

DIGITAL, A GROWTH ENGINE

'Will focus on programmes what the Centre has said in the context of digital India'

Pradeesh Chandran

The Bengaluru-based Mindtree, for the last 15 years, has performed well as one of the promising mid-sized IT services players in the country. To gear up itself for the future, the company recently created two service lines and also made some internal leadership changes. In an interaction with *The Hindu*, Krishnakumar Natarajan, CEO, Mindtree, talks about the company. Edited excerpts:

With the financial year just ended, how do you see the journey of Mindtree in this year?

The year was really good and satisfying for us in terms of both in growth and some key client acquisitions, among many other parameters. I would say that the year was a distinct change from what earlier it used to be. As an organisation, we started realising that we are getting a lot of traction in the market by really leveraging our capabilities in digital. The changes we are doing within the organisation are really helping us to prepare for the future essentially for the next three-to-five year period.

What have you done to prepare yourself for the future?

Digital technology is playing a key role in the market. Market estimate suggests that organisational spends in digital in the next five years will be as high as \$225 billion. Digital is going to be our growth engine for the next

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3-4 years. Mindtree started as a digital company, and our belief is that in increasing digital spend, we can gain a much higher market share. We have created two new service lines called digital services and platform service group seeing the future.

What will happen to the traditional services and delivery?

My belief is that existing applications will continue, and that would not be junked. However, clients will start demanding far more cost effectiveness. I think automation and improving productivity of people will become the key in the delivery of traditional services. The incremental revenue will be more from digital. Clearly, over a period of time, some of the old client application will retire, and clients will go for a Software-as-a-Service (SaaS) applications, and we see our platform group gain significance.

How do you see the European market?

In Europe, we are building a client-facing team. We started late in the market, and some key positions

are being filled now. We have appointed the head of continental Europe business. We also have sales people in continental Europe. We will continue to invest in Europe in the coming years also. Our goal is to take the growth in this region at least to the company level growth.

How do you see the emerging markets such as Middle East and Australia?

Both Australia and Middle East are promising, and we are improving our presence in the Middle East. We are increasingly seeing a larger amount of tech-spend in that market. Australia is also a strategic market for us.

Mindtree was a part of Aadhaar project and after that you have not focused on India market. With the new government in power, do you have any plans for India?

We are re-looking at the Indian market. The more we look at this market, we see India as a promising market. Internally, the thought process is that we will start re-entering the market with a proper team and getting in a leader to drive that in terms of business. We will primarily focus on projects related to digital technology. The interesting thing what we are seeing is that a lot of Indian companies are going global, and for them digital technology is becoming very important. There are lots of talks about Digital India, but nothing concrete has come till now. However, we will focus on programmes what the government has said in the context of digital India.

What is your plan on achieving \$1 billion revenue target?

It is an aspiration, and I think as an organisation we have all the elements to achieve that. Our goal is to be the leader in the segment that we are focusing such as retail, CPG manufacturing, insurance and hi-tech. One billion revenues, to me, is an outcome of being the leaders in these segments. It is part of our growth.



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