Infosys implements SAP R/3 as a business solution for software consulting

Bangalore, November 14, 1998. Infosys Technologies Limited today went live on R/3 - SAP's end-to-end integrated business application. The implementation has been done in just over five months - one of the fastest implementations in the world. The symbolic first transaction took place between Mr. Nandan M. Nilekani, Deputy Managing Director, Infosys and Dr. Peter Zencke Chairman - SAP Asia Pacific. Fifty users went live today and a hundred more will switch over by the end of this year.

Significantly, the entire project was handled by Infosys primarily using internal resources and expertise. As one of the few organizations assessed at SEI-CMM Level 4, Infosys brought a wealth of experience in efficient project management, which speeded up the implementation considerably. Nearly two decades of business expertise was also brought into play. KPMG and SISL provided external consulting support in select functional areas.

Commenting on Infosys' decision to go for SAP, Mr. N. R. Narayana Murthy, Chairman and Managing Director, Infosys said, "Over the last decade, Infosys has experienced tremendous growth. We have always believed that growth must be supported by business infrastructure and have set up appropriate processes and systems for this. We are now looking at expanding globally with software development centers across the world - we already have marketing offices across three continents. SAP R/3 is expected to bring in uniform business practices across locations by building an integrated information environment. This will be of great value to a growing organization like Infosys."

"It does SAP India proud to have an organization like Infosys adopt SAP R/3, and thus make it a pervasive business infrastructure for its world-class consulting business" said Dr. Peter Zencke, Member - Executive Board, SAP AG and Chairman - SAP Asia Pacific, while participating at the go-live ceremony held at Infosys' 200,000 square foot facility located at Electronics City, Bangalore.

Mr. Nandan Nilekani, Deputy Managing Director, Infosys, felt that, with SAP R/3, Infosys is better geared to achieve its ambitious plans for the future." Infosys aims to be among the first Indian corporations to create a brand equity for itself outside India. We offer comprehensive IT consultancy to clients spread across the world, and aspire to be a globally respected multi-cultural organization with development centers across time-zones. SAP R/3 will become the information infrastructure for building an Infosys which is global in its vision."

Mr. K. Dinesh, Director, Infosys, who heads Quality and MIS departments had this to say about the record-breaking speed of SAP R/3 implementation". The extremely fast implementation was achieved by focusing on essentials and improving the implementation methods. We also ensured that users were involved at every stage - this meant that changes was absorbed gradually, eliminating surprises. Of course, Infosys' considerable expertise in project management was put to good use - adequate data migration plans were in place well in advance and dry runs were done with actual data. We are considering expanding the R/3 footprint to cover most of our business and build a comprehensive EIS."

"This is a strategic breakthrough for SAP in India. With more than a hundred installations now in the country, SAP has been dominating the enterprise application market in almost all industries including software services and consulting all through. However, this is the first time that a consulting giant like Infosys has seen value in using the PS function of R/3 for their key business processes. SAP India,

along with Infosys, will complement each other in providing similar solutions to other large system houses engaged in software development and consultancy in the sub-continent", said Ms. Rokiah Ahamed, EVP, SAP Indian sub-continent and MD, SAP India.

About Infosys Technologies Limited

Founded in 1981, Infosys has grown from a small start-up to India's most respected software company, offering a broad range of generic, branded and vertical services. With offices not only in India, but also in the US, Canada, Europe and Japan, Infosys employs over 3000 people. Financial solidity and ethical business practices have gained Infosys international recognition. Infosys was presented the *Economic Times award for Corporate Excellence* this year. In both 1996 and 1997 the readers of Asiamoney judged it the Best Managed Company in Asia.

Infosys solutions cover a wide range of business applications such as retail management, loyalty-marketing programs, and commodities trading system, ecommerce and Internet solutions. Recently, Praja inc, which is involved in immersive sports and entertainment software for the internet, teamed up with Infosys to jointly develop an authoring tool to create interactive content for archived video. Earlier in the year, CyberShop, an online Internet retailer selected Infosys as their development partner. Nortel, Nordstrom, Nestlé, Reebok, and JC Penney are a few of the company's other prestigious customers.

The "Global Delivery Model" is the key to all service offerings. It uses a robust distributed project management methodology on a state-of-the-art computing and communication backbone. Quality is benchmarked against global best practices at Infosys. Infosys is a SEI-CMM Level 4 Company - a distinction shared by very few companies worldwide.

About SAP

SAP India was set up in March 1996, as a wholly owned subsidiary of SAP AG. It is part of SAP South Asia Pacific, headquartered in Bangalore. SAP India is responsible for sales and implementation support of R/3 and training and certification of its users and partners.

SAP India emerged as one of SAP South Asia region's fastest growing subsidiaries. Growth has been fueled by a strong demand for SAP's end-to-end business solutions. In just over two years, the company has made significant headway achieving over 50 percent share of India's enterprise application software market. It has also clinched major deals with corporations like Reliance, Arvind Mills, Telco, Mahindra & Mahindra, Essar, ICICI, ONGC, Ranbaxy and its customer base has grown to over 92 with 48 of these already productive. The industry segments that have successfully implemented SAP packages and benefited from them include the Automobile, Hi-tech, Engineering & Construction, Chemical, Cement, Textile, Diversified groups among others.

For the coming year, SAP India aims to strengthen its manpower resources in the areas of sales, consulting, customer service and support. The company will significantly increase its head count by 60 percent from its current base of 115. The company will continue playing a pivotal role in localization of SAP R/3 solution to meet Indian statutory and legal requirements offering industry solutions for some specific industries like manufacturing, oil and gas, banking and finance, retail, power and public sector. The business development effort will be aligned to the above industry focus as well as penetrating the mid-market.

SAP India will continue to drive its Institute of Higher Learning Program which it initiated last year with the Indian Institute of Management, Bangalore and just recently launched with the Indian Institute of Management, Calcutta training program. The program was initiated as part of SAP's regional effort to train and provide a highly skilled executive workforce competent in SAP R/3 and world class business practices. SAP India is currently considering collaborative efforts with other institutes of higher

learning in Bombay and Delhi. It also plans to augment its training initiatives by having Authorized Training Centers all over the country, starting early 1999.

SAP is the world's market and technology leader in end-to-end integrated business applications, providing comprehensive solutions for companies of all sizes and all Industry sectors. Cultivating innovative technologies on a solid foundation of business experience, SAP delivers scaleable solutions that enable its customers to continually improve upon best business practices. SAP products empower people to respond quickly and decisively to dynamic market conditions, helping businesses achieve and maintain a competitive advantage.

Founded in 1972, SAP is based in Waldorf, Germany, and employs more than 18,000 people at offices in more than 95 countries worldwide who are dedicated to providing a high level of support and service for the more than 17,000 installations of R/3 worldwide.