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Wipro Consulting Services: Can Wipro Finally Crack The Code?

by Stephanie Moore
for Sourcing & Vendor Management Professionals



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by **Stephanie Moore**
with Chris Andrews and Kelsey Stone

EXECUTIVE SUMMARY

Today, business transformation is often, at its core, about technology transformation. At the very least, business transformation is always technology-enabled, which raises important questions about which types of consultants can best help clients envision and execute their business transformation imperatives. In the past, high-level business process transformation initiatives were the domain of brand-name business consulting vendors such as McKinsey & Company, Bain & Company, and The Boston Consulting Group. However, many technology-focused IT services and consulting firms that formerly executed the transformation blueprints developed by the management consultants are now making a dent in the traditional consulting marketplace. They are doing this by marrying their technology competency with increasing levels of vertical and horizontal domain and business consulting expertise. The recently revamped Wipro Consulting Services (WCS) is an example of this new breed of management consulting practice. In the right areas, WCS can give even the best of the classic management consulting firms strong competition.

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Forrester interviewed several consulting companies, such as Wipro, Infosys, Deloitte, and PwC. Forrester also spoke to executives at user companies that had used India-centric consulting vendors and more traditional management consulting companies.

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DESPITE FALSE STARTS, WCS IS POISED TO TAKE ADVANTAGE OF MARKET CONDITIONS

When Forrester published its first Indian vendor consulting Wave™ in 2005, the pure-play Indian vendors were just beginning their journey into consulting services.¹ Although all of the evaluated vendors approached management consulting in slightly different ways, no vendor distinguished itself as a viable competitor to the traditional management consulting vendors — at least from a scale, market presence, or reputation perspective.²

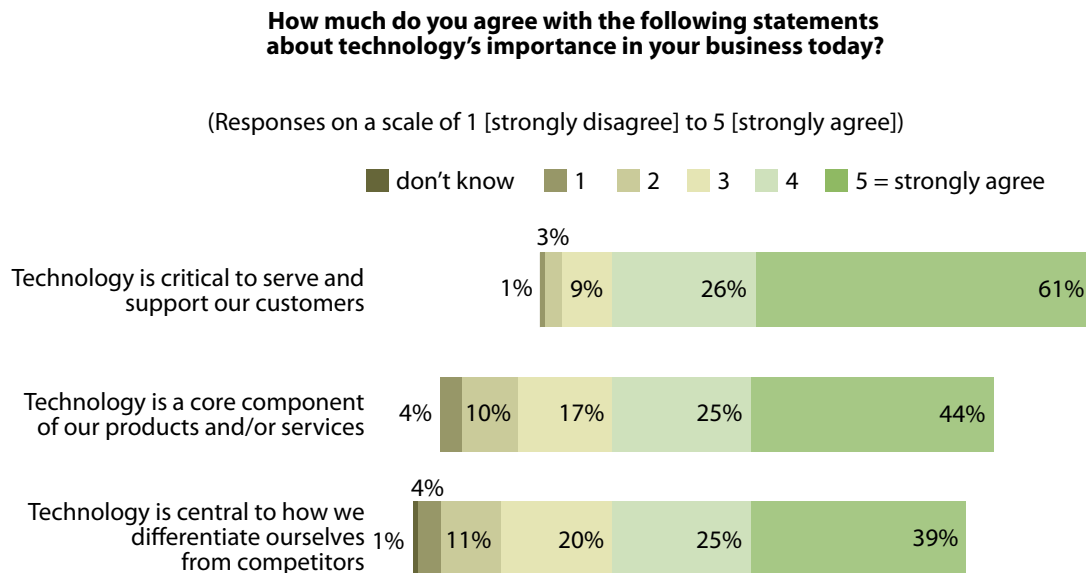
However, the current business environment, in which one understands the importance of technology in business strategy (see Figure 1 and see Figure 2), combined with WCS' approach to consulting, might catapult Wipro into a leadership position, at least among its traditional competitors. The important and unique aspects of the WCS approach include:

- **WCS realizes that the Wipro platform is part of its uniqueness and embraces it.** The fundamental struggle for Indian vendors pursuing a consulting strategy is determining the right model. Does the correct model focus on low-cost offshore labor defraying the high cost of management consulting? Does it replicate the approach of traditional management consultants and tack that model onto the existing business? Or does it opportunistically chase technical or process consulting that is directly connected to a specific technology project? Wipro believes the answer to all of these questions is no. WCS recognizes that it is not meant to be a cut-rate version of Deloitte or Accenture. It has neither tried to lift and shift a management consulting team onto Wipro's existing business, nor has it looked for purely opportunistic or reactive wins. Rather, it is attempting to leverage years of management consulting expertise and contacts and combine that with Wipro's vast portfolio of technical and process capabilities to engineer bleeding-edge business and technology solutions for clients.
- **WCS partners and staff members are up for a different challenge.** Wipro recruits consultants who want to improve the status quo and do things differently than they did at their previous firm. Yes, most come from firms such as McKinsey & Company, Ernst & Young (E&Y), and Capgemini, but WCS partners want to create a new management consulting model by leveraging Wipro's robust technology platform and integrating the other parts of the business instead of parallel playing. WCS prefers to hire partners who have run their own business or have had profit and loss responsibility outside of the consulting domain so that they can meaningfully connect with line-of-business executives and CEOs. Also, Kirk Strawser, managing partner at WCS, suggests that WCS partners must be slightly more imaginative and eclectic than the average consulting partner type so that they can envision, without reservation, the solutions made possible by combining the different competencies.
- **WCS believes in the importance of value creation.** WCS believes that there are three things Wipro can do for its clients (see Figure 3). First, it tries to provide the basic technology services and provide them well. Second, for its target Mega/Gamma accounts, it strives to develop solutions and services that accommodate capital spending plans.³ Finally, WCS wants

to provide breakthrough initiatives — prescriptive advice that is not already part of clients’ capital plans. In this way, WCS believes it can obtain the highest level of trust with a client and truly prove its value creation capability.

- The client development service team (CDST) approach facilitates collaboration.** The WCS CDST model is the vehicle for collaboration. The CDST consists of biweekly multidisciplinary brainstorming meetings among consulting partners, client partners, horizontal or vertical technology experts, and account team insiders with deep account knowledge. These sessions are a key way in which WCS integrates with Wipro Technologies to develop solutions that wouldn’t normally emerge from a pure strategy session, a pure technology session, or weekly account-team-only meetings. The tension that could arise among the account team, client partner, and the WCS professional is often minimized through this consistent collaboration and the idea that the client partner owns the client relationship regardless of how smart, sophisticated, or famous the WCS partner is.
- WCS partners come with very strong customer relationships.** WCS has clearly focused on hiring partners who have strong customer relationships. Given the size of Wipro’s traditional client base and Wipro’s lack of credibility in the management consulting space, it is surprising that WCS has been able to secure net new clients through the WCS team rather than relying solely on Mega/Gamma account mining. Particularly in the UK, where a small cadre of former Ernst & Young consultants has invaded WCS, WCS seems to have made more progress hunting than mining, and successful consulting engagements are leading to larger outsourcing engagements.

Figure 1 The Importance Of Technology In Business Today



Base: 2,691 business decision-makers

Source: Forrsights Business Decision-Makers Survey, Q4 2010

WCS Practices Focus Map To IT And Business Audiences

WCS is organized regionally into North America, Europe, and Asia Pacific teams. In total, WCS has 1,700 staff members, including slightly fewer than 100 partners. Within each geographic unit, there are eight practices, of which some are IT-focused and some are business-focused. Although all of the practices seem to be strong, there are three standouts that have already had some impressive success with clients in the financial services, consumer packaged goods (CPG), and high-tech sectors.⁴ They are:

- **Process excellence.** This practice focuses on IT process consulting using Lean principles. This is one area in which WCS has leveraged Wipro's deep experience with Lean to create an approach that can optimize and transform the IT organization. This practice is a strong differentiator for Wipro; the company has won against strong competitors such as McKinsey & Company and Accenture in this arena. Given the massive changes facing most IT organizations, Wipro's capability should be explored by CIOs who understand the transformation imperatives they face.
- **Business transformation.** This group has the most exciting potential. In this practice, Wipro's combination of tech savvy and business savvy is most beneficial to the client and most important to the overall success of the engagement. By using consultants who understand both business and technology, WCS can create a more realistic and arguably more successful business transformation experience. WCS is more likely to propose a strategy that could differentiate the client through the use of bleeding-edge technology or technology processes than a more business-centric management consultant would.
- **Enterprise architecture.** This practice includes eCommerce strategies, mobility, cloud, and pure enterprise architecture. Wipro, with its substantial telecom background, is well-suited to make mobility strategy work. The practice also provides clients with cloud assessments that can inform their long-term transition toward cloud-based offerings.

Challenges Still Exist For WCS

Despite the fact that WCS is off to a booming start since its relaunch in 2009, several challenges still exist, including:

- **Wipro's brand is a pure technology utility provider.** As one of the top five Indian IT service behemoths, Wipro is often considered the most technology-focused and the least likely to have a high-end management consulting capability. In addition, Forrester often sees Wipro trailing Tata Consultancy Services (TCS), Infosys, and Cognizant from a quality and customer satisfaction perspective. Convincing an existing client (or the broader market) of its strength in the high-end consulting arena will be more difficult because of this brand issue.
- **Wipro's account management approach is uneven and inconsistent.** Inconsistent account management is one reason that Wipro struggles with customer satisfaction. A strong client partner develops a deep relationship with the client and the account team and ensures that she fixes problems before they escalate. Client partners are also responsible for "delighting

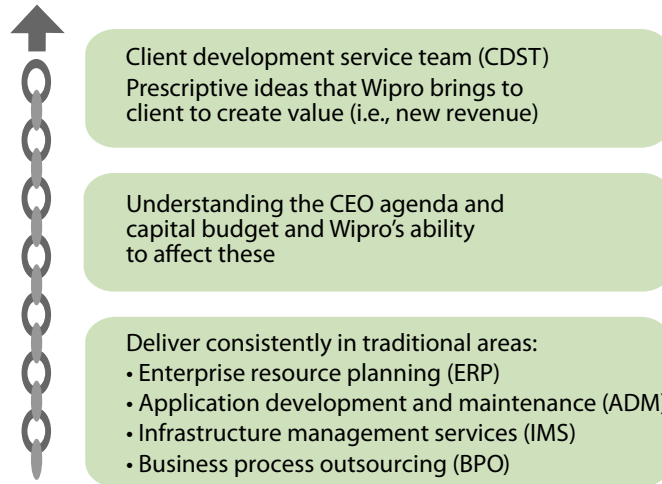
the customer,” something that does not currently seem to be part of the formal account management process at Wipro. This means client partners struggle to upsell consulting to their accounts. Although Wipro has 60 Mega/Gamma accounts that presumably are managed by high-quality client partners, WCS has only targeted 20 of these clients for business development. Given their limited resources, WCS partners likely do not want to waste time trying to sell champagne to a client who thinks Wipro can only produce beer.

- **Internal resistance could slow WCS down.** Before the relaunch of WCS, one challenge was obtaining internal respect and cooperation. To some seasoned Wipro executives, management consulting represented a low margin, low revenue business since engagements are smaller and shorter in duration, and consultants are exorbitantly expensive and not usually based in India. Despite the fact that Wipro made some high-priced acquisitions (e.g., NerveWire), Wipro management allowed the acquired consulting employees to leave, and the business died of starvation. The good news for WCS today is that T.K. Kurien, the architect and former head of the current iteration of WCS, has been promoted to CEO of all Wipro and has said that WCS is a critical component of Wipro’s future success. Kurien believes that WCS can do three very important things for Wipro: 1) deliver pull-through revenue for IT practices; 2) coordinate new and improved delivery models within the Mega/Gamma accounts (presumably moving Wipro away from staff augmentation); and 3) raise the brand awareness and image of Wipro as a world-class consulting, outsourcing, and IT services firm. The other very important thing that WCS could be and should be doing for Wipro is improving its overall account management capability.

Figure 2 Software Is Everywhere And Growing More Complex

Product	Lines of code
Order entry system	1.7 million
F-22 Raptor	1.7 million
Space shuttle	2 million
Microsoft Word	2 million (27,000 in first release)
F-35 Joint Strike Fighter	5.7 million
Airline reservation system	6.1 million
Boeing 787 Dreamliner	6.5 million
S-Class Mercedes-Benz radio with navigation system	20 million

Figure 3 Wipro Consulting Services' Take On Moving Up The Value Chain



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Source: Forrester Research, Inc.

RECOMMENDATIONS

CONSIDER TECHNICAL EXPERTS RELEVANT TO BUSINESS TRANSFORMATION TODAY

To survive the rapidly changing business environment, sourcing and IT professionals must look to experts who understand the technology landscape as well as they understand your business. A consulting firm that does not have both competencies cannot provide the requisite value. Clients who are looking for a technically savvy consulting partner should consider Wipro when:

- **Seeking consulting expertise in a few emerging technology areas.** Consider Wipro Consulting Services when you are looking for management consulting expertise, particularly in the mobility, cloud assessment, and business transformation arena. It will be difficult to find another group of seasoned consulting experts who are as passionate about their mission or who are as prepared to think outside of the box to create value for their clients.
- **Improving IT-business collaboration.** For companies seeking to bridge IT-business collaboration, Wipro is a very strong option. Its Lean methodology and its mission to optimize the IT organization to effectively partner with the business to deliver innovation and transformation is phenomenal.
- **Looking for partners who are aligned with your business needs.** As with any people-based business, your team is the key. As you engage or evaluate WCS, make sure that you understand who your WCS partner is and his or her capabilities. In this business, maintaining a strong partnership makes all the difference.

ENDNOTES

- ¹ In Q4 2005, Forrester published a Forrester Wave evaluating the consulting capability of the top five Indian IT services and outsourcing vendors. The Forrester Wave evaluation included Tata Consultancy Services (TCS), Wipro, Infosys, Satyam Computer Services, and Cognizant.
- ² In Q4 2011, Forrester will publish an update to the Indian vendor consulting Forrester Wave published in Q4 2005.
- ³ Wipro calls its top 60 accounts (as determined by their revenue, revenue potential, or strategic nature) Mega/Gamma accounts. Mega/Gamma accounts are the initial target audience for the WCS story.
- ⁴ WCS' other five practices are human capital management; supply chain; customer relationship management; finance transformation; and governance, risk, and compliance.

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