

IT firms to ride on digital transformation wave in a post-pandemic world

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Information technology (IT) companies emerged as the biggest beneficiary of the new wave of digital transformation, with the pandemic acting as a catalyst for organisations across sectors to fast-track adoption of digital and cloud-led technologies to survive in the new normal.

Much of this digital innovation in emerging technologies, such as cloud, artificial intelligence (AI), analytics and big data, which saw unprecedented demand, is not likely to reverse even in a post-pandemic world. IT firms leveraged this digital boost, helping clients stay afloat following the coronavirus outbreak with technology solutions to operate remotely and efficiently.

Cloud, the most essential

component of the digital transformation, saw unprecedented adoption in 2020, with remote working becoming the norm. Infosys Ltd launched an end-to-end cloud offering, Cobalt, spanning services, solutions, and platforms to help clients build cloud-first capabilities, to address this growing demand.

"We are investing heavily into the growth of Cobalt with a continued focus on AI, automation, and cloud security to drive relevance in our clients' digital journey," said Narsimha Rao Mannepilli, head, cloud infrastructure and security solutions, Infosys. The company is seeing good traction in demand from retail, financial services, and utility sectors, following the accelerated shift to digital.

"The manufacturing sector, which was severely impacted by the pandemic, is now stabilizing and is moving toward cloud-led manufacturing,



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automation, and smart manufacturing to sustain and succeed," said Mannepilli.

The company's digital business grew 25.4% year-on-year and contributed 47.3% to its

total revenues for the October quarter. The deal pipeline of Infosys is steady and digital could contribute as much as half of its total revenue for the next few quarters, the com-

pany's chief executive Salil Parekh had said in a recent virtual meet.

Nasdaq-listed Cognizant Technology Solutions Corp. saw its digital revenue grow 13%

y-o-y, accounting for 42% of its overall revenue in the September quarter. The company aims to increase the share of digital to 50% of its overall revenue, chief executive Brian Humphries said in a recent interview.

This year, IT firms also signed many mega digital deals, reflecting the strong demand. Infosys signed a deal estimated at \$3 billion with German automotive major Daimler AG last week. The Indian IT

major will provide solutions to help Daimler deepen its focus on software engineering and establish a fully scalable on-demand digital IT infrastructure, anytime, anywhere. This follows the \$1.5-billion Vanguard deal that Infosys had bagged in August.

Cloud tech saw unprecedented adoption in 2020, with remote working becoming the norm

Wipro Ltd has signed a contract with German retailer Metro AG for an estimated deal value of up to \$1 billion, to drive Metro's transformation agenda, offering a complete technology, engineering, and solutions transformation programme, encompassing cloud, workplace, data centre, and network services, besides application development and operations to provide digital infrastructure.

IT firms have also taken the inorganic route to bolster their cloud capabilities. In 2020, Infosys made three cloud-related acquisitions, including Simplus, GuideVision, and Blue Acorn iCi. Cross-town competitor Wipro acquired leading Salesforce partner 4C, and Eximius Design, which pro-

vides solutions to build connected products in cloud, internet of things (IoT), edge computing, 5G and AI. Cognizant topped the chart this year with seven cloud-related acquisitions, including Code Zero, EI Technologies, Lev, Collaborative Solutions, New Signature, 10th Magnitude, and Inawisdom. The company has invested over \$1.1 billion this year alone to acquire capabilities in its key focus areas of data and AI, digital engineering, cloud, and IoT.

In 2021, hybrid solutions are expected to be the new normal, with firms adopting a hybrid multi-cloud architecture. "The next chapter of cloud adoption will be the ability to innovate with agility and respond to changing market dynamics and client demands. Build once and deploy anywhere will be the mantra," said Subram Natarajan, chief technology officer, IBM India and South Asia.