

CII CEOs Conclave at Infosys

"Speed, Excellence and Imagination in execution are the three parameters essentials for a company to become a market leader", stated Mr. N.R. Narayana Murthy, Chairman and Chief Executive Officer, Infosys Technologies Ltd. while addressing an interactive session organized by Confederation of Indian Industry (CII) with Infosys Technologies Ltd. in Bangalore today.

Delivering the keynote address on 'Building Global Competitiveness', Mr. Murthy stated that for the Indian industry to be globally competitive, a healthy sense of paranoia, respect for competition and a strong focus on R&D have to be imbibed. In this regard, Mr. Murthy emphasised the PSPD model (Predictability of revenue; Sustainability; Profitability and De-risking), that Infosys has adopted to withstand competition. "To become a globally competitive company, we have to obsolete our own innovations rather than competitors doing it for us", he added. Further he said that, identifying risks in every dimension of operation is essential. "For the long term success of any company, we need to employ people smarter than us. As the smartness increases down the hierarchy, probability of success increases".

According to Mr. Murthy, achieving higher revenues was a much better approach than controlling costs in an organization. By this he did not mean that companies should not control costs but incurring variable costs was much better than having to bear fixed costs. While elaborating that Infosys is one group with one objective and one vision, Mr. Murthy said, "we have eight thousand hearts but one heart beat".

Mr. Nandan M. Nilekani, Managing Director, President & Chief Operating Officer, Infosys Technologies, in his address on Strategic Planning, said that the three pillars of the strategic planning at Infosys were Mission, Vision and Values; the PSPD Model and Focus on Growth and Excellence. At Infosys, the very fact that 84.5% of revenue comes from repeat business ensures sustainability of business. At the same time, he added, that a delicate balance needs to be maintained between new and repeat business as too much repeat business could inhibit changing brand image and value proposition. Sustainability could also be achieved by translating clients into partners, becoming more important to their business goals being met and co-development of products, he added.

While elaborating on profitability, Mr. Nilekani stated that continuous process of 'upselling' leads to revenue productivity. Per person revenue productivity has gone up from \$42,000 in March 1997 to \$90,400 in September 2000 at Infosys.

In today's tenuous and dynamic market, managing transition and derisking were important tools for business sustainence. While elaborating on this, he said for a company to be in a better negotiating position, high dependence on one industry or one client should be avoided. He cited that even the largest customer of Infosys accounted for 7% of the total revenue in Q2 FY 2001.

Mr. S. Gopalakrishna, Dy. Managing Director, Customer Service and Technology spoke on customer centric processes to generate increasing value for customers and enhancing customer relationships.

Ms. Hema Ravichandar, Sr. Vice President HRD, in her address emphasised on efforts of Infosys in institutionalizing Innovation & Creativity. Process innovation (six sigma etc.), Technology innovation and Knowledge management were the three focus areas. r.

Mr. Mohandas Pai, Director - Finance & Administration and Chief Financial Officer, shared his views on spearheading worldclass finance and infrastructure. He stressed on the need for companies to adopt global accounting standards and disclosure norms complying with corporate governance codes as essentials to gain investor confidence.

This session was organized as a curtain raiser to CII's 8th Quality Summit being inaugurated tomorrow in Bangalore. Over 100 CEOs participated in this interactive session with Infosys today.

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