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EDS rejigs Mphasis ops

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CORPORATE; PAGE 9

EDS to revamp Indian operations

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NEARLY two years after its acquisition of Mphasis, EDS is revamping the businesses under its India arm and is investing in a new service that will reduce revenue dependence on new employee additions.

The multinational tech firm, that lags rivals IBM and Accenture in performance and in its India presence, is working on building autonomic computing — a branch of technology that aims to create computer systems that are self-managing. EDS plans to run this as a service along the lines of its BPO and applications businesses.

The initiative is being spearheaded by Jeya Kumar, the newly appointed CEO of Mphasis and a former executive with Sun Microsystems, which is known for having developed technologies such as Java and the Solaris operating system. The company is in the process of appointing a senior executive who will head this initiative and develop it as a separate line of business.



DOMESTIC PUSH

The multinational tech firm, which has started becoming aggressive in expanding its offshore presence here only recently, is working on building autonomic computing, a branch of technology that aims to create computer systems that are self-managing. Such revamp of businesses will capitalise on EDS' strength in IT outsourcing. Moreover, the firm intends to recruit nearly 6,000 people this year

The candidate is expected to join as head of technology development and will have the "best and brightest people in the firm at his disposal", according to Mr Kumar.

"Autonomic computing is already being commercially adopted in the US and Europe, although not in Asia-Pacific. To my knowledge, none of the Indian

providers offer it," he said. EDS has started expanding its offshore presence here only recently. After it acquired Mphasis in 2006, it has increased the headcount of the combined entity (Mphasis and EDS India) to about 27,000 employees. This year it intends to recruit nearly 6,000 people.

The revamp being carried out will also capitalise on EDS' strength in IT outsourcing (ITO), also known as infrastructure management. ITO will start being offered as a separate service from Mphasis and will be headed by a president. Last month, it had won a \$1 billion ITO contract from Shell to manage its end-user computing. About 65% of EDS' revenues come from ITO, while Mphasis gets only about 15% from this business, said Mr Kumar, whose goal is to increase the share of ITO to 20% of the business. It will do this by also tapping the domestic market, where it already has presence in BPO.

"The domestic BPO market is very competitive, so we are focusing more on ITO," he told ET. In all, four new services and domestic sales will come under the umbrella of the India entity, from what was primarily applications and BPO in Mphasis. Each of the businesses will have a president, and there will be six people reporting to Mr Kumar. Two new positions of chief of sales and chief quality officer are also being created.

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