INFOSYS TECHNOLOGIES LIMITED

“Infosys continues to be one of the fastest growing IT services brands in Europe. As we expand our operations in the UK and Europe, our presence in London is critical to our success as it allows us both to leverage the global talent pool, and to utilise the excellent physical and communications infrastructure required to rapidly scale up our operations.”

- B G Lahiri, Head EMEA

Company Background

Infosys Technologies Limited, incorporated in the year 1981 provides consulting and IT services. Infosys has been a pioneer in offering innovative solutions to its clients. The company offers a wide range of software services, namely application development and maintenance, corporate performance management, independent validation services, infrastructure services, packaged application services and product engineering and systems integration.

Infosys was the first Indian company to be listed on the NASDAQ Stock Exchange. The company reported a consolidated net profit of US$ 152.1 million for the quarter ending March, 2006.

It has five subsidiaries globally – Progeon Limited, Infosys Technology (Australia) Pty. Ltd., Infosys Technology (Shanghai) Co. Ltd., Progeon S.R.O. (Czech Republic) and Infosys Consulting Inc. It has presence across the globe with 30 offices spread over USA, Europe, Australia and Asia. It currently employs people from 53 different nations.

Though the USA has been the main source of revenue for Infosys, the company is looking into expanding into Europe and Asia. Infosys (Australia) has won several new clients and Infosys (China) is focussing on serving the local clientele. Its high-end services occupy a premium position in the Japanese markets and the growth rates are consolidating across Europe.

Infosys has a growth rate of over 50% and more than half a billion dollars in revenues in EMEA (Europe, Middle East and Africa) region, Infosys is one of the fastest growing Consulting and IT Services organisations in EMEA region.

Company’s revenue from Europe increased from US$ 340.3 million in 2004-05 to US$ 495.6 in 2005-06, representing a growth rate of 45.6 per cent per annum.

Geography-wise revenue contributing regions for the year 2005-06 have been depicted in the figure given.
Infosys has three global development centres in the UK. The company employs approximately 1000 people in its UK office.

UK being one of the largest IT services market in the world, it is critical to Infosys’s growth plans. The operations in the UK acted as a gateway for Infosys to penetrate the European, Middle East and African markets. UK also offered good talent pool to the company and excellent physical and communication infrastructure that facilitated Infosys to acquire the scalability that was required to achieve its ambitious growth plans.

Progeon, the business process outsourcing subsidiary of Infosys Technologies is also providing services to the UK clients. It entered into a strategic alliance with the UK based BPO firm, Hazell Carr in the year 2004.

Infosys has a multitude of clients in the UK, including Airbus, Deutsche Bank, Tesco, Argos and Johnson Controls. The company offers a range
of services which include software services, package application development, enterprises solutions, etc. to its clients.

Infosys was awarded ‘The Banker Technology Awards, 2004’ for its universal banking solution ‘Finacle’. This award is given annually by The Financial Times, UK for the most innovative technology solutions in the banking industry across the globe.

Factors for Success

Delivering locally relevant business value
Infosys has been able to customise its services and solutions to the requirement of its clients. Infosys has delivered enhanced customer value to its UK clients- evidenced by the 90 per cent plus repeat business that the company generates. Understanding client-specific needs and the value proposition has been key to this. An example is the creation of specific services around regulatory compliance that are region specific.

Building the brand
Infosys has adopted an aggressive strategy for marketing and branding in the UK. The company created coherent campaigns that utilise multiple channels, including events, PR activities, analyst relations, investor relations web based online marketing and direct marketing. Using these channels, the company focuses on creating positive perceptions with the clients, industry associations, media and policy and decision makers. These branding efforts paved the way in establishing Infosys a well-recognised brand in the UK.

Coherent Market Strategy
Infosys has made strategic investments in the UK with a clear focus on future expansion plans. The range of investment encompass not only infrastructure, but also covers areas such as human resource, technology and networking infrastructure. These investments have enabled Infosys to increase its new client penetration rate and have helped in attracting the best of global talent.
Investing in Expertise
Infosys has a long experience in the software industry. The company has business innovation in global delivery model which is coupled with its technology and industry expertise, in the field of financial services, manufacturing, telecommunications, and retail, transportation and logistics industries. This disruptive model has enabled the company to offer distinctly superior services that met the client expectations and thereby facilitated the winning of new clients as well as retaining the existing clients in the UK.

Future Plans
Infosys has ambitious growth plans for the region. In order to achieve this, Infosys intends to increase its new client penetration and at the same time expand on the scope of operations with its existing clients. Infosys intends to do this by focusing on the following areas:

Global Sourcing
Infosys global sourcing strategy is aligned with its business strategy, thereby enhancing the operational efficiency and delivering value added services to clients globally. The company has structured its business processes and IT services into various modules thus leading to leading to enhanced flexibility and productivity. Infosys plans to be the benchmark for global sourcing offerings in the UK market.

Business value
Infosys is a technology enabled business transformation company offering value added solutions to its clients. It plans to penetrate further in the UK market by providing advance technology products and services that enable its clients to transform the way they operate.

Enterprise Solutions
Infosys has plans to aggressively focus on the package enterprise applications such as SAP and Oracle Suite. The company is also planning to increase its focus on the service oriented architecture (SOA) for solutions to its clients. These are expected to bolster the company’s presence in the growing enterprise solution market.

Moving beyond Application Development
Infosys offers a range of services beyond its traditional strengths in Application Development-including BPO, infrastructure maintenance, software service, etc. The company already has a strong foothold in the infrastructure and F&A segments. It plans to expand its offerings in other service area as well.