

Analyst Meet 2019

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Operational Excellence in a Live Enterprise

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Good afternoon and a warm welcome from my side.

I will spend most of my time in this session talking about some of the transformational initiatives we have taken in the last few quarters to drive operational efficiencies.

This is the safe harbor clause

This is a brief snapshot of some of the key operational parameters. As you can see, most of these parameters are stable and in a very narrow band. We had concern around attrition for some time but in the last quarter we have seen some progress and improvement in attrition on the back of some of the interventions that we have made. Attrition has dropped by 200 basis points from 19.4% in Q2 and voluntary attrition is much lower under 18%.

Similarly on onsite ratios there is a 50 bps improvement, it is 28.2% and is one of the lowest we have seen in several quarters. Utilization has also improved by 180 basis points to 84.9%. So most of the operating parameters seem to be in a very stable and good range.

As we are navigating our plans into becoming 'Live Enterprises', we have also started taking a deep look at our own internal transformation, our own ability to sense, to understand and to react to changing market dynamics. We started this journey with the following key objectives, we said agility and speed is important. While we a 200,000 people company, we need to have the agility and speed of a start-up. We need to have the ability to respond to changing situations in real-time with almost zero latency. We need to have better ability to tap into various ideas that are resident ideas, thoughts within the organization in a much better way so there is always a constant flow of ideas. We want to make sure that we collaborate well so that we bring the best of Infosys to our clients. We also want to focus on automation in everything we do, so that people can focus more on dealing with clients, dealing with their own people and also spending time updating their own skills.

In the last two quarters, we have looked at all aspects of our business. We are 'reimagining employee experience' through digital mobile app and computational and design principles. We are 'reimagining business process' using sentient principles. We are also 'reimagining the ecosystems' by embedding Artificial Intelligence & Automation into the Enterprise Cloud so that we evolve as a learning organization and we are able to react to some of the insights and inputs that we get on the changing market dynamics.

As part of 'reimagining the experience', we have optimized over 100 plus applications into four mobile apps. Today, all key transactions and services are available on these four mobile apps on the go and we have seen tremendous adoption of this. More than 45% of the critical transactions in the last two quarters have been enabled through the mobile app. One of the things we have done is, we have simplified employee on-boarding. Over 30,000 new employees have benefitted from using our launch pad applications. This makes on-boarding simple, paperless and we handhold the new joinees even before they join and the joining formalities. We are seeing significant adoption of this.

Similarly, we have talked a lot about our next generation learning solution 'Lex'. We have over 200,000 people using Lex today. We have 850 courses available on Lex and on an average, we have found people spending about 40 minutes every day learning through Lex.

The third application Infy Me is a personal productivity app. All these transactions that an individual does on a day-to-day basis, it could be applying leave, it could be filling their work sheet, it could

be uploading contract documents, it could be filing for travel requests and so on, today they have the ability to do it through Infy Me app. Likewise one of the new things we have started developing is Infywork. So some of the complex transactions, which will involve teamwork, which involves project management will be enabled through Infywork and that is still in the works. So net-net we are seeing a tremendous adoption of these mobile apps that we have created and over 40% of the transactions today are transacted through mobile apps.

When I talked about this app, we have developed this app as platforms in a very modular way and we have developed this using open source technology. We have also architected them in such a way that they are able to scale using cloud native technologies. One of the advantages of doing this is that some of these apps are relevant to our clients as well and it is possible for us to sell these apps to the client. We have already seen the success of Lex. We launched the Infosys 'Wingspan' about a year back on the basis of Lex and today we have more than a dozen implementations. Likewise, we are seeing a lot of interest in Infy Me and some of the other apps. So the fact that we have developed as platforms gives us tremendous opportunity. In fact, in our client event in September in US, we launched the 'Live Enterprise' suite of application, which was fundamentally driven by this app.

One of the other things, we have done is we have built this app through components and all these components are resident in our own service store. The other thing that we have done is we have also built telemetry into each of this apps. We have good level of observability. So whenever someone is using the app, we can look at not only the usage of the app but also the user behaviour. This gives us powerful insights to figure out what features are working and what are not working and what do we need to do to enable greater adoption. The other thing that we have also started doing is, we are creating what we call an 'Infosys Knowledge Graph'. We are mapping all the knowledge that is resident across the organization in various silos. We are linking them together in real-time. If you are able to bring in Automation & AI on top of it, then it is possible for you to orchestrate some of the insights. As and when some events happen, it is possible for you to orchestrate and give meaningful insights and for you to act on this. So that is the journey we have undertaken in terms of enabling the platform.

On the talent side we have relooked at all our sets of work, workforce and workplace. We have created digital tags. These are tags which indicate specialization from next generation technologies like Blockchain, Cyber security and so on. For people to get this tag, they have to complete a learning path. They have to get certified and work in this technology for six months. We have already created about 38 such skill tags together and we have seen a very good adoption. We are also redesigning job roles at middle management levels on the basis of skills. These are specializations either in domain or technology. We have also started creating bridge programs which gives an opportunity for people to pursue career in newer areas like if someone wants to be technical architect or a power programmer, we have placed all these bridge programs which enable people to transition into those career opportunities.

At the middle manager level, we are looking at creating a skill index. This is basically a measure of person's skill, experience and knowledge and it is a single composite index, which gives you the ability to see who is good in what skills. We have also started focusing on lot of employee mobility. We are opening up jobs in our internal market place. We are encouraging people to apply. We are removing restriction for people, rotating out on some projects and so on. So we are creating a vibrant ecosystem where we are giving opportunities for people to skill themselves, take ownership of their own growth, giving them opportunity, exposing them to all the opportunities that are available and enabling them their rotation so that they are able to hone their skills and able to work in technologies of their choice.

I briefly touched upon the Infosys Knowledge Graph. Just to repeat, all the transactions that happen between people, between employees, customers, partners and even devices we are now

capturing all this in real-time and we are calling it Infosys Knowledge Graph. In some sense, we are also calling it as a Digital Brain of the enterprise. As I said earlier, using AI and Machine Learning techniques, we are able to get meaningful insights. We are able to use these insights to improve the business processes, making them more efficient, creating newer opportunities and so on. These are some of the benefits that we have seen through our process optimization. We have digitized the recruitment process. Now we have speedened up the entire lifecycle of recruitment, right from assessment, interview as well as placement. In our background check process, we have seen 50% improvement. With the result, the time taken to fulfil is much faster and this is translating into higher revenues.

Similarly, the other thing that we have seen is the project infrastructure set up used to take a long time. Using this technique we have been able to bring it down significantly by 90%. There are many such examples but these are some of the outcomes we are seeing through some of the business process optimization that we have undertaken.

We are also seeing massive embrace of Agile and DevOps in the enterprise. In the last two quarters, we have significantly invested in developing and scaling our own Agile and DevOps capabilities. We have a massive enabling program. Today about 88% of people both across delivery and sales are enabled on Agile. We have created our own DevOps platform, which we have open sourced. In the recent DevOps industry forum, we won five awards which is the largest award won by any DevOps platform. We are also investing in lot of third party tools, open sourced tools. We have also created some customized framework for different types of DevOps and Agile work. There are 15 plus frameworks available.

We are also articulating our Distributed Agile methodology. It is getting good traction in the market. This is about bringing the best of agile practices and the best of Global Delivery Models and the fact that we are also investing in this local innovation app is a powerful thing in terms of positioning our Distributed Agile and we are seeing good traction. We are also transforming the work places. All new work places are agile ready and we are also in a very phased manner converting our existing work places into agile ready workplace.

We are focusing on automation in a big way, Nandan and Salil talked about it. We are focusing on automation in everything we do. Our approach to automation is not only to automate the stuff we do internally, but also automate the work we do for our clients. This is one of the reasons why we have been able to counter the commoditization that we are seeing in the run side of the business. We have seen tremendous success and that allows us to be competitive and go after large deals. The mantra we use when we look at automation or anything that we do is Eliminate, Optimize and Automate. The first focus is to look at the task at hand and see whether we can eliminate it. There are many redundant steps in a particular process that can be eliminated. Can we look at the root cause and fix the root cause? That is the first approach. If we are not able to eliminate, then we will start looking at optimizing so that the process becomes much efficient. We use lean techniques here to help us in the optimization. Finally, if we are not able to eliminate, the optimized staffs are then finally chosen for automation. We have seen about 22% efficiency gains in the applicable projects where we have used this approach. We have also seen about 17% of FTE, repurposed who we have been able to release from current projects due to automation & lean and we have been able to repurpose in other projects. We are also creating a bot factory where we are able to deploy bots to do some mundane work, respond to queries, do some health checks and so on. So a lot of focus on automation and it has been one of the successes in the last few quarters.

So as you can see we are trying to reinvent ourselves, so that as an organization we are able to operate and innovate like Digital natives. I will just leave with a small video to show some of the things that I have been talking about. You will see more of it in the living labs later in the day.

Thank you and over to you Nilanjan!