

## **Analyst Meet 2019**

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### **Winning Large Deals**

#### **CORPORATE PARTICIPANTS:**

**Mohit Joshi**

President and Head – BFSI, Healthcare and Life Sciences

**Mohit Joshi**

I have 15 minutes to give you a broad sense of our sales transformation agenda and then talk specifically about the large deals program. If you think about in terms of stats, given the fact that over the past 12 months we have done about \$9 bn large deals. So, it approximate to roughly about \$600 mn for every minute of my talk and \$10 mn for every second that I will be on the stage.

Now to talk about the broad sales transformation agenda and then we will dig in specifically into large deals. The overall sales transformation program that we have, there we made a sizeable investment that Salil mentioned over the past 12 to 18 months, focused on three specific things that we wanted to achieve from a results perspective. The first is obviously large deals and we will be talking about the metrics for large deals but there is also a significant focus on account expansion. This is a focus on our strategic accounts, our largest accounts and what is most important for us here is to get a level of strategic relevance for the largest companies in the world. The focus also is on making sure that we increase the number of large accounts that we have, we want to focus on increasing our market share in these clients, we want to focus not just on performance as measured by account growth or account profitability or strategic deals but we also want to focus on health. We want to focus on making sure that for large accounts that we have the right account structures, we have the right delivery teams and place. So this is significant portion of our sales transformation agenda.

The third focus from a market positioning perspective is on new account openings. We want to make sure that we do a much better job in terms of hunting and hunting for new logos. We want to make sure that the proportion of the revenue that we get, both in near term and over the long-term increases, we want to make sure that the accounts that we are opening are our priority accounts. We want to make sure that hunter compensation and compensation across the board for sales teams is very clearly linked to outcomes that we want to drive towards, which is opening priority accounts, increasing the net new on long-term revenue we get from these clients. So these are the three market facing strategies from a sales perspective and obviously to achieve these, we have been well focused on changing the nature of the sales organization within Infosys, which is to focus on recruitment, what kinds of people, what kinds of skill set that we want within the organization and then making sure that people that we have we have an extensive program of training and reskilling to enable the organization. So while I will be talking here today specifically about large deals, I just wanted you to know that the overall sales transformation program has a much more ambitious agenda.

Now we have spoken about large deals when we met in April of last year and what we said is that our thinking around large deals what we deliver to you on a quarterly basis in terms of winning total contract value, is really a multiple of two things, it is a multiple of the pipelines, how are we able to drive a much larger funnel, how are we able to drive a much larger pipeline and over here the focus is on direct sales but also making sure that we will be reaching out to the channels, making sure we are working very closely with advisors, with influencers, with private equity firms and almost everybody who can help us increase the size of our pipeline and the second focus is on improving our win rates.

If I look at the first 6 to 9 months of the program, it is easier to influence the win rate first because the funnel takes a longer time to build up. So for the first nine months we were focused on improving our win rates to improving our processes, making sure that we had a very clear and credible strategy for every single deal, making sure that the involvement of the senior leadership team is very high, making sure that quality of proposals was uplifted. But over the past six months or so, we have now pivoted to making sure that we are equally spending time on building on a pipeline and specifically creating a very large proactive deal pipeline for the entire organization. So this is the strategy and like I mentioned in the context of new account opening, in the context of

account mining, we have a very clear internal targets for each of the metrics that I speak to you about today.

The first thing that we really did was to build a centralized team of experts and this is important for us. We realized that if we build this team then we can get into almost a rinse and repeat model. Historically, we had a significant expertise in closing accounts, in closing large deals within accounts. So we have some of our largest client partners and they have a significant amount of experience in closing these deals but that knowledge is really lost on rest of the organization. So creating a cadre of deal directors, people who have worked on billion dollar plus deals, making sure that within the organization they are the face of Infosys to our clients and that they are taking their expertise won from a single deal into multiple deals. So the centralized group of deals directors was created.

We made sure that the influencer team that we have, the one that works with the analyst firms, the team that works with private equity firms, that they are focused on large deals because historically they have been focused on a number of things, they have been focused on getting our messaging out around geo expansion, they are focused on our messaging around digital, we wanted to make sure that this team is also focused primarily on our large deals agenda.

We built up the large team to supplement our legal team of negotiators because we realized that in the context of our large deals, you can sometime have fairly sharp discussions to the customers and we wanted to make that we shielded our client services team from these discussions and that the legal expertise from the pricing expertise was available in the centralized team.

We expanded our knowledge portal. We made sure that our presentation increasingly has a lot more show and a lot less tell. So building interactive auto price, building specific materials and specific collaterals for large deals, making sure that every single large deal whilst templated to a degree, that we are bringing something creative and eye catching. Of course every single transaction was important and this is the people investment that we made, this is the global team of experts that we built and I feel that now that we have got the wheel turning, the cumulative benefits that we will get from this in the future will be significant.

We have also started investing significantly in creating proactive large deals schemes and this is important. This is important because we are building out industry specific vertical themes and what you see over here is a smattering of our agenda across multiple industry routes. In our business a lot of things are horizontal so Ravi will be talking about the Cloud, previously Pravin had spoken about the fact that we have invested heavily in AI and Automation from an application maintenance perspective, but we want to make sure that for each industry, if I take financial services for instance, we have a clear focus on wealth management, we have a clear focus on lending, we have focus on core transformation. Within our telecom business there is focus on 5G, within utilities there is focus on grid modernization and indeed grid decentralization. Karmesh and his team in the consumer business have been focused on the opportunity that we have, for digital transformation around the S4 conversion that we are seeing in many of our clients. So we are building out specific themes that we can take to our clients around key business issues and these themes take the form most simplistically of a point of view that we build. But building on that we have accelerators that are industry specific and in some cases we are even looking to see if you want build platforms around the key industry opportunities that may be there for us. This is again a significant proactive investment from us and will help us increase the size of our funnel and as Salil mentioned makes us much more strategically relevant to each of our large clients.

We have been trying to make sure that we build culture of a team. There is winning consistently in the marketplace. This word cloud that you see here, this actually comes from a specific feedback that we have taken from our clients and specific feedback we took from deal advisors for all the deals, the deals that we won, the deals that we lost on what it was within the Infosys proposition

that made them select us and you will see number of things, you will see responsiveness, you see localization, you see a strong delivery organization but the key thing that came to the core front was trust.

Over time, we have built the identity as an organization that has execution excellence. I think over the past 18 months, we have also built an identity around our organization that can help our clients deal with digital disruption and the example that I will be talking about a very client specific example should hopefully give you a better flavor of this word cloud.

When we look at our large deals and we try to analyze about the key things that we had done within the last 18 months to drive a much larger TCV. I think senior leadership commitment is a critical thing everybody in the organization with Salil, with Pravin, now Nilanjan, me, Ravi, Karmesh, we have all been involved in the large deals since inception. I think this is a key differentiator. We see many of our peers where senior executives get involved at the level when it comes to providing organizational commitment. We have been involved in large deals from the inception so that the client is aware that we have worked through the lifecycle of the deal and I can tell you that in many deals that we have won this has made the difference between winning and coming second.

I have spoken about the transformation solutions that we built, the investments that we made in building out the significant partner ecosystem so that now we have a client formation that goes together for our large deals rather than Infosys individually. We have been creative in the deals that we have structured, we have spoken about the joint venture model where we signed on three joint ventures with Temasek, HIPUS and Stater. There is a comprehensive strategy and there are some key elements that have resulted in our wins. I think the growth trajectory is very obvious, like I mentioned \$600 mn in TCV for every single minute I am on the stage, 77% increase in overall signings for the first-half of this year and this is on top of the fact that we have been more than doubled last year in our win TCV so in the growth trajectory the numbers speak for themselves.

Another important point is the diversity of the deals, if you look at the kinds of deals we won on the extreme left hand side. I just want to point out a couple of flavors for your attention. If you look at the public sector wins, this is very new for us. Historically, we have not been a major player in the public sector space and large deals in a public sector context are something we have not done. We are now bidding for and winning public sector deals across the world, in the US, Indo-Asia pacific region, in Europe and I think this is the key thing that you will see in the future. If you look at IT as a service and large group IT takeover what this really means is we have always done this for a larger firms, for the large banks, for the large insurers, for the large telcos but now we also doing it for the medium sized firms that are essentially giving us all of their operations and technology to run as a platform.

Ravi will be talking about the cloud, and the cloud has been a very significant component of our win agenda. Every single infrastructure deal that we have bid for and won in the past 12 months has had a component of a virtual private cloud on a public cloud. If you look at the distribution across sectors, it is a healthy distribution that largely reflects our revenue profile. If you look at the distribution across geographies, North America is clearly predominant but look at Asia- Pacific, the Asia-Pacific share that we have of large deal is actually larger than our revenue share from the geography, so this is a high-growth geography and I expect that you will see this trend continuing.

I just want to talk about a significant deal that we won. This is over \$300 mn in TCV for a large American healthcare client and the deal really had three components, there is a component of application development, there is a complete apps takeover and there is an infrastructure component of the deal. Now all three were three separate RFPs and I am happy to say that we won all the three. There are many factors, clearly we had a commercial proposition that was attractive, clearly we had a level of commitment from all of us in the organization and clearly there

was a solution that was robust. But importantly I think we took the time to understand the client's agenda and the client was very clear that they were looking at this as a significant market enablement. They were concerned that technology was holding them back from a meaningful cost reduction, the fact that we have to achieve not just operational matrix but clearly medical management matrix. If you look at any peer firm, right if you look at any insurer, the benefits that they can get from doing medical management much more sustainably is much higher than any cost savings or operations savings that you can give for them. So to that extent the work that we were doing to improve for instance the auto adjudication, to improve the pre-authorization process, to improve the revenue adjustments that they have to make, was much more meaningful for them than our Automation or AI for instance and clearly having this comprehensive story which included our infrastructure transformation or move to the cloud, really reimagining of their entire medical management processes, helped us to win all the three RFPs within this client and effectively become the dominant partner for them for their technology and operations.

Finally, the future is changing and I believe that we have a well-defined and successful approach to the large deals business but clearly we will be tweaking it as we move to the future. Nandan and Pravin both spoke about the live enterprise. This is going to be a key technology differentiator; I believe for us the fact that we have specific recommendations about the tech stack of the future are going to be very attractive to all of our clients as they look to give us large deals to modernize their platforms. The fact that we have a very successful localization story with specific physical locations in the US, in Europe, in Asia-Pacific that we can take them to it is going to be a key differentiator for us.

Finally I feel that the learning piece is something that our peer groups has not emphasized enough and this is a significant differentiator for us. I was in Asia-Pacific for a large deals pitch yesterday and our pitch around the capability uplift that we have brought to our organization and the capability uplift that we can bring to their organization and their communities is resonating strongly. So clearly the work that we done around people, the work that we have done around building a winning culture, the work that we done around incentive alignment and senior management focus has worked and as we introduce new alignments like localization, live enterprise, and learning capability, I am confident that we will be looking at a very successful future for this team and for the company.

Thank you.