

"Technology will enable transformative growth if it provides exponential value to customers", says Rajesh Gopinathan during a Leadership series EDGE webinar



The banner features a portrait of Rajesh Gopinathan on the right. On the left, a dark blue background contains a quote in white text: "Technology will enable transformative growth if it provides exponential value to customers". Above the quote is the TATA Business Excellence Group logo. Below the quote is a button that says "Click here to read more". On the right side of the banner, there is a logo for the 250th EDGE Webinar.

May 13, 2020 marked a major milestone: it was the 250th EDGE webinar. To mark the special occasion, Rajesh Gopinathan, CEO & MD of Tata Consultancy Services (TCS), addressed Tata employees through the Leadership Series EDGE webinar, and explained how key business and technology levers would continue to enable enterprises to deliver augmented value to customers for transformative growth in the 'new normal'. This webinar had the highest participation for EDGE webinars till date, and was joined by Tata colleagues through 2370 access points from 86 Tata companies & their subsidiaries.

Mr Gopinathan started the Leadership Series EDGE webinar by giving a background of the evolution of criticality of information technology (IT). He explained that in the 90s, IT emerged as a support function in driving business, wherein ERP systems digitised businesses significantly and helped them achieve business efficiency. IT provided opportunities to harness linkages in the B2B space through interventions in the supply chain, manufacturing and distribution space. Later, IT extended its influence to the B2C space through mobile apps. Business entities hence got a unique competitive advantage, and enhanced their business performance, heralding the age of IT-led transformation.

Today, rather than being limited to an enabling role, IT has become the fulcrum of many businesses. Many B2C companies, including Uber, Amazon, and Airbnb, have utilised elements like real-time information and analytics to create an IT-based business model. The new business model creates a flexible ecosystem that dynamically aligns itself to the customer's changing needs.

The TCS evolution

TCS has been at the forefront in heralding the IT-led growth era. Over the last two years, it has created and deployed a thought leadership framework to become a digital champion.

Technology pillars for TCS

1. Leverage the ability of cloud-based technology to create infinite resources available across a global level.
2. Ability to drive automation for both AI and regular operational automation.
3. Creation of an agile-methodology driven network between technology and business teams, to facilitate close collaboration.
4. Gathering business intelligence and breaking it down into actionable insights through analytics.

Business pillars for TCS

1. Mass personalisation through transaction-based segmentation.
2. Reimagine the cost structure and provide a solution to the customer, thereby delivering exponential value and gaining market share in the process.
3. Leverage ecosystems and a larger connected universe, consisting of partners and customers
4. Embed a risk-taking mindset deep within the organisation, which enables even the functional line managers to take incremental risks in a

calculated and innovative manner.

To explain his point, Mr Gopinathan provided the example of a project executed by TCS, for Humana Inc, a \$50 billion health insurance provider in the USA. In 2015, the company set a bold goal for delivering exponential value to its customers, by making its customers 20 percent healthier by 2020. Using technology, Humana created an ecosystem that will deliver better health through a series of interventions. The digital interventions connected the customers to health assessment service providers and fitness centres, besides incentivising the purchase of fitness tracking accessories. Humana also tied-up with parks and other such neighbourhood public places to set up enabling centres to motivate people to indulge in health-related activities. As a part of their commitment towards improving customers' health, they reduced the underwriting costs.

The results have been encouraging. Till last year, the company had managed to enrol more than five million customers into the system. Over the last five years, its stock performance has improved by 110 percent. Humana, today, is one of the best-performing healthcare insurers in the USA. According to Mr Gopinathan, Humana's example fortifies the proposition that the customer universe repays a business in a better measure for the good that it does.

The COVID-19 effect

Mr Gopinathan stressed that the COVID-19 era mandates layering of the 4+4 matrix (technology and business pillars) with three critical enablers:

1. Organisations have to relook at the purpose that holds their value creation together. The philosophy of enlightened capitalism practised by the Tata Group will hold centre stage.
2. Enterprises need to be resilient to be efficient.
3. Companies will need to deal with unexpected events by adapting and shifting the business and operating model as well as the processes.

Mr Gopinathan signed off by dwelling on how COVID-19 will challenge the current status quo. He mentioned how FY20-21's first quarter might end up as the worst quarter in the history of most organisations, including TCS. He emphasised that businesses will only grow when they deploy technological solutions for enabling positive transformation in their customers' ecosystem. This will only be possible through an in-depth analysis of the pandemic's effect on current customer segments.

The session ended with multiple questions being posed to Mr Gopinathan by the participants.
