MEDIA COVERAGE

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'Mphasis may be at an advantage today'

Shilpa Phadnis & Sujit John | TNN

ONE-ON-ONE
Ganesh Ayyar
CEO, MPHASIS TECHNOLOGIES

Bengaluru: Ganesh Ayyar has been CEO of Mphasis since 2009, and will continue at the helm following the company's acquisition by Blackstone, the world's largest private equity player. The acquisition announcement was made two months ago. Ayyar talks to **TOI** about what it means for the $1 billion Indian IT company and about the changes disrupting the industry.

What's the mandate from Blackstone? Does the possibility of doing business with Blackstone's portfolio companies give you comfort on the revenue front?

The engagement has happened, the marriage hasn't (the acquisition formalities are not complete). I'm talking to other married people to understand what it means to be married (to a PE firm). It's important to get ready, otherwise I myself may be resistant to change. They may want things to happen faster than a strategic suitor. Having said that, the addressable market from Blackstone's portfolio companies is $1 billion from an Mphasis perspective. Even if I hit 30%, its $300 million and that's not a platform that's available to us today. For the $1 billion company that we are today, that's big, and if I grow the other (non-Blackstone) side, I will be faster than the market. This is obviously a source of excitement.

Any learnings from the "married people" you have spoken to?

I have spoken to CEOs who have succeeded with PE firms and CEOs who have failed with PE firms. I'm trying to see if there's a pattern and I'm super imposing it with my personality to see what changes are required in order to increase the probability of success of the marriage. You should not allow your culture to be yanked out – things like empowerment of staff is central to our culture. But you can change your behaviour as an organization so as to derive more out of PEs.

Dell and HP have hived/ sold off their IT services businesses. How do you see these changes?

The products business, including the hardware business, has a very different biorhythm from the services business. In a services business, the deal is the starting point of a relationship. In products, you sell and you're done. The mindsets, the way you structure the organization are different for each. When a rhythm mismatch happens, and the big global companies are into multiple rhythms, you struggle to extract value from whatever you do. When an organization grows, there's the desire to enter new areas. Everybody, including me, aspire to it. It's not easy though.

Indian IT services firms have been gaining market share from their global counterparts. Do they have an advantage on account of the kind of resources they have access to?

I won't generalize, especially now when new technologies are disrupting the industry. Our disadvantage can be our size. We went for an asset light and human heavy model. If you look at global players, they even went into the asset heavy model of buying data centres. As automation sweeps in, we may have to go for an asset light, human light and automation heavy model. The talent supply chain and English is our differentiation. But as there will be fundamental changes (on account of cloud, mobile, automation etc), our failure rate won't be much different from the global rate. Smaller players like Mphasis may be at an advantage here, since they would be more flexible and nimble than the larger ones.

What are the big challenges in this shift?

The difficult part of the shift is cannibalization of our existing accounts. If we develop an automation solution that can significantly lower costs for a client, it will be very difficult for our front-end salesperson who has a revenue target to offer that instead of the traditional people-heavy solution.
So managements have to take those calls to sacrifice revenue and simultaneously find a way to ensure that the salesperson does not think he can take it easy. All of us are trying, but who succeeds, time will tell.

PSU banks install 14k ATMs in FY 2015-16, miss target

New Delhi: State-owned banks installed close to 14,000 automated teller machines (ATMs) in different parts of the country in 2015-16, but missed the cumulative target of 15,249 for financial year.

A total of 13,935 cash dispensing machines were installed by banks in the year ending March 31, 2016 against the target of 15,249 ATMs, according to the data on progress of installation of ATMs by 27 public sector banks.

The total number of ATMs of PSBs increased to 1,42,557 at March end. AGENCIES