

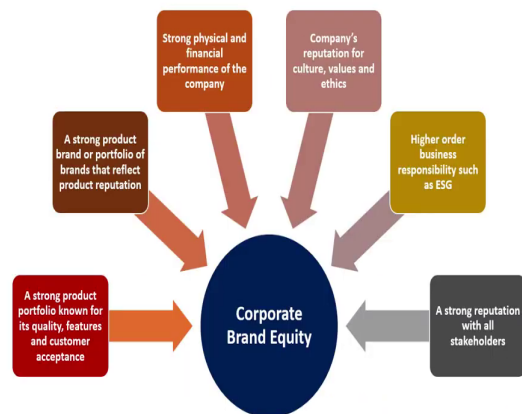
Business Development from Start to Scale
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Week - 08
Corporate Development
Lecture - 36
A New IT Start-up

Hi friends, welcome to the NPTEL course Business Development from Start to Scale. We are in week 8 with the theme of Corporate Development. In this lecture, the 36 in the series, we consider the case of A New IT Start-up. Before I go to the case per se, let me talk about corporate brand building, because that is an important aspect of corporate development.

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Building Corporate Brand – Core Activities



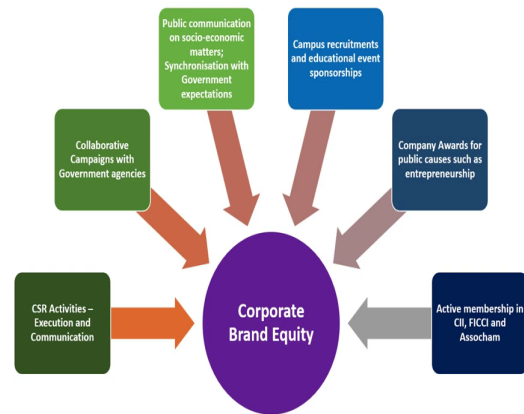
For a corporation to have good brand equity at the corporate level, it must have 6 factors working in its favor. First of all, it should have a strong product portfolio known for its quality, features and customer acceptance. When we talk about product portfolio, it is a reference to different kinds of product categories that the company has its fault. Secondly, it should have a strong product brand or portfolio of brands that reflect product reputation.

A product brand like Lux, a product brand like Cinthol, a product brand like Dove, a product brand like Colgate, these are important. The company should have strong physical and financial performance for the company. The fourth factor is that the company's reputation for culture, values and ethics must be impeccable. There must also be higher order business responsibility that is voluntarily taken up by the company.

Environmental, empathy, social responsibility and corporate governance together ESG is one such facet. And it should also have a reputation for dealing in a fair manner with all its stakeholders. When a company has got all of these factors working in its favor, because of its thoughtful and assiduous efforts over the years of its journey, the company would have strong corporate brand equity.

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Building Corporate Brand – Ancillary Activities



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The corporate brand equity also requires several ancillary activities to be performed. They may not be directly related to the corporate brand equity, but they help the company achieve higher level of corporate brand equity. For example, corporate social responsibility activities, the execution of them as well as communication about them.

Collaborative campaigns with government agencies. For a company which has got products that are being supplied in times of inflation, if the company works with the government to talk about how the company is trying to moderate the inflation levels, that would be having a positive impact on the company. Similarly, when there are shortages, if the company joins hands with the government to enhance the level of availability of the product to the customers, then it would have positive impact.

Third, public communication and socio-economic matters; synchronisation with government expectations, that is, the company can carry out campaigns along with the government without any direct relationship to the products. However, the national interests are protected and supported by such joint campaigns with the government. The fourth one refers to campus recruitments and educational event sponsorships, because the talent base is built at the bottom of the pyramid.

The educational institutions are the catchment areas for a company and the more the company is visible in the catchment areas of talent, the more will be the long-run corporate brand equity that gets supported. That is why many companies have graduate engineering training programs or management training programs so that they stay connected with the educational campuses.

Similarly, sponsorship of educational quizzes, educational events which bring out the technical talent as well as the management talent in students would also be adding to the corporate brand. Then, company awards for public causes such as entrepreneurship. If a company has a foundation, the company could, through the foundation provide awards for various categories. It could be for social entrepreneurship, it could be for innovation, it could be for helping the indigent people and that could be very helpful.

I again spoke about the Britannia Home Pruner program which had certain incentives for home pruners, particularly the indigent housewives who contributed to the social requirements of the community. Again, active membership in various industrial federations just as CIA, FICCI, Assocham or important adjuncts to developing corporate brand equity.

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Companies Grow through Brand Building



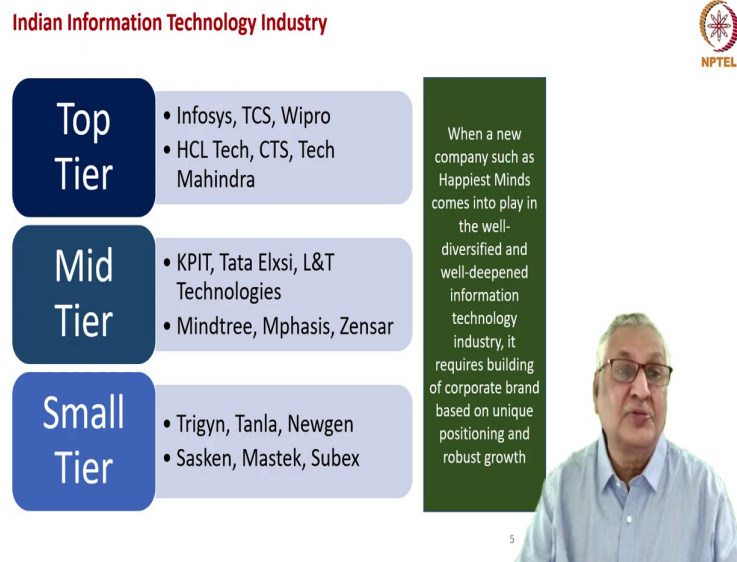
Companies grow through brand building not as a day's effort, but as a decade's journey. No brand gets built to the unassailable position as it happens to be without assiduous efforts over a long period of time. So, for that you need to have the core product and the core business.

You should have market niche and market growth and you should be able to secure reasonable market share in that market segment. You should also be seen as a company which is globally competitive, which means the company must do globalization as part of its strategic execution. There must be higher order ranking within the industry not as an also run company and the company should be known for its competitive growth profile.

So, if the company has got core products and if the company works in core businesses is able to demonstrate market oriented competitiveness as well as global market oriented

competitiveness and is able to sustain competitive growth. The company's brands will be growing on a continuous basis.

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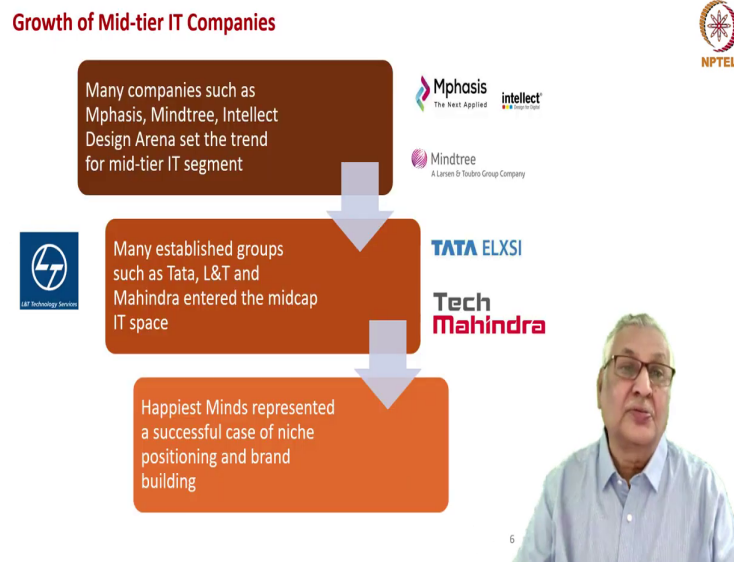


Let us go to the Indian Information Technology Industry because that says the context for the case study we are going to discuss first. Indian Information Technology industry is in terms of 3 tiers. We have top tier which comprises companies such as Infosys, TCS, Wipro, the 3 giants of the IT space. We also have companies which have come up fast and in a very smart manner, HCL Technology, Cognizant Technology Solutions and Tech Mahindra.

Then we have number of mid-tier companies KPIT, Tata Elxsi, L and T technologies, Mindtree, Mphasis and Zensar as examples. We also have small-tier companies like Trigyn, Tanla, Newgen, Sasken, Mastek, Subex. When a new company such as Happiest Minds comes into play, the well diversified and well-deepened information technology has

opportunities as well as challenges. The company requires building of corporate brand based on unique positioning and robust growth and that is this case of Happiest Minds is about.

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Let us look at the growth of mid-tier IT companies. Many companies such as Mphasis, Mindtree, Intellect Design Arena set the trend for mid-tier IT segment. Many established groups such as Tata, L and T and Mahindra entered the mid-cap IT space. Tata had the TCS yet. It entered the mid-cap IT space through Tata Elxsi. L and T, a construction giant, has decided to operate not only through L and T technology services, but also through L and T information technology.

Mindtree, Tech Mahindra, Mphasis, Intellect Design are at various levels of capability. Of these Tech Mahindra, has transited quickly from mid-tier to top tier by acquiring Satyam Computer Services. Happiest Minds, the focus of our case study today, represents a

successful case of niche positioning and brand building in what could appear as a highly-competed information technology domain.

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happiest minds
The Mindful IT Company

Born **Digital** . Born **Agile**

IITM DoMS EMBA
Course Work

Student Credits:
Rahul Jayan
Vishnu TR



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Happiest Minds has three signature statements. One signature statement is the name of the company itself. The second signature statement is in the company being mindful and the third signature statement is the company being digital and agile from birth. It is very unusual for a company to have three signature statements. But let us see how the company got into that kind of positive framework.

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IT Industry Mega trends

Cloud first mentality

Flexibility and resilience will be key for future success hence, organizations will prefer a cloud-first mentality when it comes to building or upgrading IT infrastructure.

Technology as a driver for business objectives

Businesses are placing much more emphasis on strategic IT as opposed to the tactical mindset of previous decades. This means that technology is a driver for business objectives rather than simply playing a supporting role.

Increased need for cybersecurity solutions

As companies become more inclined towards a zero-risk digital framework, they will be more willing for the new investments they have to make, the new processes they have to build, and the new skills they need to acquire.

Regulations are not avoidable

Regulations are not avoidable in the tech industry anymore.


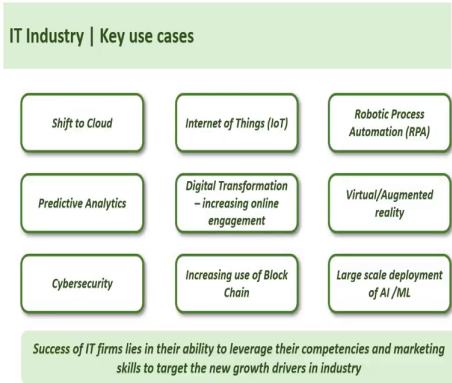


Before that, let us look at the IT industry mega trends. There are four mega trends that are driving the information technology industry now, but those trends have been foreseen by Happiest Minds when it set up itself for growth. The first is cloud-first mentality. Flexibility and resilience will be the key for future success. Therefore, the basis of Happiest Minds was that organizations will prefer a cloud-first mentality as far as it comes to building or upgrading IT infrastructure.


Second, technology will be a driver for business objectives. The level of technological integration, the level of technological digitization that is happening now was foreseen by Happiest Minds when it set up itself for business 10 years ago. Then we have the increased need for cybersecurity solutions. Today, cybersecurity is an all-pervasive concern of leadership teams as well as IT managers, but that was again foreseen by Happiest Minds.

And the company also understood that IT industry cannot be free of regulations. Therefore, the IT industries development has to be in regulatory compliance in various geographies, various jurisdictions in which the company would operate. So, the mega trends were read-write by Happiest Minds when it established itself for growth.

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The slide titled "IT Industry | Key use cases" features a 3x3 grid of rounded rectangular boxes. The top row contains "Shift to Cloud", "Internet of Things (IoT)", and "Robotic Process Automation (RPA)". The middle row contains "Predictive Analytics", "Digital Transformation - increasing online engagement", and "Virtual/Augmented reality". The bottom row contains "Cybersecurity", "Increasing use of Block Chain", and "Large scale deployment of AI /ML". Below the grid is a green box with the text: "Success of IT firms lies in their ability to leverage their competencies and marketing skills to target the new growth drivers in industry".



A small video feed of a man with glasses and a light blue shirt is positioned to the right of the slide.


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So, the key use cases that IT industry has in general, not every company excels in all of these things, but some companies excel in some more than in the others. Shift to Cloud, Internet of Things IoT, Robotic Process Automation RPA, Predictive Analytics, Digital Transformation, Increasing Online Engagement, Virtual Augmented Reality, Cybersecurity, Increasing Use of Blockchain, Large-Scale Deployment of Artificial Intelligence and Machine Learning.

The success of IT firms in the modern era lies in their ability to leverage their competencies and marketing skills to target the new growth drivers in industry. If a company were to come

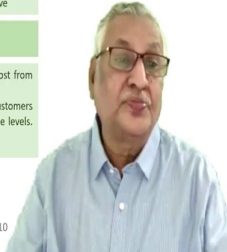
into the hotly contested information technology domain, the company would have had to predict these kinds of requirements of the future. And accordingly build its competencies and capabilities to be prepared for such a service portfolio.

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IT Services Industry | Competitive forces

| Entry Barriers | Bargaining Power of Suppliers | Competitive intensity | Threat of Substitutes |
|---|--|--|--|
| <ul style="list-style-type: none"> Low capital requirements for companies especially with Cloud infrastructure Lack of industry network can affect acquiring new customers | <ul style="list-style-type: none"> Key suppliers are software vendors, infrastructure providers (Cloud infra, physical space, other supporting services for employees) The bargaining power of the suppliers is not very high. With higher adoption of Cloud services, there could be higher leverage for the service providers | <ul style="list-style-type: none"> High competition intensity and all tiers – big, mid cap and small players. Differentiated service and brand visibility is key | <ul style="list-style-type: none"> With increasing Robotic process automation and AI/ML deployment, repetitive tasks and testing roles are being eliminated. This affects the IT firms if they do not stay ahead of curve |
| <p>Bargaining Power of Customers</p> <ul style="list-style-type: none"> The Customers have certain amount of switching cost from one vendor to another. However, with high number of firms coming up, customers can demand better customer experience and service levels. Fairly high power for customers. | | | |



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So, what are the services industry-related competitive forces? The entry barriers are low because information technology as a corporate activity does not require huge equipment in capital goods; it does not require huge facilities. Therefore, the cloud infrastructure which can be taken by you on lease or in online servitization basis could entail only low capital requirements.

But there could be a lack of industry network that can affect acquiring new customers. So, in terms of entry barriers, a new IT company will not have capital investment requirements, but it will have a lot of barriers related to acquisition of customers. Second, bargaining power of

suppliers, the IT Company will have key suppliers such as software vendors, infrastructure providers that could include Cloud infra, physical space, other supporting services for employees.

However, the bargaining power of the suppliers is not very high. When you have higher adoption of Cloud services, there could actually be higher leverage for the service providers who are engaged in Cloud that is Google, Microsoft or Amazon. Then the competitive intensity which stems from these two factors as well as the next two factors I will talk about, the threat of substitutes and the bargaining power of customers. There is going to be increasing robotic process automation and AI ML deployment.

So, the tasks which are repetitively done in an IT industry domain are getting eliminated. Therefore, the IT company has to be ahead of the curve in terms of self-automation before it starts automating other companies and clients. The bargaining power of customers is very important. The whole IT business is leveraged on getting deals and deals are the dispensations given by customers based on the rating of the vendors, IT vendors particularly.

So, any IT company would have to have that capability to enable the customers switch from one IT vendor to another IT vendor. But with so many IT companies coming up at different levels, customers are also bound to demand better customer experience and service levels.

Therefore, the fairly high power that exists for customers can be met only with competent servicing capability on the part of the new IT company. And then the competitive intensity, there is going to be high competition intensity in all the tiers, big mid-cap and small players. Therefore, differentiated service and brand visibility is the key.

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Happiest Minds | Background

Happiest Minds Technologies
Happiest People . Happiest Customers
Information Technology & Services - Bengaluru, Karnataka

- Happiest Minds, founded in 2011, is headquartered in Bangalore, with operations in the US, UK, Canada, Australia and Middle East
- Strong Promoter (Ashok Soota, earlier Founding Chairman & MD of MindTree - prior to MindTree, he led Wipro's IT business for fifteen years)

Value offerings – Business Streams



 happiest minds
The Mindful IT Company

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So, the background of Happiest Minds in terms of the reading of the mega trends has been as follows. It was founded in 2011. Is headquartered in Bangalore and has operations in the US, UK, Canada, Australia and Middle East. It has been one of the fastest globalizing IT companies particularly in the mid-time because it has been only 11 years old as of today.

It has a strong promoter Ashok Soota who was earlier the founding chairman and MD of Mindtree. Prior to Mindtree, he led Wipro's IT business for 15 years very successfully. So, the logo of the company when it started was happiest people, happiest customers. That was a very different way of positioning the company, a bit intriguing, but all the same, a positive vibe is sent by the way the signature logo has been established.

The value offerings include IoT, DevOps and RPA, software-defined networking, NFV, Big Data and Advanced Analytics, blockchain, cloud, BPM and integration security. And the

industrial domains that were covered were BFSI, Edu Tech, Hi-Tech, manufacturing, industrial, retail, travel and hospitality. So, a matrix of domains and applications was thought about by the company as part of its value offerings and business streams.

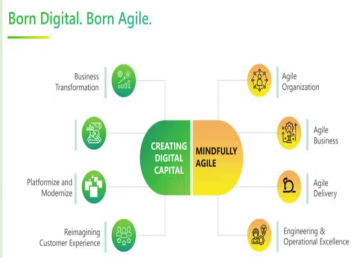
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Happiest Minds | Snapshot

- **Mission Statement :**
 - Happiest People. Happiest Customers.
- **Values :**
 - Sharing, Mindful, Integrity, Learning, Excellence, Social Responsibility
- **Great Place to work**
 - Multiple awards and recognitions validating the mission statement
- **Next Generation Digital Transformation, Infrastructure, Security and Product Engineering Services Company**

Born Digital. Born Agile.



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Then the evaluation of the company began. The mission statement was happiest people, happiest customers. The values were sharing mindful, integrity, learning, excellence, social responsibility. And it is trading itself today and it also prided itself and it established itself that it would be a great place to work multiple awards and recognitions validating the mission statement.

It also led the foray into next generation digital transformation, infrastructure building, security and product engineering as services. So, to be able to qualify for the signature

statement which came in later that is born digital born agile. It decided to create digital capital on one hand and ensure mindful agility on the other.

So, the digital capital was in terms of business transformation, platformation and modernization and reimagining customer experience. In terms of mindful agility, an agile organization, a business that is quick, delivery which is smart and fast and engineering operational excellence that was equally supportive of such flexible and dynamic movements was established.

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Evolution

| | | |
|------|---|--|
| 2011 |  happiest minds | Happy person logo Happiness centering on 3 aspects Being : joyous poster of a happy person (green person) Belonging : the color of joy represented by yellow background Becoming : energy and movement for future symbolized by force lines |
| 2017 |  happiest minds The Mindful IT Company | Adopts Mindful IT Company tagline Happiness brand positioning Being and doing mindful in approach to employees, customers and society. |
| 2019 |  happiest minds The Mindful IT Company Born Digital . Born Agile | Born Digital, Born Agile Agile enough to transform business Competent with digital technologies and solutions Quick adoption and integration of technologies |



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The evolution of the theme of the company has been as follows. In 2011, the company was established as Happiest Minds and the logo was that of happy person. Happiness has been centering on three aspects for happiest minds. Being: joyous poster of a happy person, the

green person. Belonging: the color of joy represented by the yellow background and becoming: energy and movement for future symbolized by force lines.

Even that we have discussed branding and the methodologies for branding, the branding methodology that has been adopted by Happiest Minds can be seen to be very refreshing and very impactful. Then it was not content with this branding alone, then it added a tagline in 2017, the mindful IT company. It adopted this company tagline because it wanted to have the happiness brand positioning further reinforced in terms of being and doing things in a mindful fashion for employees, customers and the society.

Then two years later, it wanted to really pan out its digital capability and agile capabilities. So, the next tagline which is bolder came into being born digital, born agile. You must observe that this has come into being after the necessary skill base has been established.

The necessary digital platforms have been established and the company has started making a strong mark in the customer minds. And the agile enough to transform business, competent with digital technologies and solutions, pick adoption and integration of technologies for the three hallmarks of this new tagline.

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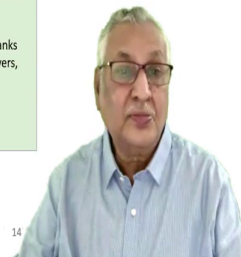


Key Competitors of Happiest Minds

| Name | Sub-Sector | Market Cap |
|--|--------------------------|------------|
| Tata Consultancy Services Ltd | IT Services & Consulting | 10,245,930 |
| Infosys Ltd | IT Services & Consulting | 7,93,251 |
| Wipro Ltd | IT Services & Consulting | 5,90,172 |
| HCL Technologies Ltd | IT Services & Consulting | 557,403 |
| Tech Mahindra Ltd | IT Services & Consulting | 174,691 |
| Larsen & Toubro Infotech Ltd | IT Services & Consulting | 127,791 |
| Infosys Ltd | IT Services & Consulting | 78,912 |
| Alphaisys Ltd | IT Services & Consulting | 62,729 |
| L&T Technology Services Ltd | Software Services | 58,790 |
| Percept Systems Ltd | Software Services | 36,797 |
| Tata Elxsi Ltd | Software Services | 36,208 |
| Genpact Ltd | IT Services & Consulting | 35,672 |
| Chadco Financial Services Software Ltd | Software Services | 34,118 |
| Tata IT Systems Ltd | Software Services | 25,650 |
| Happiest Minds Technologies Ltd | IT Services & Consulting | 18,434 |

* Market valuation based on end Dec'21

- Analysts identify the key players in IT industry including giants like Infosys, TCS, Wipro etc., as competitors of Happiest Minds. However, the competition exists from a larger number of organizations in rapidly expanding IT space.
- Covering a wide spectrum of both services and products, the firm is growing fast, despite the competition.
- In view of the market valuation*, Happiest Minds ranks 15 among the well established and well-known players, despite being a relatively new entrant in Indian IT industry.



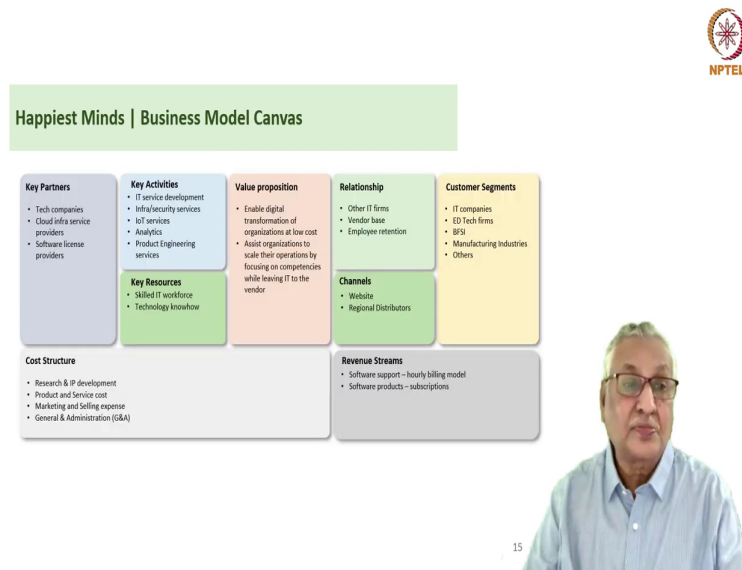
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The key competitors of Happiest Minds could not be seen to be only the mid-tier companies because even large-tier companies have divisions which operate in the mid-tier segment entrepreneurially. So, TCS, Wipro, Infosys are at one level competitors of happiest minds. But at the other level, the large group of mid-tier companies and small-tier companies wanting to be a mid-tier companies are also competitors, which means that Happiest Minds has the entire IT domain as the competitive landscape.

And it covers a wide spectrum of both services and products, but the firm has been growing fast, despite the competition. In terms of the market capitalization, the company was ranked the 15th among the well-established and well-known players, although there is a huge difference or distance between the market capitalization of Happiest Minds and those of the top (Refer Time: 19:57) players.

However, when you compare it with persistent systems, L and T technology services, Coforge, Tata Elxsi and Tanla Platforms or even Oracle Financial Services, the achievement has been in line with reaching the mid-tier status faster than they could achieve.

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The business model canvas of Happiest Minds could be described in terms of the following. First, it decided on a partnership model. It decided to pursue tech companies, have cloud-infra service providers and have software license providers as the key partners. The key activities have been detailed earlier, but in terms of the focus, IT service development, infra security services, IoT services, analytics and product engineering services have been taken up.

The key resources have been recognized from day 1, skilled IT workforce technology know-how. And what is the value proposition that the company offered? Digital transformation of organizations at low cost, because every company wanted to transform

itself in the 2010s period and that was beginning to be expensive if big companies were to be approached for that transformation.

So, the company pitched itself in a segment which offered the sweet spot of digital transformation at low cost. And it also decided to assist organizations to scale up their operations by focusing on competencies and leaving IT to the vendor. There have been relationships, is not that it has been doing everything on its own. It had relationships with other IT firms, vendor base and also sought to retain the employees on the platform of happiness. So, that it does not have the same problem which other IT companies had of employee attrition.

The channels it used were website and regional distributors. The customer segments which offered the partnerships were IT companies, ED Tech firms, banking, financial service and insurance, manufacturing industries and others. The cost structure was; obviously, in terms of the strong research and IP development, product and service cost, marketing and selling expense.

That is one of the largest expenditure items in an IT company particularly a global IT company and the general and administration expenses. The revenue streams were in terms of the hourly billing model for software support and subscriptions for software product. So, this provided a comprehensive business model for Happiest Minds to drive up its business.

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Marketing in IT Services Industry Products

Happiest minds is into sales of Software services.
Service marketing is focused on the 7 Ps –

- Product,
- Price,
- Place,
- Promotion and and
- People
- Process
- Physical evidence

Marketing efforts pivoted on twin themes

| Disruptive Technology | Disruptive Culture |
|--|---|
| Provide differentiated Value to customers around "4 R" metric <ul style="list-style-type: none">• Reimagining customer experience• Reengineering business fluidity• Reducing Risk• Reducing time to market | Focus on happiness as a theme for <ul style="list-style-type: none">• Customers• Employees• Stakeholders |

• Major Business Units of Happiest Minds :
• Digital Business Solutions | Product Engineering Services | Infrastructure Management & Security Services

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Marketing in IT service industry is not easy as I said. Customers have strong loyalties and to make the customers move from one vendor to another vendor is a challenge. Although the software services could be portable as a manner of speaking, the loyalty that exists with the performance of vendors is an important barrier to mobility.

So, service marketing has focused on the 7 Ps of product, price, place and promotion, also on people, process and physical evidence. So, all these seven together were deployed by Happiest Minds for service marketing, the twin themes through which these 7 came up for disruptive technology and disruptive culture.

What does disruptive technology entail? Reimagining customer experience, reengineering business fluidity, reducing the level of risk and reducing the time to market and disruptive

culture emanated from happiness as the motivator as an inspiration for customers, employees and stakeholders.

So, the major business units of Happiest Minds which were established from the inception began gathering, momentum and velocity of business development, digital business solutions, product engineering services, infrastructure management and security services.

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Customer Segments and Target Profile

Based on Client Industry verticals,

- Happiest Minds (HM) derives > 40% of revenue from the upcoming EdTech and Hi-tech industries. These are industry segments with high growth rate.
- The revenue stream is widely distributed across the traditional BFSI space and manufacturing.
- Overall, Happiest Minds has been successful in positioning itself into all the key customer groups needed for the IT industry.

Based on the Service offerings,

- Happiest minds derives > 97% of revenue from the new age digital services –SaaS, IoT, Analytics, etc. Also, the company has been able to garner significant business in the automation space. The company is positioned with the right skill-sets to tackle the challenges of the new digital transformation wave.

| | FY18 | FY19 | FY20 | FY20Q1 | FY20Q2 | FY20Q3 | FY20Q4 | FY21 | FY22 |
|---|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Customer Industry group | | | | | | | | | |
| EdTech | 18.2% | 21.2% | 21.3% | 27.0% | 24.9% | 24.1% | 25.6% | 23.4% | 23.2% |
| Health | 24.6% | 21.0% | 21.0% | 18.5% | 22.2% | 15.1% | 16.2% | 14.2% | 13.5% |
| BFSI | 17.8% | 18.2% | 17.5% | 17.4% | 16.3% | 17.4% | 14.8% | 16.4% | 13.4% |
| Travel, Media and Entertainment (TME) | 11.0% | 13.8% | 17.1% | 12.8% | 13.0% | 14.8% | 14.0% | 13.6% | 13.3% |
| Retail/CPG | 7.0% | 6.9% | 7.5% | 5.7% | 4.5% | 2.2% | 8.0% | 5.4% | 10.8% |
| Industrial | 6.2% | 8.1% | 7.0% | 6.4% | 6.9% | 7.0% | 7.7% | 7.1% | 6.8% |
| Manufacturing | 3.2% | 3.8% | 3.7% | 3.7% | 3.8% | 3.8% | 7.1% | 4.9% | 6.2% |
| Others | 12.9% | 6.8% | 4.9% | 4.8% | 6.0% | 7.0% | 10.2% | 7.1% | 11.6% |
| Digital Service Offerings | | | | | | | | | |
| Digital Infrastructure/Cloud | - | 40.8% | 33.2% | 43.7% | 41.1% | 41.0% | 44.2% | 41.8% | 42.3% |
| SaaS | - | 28.8% | 28.4% | 23.8% | 24.8% | 21.6% | 20.9% | 22.7% | 20.2% |
| Security Solutions | - | 10.2% | 14.9% | 7.0% | 7.8% | 9.1% | 8.1% | 11.0% | 12.2% |
| Analytics/BI | - | 9.1% | 11.8% | 12.1% | 13.5% | 14.4% | 12.3% | 13.3% | 12.8% |
| IoT | - | 8.4% | 8.8% | 9.3% | 10.5% | 11.0% | 9.5% | 10.5% | 9.8% |
| Total | - | 97.2% | 96.9% | 97.1% | 96.6% | 96.6% | 96.6% | 96.2% | 96.7% |
| Automation as a % of total revenue | | | | | | | | | |
| | 20.7% | 24.2% | 24.2% | 27.8% | 24.4% | 22.2% | 23.8% | 23.3% | |

Happiest Minds have successfully marketed themselves in all the major relevant and growing customer verticals and they have sizeable bouquet of offerings in the digital services space. This augurs well for their future growth.

Based on the client industry verticals, Happiest Minds has grown its business in such a manner that started delivering 40 percent plus revenue from the upcoming Ed Tech and Hi-tech industries. That emphasis has been of great help when the Ed Tech industries and Hi-tech industries which are based on distant communication grew rapidly in the COVID era.

The revenue stream; however, is widely distributed across the other verticals as well BFSI as well as manufacturing. So, if you see the table on the right side, 23 percent is derived from Edutech, 14 percent from Hi-tech, 13 percent from BFSI, travel media and entertainment from contributing to 13 percent, 10.6 percent from retail and 7 percent from industrial and 8 percent from manufacturing with others contributing 12 percent.

This is one of the most diversified customer portfolio or industry portfolio that a company can have. It also had digital service offerings which were in terms of digital infrastructure cloud at 43 percent, SaaS service as Software at 20 percent, security solutions at 12 percent, IoT at 10 percent, the total becoming 96.7 percent. The biggest contributor in terms of the service offering has been digital infrastructure and cloud. Cloud would continue to stay on forever therefore, the dominant share in cloud should not be misconstrued.

On the other hand, its presence in service as a software, in security solutions, analytics, AI, IoT which are the new growth drivers also needs to be taken care of. So, you can see that Happiest Minds derives 90 percent of revenue from the new age digital services which I have talked about and it has significant presence in the automation space. It has also tried to build the right skill sets to tackle the challenges of the new digital transformation wave.

So, this is a lesson for companies that if you want to make a success of your journey, you need to first understand the mega trends in the industry, move on to the new year facets of these mega trends and position yourself with the right skill sets in that particular market segment. So, Happiest Minds have successfully marketed themselves in all the major relevant and growing customer verticals and they have sizable bouquet of offerings in the digital services space. This augurs well for their future growth.

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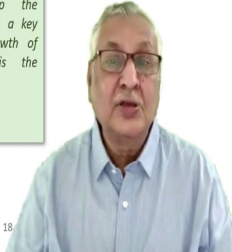


Marketing | Strategic Partnership Approach is at the Core of Business Expansion for the Firm

| Alliance/Partnership | Areas |
|---------------------------|---|
| Microsoft | Cloud platform and productivity, Internet of Things (IoT), AI Inner Circle Partner, Gold partner at Azure IoT |
| Amazon Web Services (AWS) | Cloud, data center transformation, IoT |
| Google Cloud Platform | Cloud and analytics |
| Salesforce | Customer Relationship Management (CRM), sales cloud, commerce cloud, marketing cloud, consulting |
| Thingworx | Industry 4.0 IoT |
| Siemens MindSphere | Gold partner in Industry 4.0 IoT |
| Hortonworks | Big Data platform |
| mongoDB | Big Data infrastructure and analytics |
| McAfee | Cybersecurity, risk and compliance |
| RSA | Risk and compliance, identity management |
| Pimcore | Digital information management |
| SAP | Silver partner in e-commerce |
| Oracle | E-commerce |
| Vmware | Virtualization |

Happiest minds has strategic partnerships and alliances with all the Tech industry Titans.

This is a strategic advantage for the company to scale up the operations. This has been a key reason for the high growth of Happiest Minds vis-a-vis the industry peers.




In marketing, as I said, getting customers is the biggest challenge. The way Happiest Minds was approaching the issue, pertain to partnerships. It did not try to win deals straight away. It is tried to have strategic partnerships to establish the capability of the firm. So, the alliance partnership models extended to various companies which are leaders in themselves in those platforms.

Microsoft, areas where cloud platform and productivity, IoT, AI, Inner Circle partner and gold partner at Azure IoT have been the reputational markers for this company. Amazon Web Services company was involved in cloud data center transformation IoT. With Google cloud and analytics have been the basis of collaboration. With Salesforce, another great company CRM, it started supporting CRM, sales cloud, commerce cloud, marketing cloud and consulting verticals.

Like that, there are many companies with which the company Happiest Minds aligned itself and one partnership awards. And these strategic partnerships and alliances have positioned the company as one of the more reliable and more trendy IT companies in the domain. This is a strategic advantage for the company as it seeks to scale up its operations. And this is one of the important reasons why Happiest Minds has had such a rapid growth vis-a-vis the industry peers.


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Built to Last | Designing for Perpetuity

- The firm has an expert leadership team with vast experience in IT industry.
- The governance practices of the firm are designed to make the firm resilient and built to last.
- The firm is focusing on emerging sectors of digitization and analytics services which ensures huge prospects in coming years.
- The values of the firm are pivoted on happiness – for customers, employees and stakeholders


Executive Chairman



Board of Directors




Executive Board



Our 2021-2031 Vision

- 1 Design Happiest Minds for Perpetuity
- 2 Accelerate Profitable Growth
- 3 Build & Sustain a World Class Team
- 4 Be the Ambassador of Happiness
- 5 Be Recognized for Thought Leadership in our focus areas of Technology & Solutions
- 6 Be known for our ESG standards



Then the company must have a strong technical capability as we have seen. It must also have strong managerial capability, leadership capability and a board of directors which is capable of providing expert mentoring, technological and business oversight and the ability to wisely steal the affairs of the company. So, the company has an expert leadership team with vast


experience in the IT industry. The governance aspects of the company are designed to make the firm resilient and build to last.

The firm is focusing on emerging sectors of digitization and analytics services which ensures huge prospects in coming years. And the values of the firm are pivoted on happiness for customers, employees and stakeholders. And Ashok Soota the founder has been there as executive chairman and has been a part of the board from the inception. The board also comprises other reputed personalities as you can see from the designation of the directors.

There is also an executive board which guides the day-to-day affairs of the company. The company established a vision which spans 10 years 2021 to 2031 vision and it had 6 facets. One, design Happiest Minds for perpetuity, the company wants to be a perpetual company.


Second, accelerate profitable growth. Third, build and sustain a world-class team. Four, be the ambassador of happiness. We recognized for thought leadership in the focus areas of technology and solutions as the fifth facet and in the ESG standards be known so that that adds to the overall shame of the company.

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Happiest Minds v/s HCL Technologies

| Happiest Minds | HCL Technologies |
|---|--|
| <ul style="list-style-type: none">• Founded in 2011• Known and established in the new age IT services (Analytics, Digitalization, IoT, Product Engineering)• Realized the advantage of platform based business and initiated alliances/partnership with major Tech giants early on• The Investor community has recognized the growth of the company and the company has been rewarded with high share price growth | <ul style="list-style-type: none">• Founded in 1976• Established player in the traditional IT industry. In recent years, accelerated focus into IoT, Analytics, Cloud• Has been successful in the traditional IT business which was the cash-rich business. Has recognized the importance of platform business but has been late to the segment• The share price growth has lagged behind the Indian giants like Infy, TCS, despite the company being in similar age to those companies |



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If you compare Happiest Minds with one of the rapidly growing IT companies, HCL technologies, you can see the difference. Happiest Minds was founded in 2011. HCL Technologies was founded in 1976. Several years earlier, Happiest Minds is well known for its new age IT services. It is not known for the normal routine Mundane IT services. Whereas HCL Technologies has been an established player in the traditional IT space and has accelerated only now a focus into IoT analytics and cloud.

Happiest Minds realized the advantage of platform based business and initiated alliances and partnerships major tech giants early on, whereas HCL technologies has been successful in the traditional IT business which was the cash-rich business. It has recognized the importance of platform business, but the drive and move into that segment has been slow, relatively

speaking. The investor community has recognized the growth of Happiest Minds and the company has been rewarded with high share price growth.


The share price growth of HCL technologies on the other hand, lagged behind the other Indian giants such as Infy, TCS because the company was not into the newer age technologies and it was kind of taking time to get into those areas aggressively. That is the comparison between Happiest Minds and HCL technologies. Looking at this, would Happiest Minds be closer to the large-tier? Sooner than later, the answer seems to be yes.

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Business Development | Recommendations

| Short Term | Long Term |
|---|--|
| <ul style="list-style-type: none">• Focus on digitization and analytic services• Focus on employee retention and sustenance of core values considering the ongoing high attrition in industry. | <ul style="list-style-type: none">• As the logo of the firm evolved, the firm would remain Agile with a keen eye on internal and external factors and evolve with Happiness as the core value of the firm (Happiness to customers, employees and society)• By leveraging their strategic alliances with Tech Giants and other customers of high profiles, Happiest Minds is well-placed to scale up their operations. |



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So, what should Happiest Minds do? In the short term, the company should continue to focus on digitization and analytic services. We should focus on employee retention and sustenance of core values considering the ongoing high attrition in industry. It cannot have just a tagline

which talks about employee happiness, customer happiness or social happiness. It must show it in the actual execution.

So, the attrition levels have to be low. There has to be continuous upskilling and deployment of people in different new-age projects. In the long term, as the logo of the firm evolved, it must live up to all the features of the taglines being happy, being making people happy, making all the stakeholders happier, then being mindful and being agile and being capable of providing dynamism to the customers.

By leveraging strategic alliances with tech giants, the company can grow into an even bigger company because big companies would like to have trusted and trustworthy partners for sharing more of their business as they go in terms of the outsourcing and offshoring models.

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Business Development Strategy



Mergers and Acquisitions (M&A) have been a key driver in augmenting the company's capabilities in core, niche and emerging technology areas. It focusses on targeting companies that can bring speciality and complementary skills to provide a better value proposition to clients

Land and Expand Strategy

Understanding customer perception and delivering differentiated experience helps the company in word-of-mouth brand building

Pursuing Inorganic Opportunities

Widen Domain and Technology Expertise

Starting with technology, the company has built expertise across banking and financial services, edtech, retail, manufacturing, media, entertainment, travel & hospitality, and HiTech



So, the business development strategy has been threefold. First, land into the IT space, then expand. Understanding the customer perception correctly and delivering differentiated experience has helped the company in word of-mouth brand building. Next, it started pursuing inorganic opportunities. M and A has been a key driver in augmenting the company's capabilities in core, niche and emerging technology areas.

It started focusing on companies that could bring specialty and complementary skills so, that the client value propositions could be better. Then, widen domain and technology expertise. Starting with technology, the company built expertise across various business verticals that we have discussed and these were very varied business verticals.

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The diagram, titled "Business Development Strategy", features two interconnected circular arrows. The top arrow is blue and labeled "Scale Geographical Presence". The bottom arrow is green and labeled "Intensify IP-led Growth".

Scale Geographical Presence

The company uses geographical expansion as a strategic move to attract new customers, generate new streams of revenue, manage competition, and leverage new market opportunities. Apart from India, the company has presence in UK, US, Canada, Australia, UAE and Netherlands

Intensify IP-led Growth

While innovation continues to drive the company's growth, it creates and monetizes a successful IP strategy to ramp-up revenue. It's strategy is to develop software platforms & components having high configurability and operational performance, so that it can address the needs of diverse end-users across multiple industries and environments

The NPTEL logo is located in the top right corner of the slide. A video overlay of a man in a light blue shirt is positioned in the bottom right corner.

And the company decided to be global from day 1. So, scaling up of geographical Presence was an important globalization objective. It used geographical diversification and expansion


as a strategic move to attract new customers, generate new streams of revenue and become the poster boy of New Age IT from India.

The company also established its centers in UK, US, Canada, Australia, UAE and Netherlands. While innovation continues to drive the company's growth, it has focused very much on IP-led growth. It has developed IP-led product portfolio and service portfolio, which could be monetized by the company.

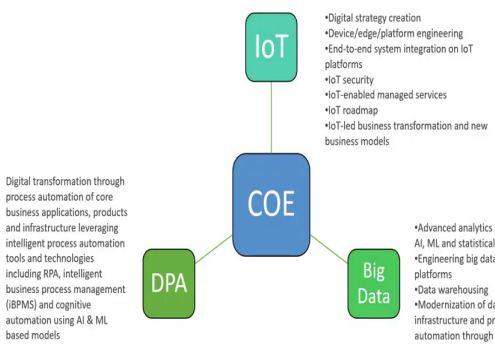
Software platforms, components with high configurability and operational performance have been developed by the company. These could address the needs of divers and users across multiple industries and environments. So, the business development strategy was in terms of global competitiveness as well.

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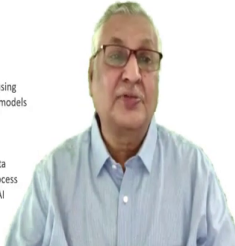
Driving Niche Skills with Centers of Excellence (CoEs)



The company has formed three CoEs and increasingly investing in them to build excellence in niche skills. These include:



- IoT**
 - Digital strategy creation
 - Device/edge/platform engineering
 - End-to-end system integration on IoT platforms
 - IoT security
 - IoT-enabled managed services
 - IoT roadmap
 - IoT-led business transformation and new business models
- DPA**
 - Digital transformation through process automation of core business applications, products and infrastructure leveraging intelligent process automation tools and technologies including RPA, intelligent business process management (iBPMS) and cognitive automation using AI & ML based models
- Big Data**
 - Advanced analytics using AI, ML and statistical models
 - Engineering big data platforms
 - Data warehousing
 - Modernization of data infrastructure and process automation through AI



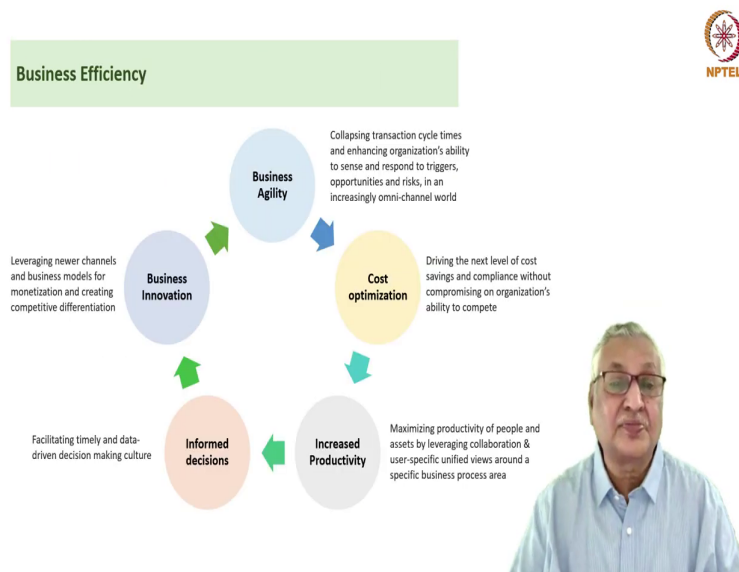
And to this able to support this, the company needed niche skills, not run-of-the- niche skills. Therefore, the company early on formed three COEs, Centers of Excellence and increasingly invested in them to build excellence in those niche skills. These include IoT, DPA and Big Data.

Digital transformation through Automation of Core Business applications, products and information, including RPA, Intelligent Business Process Management and Cognitive Automation using AI and ML based models. The whole skills kit got developed in this area.

Then IoT, Digital Strategy Creation, Device Edge Platform Engineering, end-to-end System Integration and various IoT related activities, including IoT Security, which is one of the most important things for wider application and safer application of IoT. Then Big Data, it continues to be most important with Census being what they are in terms of their capability, increasing capability that too and with telecommunication being what it is with 5G and hopefully 6G as well.

Data generation and data capture is going to go by leaps and bounds and need for advanced and informative analytics, thoughtful analytics is extremely important and that has to be based on AI, ML and statistical model. And engineering big data analytics is also a niche area where India can make its mark. So, data warehousing, modernization of data infrastructure and process automation through a, have been supportive platforms and the company has decided to develop talent pool in all these three areas.

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Then the business has to be run on efficient run. This is not sufficient to have technological foundations and technological platforms. So, business agility is the first one, collapsing transaction cycle times and enhancing organizations ability to sense and respond to triggers, opportunities and risks in an increasingly omni-channel world.

Second, cost optimization, driving the next level of cost savings and ensuring compliance without compromising an organization's ability to compete. Third, increased productivity, maximizing productivity of people and assets by leveraging collaboration and ensuring user specific unified views around a specific business process area.


You cannot do robotic process automation unless everyone in the company from design to marketing is onboard. It is not enough for you to focus only on manufacturing. You need to

have the collaborative capability to bring everybody in the organization onboard in such kind of transformative activities and that has been achieved to a great extent by Happiest Minds.

Then informed decisions, all the big data analytics would be going to not if there is no informed decision-making capability built into the model. So, facilitating timely and data driven decision-making culture has been one of the areas for happiest minds. And business innovation, you got to leverage newer channels and business models for monetization and creating competitive differentiation.

You may observe that these five factors or five drivers of business efficiency would be equally applicable for any other company. The more technologically positioned a company is which every company of today must be. The more relevant these five factors would be for the company's business efficiency and competitiveness.

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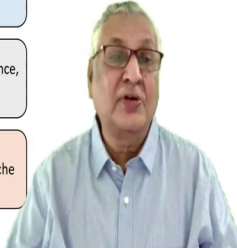
Creating, Delivering and Sustaining Value

In September 2020, Happiest Minds Technologies underwent one of the most successful IPOs of the decade. The Happiest Minds' share issue was oversubscribed 151 times as it got bids for 3.51 billion shares compared to the 23.3 million shares on offer.

The company's business strategy has evolved over the years and is now focused on designing the company for perpetuity, to build a growth-oriented roadmap on the strong foundation of its culture and corporate ethos

The company is capitalizing on trends like data fabric, cybersecurity mesh, decision intelligence, hyper automation, AI engineering and generative AI

The 5-year road map of the company aims at enabling expedited growth organically and inorganically, enhancement of skills, domain consultative approach and establishment of niche additional CoEs on futuristic technologies.



And in such a case, creating and delivering as well as sustaining value happens automatically. In September 2020, Happiest Minds Technology is underwent one of the most successful IPOs of the decade. The issue was oversubscribed by 151 times as it got bids for 3.51 billion shares compared to 23.3 million shares that were on offered.

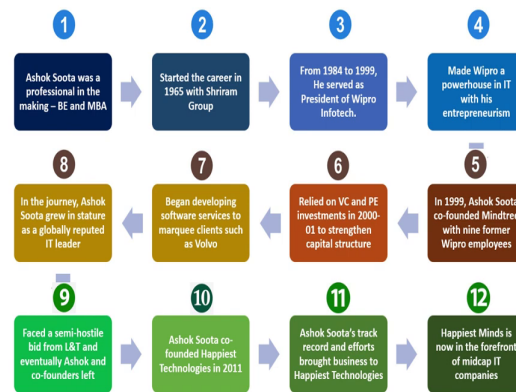
The company's business strategy evolved over a very short time frame of just a decade. And the company is building on it and designing the company for perpetuity. A growth oriented roadmap has been laid out covering the period up to 2031 and that is focused on the culture and cooperated those.

It also is looking at newer technological trends such as data fabric, cyber security mesh, decision intelligence, hyper automation, AI engineering and generative artificial intelligence. And this roadmap of the company aims at enabling expedited growth organically and inorganically enhancement of skills domain, consultative approach and establishment of niche additional COEs on futuristic technologies.

So, you can see the core technological moorings of the company, its own business process efficiency and its commitment to provide the transformative technologies and agile process to its clients and providing happiness to all of its stakeholders and in that process creating an internally happy company as well. But what is at the root of this? What is the driving force for this?

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Business Development – When a Leader’s Brand Matters



And for that you should appreciate this important aspect. For successful business development, a leader's brand matters. And Happiest Minds is a case study of how business development happened because of the leader's brand equity. Let us see his journey. Ashok Soota was a professional in the making with good credentials, a BE and an MBA. He started his career in 1965 with Shriram Group. From 1984 to 1999, he served as president of Wipro Infotech and he made Wipro a powerhouse in IT with his entrepreneurship.

In 1999, Ashok Soota co-founded Mindtree with 9 former Wipro employees. He saw the value of creating a new entity in information technology field and constituted this company. He relied on VC and PE investments in 2000 and 01 to strengthen the capital structure of the company. He began developing software services to market clients such as Volvo. In this journey, Ashok Soota grew in stature and became a globally reputed IT leader.

Then the worth of the company became so much and the shareholding being what it is because of the early investments by VCs and PEs, he did face a semi-hostile bid from L and T and eventually Ashok and co-founders left. Not to be content with monetization that occurred, Ashok Soota wanted to create a new enterprise, which would be a different kind of enterprise. So, he wanted to demonstrate his entrepreneurial capability yet again.

So, he co-founded Happiest Technologies in 2011. Ashok Soota's track record and efforts brought business to Happiest Technologies and it was his name which got the first interest and then the technological platform the efficiencies which he offered. The transformation capabilities the company offered strengthened the business network. Happiest Minds therefore, is the company that is in the forefront of mid-cap IT companies on a contemporary audience basis as well as on a futuristic basis.

So, this is a very interesting lesson from Happiest Minds that a leader's mindset, a leader's skill set, a leader's leadership capability and above all a leader's brand equity matters a lot in successful business development of a new startup even in a completed space. With this we come to the end of this lecture. I hope you enjoyed this lecture on Happiest Minds and Happiest Technologies.

Thank you very much.