

HINDUSTAN COMPUTERS LIMITED (HCL)



“As a leading employer and investor in the UK, HCL has seen exceptional growth as it rebalances the geographic portfolio of the company. In 5 years we have gone from 6% to 26% of global revenues coming from the UK and we are very pleased with the experience so far. We will continue to demonstrate our commitment to meet our goals for the leadership positioning in our chosen markets and to become an admired employer”.

- Rajeev Sawhney, Corporate Vice-President,
Head- Europe Business, HCL

Company Background

Hindustan Computers Limited (HCL) was established in India in 1976. HCL is a leading global



technology and IT firm. It comprises two companies listed in India, namely HCL Technologies and HCL Infosystems. Its range of offerings span product engineering, technology and application services, BPO, infrastructure services, IT hardware, systems integration, and the distribution of technology and telecom products. The HCL team comprises over 30,000 professionals of diverse nationalities, operating out of 15 countries. HCL has global partnerships with several leading Fortune 1000 firms, including leading IT and Technology firms.

HCL Technologies

HCL Technologies was formed as a separate company in 1994. In 2005-06, the company reported revenues of US\$ 919 million and had a workforce of 29,948 employees as on 31 March 2006. HCL Technologies offers services in Product Engineering and Technology Services, Custom Applications and Package Implementation, IT Infrastructure Management and BPO.

HCL Infosystems

HCL Infosystems operates in four broad segments – IT Hardware, Technology Services, Systems Integration, and Distribution of Technology and Telecom Products.

HCL in the UK

HCL entered the UK in the year 1997. However, till the year 2000, the company did not have significant presence in the UK until 2001, when HCL actively started focusing on the UK market.



Currently, the company operates through three offices and two delivery centres in the UK.

HCL provides the following three services in the UK:

- Application development
- Infrastructure management
- Business process outsourcing

In October 2001, HCL entered into a strategic alliance with British Telecom (BT) to offer BPO services through BT's 400-seat Apollo Contact Centre at Belfast, Northern Ireland (UK). HCL acquired a 90 per cent equity stake in Apollo Contact Centre with BT holding the remaining 10 per cent. This was a landmark event, making HCL the first Indian IT company to establish an overseas BPO business. A successful conclusion of this joint venture was achieved in 2004-05 through an acquisition of the remaining 10 per cent stake. This aptly demonstrated HCL's ability to create value from carve-outs. Currently, its Belfast

centre has 2000 employees. The centre has recorded a revenue growth of 200 per cent over the period 2001-05.

HCL in the UK is focussing on five industry verticals - Banking and Financial Services, Life Sciences, Retail, Telecom, and Hi-technology.

In the year 2000, HCL's UK operations contributed to around 6-7 per cent of the company's total revenue. However, the share of UK has now increased to around 25 per cent. HCL's UK operations generated revenue of US\$ 225 million in the year 2005-06. At present, it has 2,650 full time employees in the UK.

Factors for Success

Powerful Brand Image

HCL has a strong brand image in India and abroad. It has invested in building a brand recall in the minds of its customers through advertising and quality

products. HCL brand image coupled with its strong customer relationship and cutting-edge solutions have helped the company in creating value for its clients. It has collaborated with many companies whose products and solutions are in line with its business segments, such as Nokia in telecom, AMD in hi-tech solutions to provide better customer services. Brand image was leveraged by HCL to win some big contracts in the UK market.

Experienced Team

One key differentiator that helps HCL to stand apart from its peers in the UK has been its superior human resource quality. The UK team carried with it a rich and diversified experience. This ensured a thorough understanding of client requirements. The company also lays special emphasis on developing the skills of its employees. It provides regular training to its employees for developing their skills. The experience and sound domain knowledge equips employees with an in-depth understanding of problems and helps in providing quality inputs that lead to better quality solutions for its customers.

Blended Solutions

HCL has been able to offer its different services under one umbrella. There is a synergy between the different operations of the company. It is among the few companies that provide support services to its clients through its office located in Ireland. The company leverages its support operations in Ireland and in India to provide valuable support solutions to its clients. It provides support solutions for its European clients through its Ireland centre due to local skill presence. The centre transfers its low-end functions to its sister operations in India, thus freeing its resources to concentrate on high-end functions.

Focus on Key Business Areas

The company has focussed on five major vertical markets - Banking and Financial Services, Life

Sciences, Retail, Telecom, and Hi-technology. These verticals form the core operational strength of the company. It has concentrated in these verticals, which have in return facilitated the company to be a strong niche player in these verticals. In the UK, the company provides solutions to its various clients in banking and financial services, which include the insurance sector (AA Insurance Service), the retail sector (DSG International Plc) and the telecom sector (British Telecom).

Global Strategy

The company has established subsidiaries across the globe to sustain growth. It has set up subsidiaries in the USA, Japan, the UK and Australia etc. which aided in penetrating the global market. The company believes in the philosophy of 'think global and act local'. Its global delivery system is based on the strength of its local employees, who understand the geography of its subsidiary and provide services in collaboration with its technological competence.

Future Plans

The company has plans to target public sector projects to fuel future growth. HCL provides large-scale employment in the UK market. It is the largest Indian employer in Northern Ireland (UK). This has led to improved relations with the UK government. The company aims to leverage its harmonious relationship with the government and target major government projects.

The company is also evaluating certain sectors, which would be having high growth in the coming future. Some upcoming segments identified by the company are media, publishing and utilities. It has plans to target these segments with a priority to establish itself as a lead service provider. As the company has a strong position in its conventional market, these plans will enable the company to propel itself for some exponential growth.