

KRISHNAKUMAR (KK) NATARAJAN, CHIEF EXECUTIVE OFFICER, MINDTREE LTD has the overall responsibility of both the IT Services and the Product Engineering Services businesses of the organization. Until recently, KK served as the President & CEO, IT Services at MindTree. One of the co-founders, KK is responsible for taking the company to a global leadership position. In the early years of MindTree, KK moved to the US to launch its operations in the region and was instrumental in acquiring some of the early customers for the organization. He then drove MindTree's expansion into Europe, Asia Pacific, the Middle East and Australia. Under his leadership, MindTree added several Fortune 500 companies to its client list and achieved revenues of \$330 million in 2010-11.



KK Natarajan

FROM ORDER TAKERS to order makers

OUR FOUNDATION IS BASED ON ENTREPRENEURIAL SPIRIT

MindTree's story is similar, in some ways, to Infosys – a group of professionals who put their successful careers at stake to embark on an entrepreneurial journey. However, times were different. Unlike Infosys, ours was not a garage start up. In 1999, MindTree was founded by ten professionals, most of whom are still with the organisation, who brought a diverse set of technology skills and domain expertise. Each one of the founders was running large outsourcing programs previously at Wipro and Cambridge Technology Partners. With the market on a growth curve and funds available through venture capital, the expectations from the market

were high. But, with the combined experience of the leadership team, we were able to exceed market expectations.

STELLAR LEADERSHIP IS KEY TO GROWTH AND SUSTAINABILITY

A strong leadership team right from the start enabled us to build an organisation with a unique identity and culture. We make the best use of the capabilities and skills of each of our leaders. The breadth of leadership team also enables each one of them to explore and implement ideas that are exciting to them rather than focusing only on operational issues. Apart from building a strong senior management

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team, we have been proactively grooming and mentoring leadership at all levels. Our leadership plans also allow us to bring leaders laterally into the organisation. Accordingly, when we went public, we made plans for leadership transition and any exigencies. We have clear succession plans with a horizon of 10 years.

OUR VISION EXTENDS BEYOND REVENUE GROWTH

Our vision, in terms of growth, is to reach 1 billion USD revenues by being a leader in the chosen areas. Apart from revenue targets, the other aspects of our vision include:

1. To generate value for our stakeholders by being amongst the top 20 in terms of return on equity and return on capital employed
2. To earn admiration for our customer satisfaction, people practices, knowledge management and corporate governance
3. To contribute to the society under MindTree Foundation

The \$1 billion dream is not an absolute number. It represents critical mass and a strategic intent. Size is definitely an important criteria but not at the cost of specialisation. MindTree in its journey towards the one billion mark would like to be known as an expert in its chosen spaces.

Our customers choose MindTree for a mix of hard capabilities and softer strengths. We do bring very strong functional and technical capabilities in select industries. With our foresight to understand the business needs of the future and

variable market dynamics, we intend to create value for our customers and therefore, transform from being order takers to order makers

Using our consulting approach, domain and technology expertise, we add transformational value to the IT and business initiatives of our customers. On the softer side, customers choose MindTree for its unique culture and people practices which reflect in the attitude of our people, our flexibility and commitment to go the extra mile for our clients.

We have a simplified structure and are focused on a few verticals and with a service line specialisation which only a few of the mid-sized providers have in the industry today. We are among the few companies that can work with the CIO organisations as well as the functional/business organisations to bring about business and process transformation in enterprises. We had originally identified seven key business areas to serve as our growth engines that would enable us to generate billion dollar revenue. The global economic meltdown of 2008 made it imperative for us to revisit our plans and strategies. Eventually, we decided to refocus on only two services – IT services and Product Engineering services – and strive to be the best in the chosen verticals. We expect IT services to contribute 60% of our revenues while the rest would come from product engineering services. We will enhance our expertise by focusing on a few domains. In IT services, we will focus on BFSI (banking, financial services and insurance), and in CPG (consumer packaged goods), process manufacturing and travel.

We have further identified high potential areas as the growth engines for our business:

- **Independent Testing:** 2,000+ people strong team focuses on being the trusted advisor of predictable quality of applications and products.
- **Infrastructure Management:** 1,100 people strong with a platform based delivery for RIM services. Works through flexible pricing models for clients' including outcome-based pricing model.
- **Data & Analytic Solutions:** This 800+ strong cross functional team is one of the world's largest information management practices offerings customers a one-stop- shop to capture, analyse, enhance and view business information.

We are in the process of developing a new-generation global delivery platform that will not only help us in non-linear revenue generation but will also help in significant productivity enhancement and reduced time-to-market in project delivery. Our knowledge management practice is the best among companies across industries and the Global Most Admired Knowledge Enterprise (MAKE) award is a testimony to it.

GROWTH OF INDIAN OUTSOURCING INDUSTRY AND ENTREPRENEURSHIP

The Indian outsourcing industry has matured over the past two decades. The question about diminishing attractiveness of India is baseless. Such opinions are based on a narrow perspective of cost arbitrage. We don't usually face competition from East European/Chinese providers though we continue to engage with our clients to understand how they are viewing some of these new sourcing locations. There are other key elements of Indian outsourcing industry that will drive future growth. The entrepreneurial culture, which is pervasive, is one such element. The initial MindTree team left Wipro to embark on an entrepreneurial journey. Wipro was about 12,000 strong at that time. Both Wipro and MindTree have grown significantly since then and continue to thrive. We should not forget that since 1999, the world has not produced many companies that have gone from 0 to \$330 million. Give a 10 year old to try something; that is the way you build 'memories for the future'. The market was large enough for different companies to exist, in harmony. It is this culture that is nurturing the Indian entrepreneurial spirit. We continue to maintain that spirit within our organization by providing opportunities to our employees to implement their ideas.