

# INFOSYS BPO

**Amitabh Chaudhry**

*Infosys BPO – Chief Executive Officer*

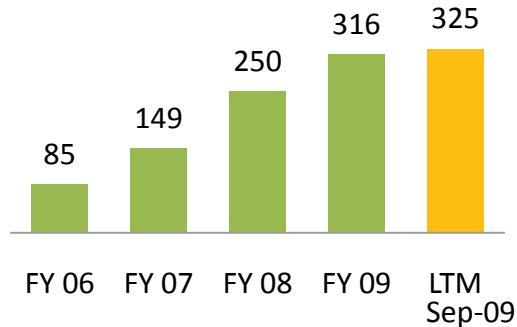


# Safe Harbor

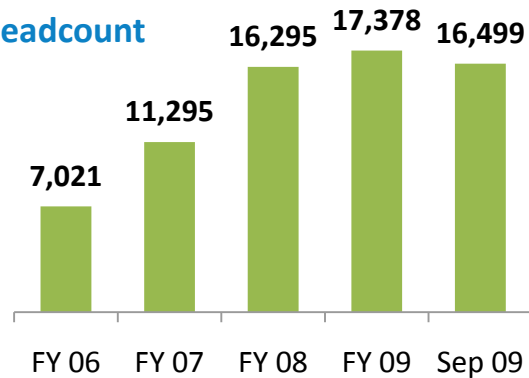
Certain statements made in this Analyst Meet concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2009 and on Form 6-K for the quarters ended June 30, 2009 and September 30, 2009. These filings are available at [www.sec.gov](http://www.sec.gov). Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

# Performance snapshot

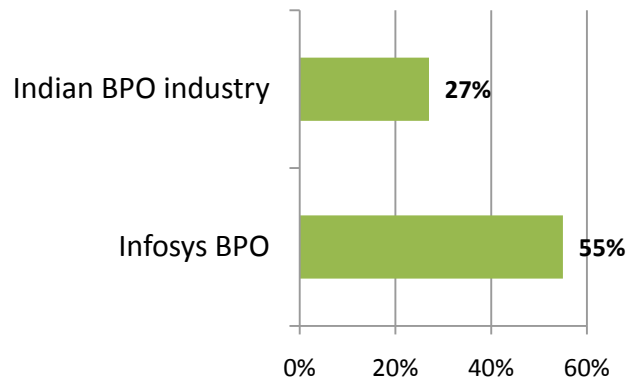
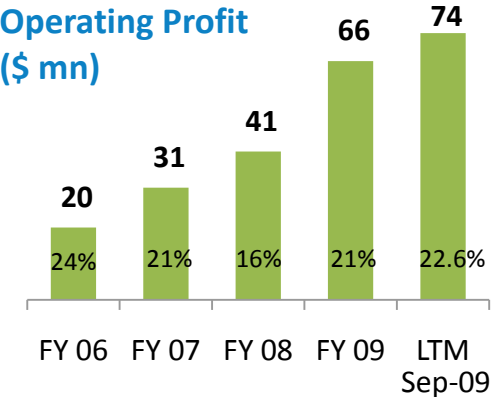
Revenue (\$ mn)



Headcount



Operating Profit (\$ mn)



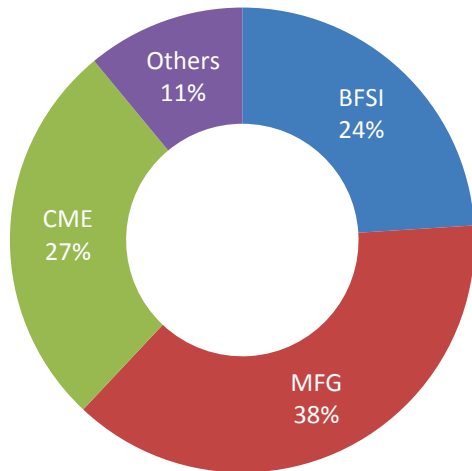
**Revenue CAGR (FY 06 – FY 09)  
Grew at twice the industry rate**

\* Source: Gartner Competitive Landscape

- Contributes to 7.1% of Infosys revenues (LTM Sep-09)
- Most profitable BPO – net margins of 22.3% for H1 FY10
- 25 languages supported, delivery from 11 cities across 7 countries.
- 65% clients present in more than one service line
- 22% revenue from International centers. 25% clients being served in more than 1 International center
- 5% revenue from onsite (consulting, discovery, transition)
- 15% of revenues from high-value services (Knowledge Services, Procurement, Platform)

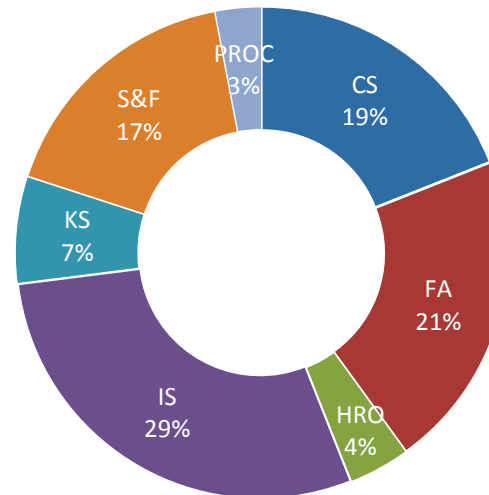
# Business portfolio

Revenue by Industry

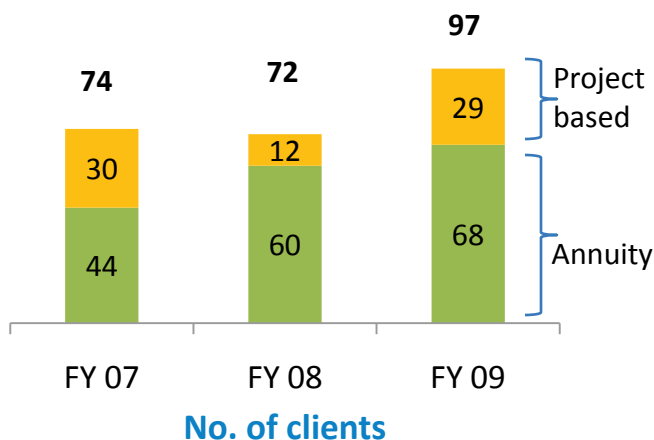


**BFSI:** Banking Financial Services and Insurance  
**CME:** Communications, Media and Entertainment  
**Others:** Retail, Publishing, Energy & Utilities Services  
**MFG:** Manufacturing

Revenue by Offerings

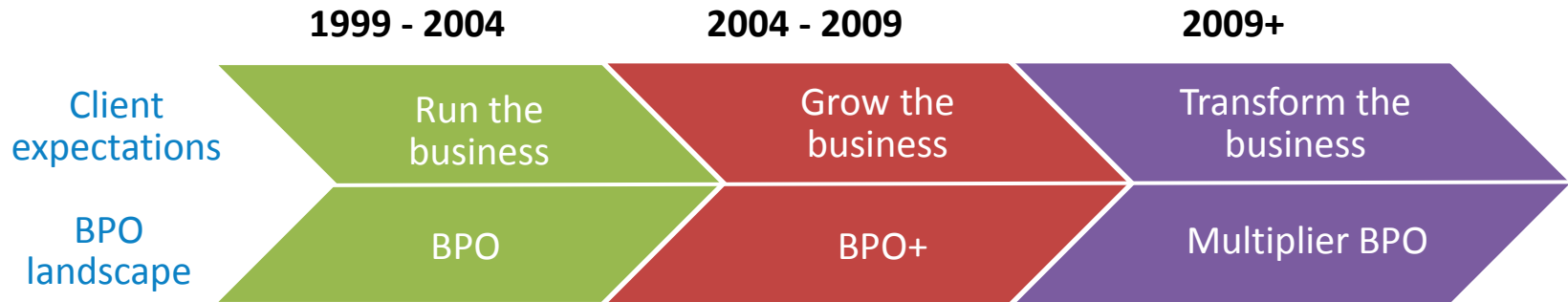


**CS:** Customer Services  
**FA :** Finance and Accounting  
**HRO:** Human Resource Outsourcing  
**IS:** Industry Solutions  
**KS:** Knowledge Services  
**S&F:** Sales & Fulfillment  
**Proc:** Procurement



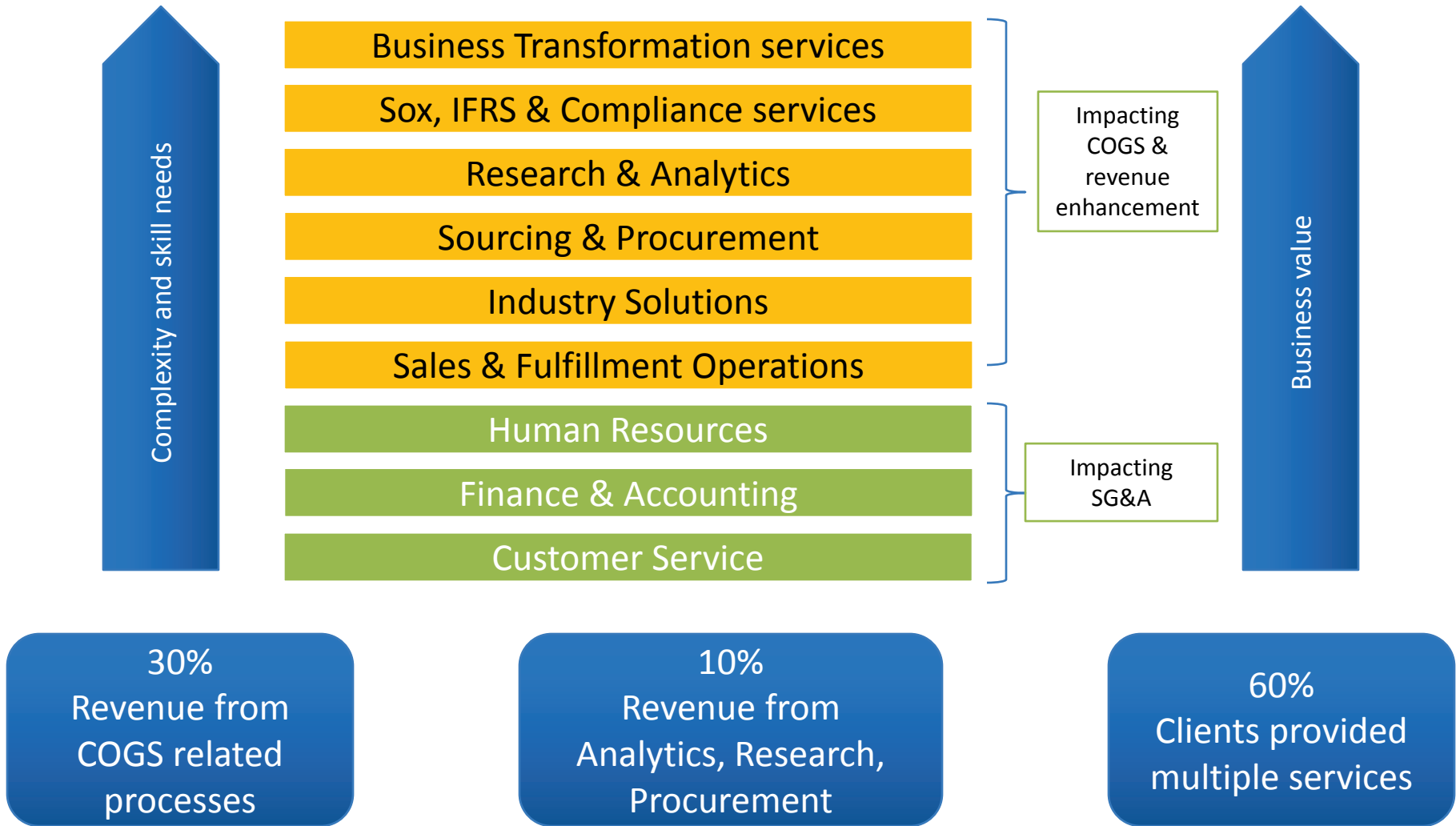
- F&A continues to be the biggest opportunity, Procurement and Platforms picking up
- BFSI, Communication, Manufacturing stabilizing. Publishing, Media, Retail, Energy & Utilities looking good
- CoGS and Revenue enhancement related offerings (Industry Solutions, S&F, KS) provide high value/price opportunity
- High focus on organic growth. Making proactive investments with existing clients to grow the business
- Breakthrough in few emerging markets (Australia, Japan, India)

# Evolving BPO landscape and our strategy

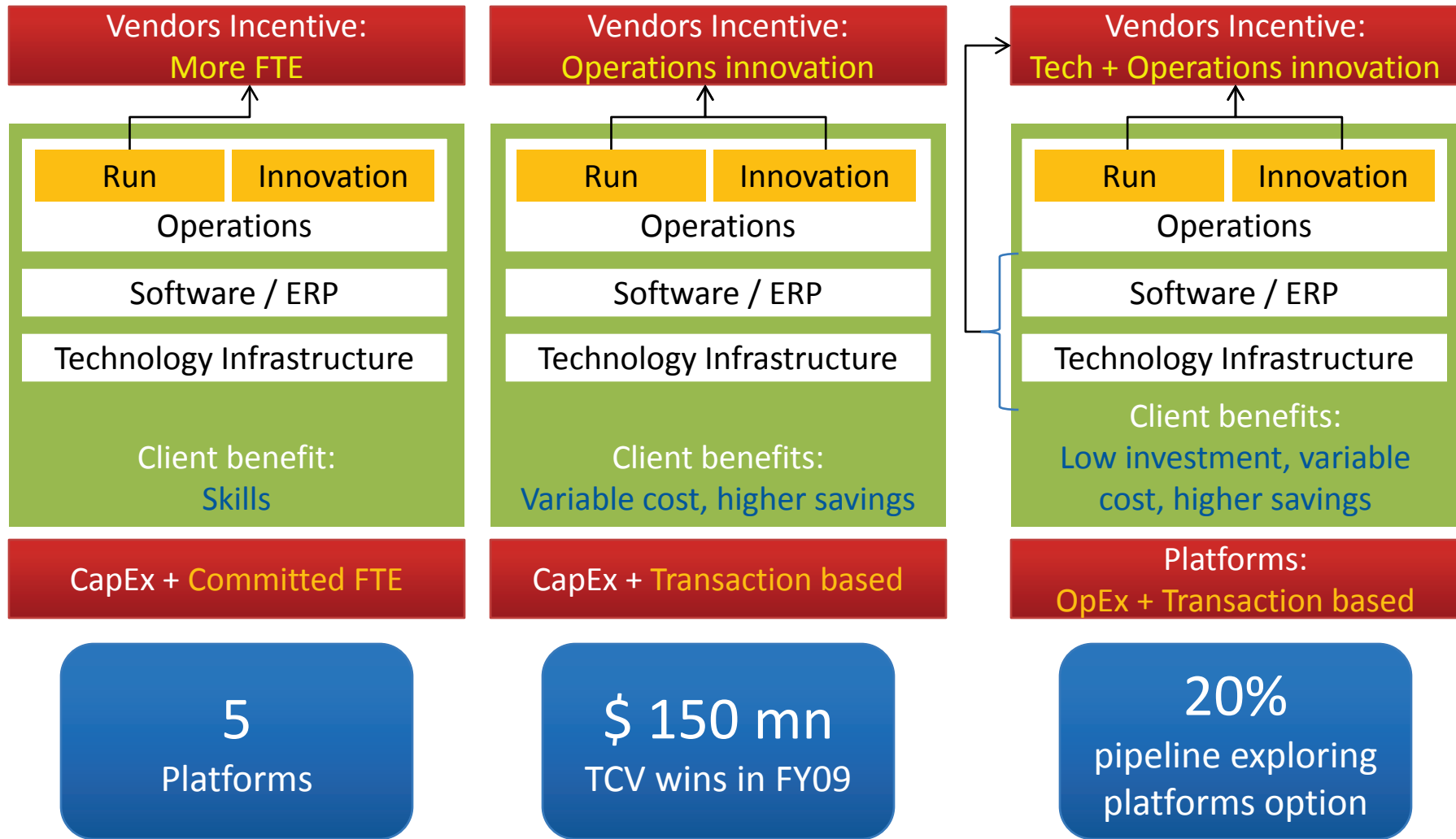


<b>Business value</b>	Cost reduction	+ End customer experience, Cash Flow	+ Time-to-market, revenue enhancement, risk management
<b>Operating model</b>	FTE	+ Transaction	+ Outcome, platforms
<b>Productivity levers</b>	Six Sigma, Lean	+ Re-engineering, technology tools	+ Domain-driven, technology solutions, benchmarks
<b>Globalization perspective</b>	Hub	+ Spokes	+ Edge
<b>Organization synergy</b>	IT & Operations siloized	IT & Operations connected	IT & Operations bundled

# Business value shifts: transformation capabilities



# Operating model shifts: Utility & Platforms



# Productivity paradigm: Optimizer to Multiplier



- Six Sigma
- Lean
- Kaizen

- Best practices
- Subject Matter Experts
- Re-engineering

- Automation
- Point solutions
- Workflow Mgmt

- Maturity framework
- Process benchmarks
- Analytics

**Six Sigma, Lean  
 Optimizer**



**Technology  
 Multiplier**

**8**  
 Technology  
 solutions

**50%**  
 New clients have  
 technology solution

**5%**  
 average YoY  
 productivity increase  
 delivered



# Globalization: Hub-Spoke-Edge

## Onshore: US, UK, Australia, Client locations

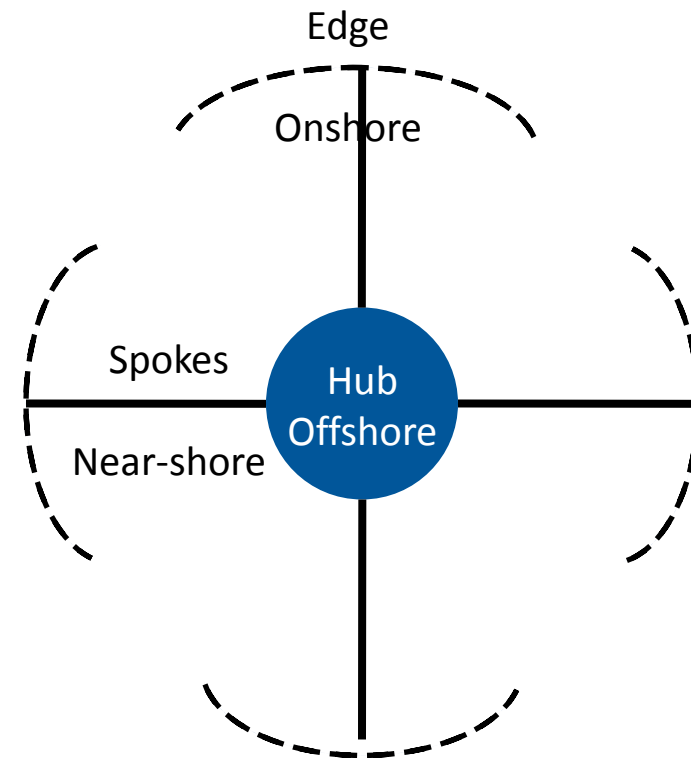
- Shared services center
- Consulting & Analytics services
- Business critical and real-time needs

## Near-shore: Eastern Europe, Latin America, APAC

- Language capabilities
- Regional nuances and needs
- Time zone advantage

## Hubs: India, China

- Cost leverage
- Skill scale
- Time zone advantage



25%

Clients operating from multiple global centers

~ 22%

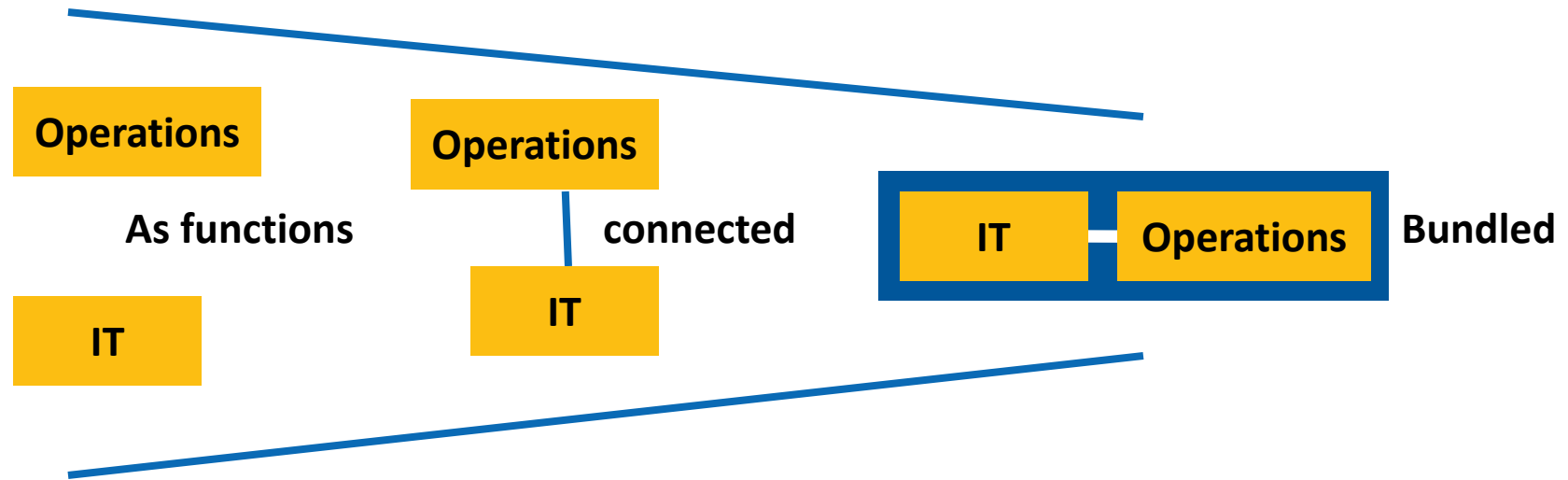
Revenue from near-shore & onshore (3 yrs ago-8%)



~ 30%

Estimated revenue in 3 yrs from near-shore & onshore

# Organization synergy: IT & Operations convergence: “Intelligent Operations”

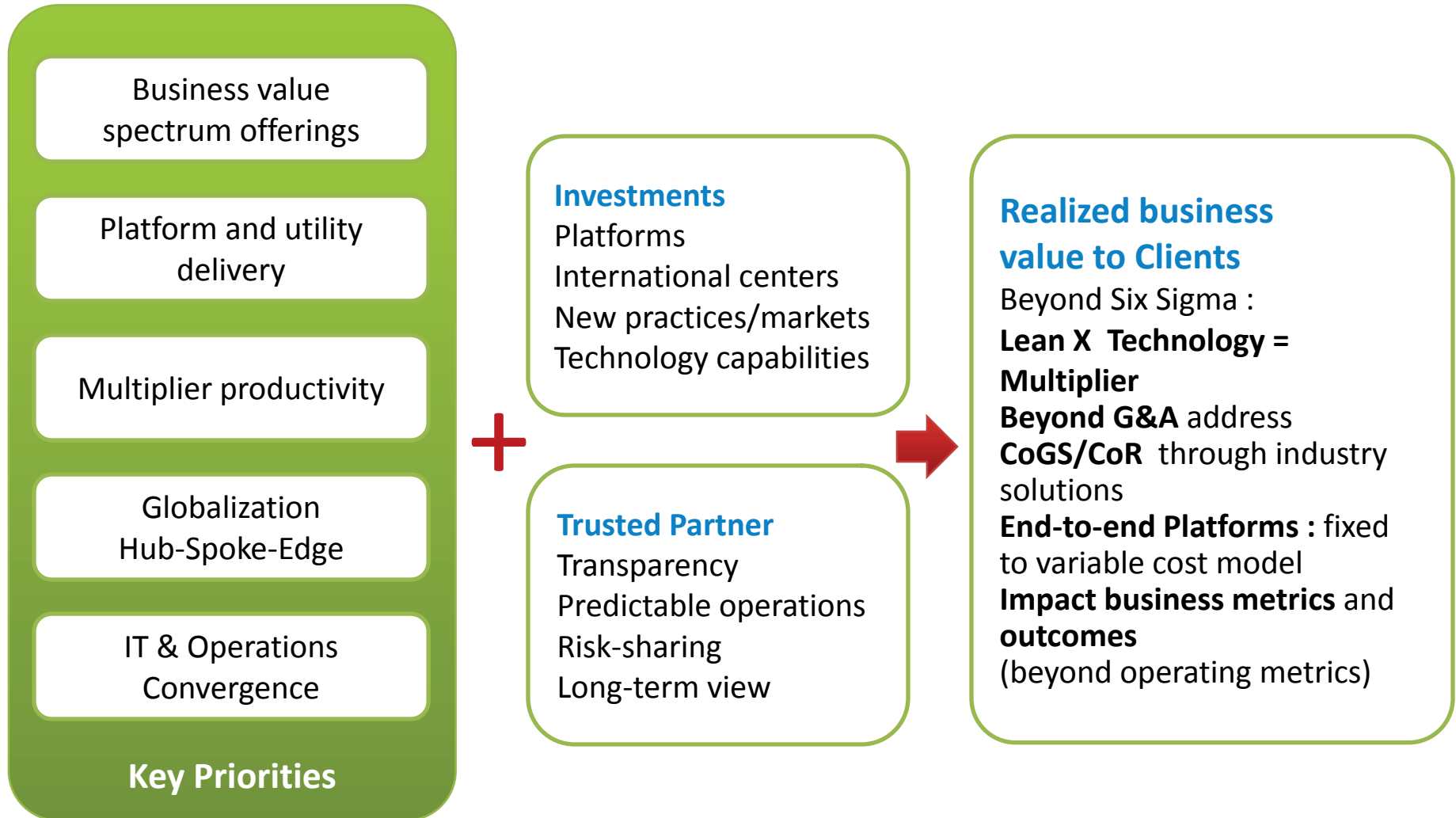


## Key Drivers

- Technology pervasiveness
- Technology costs
- Connected clients, partners
- Globalization
- Technology utility models: Clouds, SAAS

On both sides, clients and providers, IT and Operations are coming together. Joint governance is driving “Intelligent Operations” - Operations & IT on the floor.

# Infosys BPO value proposition



# Top risks and mitigation



## Mitigation

- Platform solution offerings – movement from Capex to Opex
- Transaction / Outcome-based pricing model
- Focus on India business and other Emerging Markets



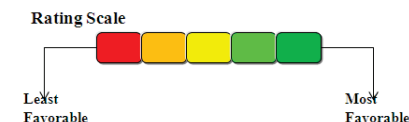
- 'Realized value' messaging going well with customers
- 30% of revenues from CoGS/CoR services
- Investing in Business Transformation consulting services



- Infosys BPO revenue hedging in-line with Infosys group
- Compensation revision effective Oct 09



- Leadership training and career enhancement programs across all levels in collaboration with premium management institutes



# Few illustrations of how we have realized significant business value for clients

SG&A	250 % INCREASE IN CLAIMING MISSED DISCOUNTS FOR A TECH DISTRIBUTION MAJOR	19% DIRECT INCREASE IN REVENUE FOR SEARCH ENGINE MAJOR	REVENUE
	VERTICAL : MANUFACTURING    HORIZONTAL : F&A	VERTICAL : MEDIA    HORIZONTAL : IS	
	LEVERS:    COGS, Direct increase in bottom-line, Increase in working capital available	LEVERS:    Revenue, market share, CSAT, customer retention, time-to-market	
	REALIZED VALUE: \$ 3.1 mn in 3 years	REALIZED VALUE: \$ 30 mn PA	
	SOLUTION: Maximized early payment discount-tracking system, streamlined vendor data , created payment priority queues	SOLUTION: Optimized bids for key words, sales forecast, budget planning	
SG&A	70% REDUCTION IN T&E SPEND FOR METAL MINING MAJOR	96 % DECREASE IN COST FOR FORTUNE 100 INSURANCE MAJOR	REVENUE  COGS
	VERTICAL: MANUFACTURING    HORIZONTAL: F&A	VERTICAL: INSURANCE    HORIZONTAL: IS	
	LEVERS:    SG&A (spend reduced from 3.44% to 0.92%)	LEVERS:    Revenue, COGS, underwriting profit & lower combined ratio	
	REALIZED VALUE: \$ 32 mn in 3 years	REALIZED VALUE: \$ 21 mn PA	
	SOLUTION: Process re-engineering, spend/Gap analysis to reduce travel expenses, discount negotiability, transparent reporting mechanism, supplier accountability	SOLUTION: Streamlined underwriting and real-time issue , addressing to decrease in underwriting cost (96%)	

# Few illustrations of how we have realized significant business value for clients

COGS	<b>\$ 500K RELEASED FROM AD AR FOR WORLD'S LEADING NEWSPAPER AND MEDIA COMPANY</b>	<b>13% SAVINGS ON RECRUITMENT SPEND OF GLOBAL ENERGY AND GAS MAJOR</b>	SG&A
	<b>VERTICAL:</b> Media <b>HORIZONTAL:</b> Sourcing & Fulfillment	<b>VERTICAL:</b> Energy Utilities <b>HORIZONTAL:</b> S&P	
	<b>LEVERS:</b> COGS, faster revenue realization, high customer satisfaction	<b>LEVERS:</b> SG&A, strategic supplier partners, reduced recruitment spend	
	<b>REALIZED VALUE : \$ 1.5 mn in 3 years</b>	<b>REALIZED VALUE : \$ 3.3 mn PA</b>	
	<b>SOLUTION:</b> Released billed advertising revenue, Pareto analysis, daily dispute report to stakeholders, operational optimization	<b>SOLUTION:</b> Supplier/market analysis, work-flow tool and E-paper tool, lean Six Sigma for lower negotiated rates and less recruitment spend	
COGS	<b>76% COST REDUCTION OF RECONCILIATION OF LEADING INVESTMENT BANK</b>	<b>31% REDUCTION IN OPERATIONAL EXPENSES IN LEADING HUMAN CAPITAL CONSULTING PROVIDER</b>	COGS
	<b>VERTICAL:</b> BCM <b>HORIZONTAL:</b> IS	<b>VERTICAL:</b> HRO <b>HORIZONTAL:</b> HRO	
	<b>LEVERS:</b> COGS, reduced cost of service and risk exposure, improved customer experience	<b>LEVERS:</b> COGS, Increased Competitiveness, Risk Elimination, Higher Customer Satisfaction	
	<b>REALIZED VALUE : \$ 9.15 mn over 3 years</b>	<b>REALIZED VALUE : \$ 7.5 mn over 3 years</b>	
	<b>SOLUTION:</b> Spend/Gap analysis to reduce travel expenses, discount negotiability, transparent reporting mechanism and supplier accountability	<b>SOLUTION:</b> Global Delivery Model, Lean /Six Sigma, best practices, automation, reduction of cycle time enhanced productivity, reduction in learning curve	

# Testimonials of our success - external recognition

**Gartner**

**F&A Marketscope  
Positive Rating  
DEC 08**



**Group Excellence in  
Business Continuity  
Management  
NOV 08**

The Global Six Sigma & Business Improvement  
**Awards 2009**

**Best achievement award for business  
improvement in transactional Services  
NOV 08**



**Excellence in Diversity  
Hiring Initiatives  
JUL 09**



**Consistent excellence for  
outsourcing practice across  
all disciplines Award  
DEC 08**



**Awarded Large Enterprise  
Provider of the Year &  
Amitabh Chaudhry, Ritesh  
Idnani & Michel De Zeeuw  
named FAO Superstars  
JUN 08**

# Testimonials of our success - external recognition



**Indiatimes BPO CEO  
& Company of the  
Year SEP 08**



**IT People Best  
Employer Award  
for Excellence in  
IT, ITES sector  
NOV 08**



**RASBIC Best  
Recruiting Evaluation  
Technique**



**Infosys BPO and BT  
Openreach won award in  
'Dynamic Duo' category**



Thank You

[www.infosys.com](http://www.infosys.com)

