

# 'We want to dominate infrastructure services'

Infrastructure services have been a key catalyst for growth of India's fourth largest IT services exporter, HCL Technologies, and has witnessed accelerated growth in recent quarters. It contributes 20 per cent to HCL Tech's total revenues, growing 25.7 per cent year-on-year from \$283 million (Rs 1,301 crore) to \$356 million (Rs 1,640 crore) in 2008-09. ANANT GUPTA, president of the Infrastructure Division of HCL (HCL ISD) talks to **Kirtika Suneja** on the company's 'Blue Ocean' strategy. Edited excerpts:

## Q&A

**Anant Gupta**  
President, HCL ISD

**In line with the company strategy of finding new verticals, geographies and service lines, how has the infrastructure division grown?**

Growth in the infrastructure services is not the outcome of one or two quarters but is based on the original Blue Ocean strategy of bringing winning differentiators for excelling and creating new markets. Our strategy is the outcome of the end-to-end service offering, along

with integrated offerings. This has led to both operational efficiency and revenue growth. It is the visibility, analytics and implementing that change that integrates well with the original Blue Ocean strategy.

**Which are the growing and emerging verticals for infrastructure services?**

Media, publishing and entertainment (MPE) was a growing vertical but now it is on a good run rate. However, pharmaceuticals and life sciences are promising and have not reached the peak yet. Manufacturing, high tech and financial services have been strong. We feel energy and utility segments will be the next wave of growth, because earlier they were closely held sectors. Now, we would



like to have a strong leadership in the MPE, pharma and energy sectors.

**How is the geographical spread for the infrastructure division shaping?**

Continental Europe is an emerg-

ing geography, especially central, southern and Nordic regions. The Nordics are growing fast and on a run rate like the MPE vertical. For India, it is a growth market and a changing market, as there are public sector units in India who are

looking at different sourcing strategies.

**How is the deal pipeline looking for infrastructure services?**

The deal pipeline is healthy, with the average deal size being \$15-

25 million (Rs 70-115 crore) and the large deals being between \$50-200 million (Rs 230-920 crore). It is customer referrals and renewables that drive growth. In the last year, we signed deals with Nokia, Xerox, Dr. Pepper, Snapple Group, Oncor and Reader's Digest Association, among others.

**How will headcount grow in the business?**

The headcount stands at 10,769 as of September and we will focus on non-linear growth. However, of the new hiring we do, there will be more laterals (experienced hands) than freshers.

**Are acquisitions on the cards?**

Acquisitions are a low-priority item at this point of time because we are growing at a good compound annual growth rate. We are going for dominance in this sector. We are getting client wins. Acquisition decisions will not be driven by volumes. It is important for the profile to be same. Also, we are not looking at small and medium enterprises.