

Tata Consultancy Services Recognized for

2021

Technology Innovation Leadership

Asia-Pacific

Integrated Operations Services Industry

Excellence in Best Practices



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Tata Consultancy Services excels in many of the criteria in the Asia-Pacific BPM services space.

| AWARD CRITERIA | |
|----------------------------|------------------------|
| <i>Technology Leverage</i> | <i>Business Impact</i> |
| Commitment to Innovation | Financial Performance |
| Commitment to Creativity | Customer Acquisition |
| Stage Gate Efficiency | Operational Efficiency |
| Commercialization Success | Growth Potential |
| Application Diversity | Human Capital |

Commitment to Innovation

Tata Consultancy Services (TCS), a leading global IT services, consulting and business solutions provider, is committed to delivering continuous innovation. This commitment is important in the digital transformation era as enterprise clients reimagine the use of technology, people, and processes in pursuit of new business models and revenue opportunities, driven by changes in customer expectations. As organizations accelerate their growth and transformation journeys, the focus is moving toward operational excellence driven by digital technologies.

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TCS aimed at distinguishing itself and becoming a growth engine and transformation driver for its clients. It developed an artificial intelligence (AI)-driven platform called Cognix™, powered by TCS’ Machine First Delivery Model (MFDM™), to create the right impact with innovative ideas and technology and process transformations. This platform gives clients a competitive edge, helps them embrace continuous innovation, deliver enhanced experiences, and achieve business outcomes. Cognix™ uses an ecosystem of prebuilt, configurable, and reusable digital solutions called value builders, which are contextualized by harnessing the service providers’

customer operations expertise. It orchestrates cognitive technologies, process benchmarks, and transformation frameworks to bind the value builders to deliver industry-specific contextualized solutions for clients. The solution has more than 75 easy-to-deploy built-in value builders taking into consideration client's business requirements to deliver on tangible business value.

Cognix™ delivers contextualized and customized solutions as per the client's business situation, technology gaps, business process capabilities, and specific key performance indicators (KPIs). It is an ecosystem of pre-built solutions spanning across multiple industries positioned to address varied digital requirements. It offers AI-enabled conversational chatbots, personalized dashboards with interactive visualization that supports quick decision making, combined with governance mechanisms to enhance operational processes. These solution capabilities expedite decision making based on actionable insights and an outcome-driven approach. TCS also built a strong ecosystem of global technology partners, such as Celonis, an AI-enhanced process mining and process excellence software, to deliver best-in-class solution capabilities. The company provides platform solutions with leading third-party platform providers, such as SAP, Oracle, Tradeshift, and ServiceNow.

Application Diversity

Combining traditional BPM services with next-generation technology services has been an overarching theme for several years. Organizations are transforming their business operations to not only improve customer experience, but also drive cost efficiencies and improve revenue and profitability metrics. TCS set up a cognitive business operations (CBO) business unit that caters to various CXO stakeholders' transformational needs by reimagining business operations, process delivery, application services, and IT infrastructure to deliver superior business outcomes. CBO is the intersection of business, infrastructure, and application operations that directly impacts business processes. It leverages cloud, analytics, Internet of Things (IoT), machine learning, AI, and automation throughout the operational stack, and effectively amalgamates business process services (BPS) offerings across finance, procurement, marketing, supply chain, human resources, and customer experience functions.

TCS has a comprehensive BPS portfolio, and it leverages its industry-specific suite of products and solutions underpinned by latest technologies to deliver high impact value to clients. This enabled it to focus on building industry domain knowledge and grow across banking, financial services & insurance, life sciences & healthcare, energy & utilities, media & communications, retail & consumer, hi-tech, government, travel & hospitality, and manufacturing industries. TCS also offers a comprehensive portfolio of consulting-led services leveraging on its domain expertise and thought leadership to enable intelligent, agile, and digital operations that deliver superior business outcomes. Its commercial success is illustrated by the excellent customer growth metrics. Through its CBO offerings, TCS provided a competitive edge to more than 1000 clients, delivered more than 120 million customer interactions, processed approximately 100 million invoices, and resolved more than 18 million incidents.

Customer Acquisition

Since its launch, Cognix™ gained more than 200 clients and delivered US \$20 billion in business value, which helped TCS retain approximately 98% of its clients. The solution drew attention of the market as it helps organizations achieve superior business outcomes across functions. Potential clients note TCS'

ability to address multiple areas of business operations by applying AI, machine learning, and automation. Cognix™'s built-in maturity models analyze business operations, identify technology gaps, and eliminate fragmented processes. TCS is supported by technology-specific units that enable it to understand and contextualize clients' business requirements and drive accelerated digital transformation. Recent wins include a leading European pharmaceutical company, a major American airline, a top manufacturing company in Asia-Pacific, a prominent media provider and telecom participant in Australia, and leading BPM service providers.

Human Capital

Frost & Sullivan believes that TCS' employee-centric culture is a distinguishing factor, as it invests heavily in its growing employee base, and in enabling and empowering them to focus on higher-value tasks. The company invested in upgrading the skills of employees in digital and emerging technologies through its strong in-house talent development program, which is contributing significantly to its growth. During COVID-19, as employees had to move to remote and virtual workplaces, TCS moved to a Secured Borderless Work Spaces™ (SBWS™) model. SBWS™ gives employees the ability to work from home without breach or loss of any data through a resilient cybersecurity framework as well as project management practices ensuring that work is allocated, and monitored regularly.

At the core of this work model is learning and sharing that enables nurturing of employees with a range of online learning platforms, extensive training programs, and certifications to equip new hires as they begin their careers in TCS. As part of its ongoing talent development efforts, the company gamified learning and conducted hackathons to keep employees motivated and learning interactive during the lockdowns. TCS has trained 379,000 employees on digital technologies and logged 43 million employee learning hours already in 2021. Through these initiatives and programs, it ensured employee engagement and collaboration with quality and timeliness of client deliverables.

Growth Potential

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As part of its sales and marketing strategy, TCS largely focused on CIOs/CTOs, and changed its philosophy to address multiple stakeholders at the CXO level, such as chief finance officer, chief procurement officer, chief risk officer, chief marketing officer, and chief operations officer. For example, TCS covers the entire spectrum of finance and accounting while conversing with the CFO, and can provide end-to-end business process management services to customers across different industry lines and various geographies. The full stack of stakeholders demonstrates a bright growth prospect as it enables TCS to deliver strategic business outcomes across the C-suite. TCS also set up specialized business units, such as cognitive

business operations, and acquired companies with niche capabilities. For example, TCS acquired W12 Studios, a digital company, adding to its expertise in visual, interaction, motion, sonic and creative technology, which empowered it to address challenges faced by CMOs and CEOs.

Financial Performance

TCS generated global revenue of US \$22.2 billion for FY 2021 (year ended March 2021) at 0.7% year-on-year growth driven by multiple first-time outsourcing deals and cognitive operations leveraging MFDM™ and Cognix™. TCS enjoyed high customer satisfaction and high client retention with approximately 97% repeat business from existing clients. Asia-Pacific is a potential growth market, and TCS successfully signed new deals as well as retained clientele there. It is successful in Australia and New Zealand due to years of IT and consulting service capabilities and industry-specific experience. TCS enjoyed success as majority of its global clients diversified business for Asia-Pacific in China, and its delivery center in China provides voice-based customer experience services supporting Mandarin, Japanese, Korean, Thai, Malaysian, and Vietnamese languages. The company gained traction in Singapore with a high demand for consulting-led engagements. Frost & Sullivan believes that its customer-centric focus helped TCS work closely with its clients during the pandemic.

Conclusion

Through its domain knowledge, industry-leading expertise, and comprehensive BPM services combined with cognitive machine learning technology, TCS is leading the industry. Cognix™ is being recognized as an AI-driven human-machine collaboration suite that helps clients accelerate transformation and grow through cognitive operations. The company successfully set itself apart through its deep industry knowledge across multiple verticals, contextual know-how backed by investments in the latest technology innovation, and a rich portfolio of services targeting every C-suite stakeholder.

With its strong overall performance, Tata Consultancy Services earns Frost & Sullivan's 2021 Asia-Pacific Technology Innovation Leadership Award in the business process management services industry.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

