

Aiming for a billion

In the stockmarket crash of January 2008, the MindTree Consulting share hit a lifetime low of Rs322 on the Bombay Stock Exchange. It must have been a traumatic moment for the true believers. The share which was issued at Rs425 in early 2007, listed close to Rs700 and touched a high of above Rs1,000.

The disappointment is not just because of the extent of the fall; some other IT companies have registered even sharper declines. MindTree is top of mind for many because of its credentials and lineage. This was supposed to be the next Infosys, a flag-bearer of India's technology bandwagon and an investor's darling.

Nobody is writing off the company, however. In fact, many are confident that once the industry shrugs off the current blues, MindTree will emerge as a bellwether of the IT sector. These are "intermittent hiccups", says chairman & managing director Ashok Soota.

The Bangalore-based MindTree is still a mid-tier company, with sales of Rs590 crore for the year ended March 2007. But unlike some others of its ilk, it does not propose to stay just another mid-tier company. It is aiming for size and not the refuge of a few niches. "Our emphasis on broadbasing our business portfolio continues and we have been adding new services, industry verticals and geographical presence," says Soota.

MindTree aims to become a \$1 billion firm within the next few years. This will be largely through organic growth, though some takeovers in specialised areas are not ruled out. The company recently acquired TES-Purple vision, the India-based wholly-owned subsidiary of TES electronics solutions of France. Purple Vision is into chip design. MindTree had earlier bought up the Bangalore-based



Linc Software. This helped it strengthen its presence in the application development and maintenance domains for IBM mid-range systems.

Size is important for MindTree. "Companies that have neither a strong market positioning nor enough scale will certainly face a lot of pressure," says Soota. He has also set in motion a restructuring of the organisation which will come into effect from 1 April, 2008. Under this, Soota is moving on to a more strategic role as executive director, younger blood is taking over key day-to-day management functions and chief operating officer Subroto Bagchi will be redesignated "gardener". One of the reasons for the restructuring, says Soota, is to "enhance the leadership capacity of the organisation and increasing discretionary time for top management".

Bagchi has described his new role as one of growing minds at MindTree. The designation has an equivalent in mentor, but a gardener is far more humble. Bagchi remembers that as a young child he along with his mother used to plant flowering bushes in their backyard. After a few initial failures "they bloomed". If his green thumb has stood the test of time, so will MindTree. ♦