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## **We plan to acquire small or mid-sized companies'**

**Q&A:** Ganesh Ayyar, CEO, Mphasis Ltd

Hrishikesh Joshi / Pune March 11, 2010, 0:57 IST

Bangalore-based IT consulting and BPO services provider Mphasis has set up a Global Command and Control Centre (GCCC) in Pune. The centre is expected to enhance the company's infrastructure-outsourcing capability and extend its services to customers in India as well as in the US, Europe and Asia-Pacific regions. In a chat with Hrishikesh Joshi, Mphasis CEO Ganesh Ayyar reveals how the centre fits into the expansion plans of the company, besides touching on related subjects. Edited excerpts:

### **How will GCCC enhance your delivery capabilities?**

The centre provides a world-class tooling framework to deliver Remote Infrastructure Monitoring (RIM) services. The Mphasis RIM platform leverages the HP toolset, and the skilled resource base in Pune.

The GCCC services will transform clients and enable them to become flexible, responsive, manage risks and reduce costs. The centre has over 600 technically-trained people, supporting 450 global clients. Around 2,000 people are dedicated to the infrastructure outsourcing (ITO) business. It will create a sustainable and scalable RIM delivery platform by connecting and networking the Mphasis' global delivery centres.

### **How much have you invested in the centre?**

It's a marginal investment but I am not in a position to disclose the figure.

There were reports that Mphasis is scouting for firms to boost the ITO business...

We are exploring some acquisitions that may take place over the next few months or a year. Recently, we acquired AIG and we have plans to acquire small- or mid-sized companies. But it is not only to boost our ITO business, but in other services, too.

ITO is our fastest growing business and is currently in a 'teenage' state. Also, we will acquire those companies that will boost our strength rather than those that come with plunging weaknesses. We have performed well in the reporting quarter and expect better results in the future. We have grown from a \$12-million (Rs 54-crore) company to a \$256-million (over Rs 1,160-crore) one in terms of cash flow in a very short period of time.

### **How is your relationship with HP helping you?**

We have maintained very good relations with HP as a customer and now as an owner. Earlier, we were selling our services to them. Now, Mphasis is also an end user for HP. Recently, we added 20 new clients across six verticals out of which 11 were from the HP channel.

### **In the last few months, the attrition rate of Mphasis has shot up...**

It is true that the rate has increased and is now in double digits. However, while other information technology (IT) companies were laying-off people last year, we retained most of our people and even gave them bonuses. This year, we are planning to give significant pay hikes rather than bonuses.

### **Do you have any plans for such services as Green IT, cloud computing or utility computing?**

Yes, definitely. We have some plans for these services, especially for Green IT, but not on a very large scale. It will be functional over the next 12-18 months.

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