

Briefing Notes – With Client-Focused Culture, Mindtree Prepares For ‘Beyond Digital’

Research created by ISG Insights™ and
Reprinted courtesy of



Mindtree

Welcome to possible

This export was generated by user ted.wang@isg-one.com at account ISG on 2/25/2019 from IP address 98.200.171.12.

© 2019 ISG - All Rights Reserved

Using Interactive Document Server technology from Publish Interactive



Mindtree continues its growth trajectory to become a digital transformation leader with a consulting, technology and automation-led approach and a strong customer-centric culture. Through initiatives like the Digital Pumpkin and Composable Automated Platform for Enterprises (CAPE), it offers design thinking and automation-based offerings. It also has experience building customer relationships by starting small and gradually building trust through consulting services that focus on business processes. It doesn't describe itself as a provider that can offer every service to every client across industries. Rather, it prides itself in providing specialized services for specific customer pain points by leveraging deep expertise in industries it serves. Mindtree's size allows it to be agile and flexible, and its focus on client satisfaction enables it to sustain long-term relationships. The company is also investing, building and nurturing a learning-based culture to develop the most relevant skills in the "beyond digital" age.

Publication date: Monday, 18 February 2019



Table of Contents

Table of Contents	3
Briefing Notes – With Client-Focused Culture, Mindtree Prepares For ‘Beyond Digital’	4
Summary & Key Takeaway	4
Briefing Note/Perspective	4
Net Impact.....	6
Associated Research.....	7
ISG Placements and Recognition	7
Summary Facts	8



BRIEFING NOTES – WITH CLIENT-FOCUSED CULTURE, MINDTREE PREPARES FOR ‘BEYOND DIGITAL’

By Mrinal Rai

SUMMARY & KEY TAKEAWAY

Mindtree continues its growth trajectory to become a digital transformation leader with a consulting, technology and automation-led approach and a strong customer-centric culture. Through initiatives like the Digital Pumpkin and Composable Automated Platform for Enterprises (CAPE), it offers design thinking and automation-based offerings. It also has experience building customer relationships by starting small and gradually building trust through consulting services that focus on business processes. It doesn't describe itself as a provider that can offer every service to every client across industries. Rather, it prides itself in providing specialized services for specific customer pain points by leveraging deep expertise in industries it serves. Mindtree's size allows it to be agile and flexible, and its focus on client satisfaction enables it to sustain long-term relationships. The company is also investing, building and nurturing a learning-based culture to develop the most relevant skills in the "beyond digital" age.

BRIEFING NOTE/PERSPECTIVE

ISG was recently briefed by key chief executives from Mindtree, including CEO Rostow Ramanan, CMO Paul Gottsegen and key representatives from some of the company's selected clients. They shed light on the reasons for Mindtree's rapid growth and customer-focused strategy.

ISG analysts have analyzed Mindtree in the past and have written about initiatives such as [conceptualizing digital transformation through innovation centers](#). In the recent briefing, Mindtree explained its strategic approach toward transforming customer business. The company highlights three key enterprise challenges: understanding clients' data and process silos, optimizing clients' processes to leverage the latest technologies at scale and at a continuous pace, and helping clients gain a competitive advantage by leveraging technology.



To address the above challenges, Mindtree uses three strategic levers to deliver value for its customers:

- **1. Consulting-based offering:** Mindtree believes its consulting approach is a differentiator. It offers design thinking-based consulting through its Digital Pumpkin innovation centers. The company highlighted some unique case studies in different industries that underscored its ability to understand its customer's core business. It also provides customer-journey mapping to transform business processes, resulting in deeper engagements with clients.
- **2. Automation-focused proprietary framework and other IP:** Mindtree has invested in a proprietary automation-centered platform called CAPE. This platform is used to visualize the IT lifecycle, accelerate end-to-end integrated automation and real-time decision-making via unified dashboards. With CAPE, Mindtree provides ATLAS — a managed application services platform that intelligently analyzes application issues through machine learning and bots. CAPE also powers MWatch — Mindtree's IT infrastructure management platform that leverages automation to monitor network, servers and other infrastructure components to reduce cost and optimize performance.
- **3. Focus on packaged application solutions:** Mindtree provides dedicated services around SaaS applications like Sitecore, Adobe, SAP and Salesforce. Its Salesforce practice, Magnet360, is rapidly growing with strong client case studies on brand management and analytics. Magnet360 provides predictive engagement, demand generation, self-service and cross-channel customer view. The company also is helping its clients reimagine their business by leveraging its high-tech collaboration and innovation space called The Garage.

The above three strategic levers help Mindtree attract and win new customers. However, the key driver for retaining its customer base is a client-centric approach inherent in its culture. Mindtree's customers shared that, despite the fact that the company was not initially on their radar, they considered it due to word-of-mouth endorsements. And, impressed by the business benefits realized and customer-centric approach, they ended up having a long-term association with Mindtree.

Some of the key reasons Mindtree has established long-standing successful relationships with its customers are because it is:

It is built to scale: Mindtree doesn't consider itself as a provider that caters to all client needs but rather as a specialized provider for large clients and an end-to-end provider for mid-sized clients. Most of its recent work with cognitive automation and IoT started at a smaller proof-of-concept stage and resulted in strong scalable engagements. Many



mid-size clients have grown and scaled alongside Mindtree in their partnership journey. Mindtree also exhibits many examples that highlight its ability to scale rapidly based on clients' needs. For example, in a recent ISG-advised deal, Mindtree scaled to more than 300 employee resources in less than 12 months. It also transitioned more than 70 in-house and third-party applications within the required timelines and without business disruption.

Positioning itself as agile and innovative: Mindtree's clients have often described the company as very agile and accommodating of changing expectations. After one of its clients introduced a new cloud-based file system, Mindtree quickly trained its own staff without seeking payment from the client. The company also is known for providing innovative business solutions to help clients succeed in their business. For one of its airline clients, it developed a price-elasticity estimator algorithm to estimate client spending based on changing price, which resulted in a huge revenue uplift.

Building a disruptive approach: Clients also hailed Mindtree as a disruptor in addressing customer pain points with non-traditional approaches. As per one client's anecdote, traditional service providers were avoiding large-scale legacy application modernization for fear of losing managed services revenue. Mindtree, on the other hand, did not shy away from the task. In another example, the company was willing to cannibalize its own revenue to enable the client's processes with automation.

A key contributing factor for Mindtree's agile, disruptive and flexible approach is its size. Though the company has grown 73 percent in headcount and 18 percent CAGR in revenue over the last five years, it is still small in size compared to some other providers. Clients agree that the company's size plays to its advantage.

With around 20,000 employees, dubbed by Mindtree as "Mindtree minds," the company is now focusing on building talent and capabilities with its global learning centers. These reimagination centers focus on artificial intelligence-driven business process reimagination. Mindtree also is partnering with educational institutions to explore possibilities in AI, computer vision, data sciences and natural language processing.

NET IMPACT

ISG's experience with service providers has shown that, as they scale in employee count, geographic presence and revenue, their ability to act nimbly on client contracts and changing customer expectations suffers. We believe it is imperative for a service provider similar in size to Mindtree's to retain its differentiators as it grows.



Citing Kodak's example, Rostow said that IT service providers need to explore and adapt to the next transformation wave led by AI. Failure to do so can rapidly make them technologically obsolete in the "beyond digital" world. Continuous investments in learning, skills and talent can help a service provider retain its innovative culture and agility. When technology itself is disrupting the way IT services are consumed and delivered, it is a challenge to continuously equip the workforce with the latest skills. Service providers can collaborate with technology specialists from academic groups to co-create and explore new business solutions. We believe that Mindtree's approach in this regard can act as a best practice.

ISG has seen the IT services industry change dramatically over the last several years. Technology hype for technologies like the cloud has reached its tipping point, and the as-a-service market has grown at a 25 percent CAGR in the last five years. Traditional service providers are witnessing flat growth, while nimble providers like Mindtree have proven otherwise. With its focus on digital initiatives, Mindtree serves as an example of resiliency against dynamic changes in the service provide industry. ISG predicts that the next five years will be more disruptive with a focus on technologies like cognitive computing and AI. Mindtree prides itself on being a "digital native" company and is expected to disrupt and reimagine the service provider industry in the next "beyond digital" era. With its focus on continuous learning and nurturing talent, Mindtree is expected to continue building similar client satisfaction and subsequently become a case study for others to follow.

ASSOCIATED RESEARCH

- [Sowing Digital Pumpkins with Mindtree](#)
- [Mindtree Addresses the "Retailization" of Travel & Hospitality with IoT](#)
- [Mindtree Fuses Design Thinking via its "Digital Pumpkin"](#)

ISG PLACEMENTS AND RECOGNITION

- **ISG Index:** Q4 2018 Booming 15
- **ISG's 25 best digital transformation case studies** for work done by Magnet360, Mindtree's Salesforce practice
- **ISG Provider Lens: 2018 positioning:** Mindtree was recognized as leaders/ rising star in the following reports:
 - [Cloud Transformation/ Operation Services & XaaS Quadrant Report](#)
 - [Next-Gen Application Development & Maintenance Services Quadrant Report](#)
 - [SAP HANA Quadrant Report](#)
 - [Application Development Services Archetype](#)
 - [Cloud Services Quadrant Report](#)



- [Cloud services – client archetypes report](#)
- [IoT – USA Quadrant report](#)

SUMMARY FACTS

- Mindtree Limited has corporate headquarters in Bangalore, India, and U.S. headquarters in Warren, N.J.
- Company annual revenue for 2018 will be \$1 Billion, with approximately 20,000 employees globally serving more than 340 active clients.
- Mindtree's core portfolio includes application development, cloud computing, digital transformation services, data analytics, e-commerce and marketing.
- Core markets include the U.S. and Europe, contributing 73 percent and 20 percent in revenue respectively. Overall, Mindtree has 43 offices in 17 countries.
- Key competitors include Infosys, Accenture, Atos, Capgemini, HCL, IBM, TCS and Wipro.