

## Win in the Flat World

### Think Flat

You can't run companies the old fashioned way anymore

– Nandan M. Nilekani

"We are making sure we have a whole crop of people who can take charge of this company over the next several years. It is reasonable to assume that leadership will be taken by new generation of leaders", says Nandan Nilekani, CEO and MD, Infosys Technologies

Nilekani believes that globally companies are going through a new challenge. "This challenge, in some sense, is similar to what companies went through a hundred years ago. It is a combination of demographics, emerging economies, globalization, technology, flat world and regulation. There is a fundamental change in the way companies are run today. You can't run companies the old fashioned way anymore"



Colleagues opine that leadership qualities come naturally to Nandan M. Nilekani, CEO and MD, Infosys. His task at the moment is to tread the fine balance between maintaining Infosys's values and culture while scaling the company's business to greater heights.

In an interview with CyberMedia News, Nilekani shared his strategy on how he plans to do this and also capitalize on the dynamic nature of the IT services business landscape.

***"We are obsessed with creating the longevity of the corporation."***

**Cybermedia:** What are you doing to build leaders for the future?

**Nandan:** Leadership development is something we are concerned with. We are obsessed with creating the longevity of the corporation. And about creating a company that goes beyond generations of leaders. When the current set of leaders are no longer there, how do we ensure the longevity of Infosys and continues to thrive, prosper, retain its value and culture, DNA. One of the shortcomings in India is that we don't create multi-generational leaders. So we are trying to do a lot in terms of building, grooming and empowering them and creating career plans for leaders. We are making sure we have a whole crop of people who can take charge of this company over the next several years. It is reasonable to assume that leadership will be taken by new generation of leaders. We have good leaders like Mohandas Pai, Srikanth Batni, Balakrishnan and others. I think we are making sure sustainability is there. That is a very complex exercise.

**Cybermedia:** Does Infosys intend to stick to services alone, or do you plan to expand beyond it?

**Nandan:** I think we should not knock what we do. The services business is very strategic, complex, sophisticated and has many business benefits. We are using the knowledge of business, processes, technology, consulting and creating solutions that make global companies more profitable and competitive. I think that's our strength. Our strength is in harnessing people, processes, technology and intellectual capital to create solutions that deliver our customers outcomes for their business. It may be through software, consulting or BPO. Whatever it is, at the end of the day, we look at it from the eye of the customer.

It is a big opportunity. You don't ask Intel why they produce chips. You don't ask Dell why they don't make Operating systems. In every business, every company chooses the playpen in which they wish to operate.

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**Cybermedia:** Do you believe the services opportunity is fairly significant and huge for you to continue doing this for the next 10 years?

**Nandan:** About 40 per cent of our revenues today come from services that did not exist five years ago. This is by no means a static organization. Everyday, we are thinking of new services, new offerings, new platforms, new IPs and new forms of operations on optimization. There is a constant churn of offerings.

Our point of view is that globally companies are going through a huge challenge. This challenge, in some sense, is similar to what companies went through a hundred years ago. It is a combination of demographics, emerging economies, globalization, technology, flat world and regulation. There is a fundamental change in the way companies are run today. You can't run companies the old fashioned way anymore. They have to use technology, process standardization, answer regulators in 50 countries and have to mine data to get profit. We call this whole thing 'Think flat'. Companies that think flat will look at themselves and think of changes to be made to be effective in a changed world. Infosys itself is an example of a flat company, because we operate in that model. So we are well placed to advise other people on how they can become flat companies. In the next few years, every industry is going to go through this turmoil. There is a role for a trusted partner who can provide advice, guide, provide consulting, technology and IP to help customers make the transition. So there is a huge opportunity.

**Cybermedia:** MNC IT services players are getting into the global delivery model game in a big way. How would you differentiate in this highly competitive arena?

***"Companies that think flat will look at themselves and think of changes to be made to be effective in a changed world"***

**Nandan:** I think global companies are coming here since their customers are telling them to come here. They are demanding this because what we brought to the industry was a disruptive solution. By pioneering and innovating GDM to its current level of sophistication, we brought in a way of service delivery that was faster, better, cheaper and innovative than the legacy way of doing this. In any industry, if there is anything that can give you faster, cheaper and better service, more innovative, it will substitute the old. In that sense, we are setting the agenda globally for how IT services should be delivered. Our customers, employees and investors have understood this. So we think global players who have done things the old way have no choice but to reengineer themselves to look more like us.

We think this is causing enormous disruption and turmoil. They have to figure out how to tackle the backend work, manage internal conflict and pricing tug of war. The model has caused a lot of internal disruption. It is like the innovator's dilemma. They have to untie and reconfigure the entire business model. In the mean time, we are doing what we have been doing better. We are going out into the market and expanding. They have to relearn the business.

Do you think the new generation leaders are ready to handle the challenge of globalization? Discuss at <http://blogs.infosys.com/thinkflat>

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