

“Innovation at TCS has an enterprise-wide scope with engagement across the organisation,” says K Ananth Krishnan in the Leadership Series webinar



TATA BUSINESS EXCELLENCE GROUP

K Ananth Krishnan
EVP, CTO,
Tata Consultancy Services

EDGE
BEST PRACTICES

“Innovation at TCS has an enterprise-wide scope with engagement across the organisation”

[Click here to read more](#)

K Ananth Krishnan, EVP and CTO, TCS, spoke about the evolution of the innovation culture at Tata Consultancy Services (TCS), with particular emphasis on how TCS has scaled up innovation in the organisation and also how TCS is working with its customers globally to support their innovation agenda. He was addressing the participants of the 277th EDGE Webinar titled ‘Innovation at Scale’.

Here are the key highlights of the session.

The history of innovation at TCS

Innovation became a part of TCS’s organisational charter in the 1980s. The establishment of the Tata Research Development and Design Centre (TRDDC) — the Tata Group’s first research centre, at Pune, in 1981, effectively kick-started TCS’s innovation juggernaut. The centre, in JRD Tata’s words, was created “to apply knowledge to serve industry and people”.

Subsequently, in the late 90s, a need was felt to embed the culture of innovation deeper within the company. The leadership felt it imperative that innovation should not remain the responsibility of one department or function.

The leadership anchored innovation into the values and made it an organisational imperative. The objective was to create new products and services that will herald better business outcomes and a greater societal impact. The innovation strategy at the corporate level was based on four pillars.

The four pillars of the innovation strategy

Purpose, value system, behaviour, and culture formed the cornerstone of the innovation blueprint.

Purpose

The purpose of innovation was to apply knowledge to serve the industry and people. Accordingly, a 5-V principle was crafted to implement the philosophy — visionary, value, velocity, variety, and vibrancy.

Visionary underlined the need for a strategy based on the innovation landscape.

The *value* was based on a metric-driven approach for measuring the impact of the innovation.

The principle of *velocity* spoke about the need for speed of implementation and scalability.

Variety signified the creation of a flexible environment, which welcomed external collaborations.

Vibrancy embraced the culture of innovation.

Value system

The Tata Group's value systems espouse learning and sharing of insights. Accordingly, innovation at TCS is disseminated far and wide for better societal outcomes.

Behaviour

The corporate and individual thought process at TCS is driven by innovation. The leadership is aware of the investments deployed for the implementation and monitors the same. Also, there is appreciation and awareness of the efforts behind innovation.

Culture

The leadership encourages creative dissatisfaction with the status quo. Unless the creative minds felt uneasy with the current situation, there would be no effort made to change it through innovation.

Mr. Krishnan then went on to explain the innovation culture at TCS with a top-down and bottom-up view.

The top-down enablers

Although the corporate research and innovation team, headed by the CTO, has the mandate and accountability to lead the innovation drive, it only possesses 1/4th of the innovation capacity. 3/4th of the investments and resources are allocated to innovation in the rest of the business. The successful scale-up of innovation at TCS is a result of the enterprise-wide nature of research & innovation (R&I) in the organisation. The synergies of R&I are achieved through the One R&I programme which brings together the Individual Business Units and Corporate R&I team.

Through partnerships with academia, institutes and universities across the world, TCS has created a co-innovation ecosystem, where cutting-edge and long-range research is undertaken. Nearly 2,000 start-up partners associate closely with TCS in a unique business model to facilitate innovation. Through innovation days, forums, and labs, TCS regularly interacts with customers and other consumption stakeholders to understand their needs.

A decision by the leadership to not capitalise the investment on R&I has also catalysed the innovation climate in TCS. Currently, the company spends ~1-1.5 per cent of its revenue on R&I activities, and it is treated as an expense. The decision has tied up profitability to innovation, making it an activity that contributes to bottom lines.

The bottom-up enablers

Mr. Krishnan spoke of the learning that various individuals and groups have put into practice to come up with innovations. Every TCS'er and other individuals associated with it are encouraged to engage, and contribute productively, for innovation. Through various initiatives, such as Fresco play, T Factor, iEvolve, Rapid Labs, Manthan, etc. resources and opportunities are provided to individuals in the TCS ecosystem to develop innovations that can benefit industry and society.

One of the other significant drivers for the Innovation culture was the appointment of Late Prof Clayton Christensen (known worldwide for his principles of Disruptive Innovation) as Independent Director of Tata Consultancy Services in January 2006. TCS has developed a framework for "Managing Innovation at Enterprise Scale" which has been named after Prof Clayton Christensen as "Clay Map".

Mr. Krishnan also touched upon the Societal Impact through the DISQ (Digital Impact Square), an initiative driven through the TCS foundation where TCS had created an open social innovation centre that encourages using digital technologies to address social challenges in India.

The webinar gave the participants a closer view of the evolution and progress of the culture of innovation at TCS. The session ended with the participants posing some stimulating questions to Mr. Krishnan.
