

REPORT REPRINT

Infosys aims to take the digital workforce from rule-based automation to AI thinker

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For Infosys, the whole concept of the digital workforce has come into being over the past year or so, driven by the adoption of automation and AI technologies. As automation becomes a key tenet of outsourcing contracts, the company's AI and Automation service line is growing.

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For Infosys, the whole concept of the digital workforce has come into being over the past year or so, driven by the adoption of automation and AI technologies. Under previous leadership, these technologies became central to all its offerings, and this remains the case under new CEO Salil Parekh for development and delivery of digital services, although there is movement away from the previous software product strategy. The AI and Automation service line within Infosys has about 200 customers, roughly two-thirds of which are still at the RPA end of the spectrum, reflecting the trend we see in the industry as a whole.

THE 451 TAKE

Under the leadership of Parekh, Infosys is re-establishing itself as a stable, trusted service business following the leadership change. The company has a strong technology vision upon which to build, and is now reasserting itself as a leading IT services company under the guidance of its new CEO. The opportunity around digital workforce projects is one that sees these two aspects of the company coming together to provide clients with the capabilities they require.

CONTEXT

Infosys' new CEO has outlined the four pillars of his strategy, and each one is underpinned by AI. The first is to bring together discrete services to address customer challenges around the scalability and agility of their digital capabilities. The second is to engage with the core services that have been running for a few decades and pull them into the hyperscale age. The third is to put modern training and education in place so that staff can reskill by taking advantage of mass open online course (MOOC) techniques. And the fourth is the urgent need to localize service delivery in the markets within which Infosys operates because, as delivery cycles shorten, it is important to have on-site, nearshore delivery hubs alongside offshore centers.

For global delivery, Infosys is moving from a two-tier to a three-tier model of delivery, with a seed team onshore, a SWAT team nearshore and then the offshore global delivery network. While the traditional offshore model relied on staffing the bottom of the pyramid from new graduates in India, with projects led by senior people local to the customer, now Infosys is moving to a model where it needs a complete pyramid of talent in each country. Competencies will be developed centrally and then delivered using a federated local approach.

To help build this approach the company is pursuing partnerships with academic and research institutions in the West. For example, Infosys recently announced a partnership with the Rhode Island School of Design to develop a design-accelerator capability so that students and clients' employees can work on challenges together. Infosys also has a training partnership in place with the school to upskill designers.

STRATEGY

Infosys has a central AI and Automation service line that seeks to partner directly with customers and then bring in different groups within the organization based on client needs. Automation is only part of the service line's service portfolio. Typically, Infosys begins by implementing RPA at the beginning for deterministic process areas and then finds that networks evolve to weave in increasingly more sophisticated interventions by applying cognitive and machine learning technologies.

In this way, Infosys can go beyond cost take-out and efficiency drives to look at more inspired goals concerning compliance issues, optimized decision-making, and improved employee and partner experiences, which add business value and growth.

While most management consultancies have an arm dealing with the development of digital workforce strategies, Infosys finds that they do not get companies to a point where the systems integrator can simply plug in a solution. Rather, the consultancies are most successful at highlighting areas that require attention as part of an organizational readiness project. Typically, HR and F&A are the areas selected to begin with workforce automation. Infosys then usually gets involved in driving appropriate enablement for an at-scale adoption, which involves doing a final, more pragmatic rethink with the client.

Infosys itself has internally rolled out an AI-enabled HR process using RPA, chatbots and AI, and in this scenario in particular, it can provide a map for the 12-18-month journey that the customer needs to undertake. For these projects, the company's consulting partner is its own HR team to support a 6-12-week exercise in diagnostics with the client to determine what plug-in solutions and data sources to use.

Infosys has also begun to offer automation on a pay-as-you-go (PAYG) model within discrete BPO projects as contracts in this sector move away from fixed-price agreements. In one such project, Infosys is working with a customer that is using Automation Anywhere as its RPA platform and has set up an internal automation CoE led by a business executive, supported by IT and operations. For this customer, Infosys has a seed team working with the automation CoE to manage the continuous software backlog and demand management across RPA. The seed team is there to question what should form the basis of the automation cycles that the customer company should embark upon. This team is flexible in size and operates on a PAYG model – the implementation for each project is demand-based.

Infosys also works with captives in India that bring their own licenses to the project. Infosys then works with the RPA vendors to support this.

The company finds that the automation-adoption cycle tends to begin with task automation, and then moves to process automation in areas such as HR and F&A. The next stage would be to use intelligent automation to reimagine the business, but very few customers are yet at this advanced stage.

SERVICES

The Infosys AI and Automation service line has five main types of offerings. It provides AI and Automation strategy support (to help the customer set up the roadmap to establish a digital workforce) by providing diagnostics tools and maturity models to identify the customer's start point and the stages of the journey. It then offers a 'Business Rethink' to properly understand what AI can do for the customer. The past couple of years have seen a lot of experimentation, and business stakeholders have often become overly focused on technology, whereas to establish a proper context for the project there needs to be an understanding of the business problem to be addressed in an entire process area. This understanding may begin with RPA and then incorporate chat bots and AI. Infosys also has a range of discrete business solutions that can help in this stage in areas such as procurement, supply chain and loan loss mitigation.

Infosys also offers a 'Technology Rethink,' so that the fundamental changes that are needed in the application landscape and infrastructure can be assessed. In order to be successful, the project needs access to data-wrangling skills and data itself. Infosys pulls RPA and BPM together to create a digital process automation capability, and then it plugs in human-intervention steps, taking advantage of tools and technologies in the market. For example, it can create a contextualized platform using Google TensorFlow or Kofax for OCR. It stitches these types of technology together to service customer requirements.

Once bots have been deployed, the next Infosys service offering lies with managed project delivery in the operational context. This is where the company can provide value at scale, working within shared service centers or within BPO contracts. For these types of ongoing managed projects, the rollout of a digital workforce strategy is not mature enough to appear yet, but the target level of automation is now becoming clearer in the reimagined operational landscape. In particular, automation is growing as an offering in internal shared services or outsourced functions where Infosys is being asked to come in to deliver as a service using the BOAT model to build, operate, automate and then transition a service, as opposed to the old Build Operate Transition model.

Infosys also offers AI Automation training as a discrete initiative to help organizations harness the development of the competency across the organization. This is important for defining the appropriate metrics as human work is augmented and amplified by the digital workforce, especially because, over time, what constitutes a good human employee will change. There is also a lot of bot support work that needs to be conducted to ensure that bots are monitored, that risk is mitigated and that there is a business continuity plan in place if a bot fails.

COMPETITION

Although the management consultancy businesses are present in the automation market, such as Deloitte, EY, KPMG and PwC, Infosys operates at the next level in terms of pragmatic business implementations, and does not compete directly. Consultancy-led businesses such as Accenture, IBM and Capgemini are potentially in a strong position because of their mix of operational and consultancy skills.

When it comes to intelligent process automation, the closest competitors to Infosys would include Accenture, Atos, Capgemini, Cognizant, DXC Technology, Genpact, HCL, IBM, NTT DATA, TCS, Tech Mahindra and Wipro.

SWOT ANALYSIS

STRENGTHS

Infosys is building on its technical vision of the future, which places AI and automation right in the center of its business development. While the new CEO seems far less enamored of the software platform business that Infosys has developed, he is building on new technologies such as AI to reimagine the Infosys business.

WEAKNESSES

Following the leadership change, Infosys needs a period of stability to reassure customers and prospects. To do this, Parekh is looking to promote business continuity without rocking the boat.

OPPORTUNITIES

Infosys had already created a competitive edge around its BPM, RPA and AI technology capabilities via its Amplify framework, which provides an approach for enterprises looking to scale their digital workforce, taking them from rule-based automation to AI thinker in areas such as HR and F&A.

THREATS

The level of hype around RPA, which a number of consultancies are riding as they see automation practices grow, could soon create disillusion as the next phase of operational delivery stalls around aging application landscapes and infrastructure estates.