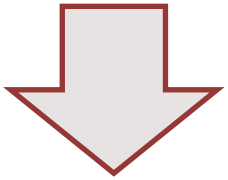
**Vijay Rangineni** | CEO, Mahindra Satyam BSG | October 14, 2011

# The CIO is dead…long live the CIO!

| Commoditization | Consolidation | Outsourcing | Cloud Computing |
|---|---|---|---|
| • Network Technology<br>• Storage Technology<br>• PC Technology<br>• Web Technology | • Enterprise Resource Planning<br>• Database Management<br>• Business Intelligence<br>• Growth of Application Suites vis-à-vis point-solutions | • Increased best practices; lower need for constant monitoring<br>• Shift towards multi-sourcing, resulting in greater specialization and increased satisfaction levels<br>• Increased competition among service providers leading to greater choice | • Emerging combination of cheap internet-based telecommunications, high-capacity data centers & standardized browser technologies<br>• Growth of consultant / on-demand model for standard functions – human resources, infrastructure, etc. |



‘Generic IT’ (i.e., IT in the sense of managing technology infrastructure) is on the cusp of becoming a critical but non-strategic asset

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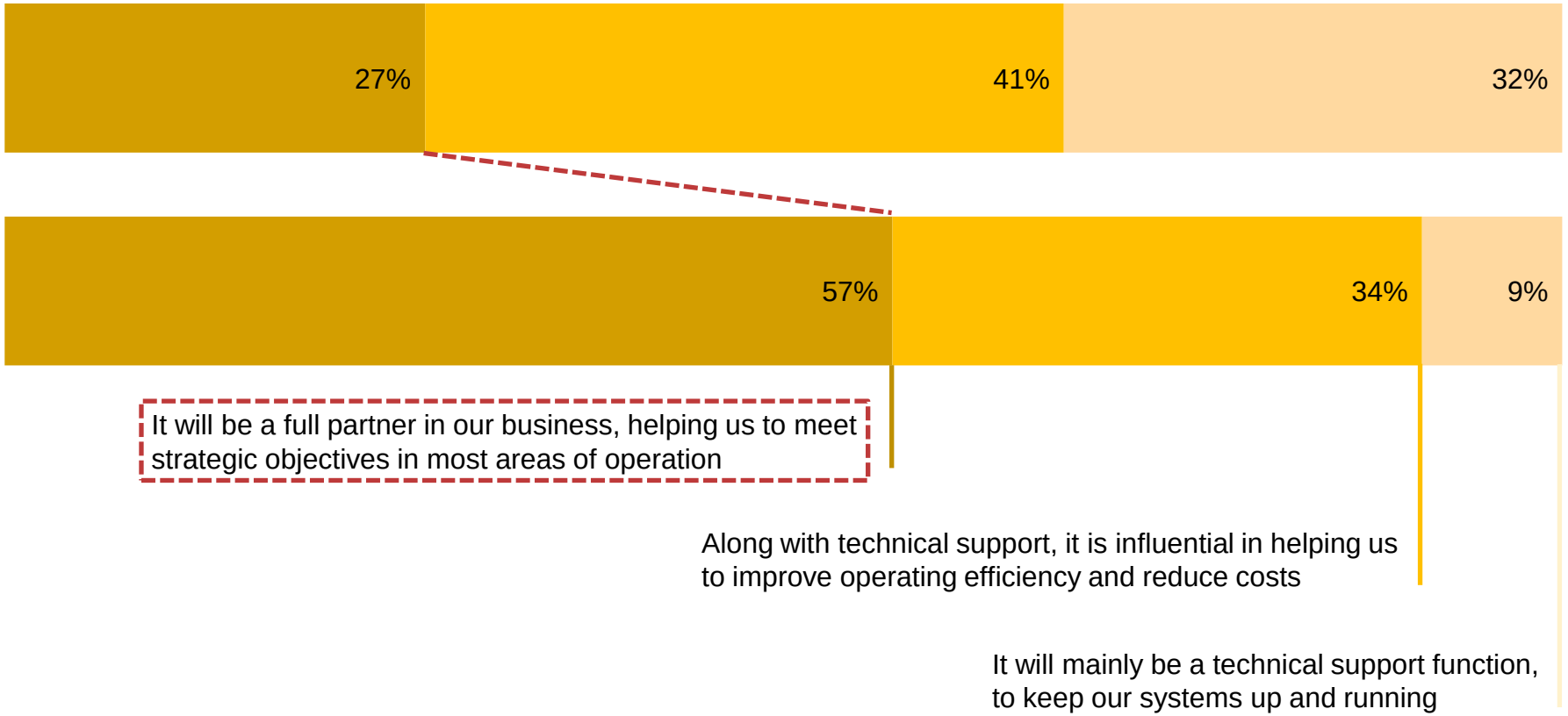
# CEO-speak: The changing role of IT




**Significant change in perception of – and expectations from – IT, in coming years**

**Source:** *"The Digital Company 2013: The Freedom to Collaborate"*, Economist Intelligence Unit, 2008
**Respondents:** 661 C-level executives and board members from 20 different industries across the world

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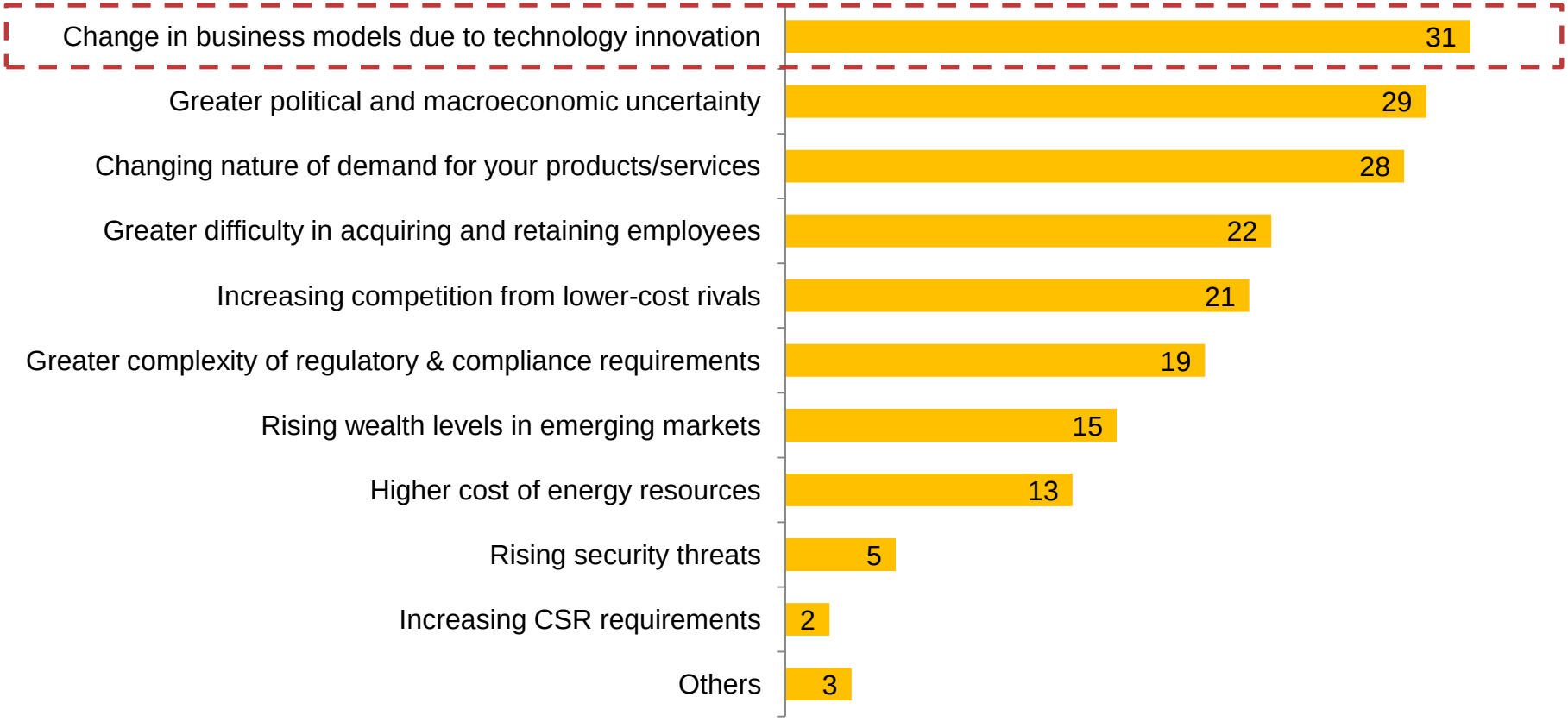
# CEO-speak: Key developments that will impact business (2008-13)




**The CIO can emerge as a key asset to the CEO by employing a strategic approach**

**Source:** *"The Digital Company 2013: The Freedom to Collaborate"*, Economist Intelligence Unit, 2008
**Respondents:** 661 C-level executives and board members from 20 different industries across the world

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# The new CIO: Time for a paradigm shift

- **From alignment to convergence:** Get involved in the business, collaborate with the front line, and devise technology-based solutions for business development
- **From technology supplier to services orchestrator:** Integrate legacy and new technologies to boost utility and create value for the business
- **From operations to business outcomes:** Contribute directly to initiatives related to revenue growth, customer intimacy and other business priorities
- **From rules to 'guardrails':** Create user-friendly governance policies, educate users and draft new rules for ownership, accountability and responsibility
- **From execution to innovation:** Partner with innovators within the system and create platforms for rapid innovation

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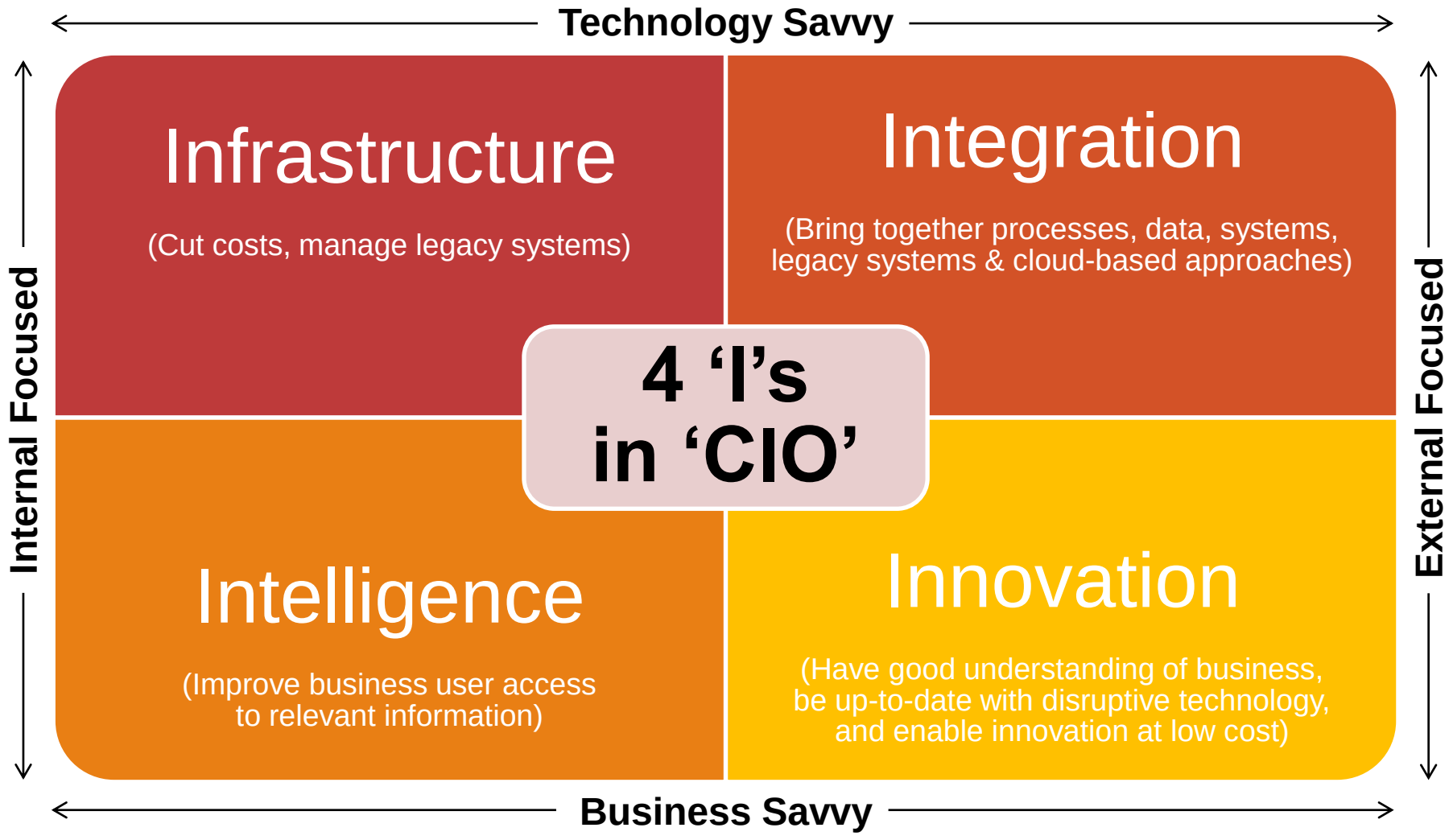
# Perspective: Four personas of the next-gen CIO




**Source:** *"Best Practices: The Four Personas of the Next Generation CIO"*, Constellation Research, 2011

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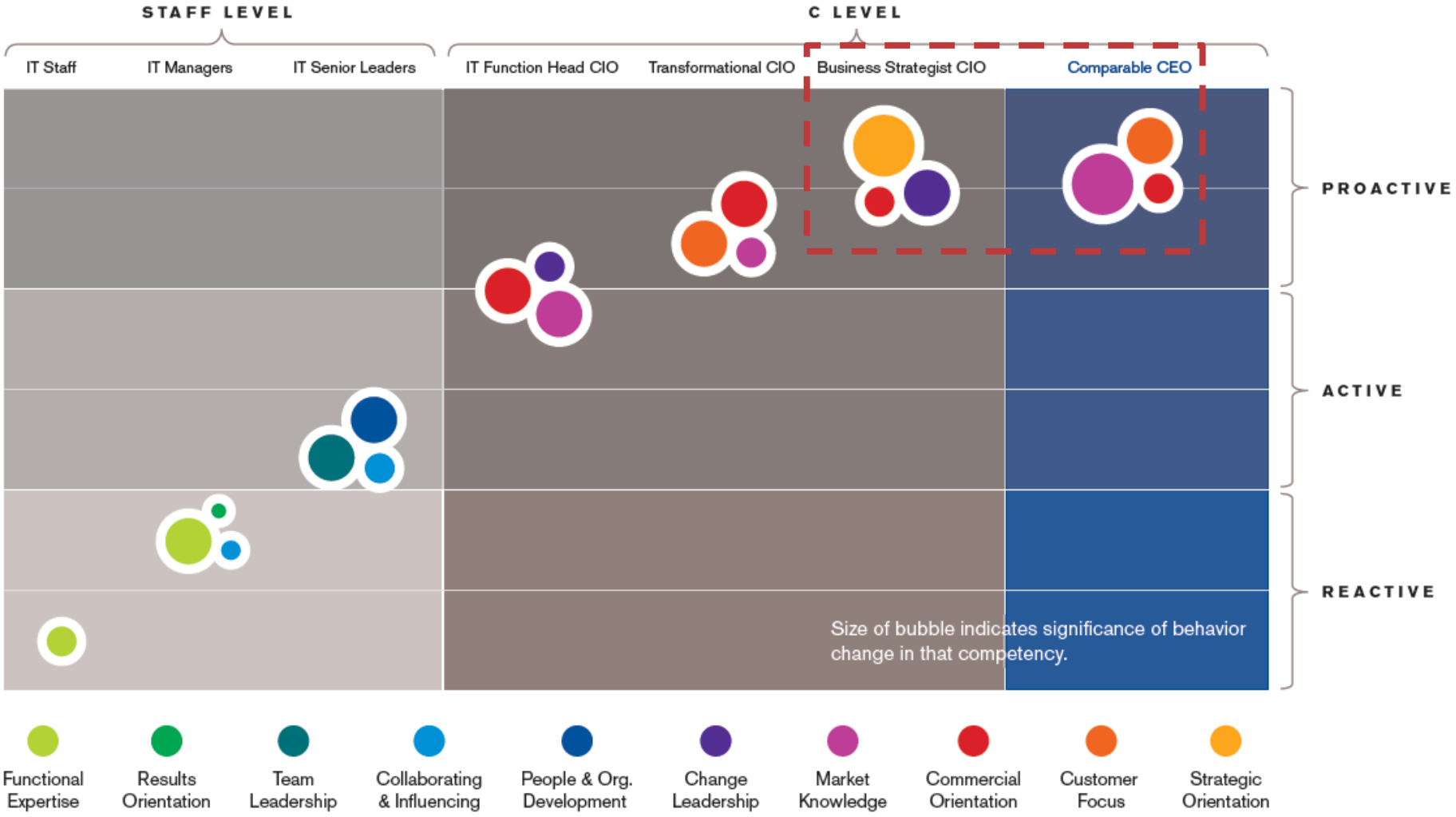
# The future-state CIO: Leadership competencies journey




**Source:** *"The Future-State CIO"*, CIO Executive Council & Egon Zehnder Intl., 2010
**Respondents:** More than 25,000 senior executives, including CEOs, CFOs, COOs and CIOs

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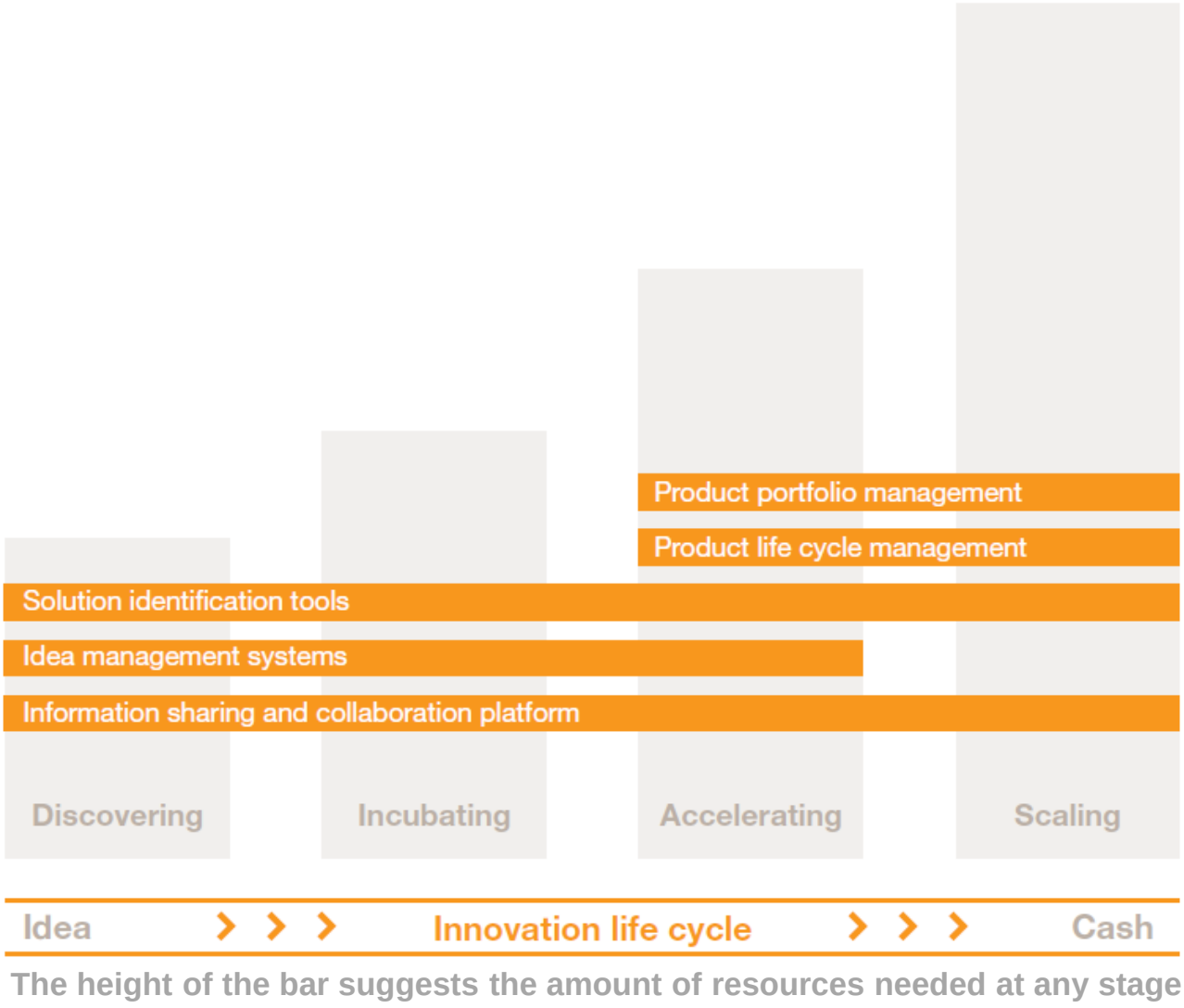
# IT support along the innovation life cycle




**IT-enabling the end-to-end innovation process:**

- **Common nomenclatures:** Simplifying terminology for infrequent users
- **Digital interfaces:** Enabling seamless selection, design, prototyping, alpha and beta testing, and other stages in the flow
- **New process introduction:** Employing new tech to enable more and better innovations
- **Monitoring & improvement:** Measurement and analytics at different stages of the innovation life cycle

**Source:** *"Technology Forecast 2011"*, PwC, 2011

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# CIO-speak: Ranking of key business strategies

| Business strategies | Ranking | | | | |
|---|---|---|---|---|---|
| | 2008 | 2009 | 2010 | 2011 | 2014 |
| Increasing enterprise growth | * | * | * | 1 | 1 |
| Attracting and retaining new customers | 2 | 4 | 5 | 2 | 3 |
| Reducing enterprise costs | 5 | 2 | 2 | 3 | 6 |
| Creating new products or services (innovation) | 3 | 8 | 6 | 4 | 4 |
| Improving business processes | 1 | 1 | 1 | 5 | 13 |
| Implementing and updating business applications | * | * | * | 6 | 12 |
| Improving the technical infrastructure | * | * | * | 7 | 7 |
| Improving enterprise efficiency | * | * | * | 8 | 10 |
| Improving operations | * | * | * | 9 | 2 |
| Improving business continuity, risk and security | * | * | * | 10 | 23 |
| Expanding into new markets and geographies | 4 | 10 | 13 | 11 | 5 |
| Attracting and retaining the workforce | 6 | 3 | 4 | 12 | 8 |
| Introducing and improving business channels | * | * | 15 | 15 | 9 |

* New response category

**Source:** *"Reimagining IT: The 2011 CIO Agenda"*, Gartner, 2011
**Respondents:** 2,014 CIOs across 38 industries and 50 countries, representing over $160 bn. in IT budgets

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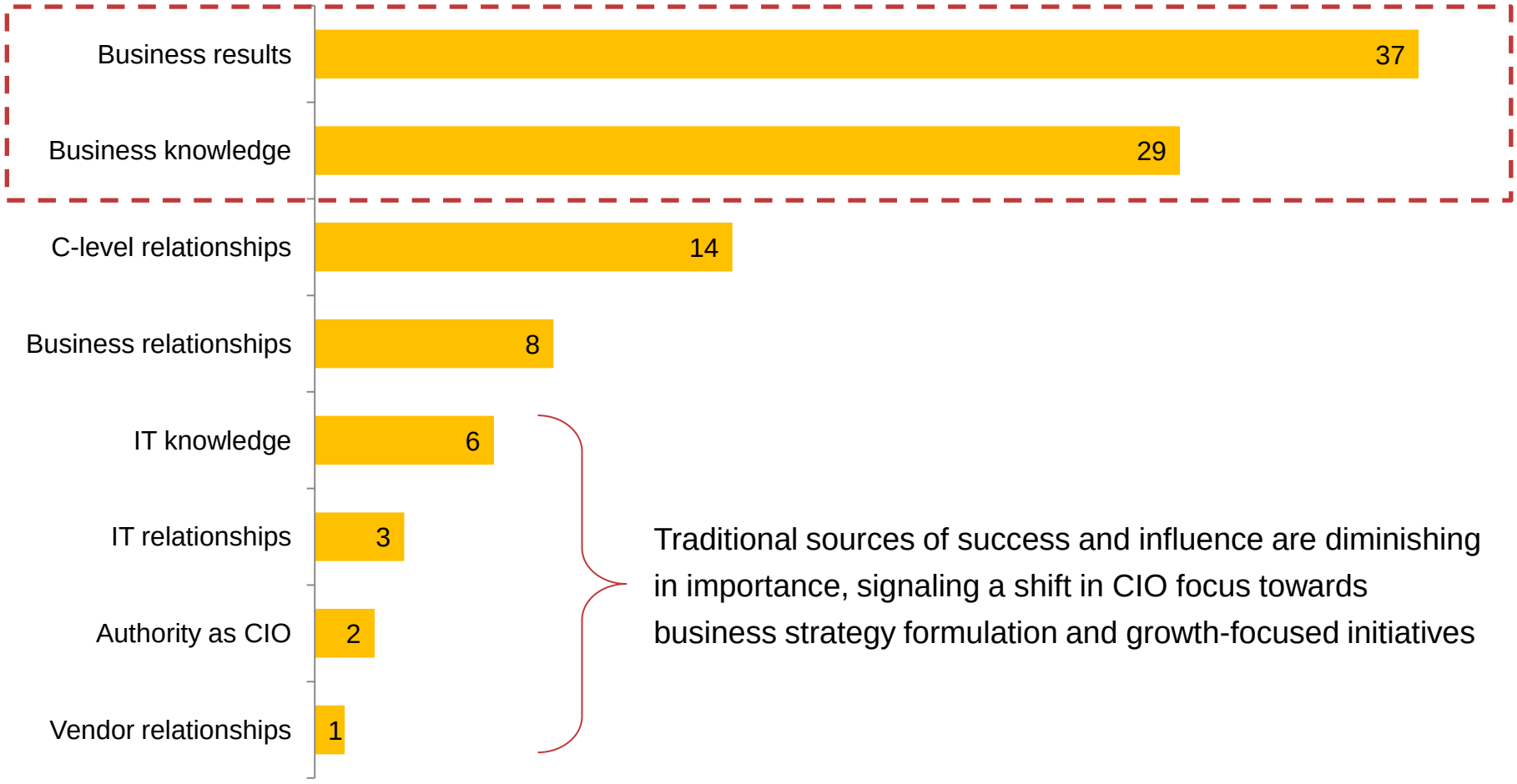
# CIO-speak: Key sources of success and influence




Traditional sources of success and influence are diminishing in importance, signaling a shift in CIO focus towards business strategy formulation and growth-focused initiatives

**Source:** *"Reimagining IT: The 2011 CIO Agenda"*, Gartner, 2011
**Respondents:** 2,014 CIOs across 38 industries and 50 countries, representing over $160 bn. in IT budgets

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# Perspective: Six types of money-making CIOs

- **The entrepreneurial CIO:** Responsible for generating sales including external sales as well as traditional IT planning, design, implementation and operations
- **The cost-optimisation CIO:** Helping businesses to meet earnings targets through IT procurement and decommissioning methods
- **The revenue-creating CIO:** Exploiting IT technologies, products and services to help increase enterprise revenue
- **The business innovation CIO:** Placing IT staff members within product development areas of the business
- **The business development CIO:** Transferring IT operational responsibilities to a senior enterprise executive and reporting directly to a head of business development, the CIO will still retain IT-business planning responsibilities
- **The public-serving CIO:** Public-sector CIOs will leverage technology to make services accessible to a larger population, improve comfort levels of the public with government services/products and help boost revenues (e.g., e-Seva)

**Source:** *"Top Predictions for 2011: IT's Growing Transparency and Consumerization"*, Gartner, 2011

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# Examples: Money-making CIOs

- Betfair had **over £1bn worth of bets** placed via mobile products developed in-house in 2011
- Tesco used its own mobile development team in 2010 (as an extension to its IT team) to launch a free mobile app for Google's Android OS to provide shopping and delivery services. Tesco's store and product-finding iPhone app, Tesco Finder, reached **one million downloads in 2010**
- London minicab firm Addison Lee is set to take £20m in bookings through its iPhone app in 2011, **adding ~25% to the turnover**, from an app launched just 6 months ago
- Online retailer Net-a-Porter plans to **double its IT team to support increased in-house product development** across e-commerce and mobile platforms

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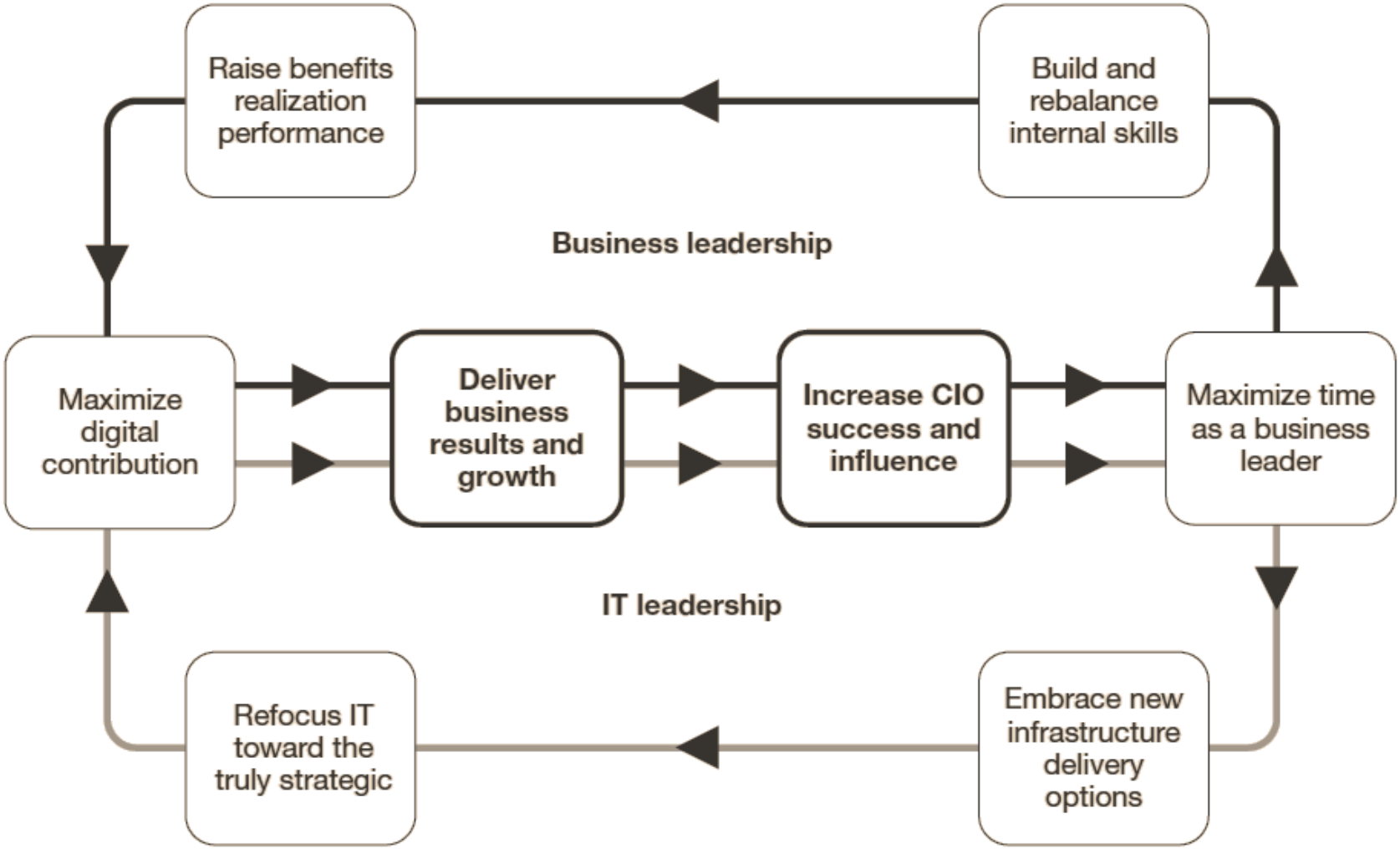
# Summary: The new CIO success cycle




**Source:** *"Reimagining IT: The 2011 CIO Agenda"*, Gartner, 2011
**Respondents:** 2,014 CIOs across 38 industries and 50 countries, representing over $160 bn. in IT budgets

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# Thank you

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**Safe Harbor**

This document contains forward-looking statements within the meaning of section 27A of Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Satyam undertakes no duty to update any forward-looking statements. For a discussion of the risks associated with our business, please see the discussions under the heading “Risk Factors” in our report on Form 6-K concerning the quarter ended September 30, 2008, furnished to the Securities and Exchange Commission on 07 November, 2008, and the other reports filed with the Securities and Exchange Commission from time to time. These filings are available at http://www.sec.gov

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