

Promises to deliver

TCS North America is making light of choppy economic waters to chart a vibrant course for itself in what continues to be a critical market for the company

When Tata Consultancy Services (TCS) laid the foundation of its association with North America back in 1971, it was the first Indian software company to do business in the region. By the time it established an office in New York in 1979 — interestingly, with current chief executive officer and managing director S Ramadorai as the country head for operations — TCS was more than a fledgling. Today, nearly three decades later, it is one of the IT powerhouses in the country and the continent.

“We have a rich history in North America,” says **Surya Kant**, president of TCS North America, “and it is the place where more than half our business comes from.” Mr Kant, who received his masters in electrical engineering, with specialisation in computer technology, from IIT Delhi in 1978, has been a part of that history, as his 28 years in the company amply attests.



He helped set up, and successfully ran, TCS's business in Japan in the late 1980s and was country manager for UK in the mid-nineties before taking over as head of operations for the northern region in India. Mr Kant, who moved to his present position in 2005 spoke to *Sujata Agrawal* in New York about TCS's flourishing engagement with the North American geography, the difficulties imposed by the economic troubles in the United States and elsewhere, and the prospects of taking the company's business to greater heights.

Innovation and differentiation have been the key to TCS's success in North America. Could you tell us how this has come to be?

Our key differentiator has been the onsite-offshore globalisation of work, an innovation that TCS pioneered. We, then, made this better and took it to the next stage with our Global Network Delivery Model (GNDM). What we do is take a project, divide it and work on it in places where we find the best talent, with excellent level of quality and within the time and budget. That enables our customers to work with us anywhere in the world.

The other big differentiator is our complete, full-services play. It starts with consulting, moves into application development and maintenance and then gets into infrastructure services, engineering services and the products that we have. For many customers we are, basically, a one-stop shop. We can provide whatever type of service our customer needs in the information technology arena. The third differentiator is our people. We put a great deal of emphasis on our recruitment process, our induction and training programmes.

Coming to the innovation part, our onsite-offshore model was a disruptive innovation. Our processes and the GNDM methodology are also innovative creations. We have branded our innovation initiatives as the Co-Innovation Network (COIN) and we work in a



TCS's largest delivery centre at Milford, Ohio

number of different areas through alliances with companies and academia.

We partner with start-up companies, choosing the ones that we believe have path-breaking ideas, and marry these ideas to the requirements of our customers. These small enterprises have the ideas but not the marketing reach or the implementation capabilities; we provide that. Our bigger customers believe in the ideas because they know that TCS would have vetted them and will help in the implementation.

We are involved with universities in addressing our customer requirements across industry segments, whether in software engineering or in areas that are out of the software ambit but applicable to customer needs. For instance, our collaboration with Stanford University is in data privacy, which is a concern for many of our customers. This is a segment that has developed significantly in the last few years and is now part of our consulting practice.

You mentioned your people as a differentiator. Could you elaborate on this and also about your efforts to bring more locals into your workforce?

To become a truly international company you must have people who follow your values and principles; you must find the best talent from across the world and utilise this talent as best as you can. That is what we are doing.

It is critical for us to ensure that we attract the best people and that we take good care of them. We invest a lot in their training and development, which is why they remain with us. Our attrition, worldwide, is the lowest among our peers and this attests to our efforts. Training is crucial given that we are in a knowledge industry; so, as our people work with customers on specific assignments and projects, we ensure they stay ahead of the learning curve.

Six of the Fortune top ten companies are our customers; 49 of the Fortune top 100 are our customers. Working with such enterprises delivers a high degree of satisfaction to a TCS associate. The other factor is meritocracy. TCS has a performance-oriented culture embedded in its core: the better you do, the higher you go.

We are growing and expanding our scope of work like never before. Earlier we tended to focus on application development; today we are getting — quickly, if I may add — into segments such as infrastructure management, business process outsourcing, and consulting. This offers our people the chance to grow and develop in different spheres.

As for local recruitment, recently we opened our Cincinnati development centre. Spread over 225 acres, it is our largest delivery centre globally and it will have 1,000 people, the majority of them locals. Our centre in Buffalo also provides training for local people.

With 42 offices and 15,000 consultants across the continent, how do you knit the TCS North America family together?

There are a number of ways that we do this. We have orientation sessions where we talk about cultural differences; this is targeted at people from India who are coming here for the first time. From time to time we do mentoring orientation and we also have sessions (more like cultural evenings) for our customers, which helps enhance their understanding and appreciation of India.

Many of our people feel that Maitree [a common forum for TCS employees and their families] is a wonderful platform. While many companies get involved with their employees during office hours, Maitree goes much beyond that, encouraging interaction and bonding to a remarkable extent. In North America we have a large population of people from India who come with their families. Through Maitree we engage them in the many

community initiatives, such as helping senior citizens in old-age homes or teaching children. It's a win-win situation: the families feel fulfilled and we become part of the community and help them benefit.

Could you tell us more about the community initiatives TCS North America is involved in?

Sustainability is an important component of the ethos at TCS and within the Tata Group. We have a large number of volunteers, spread across North America, who work with our customers and with chosen charities. Last year we took part in 85 initiatives and benefited 88 local communities. We are one of the sponsors of an annual event called the Walk for Hope for Breast Cancer, which is held across the United States. Our efforts in the aftermath of hurricane Katrina were appreciated by the CIO of the Mississippi Department of Employment Security, who presented us with a lovely glass sculpture of an eagle in appreciation of the work that we did. It now holds pride of place in my office.

Mr Ramadorai recently spoke about “pursuing new businesses in mature markets such as the United States”. Could you tell us a bit about these new businesses?

In markets such as North America and Europe, where we have been doing business for a while, our focus is twofold: to acquire new customers and to grow the businesses we have with our existing customers. To achieve this we have ‘verticalised’ our operations. This means that the TCS team serving one of our customers is from the same industry. So if the customer is a manufacturing company then the people are from a manufacturing background, and a global company is served by the same team worldwide.

This approach is yielding good results because customers are in the comfort zone of having a TCS team that possesses thorough knowledge of their vertical. We have units for banking and financial services, for manufacturing, for telecom and more.

What about the issue of outsourcing?

My belief is that it is an irreversible trend and is only going to grow. Globalisation is helping companies become competitive, enabling them to offer products and services at much more competitive rates. We are an integral part of this system; TCS makes customers globally competitive. What you are seeing — the aspect of rhetoric — is something that will happen from time to time. Finally it comes down to what the markets want, what the industry wants and what the customers want.

How has the worsening economic slowdown affected TCS North America?

There are some customers, in the banking and financial

services particularly, who have deferred a certain amount of spending, but the indications we have received, and our own expectations, are that the business will come through eventually.

No cause for concern?

No, not really. Overall, if you look at the economy — manufacturing, retail, life sciences, utilities and energy — these are the sectors that are growing rapidly. And our recent reorganisation into verticals has accentuated our ability to secure new customers. Information technology is a service that in any situation helps customers contain costs. Currently, in many cases, customers are looking at how they can cut down on costs, and that is where we can help. We continue to see a positive trend in terms of new engagements, new projects and new initiatives.

What kind of efforts are happening to enhance the TCS brand in North America?

Two years ago we launched a campaign, ‘Experience Certainty’, the message of which was: we promise what we deliver and we deliver what we promise. That is one part of it. The other is that we deliver on time, within budget, with great quality and much better than our competitors. We have customer testimonials and have run print advertisements on this theme in magazines such as *BusinessWeek*, *Fortune* and *The Economist*. This has definitely increased awareness and recall of the TCS brand. Additionally, the high profile that the Tata Group has enjoyed of late — with the unveiling of the Nano, for instance — has helped build the TCS brand among employees and potential employees, among customers and potential customers.

Going forward what are the goals you have set for the company?

Our basic philosophy is ‘customer success is our success’, and that has served us well. TCS North America contributes over 50 per cent of the revenues of the parent company; last quarter our proportion of contribution increased by 1 per cent. As we move into newer geographies, into Latin America and other places, my job is to ensure that our numbers keep improving. We have set ourselves goals for acquiring new businesses and customers, and increasing the percentage of revenues as we go into the next quarters.

As we keep doing better and better, our customers’ expectations also increase. Our objective is to exceed those expectations. That’s what we have been doing and that is what we will continue doing. ●