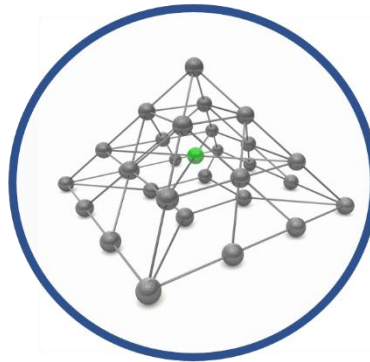


BUSINESS STRATEGY



DIGITAL READINESS



INNOVATION CAPABILITY



You need a transformative approach in today's business environment

On 23rd April 2018, Tata Consultancy Services (TCS) achieved the feat of becoming the first Indian company to kiss the USD 100 Billion market cap during the day and finally settle down around USD 98 Billion.

In pursuit of business growth, most of the time companies tend to take an additive or substitutive approach to strategy with given resources. This approach is no longer enough and much has been written about this aspect by analysts and experts.

If one reads the analyst reports as well company published reports, they focus on management tenets of strong leadership, strategy and its successful execution. However, TCS has clearly done something different ahead of other top Indian IT Services companies.

While stakeholders rightly celebrated TCS' financial performance, it is worth looking at what has enabled them to change their course effectively. N Chandrasekaran, Chairman said "TCS has been able to create value consistently by making the right investments not only in terms of technology, but also in terms of creating capabilities, building leadership and talent, seeding new markets and developing scalable world-class solutions"

If one must stay relevant through transformation, businesses need to learn to manage 4 elements in unison- **Strategy, Talent, Environment** and **Process**:

1. **Reshape the Strategy:** When business demand agility in a VUCA world, the need is for a transformative approach. It is easily said than done. Such strategies consider plausible scenarios of the future, a deep understanding of challenges customers face and develop solutions to address them. These considerations usually translate into the need to develop capabilities which are not just technology oriented.
2. **Reconfigure the Talent:** Imagine someone well skilled to drive a car over long distances across cities. Now imagine he is suddenly expected to drive the same car in treacherous mountain terrain or drive a sports car in a motor race. You would know it's time to reconfigure skills and competencies. In today's Digital World the discussion around skill upgradation is quite intense. Organisations should focus on developing Leaders and Individual Contributors alike in areas that include technology, business creativity and innovation.

- a. **Leaders:** They are responsible to design strategies, lead teams and deliver results. Developing innovation capabilities at Strategy level is therefore necessary. For non-tech leaders, awareness of the role of Digital in Strategy is essential. They also need to understand nuance of managing such strategies. It will enhance their ability to come up with differentiators to harness new opportunities that drive business growth
 - b. **Individual Contributors:** While training on digital technologies is essential, skills such as business creativity and innovation, complex problem solving help in achieving business and personal growth in the digital world.
3. **Redesign the Environment:** Organisations accordingly need to work towards workplace transformation as well. Building workplaces which encourage and reward innovation, agility, talent development and collaboration are becoming the need of the hour.
4. **Reimagine the Process:** Most Organisations have business processes in place which are unique to them. They differ according to the size of the business. Very rarely the “Business as Usual” Processes will yield significant results in the transformation journey. Innovation and Digitalisation have the potential to reimagine these processes that create better customer experiences. It calls for different thinking and management capability to manage transitions.

Building digital skills without nurturing the ability to lead, manage and deliver innovation is like setting up the workforce to execute run-of-the-mill projects once again. This approach will not explore the power of technology in creative ways, that ensure customer delight, enhanced user experience, or drive business growth.

Indian technology companies are in various stages of this transformative journey. Companies like TCS appear to be well on their way, others are in the transition phase while some are yet to start this journey in an organised manner. Transformation means you have to look at **Business Strategy, Innovation and Digitalisation** in an integrated manner, not independently. That is what TCS has done. It has put them in a position where they can help their clients meet new business challenges, thus transcending the traditional products and services business model. When it comes to reconfiguration of talent, Infosys has stated that as a part of their transformation they would hire people with Arts, Economics and Liberal Arts, apart from Software background. On the global stage, let us look at companies like Netflix, Adobe and NVidia. Netflix has transformed the media distribution business, but its seeds were sown many years ago. Same is the case with NVidia which is making waves in the realm of GPU computing AI, gaming, etc. When you study their journey, you realise the reason for their business, technology and innovation leadership. These companies are experiencing a decent mix of business growth, profits and valuation.

Such journeys take a few years before showing some results. They start with Vision and Leadership. What follows is a careful assessment, prioritisation and implementation so that the transition is timely and minimally disruptive to the business. Thus, the earlier one embraces the approach, the better it is to remain relevant and competitive. There is no singular prescription and every company must find its own solution. There really isn't much choice, is there?