware (Servers, Firewalls)	High-availability equipment, network segmentation devices, and capital expenditure.	[ ]
8.	Specialized VDI/Zero Trust Licensing & Deployment	Annual costs for secure virtual desktop infrastructure (VDI) per user seat.	[ ]

The Operational Risk Multiplier (OpEx Traps)

These are the recurring, non-service related costs and risks that increase Total Cost of Ownership (TCO) after launch, severely impacting profitability.

Risk Area	Operational Component	Annual Cost Multiplier (Hidden)	Operational Risk Factor
III. Human Capital Liability			
9.	Talent Attrition (High Churn)	Constant replacement costs, re-training time, and lost service productivity (10-25% annual rate).	High Risk to Client Service Continuity
10.	Dedicated Local Management	Salary and overhead for a high-cost Country Head and dedicated local HR Manager.	Management Focus Diversion
11.	Local Tax & Accounting Overhead	Ongoing external fees for transfer pricing	Regulatory Compliance Exposure

		maintenance and quarterly tax filings.	
IV. Security & Compliance Overhead			
12.	SOC 2/ISO Annual Audit Costs	Fees for external auditors to maintain Type II compliance and internal security staff time.	Reputational Risk of Non-Compliance
13.	Unplanned IT/Facilities Management	On-the-ground support for power outages, network failure, and physical office security.	Disrupts Service Delivery / Downtime

Strategic Conclusion

The TCO Verdict: Stop Building, Start Scaling.

If you checked more than five boxes in Sections A and B, the traditional GCC model is a financial and operational non-starter for your company. You are dedicating growth capital to foreign administration instead of sales and service delivery.

The MSP $5M - $30M Dilemma: You need the capacity and security of a GCC, but you cannot afford the cost or risk.

Introducing: Wednesday Technology; The GCC-Alternative.

We designed our partnership model to provide the predictable OpEx capacity required by growing MSPs, ensuring you gain Tier 3/Cyber talent and SOC 2 readiness.

Feature	GCC (Build Your Own)	The OpEx Advantage
Financial Model	CapEx-Heavy, High-Risk	OpEx-Only, Predictable Monthly Fee
Liability	Your Foreign Legal Entity Liability	Our Legal Entity Liability (We manage the risk)
Security Status	9-18 Months to SOC 2 Readiness	SOC 2 Type II Ready from Day 1
Executive Focus	HR, Legal, and Real Estate	Sales, Strategy, and Client Service

Your Next Step

Stop Calculating Risk. Start Booking Margin.

👉 We invite you to bypass the CapEx trap and instantly acquire the specialized talent you need to accelerate growth.

👉We offer a strategic, 15-minute consultation with our founder (and former Top 100 Channel Leader) to map your current TCO challenge against our predictable service model.

Want the Proof First?

👉 Download our Offshore Security Blueprint for a detailed look at the security and compliance architecture you inherit.