REDEFINING THE CONSULTING DNA
Wipro Consulting Services

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INTRODUCTION

“Routines represent our own zones of comfort. There is a sense of predictability about them. They have structured our time and even our thought in a certain way. While routines are useful, do not let them enslave you. Deliberately break out of them from time to time.”

... ... ... Azim Premji, Chairman, Wipro Technologies.

It was back in the autumn of 2006, when the leadership team of India’s second largest provider of IT products, services and consulting Wipro, gathered to deliberate on the progress and future of its burgeoning consulting business. It was felt that if Wipro had to be a business leader, it needed a strategic reorientation and a new organization and structure that could give it the scale and kind of push it needed, to take on the opportunities and fulfil the dreams that the leaders had seen some years ago. The time had come to give consulting, as a business, its own well-deserved niche in the rich hall of fame of Wipro’s group companies.

Wipro’s strategic reorientation of its consulting business was also essential to position itself and respond to the strategic moves that its key rivals Tata Consultancy Service (TCS) and Infosys had been making. Infosys was busy establishing Infosys Consulting and TCS was packaging consulting as a driver to drive down the revenue for its low end IT services. For Dr Anurag Srivastava, who headed WCS in Japan, Middle East and Asia Pacific "Wipro had spotted the strategic importance of offering consulting services when it realised the in excess of 20% margin in its early engagements. Wipro board was convinced that it needed to focus more on nurturing various practices and commit resources to realise this potential."

What followed was a long and well thought-out process of Wipro’s value chain reconfiguration and the eventual amalgamation of the various consulting divisions within Wipro that resulted in the formal launch of a new Business Unit called Wipro Consulting Services (WCS) in early 2008. The process of reorientation presented the management with several dilemmas in terms of organization design (captive versus independent), growth strategy (organic versus inorganic) and governance structure (federated versus independent). The key to resolving the dilemma was executive team-work and the high degree of board level consensus, which resulted in achieving an optimal organizational design for WCS that is set to take the firm to a leading position in the next 5 years.

What started as a strategic initiative 5 years ago in the backdrop of 2001 IT slowdown, had indeed come a long way.

EVOLUTION OF WIPRO CONSULTING SERVICES (WCS)

Wipro Consulting Services as an independent consulting organization was formally formed in 2007-08 to provide a range of consulting services including Business Consulting, Process Consulting, Technology Consulting and Quality Consulting across several industry verticals. WCS employs approx 1200+ people across the world. The business consultancy services offered by WCS centred on the theme of providing practical business and technology advisory that enables sustainable global leadership for organizations

Evolution of Wipro consulting services was divided into the following three phases:

- The **Incubation** phase that began in the backdrop of IT slowdown of 2000/01. At that time Wipro leadership saw the first signs of consulting competencies emerging out of horizontal business units, and it consciously decided to actively nourish and encourage this emergence.

- The **Bubbling** and **Collaboration** phase from 2002 to 2006. This phase saw greater collaboration between Wipro’s horizontal business units in providing value-added consulting and advisory services to the universe of Wipro customers

- **Organizational Design** phase, which began in late 2006 and culminated in early 2008 with the formal launch of Wipro Consulting Services (WCS). In this phase Wipro’s leadership embarked on the process of consolidating the emerged consulting bubbles in various business units like Wipro Infotech, Quality
Consulting Group and Wipro Consulting group etc. The objective was the eventual separation of the consulting business from IT services business.

Mark Payne, a veteran in Wipro’s consulting business, headed WCS in Europe likened the growth of WCS to the emergence of consulting bubbles emerging from the repertoire of knowledge and services that Wipro was good at. Mark points out, “Targeting the consulting opportunities in the areas where it is already strong was a strategic masterstroke.”

Today, WCS actively positioned itself as a leading consulting organization in the following key consulting practice areas:

- **Business Transformation Practice (BTP)** built and delivered strategic, transformational, business focused solutions to their clients, by integrating Wipro capabilities into business value propositions (products) and blended consulting and delivery solutions.

- **Functional Excellence Practice (FE)** offered differentiated solutions, tools and methodologies to enable customers to achieve customer centricity, cost optimization and revenue maximization through consulting in Supply Chain Management (SCM), Customer Relationship Management (CRM), Organizational Change Management (OCM), Human Capital Management (HCM), Financial & Performance Management, and Shared Services (SSC).

- **Process Excellence (PE)** addressed the need for global organizations to become more efficient and agile by embracing best practices in business and IT processes. It offered services across Business Process Management (BPM), IT service Management, PMO advisory, IT Governance and Framework Consulting.

- **Risk Compliance and Assurance Practice (RCA)** assisted organizations to transform their risk and security processes to enable their business goals. Wipro viewed regulatory compliance combined with the convergence of traditional security and risk management gave enhanced focus to effective enterprise-wide security. The vision was to help CXO’s focus on integrated risk management, to enable better decision making through risk information availability and forecasting, and to ensure that an organization works optimally when decision-taking is enabled through quantifiable security key performance metrics.

- **Enterprise Architecture (EA)** was a complete expression of the enterprise, a master plan which collaborates between aspects of business planning, operations and technology. WCS’s EA consulting practice offers solutions across Governance, Information architectures, Application architectures, Infrastructure architectures, and Service orientation architectures (SOA/SOE) within an organization, as well as Green IT consulting.
THE NEXT FRONTIER: IS WCS ready?

As T K Kurien, President of WCS invited his leadership team to deliberate on what WCS should focus on in the short and long term, Mark - a veteran in the consulting industry - offered this view: “I think the reorientation has happened, the organization structure is there and now WCS is ready to take the next leap. We should continue to consolidate, optimize and focus on specific markets.”

The consolidation was taking shape through restructuring and formalization of WCS. This was in the form of establishing the practices which will enable it to learn to incentivize and operate effectively. WCS seems inclined to pursue its current strategy to leverage its parent in the short term to help clients combat the current downturn and may continue to maintain and sustain consulting accounts along side overall large IT services accounts.

In the long term WCS aimed to become a top global consulting brand, a trusted advisory firm for its clients. It needs to reflect the value that a trusted advisor can bring in. For this, Wipro needed to shift from the competency mode to a problem solver mode. WCS seems to be readying its strategy on the following four dimensions in order to conquer the next frontier:

- Branding and Positioning to give a sense of purpose and strategic direction
- Scaling to ensure that it can deliver
- Differentiation to distinguish itself from competitors
- Effective competitor strategy

**Figure 2: Strategic Response to Challenges**

**Branding and Positioning**

WCS was consciously trying to avoid positioning itself in the “Strategy” space because its strength lay in technology-based consulting owing to its roots in IT services. WCS recognised that it needed to position itself on its strength to improve business performance by running process and technology based change programs, thereby providing the necessary focus area for sales and marketing to position its business.

WCS focused on understanding client needs and providing solutions, which build capabilities for long-term competitive advantage. This was the core of the WCS brand. Citing the example of the current economic upheaval, Manideepa Dasgupta, WCS’ marketing head claimed “Our research shows that clients want industry specific, integrated solutions that drive measurable improvements. WCS is uniquely positioned to meet these new customer challenges through a) our core competencies in business transformation enabled through technology and b) continuous improvement in how these solutions and results are delivered.”
By targeting the universe of existing Wipro customers, WCS gained a distinct advantage, as customers were already familiar with the organization’s focus on quality and the ability to deliver the technology.

Since Wipro’s consulting capabilities (like process quality, technology change programs and technology rationalisation) were more or less an extension of the services it had been providing to its customers (in the earlier guise of entities like Wipro InfoTech or QCG), these had helped the firm to move from “transactional” relationship to “collaborative” or “partnership” based relationship with its customers in a much quicker way. It had been able to quickly establish that it possesses the capability to engage customers at a strategic level and is more concerned with bringing about business transformation. WCS sells itself on the core principle of enriching the relationship it has already built with its customers, by positioning itself as a partner who will bring the business transformation.

**Organizational Extension and Scaling**

Dr. Srivastava believed WCS’ federated organizational model provided a fair degree of autonomy to different regional units while remaining global in nature. The WCS leadership team appeared to be in consensus here that this was the right strategy for WCS to avoid the “one size fits all” strategy and use the “horses for courses” strategy to deploy solutions depending upon the need in the local market. The evolution of WCS also illustrated the key point that on one hand globalisation is needed to achieve the economies of scale and consistent global brand, but on the other hand one could not ignore the significance of local culture, the local knowledge in a relationship which is collaborative and whose success is tied with the trust and the mutual comfort.

Consulting was quite a mature business in advanced economies of US and Europe. Acquiring a niche is a desirable strategy both for strengthening the brand as well as differentiating from competitors due to the high level of competition from several international brands such as IBM, Accenture, and Sapient etc. Wipro recognized this and embarked on an acquisition strategy. It acquired American Management Services (AMS) and Nervewire to expand its consulting capability. Mark Payne was of the opinion that WCS will continue to look for niche acquisitions in these regions in its quest to become a leading consulting brand.

Consulting was a people business and people are different in different parts of the world. Dr Srivastava emphasised flexible geography-based scaling was a deliberate strategy for the organization. Organic growth through the recruitment of local talent works much better than alien acquisitions.

**The Key differentiator: Culture**

“In our way of working, we attach a great deal of importance to humility and honesty. With respect for human values, we promise to serve our customers with integrity.”

... ... ... Azim Premji, Chairman, Wipro Technologies.

Wipro’s success in attaining a distinct credibility and image was driven by its core strength from the underlying strong value system. Wipro’s value system rooted in humility, honesty and integrity could arguably be one of its biggest strategic assets. These values injected a massive causal ambiguity in Wipro’s DNA.

During the evolution of WCS, the firm always exploited its strengths and capabilities in the IT services, and packaged it with its core value system consisting of traits such as strong customer-centric approach, humility and respect towards customer’s internal culture. And this made WCS an irresistible force in the eyes of its customers. It had put in place several mechanisms such as monthly governance pack and client feedback mechanisms to ensure a strong monitoring of the quality in order to maintain and nurture customer relationships.

Another area where its value system gave WCS a definite edge was its ability and proven track record in managing the internal change at client organizations. It tried to swim with the customer’s own value system and facilitates a positive change or reform from within. Though engaged as a consultant, it still put a great emphasis on getting the things done and ensuring the engagement does result in the desired business change. It encouraged and engaged the customers to evolve their best practices from their own services, their own people and their own culture. It was a marked departure from the general perception about consultants who were seen more as the people who will

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1 Defined as the barrier to imitation, which makes it impossible to relate to consequences to its causes
enforce a cultural change. In Wipro’s view, if the change does not come or appear to come from within, the forces of FUD (Fear, Uncertainty and Doubt) collaborated on the human psyche to develop the resistance. Wipro seems to have learnt this art of bringing a change through a strong value-based approach which respected the client firm’s DNA rather than attempting to alter it. “If best practices could bring business transformation then every retailer would be Wal-Mart or every car maker would be Toyota” argued Dr Srivastava in support of this thesis.

Through this strategy of stimulating change from within and enriching it through a humble approach, WCS had established a solid value proposition in the space of consulting and this strategy appears to have successfully worked for WCS.

**Effective Competitor Strategy**

Initially for the first few years, WCS was focussed on enhancing its acceptance into the market and did not bother much about the competition as it had a very little market share in consulting as such. In the words of Dr. Srivastava: “We focussed on consolidating the bigger customer accounts and establishing the credibility as the serious “doer” or the great enabler. This allowed its firm hold over several areas of client’s businesses where technology was a key ingredient of operation and change”.

Wipro was also facing stiff challenge in leveraging its existing relationship as companies like TCS, Infosys or Accenture competed for the share from the same IT pie. Dr. Srivastava recalled: “As leveraging the existing large global accounts remains our prime strategy for market penetration, we develop specific competitor based strategies to gain the market share in various segments. For example we developed separate strategies to deal with TCS and Infosys and a different one for PWC or KPMG. Having specific tailor-made strategy for competitors in each practice segment, allowed us to deal with the specific competition because our existing business knowledge about large customer accounts allowed us to foresee the opportunities there”.

Wipro was now aiming at the next frontier by shifting from “just in time” strategy & tacit manoeuvring to developing a comprehensive strategy based on the market to realise its dream of becoming a leading consulting organization.

**Conclusion**

Kurien’s emphasis on offering high-value added services and working on transformational programmes was an exciting agenda, which offered high-rewards. Premji was cited as a visionary in the industry and Wipro had invested heavily in making innovation central proposition of its business model. Dr. Srivastava commended Kurien for emphasising the innovation roadmap and its importance for WCS: “Wipro’s leadership is known to create an environment that is highly collaborative which encourages and nurtures innovation at all levels. It takes a certain type of character to put this type of relationships and culture and Wipro has that culture in plenty which is infectious and indomitable”.

Kirk Strawser, WCS’s newly appointed CEO, pointed: “Innovation on its own is not sufficient. We need to do number of things before we get there. First we need to emphasise our cost leadership. Clients want industry specific, integrated solutions (Consulting, IT, BPO) delivered using innovative, accelerated approaches that drive measurable improvements in critical metrics such as free cash flow and return on equity. Second we need to really work on our global delivery capability. We need to start hiring young bright MBA graduates from top business schools, train them as analysts for a year by assigning them to the consulting team and then rotate them globally on live engagements. Third we need to start engaging with potential customers who have no transactional history with the Wipro”

Today, WCS leadership was facing an additional challenge. The leadership team at WCS realised that they needed to overcome the economic tsunami that had hit the world markets. With deep global recession looming large, corporate tolerance would be under severe pressure with regards to its spending and outcome. The intertwining of
technology with overall business strategy needed to be strengthened and thus technology firms who demonstrate a better understanding of customer’s business had a better chance to succeed.

Technology projects that transformed the business outcome were taking precedence over routine operational upgrades. The leaders agreed that WCS will need to address several challenges to increase the chances of its success:

1. As clients demanded a better business understanding, WCS would need to step up the hiring of more industry experts as a strategic investment. WCS needed to market itself as an expert of certain capabilities in various market segments. This may be particularly challenging due to the legacy issues, as WCS still leveraged the parent brand.

2. Knowledge management particularly from the transferability of skills viewpoint was another challenge. With several market segments set to contract further, WCS needed to strengthen its Intellectual Capital Enhancement group, in order to arm consultants with tools and techniques like reusability and portability. Gathering, assimilating and redistribution of knowledge to its right audience needed special focus and attention.

3. Global delivery in consulting needed to be thought through carefully. There were potential advantages in terms of extending knowledge base by sourcing best talent at much lower cost; however, it would require a dramatic shift from preferred model of hiring staff from within with longer tenure.

4. The strategy of relying too much on the parent organization for its brand positioning comes with a limitation of getting stereotyped. It might be challenging to change client’s perception about WCS as just another incremental extension of their technology capability. With the clearly visible trend towards multisourcing, WCS may find itself in a position whereby it has to compete as well as collaborate in an outsourcing ecosystem.

The success of WCS will be measured on the basis whether it is able to carve out a separate niche for itself or not. WCS leadership had reasons to think that it has loaded the new organization with the capability, infrastructure, maturity and a strong values system, which was powered by the spirit of Wipro. With all the ammunition in place WCS is ready to take the next leap forward and create indelible foot prints in the dynamic and fragmented world of consulting in the times to come.
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About Wipro Council for Industry Research

The Council for Industry Research at Wipro comprising of domain & technology experts from the organization has been set up to address the needs of customers, specifically looking at innovative strategies that will help them gain competitive advantage in the market. The council in collaboration with leading academic institutions & industry bodies studies potential market trends and equips organizations with insights that will facilitate their IT and business strategy.

For more information on the research council please visit www.wipro.com/industryresearch or email industry.research@wipro.com