Wipro Digital in Good Shape and at High Speed

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IN THIS FLASH

This IDC Flash discusses IDC's impressions from Wipro Digital's analyst event in London in May 2016. The event took place at Stamford Bridge, the home of Chelsea Football Club, with the club discussing some of its experiences of working with Wipro Digital.

SITUATION OVERVIEW

IDC first met Wipro Digital back in January 2015. The business unit had just been created and still consisted of only a few people, but had experience from digital projects done in Wipro (claiming revenue of $1 billion), some interesting thinking, and a strong customer-oriented approach. We concluded that the company was off to a good start but was also facing many challenges (see *Wipro Creates a Digital Business Unit*, IDC Q54X, February 2015).

Since then Wipro Digital has come a long way, and has:

- Acquired Designit, a Denmark-based global strategic design agency (recently opening in New York but still mainly Europe focused).
- Succeeded in keeping Designit's identity intact yet allowing its thinking to penetrate the whole of Wipro Digital and even the larger Wipro, working in an integrated fashion in projects and in going to market.
- Formalized methodologies and approaches from "think it" through "design it" and "build it" to "run it." Wipro Digital has now created an integrated and consistent end-to-end portfolio.
- Won a number of large new clients based on the new capabilities and value proposition.

Wipro Digital defines its area of expertise as the intersection of strategy, design, and technology, with a value proposition to help clients transform their businesses by creating "unified product-services experiences that stay ahead of customer expectation by continuously going beyond category." With the term "going beyond category," Wipro means beyond traditional definitions of the product, the market segment, or the industry. As such, Wipro Digital's core focus is the disruptive transformation of the business more than incremental changes brought by technology. The starting point for transformation is the end customer's experience and journey with Wipro Digital clients' organization.

Differentiators

While this end customer as the starting point thinking already existed in Wipro Digital it has been accentuated and much more clearly articulated after the integration of Designit, focusing the creative transformational thinking around the customer journey and touch points.

Wipro Digital has three key differentiators:

- Experience-led
- High velocity
- Global scale and complexity

While Designit brought the formalized expertise in working with human-centric, experience-led design, the Wipro side of the new organization brought high velocity through its agile and DevOps methodologies for IT design and implementation, as well as the global presence and scale to put resources behind the delivery. Wipro's large systems integration organization is the main provider of IT services resources in large implementation and rollout projects, whereas Wipro Digital itself remains a niche organization working in smaller "pods" similar to other vendors' innovation labs. Wipro Digital has 11 of these labs globally; the newest was opened in New York in May.

Wipro Digital mentioned a number of large digital transformation clients – some brought from the Wipro side, others from the Designit side. Examples are:

- A top 5 bank underwent a radical transformation of its retail bank focused on customer engagement.
- A European telco worked with Designit to transform and simplify its offering.
- A large European and a large Asian airline are both transforming the traveler's experience with the help of Designit and Wipro Digital.

Monetizing data and using data as a basis for creating new revenue streams were key themes through the day. Chelsea FC discussed how it is working with Wipro to reinvent the fan experience to increase loyalty, but also to generate and ensure value streams. Big Data was mentioned as a central part of these activities, and the head of business planning and analytics at Chelsea talked of Wipro's core role in defining and implementing new ways of working with analytics to drive future revenue.

Transformation Approaches

Wipro Digital starts its transformational work at the customer touch points but its work encompasses the whole organization through what it describes as "fulfillment" – the work streams and business processes that follow after a client has placed its order. Here the key focus is to simplify, digitize, and automate. Use of analytics tools plays a key role for both the customer interaction part and the fulfillment part. In addition, machine learning as well as Wipro's cognitive tool HOLMES are used in automating processes.

Another part of fulfilment is IoT, which with Wipro's engineering heritage is a strong focus area. ESAB, a Swedish-based welding machinery company, discussed its experiences in working with Wipro Digital on using IoT to track equipment and consequently achieve both better customer service and internal efficiency. Wipro Digital delivered the IoT solution end-to-end, including the cloud platform, endpoints, and applications.

We noted that when describing the fulfillment, which is a heavy lifting IT activity, Wipro Digital also takes a design-led approach and uses the same language as when describing customer interaction and a similarly structured methodology. This shows us that integration of the two types of activities is, if not yet seamless, then well under way. It was clear to us that Wipro Digital has put a lot of effort into integrating the two organizations by creating an integrated offering and by taking its own medicine in the form of a radically simplified messaging – underpinned by deep understanding of its topics.

Sound Foundation and Rapid Progress

The Wipro Digital day covered a lot of ground and we were impressed at how far it has come. Is everything perfect? Hardly. We still sense differences in views depending on whether people come from the Wipro side or the Designit side. But maybe that is healthy. The team-oriented workstyle with dedicated multidisciplinary teams created for each project and including both Wipro Digital and the client will gradually create a more integrated experience.

As Mikal Hallstrup, founder and global CEO of Designit, said: "There is strong positive interest in collaboration. This helps bridge the differences." Positive spirit is a good starting point, and methodologies are the necessary foundation for the future — and we saw a lot of convincing examples around methodologies. We felt Wipro Digital was quite open about the strengths and challenges that had been or need to be overcome — and this has a strong positive impact on credibility. It came across as if Wipro Digital is living the values it brings to clients. Of course it is easy to paint a rosy picture but we were given practical details supporting these messages, which alleviated much of the skepticism. It sounded as if the foundation is in order and the work is well on track.

Challenges

We heard less about go-to-market, sales, and marketing than the delivery. These are probably the weaker points in the story at the moment. Getting in front of the customer could be the challenge. Back in early 2015, we mentioned that one of the challenges for Wipro Digital was the consulting capabilities that are necessary to get in front of the right people, and having the right conversations. Designit's consulting solves this issue only to a certain extent.

Global Head of Wipro Digital Rajan Kohli mentioned that Wipro's consulting organization, the business and domain consultants, is moving to Wipro Digital. But in our view, Wipro's consulting organization has never taken a strong role in the go-to-market. This is important because getting access to decision makers in new organizations is key. IDC often talks about "brand permission" — whether a vendor is trusted to have capabilities in a specific area. In our view, Wipro Digital doesn't have widely recognized brand permission to take on large-scale business transformation. It may have the capabilities, but without the brand permission it is an uphill struggle. Integrating the consulting capabilities is a good idea, though we are not certain Wipro's consulting organization has the skills at the business strategy level; we have so far seen the consultants more as domain specialists. We think more needs to be done to address the business consulting angle.

Bringing out the success stories is vital — and here we sensed a bit of the old Wipro hesitancy: while Designit gave plenty of client examples, the Wipro side was more cautious. Building credibility through content marketing — and success stories are a key element of that — is critical. Designit in particular, but Wipro to some extent too, is used to relying on word-of-mouth, but for a new company this is not enough; it needs to find new customers faster than by this method. Many design agencies focus on marketing — Designit is not really one of them, so brand building doesn't come automatically and we believe Wipro Digital needs to increase its efforts to build its brand reputation and recognition.

Wipro Digital takes a very individualized approach to clients, which of course it needs to when meeting the clients, but we believe it needs a stronger industry perspective. The focus is on customer experience, but behind that are a lot industry-specific issues and challenges. From the examples, it seems that Wipro Digital has these capabilities, but we did not (at the event) see it turned into vertical-specific propositions addressing for instance financial services or other industries. As Wipro Digital develops more scale this is critical for success. It is about the thinking

and expertise – and here the business consultants could come in handy – and it is about building repeatable assets that reduce delivery cost and make the company more competitive. It is also about focusing on specific industries and selecting which deals to go after. Key competitors have industry-specific offerings. We believe Wipro Digital is aware of this, but perhaps not advanced enough in the field to feel comfortable discussing it.

Conclusion

Overall, we think Wipro Digital has come a very long way and is well positioned in the digital transformation market. It has strong thinking, good internal skills, a clear value proposition, and many good stories to tell. It is not perfect, but who is? It has challenges to address but with its pace and focus and the progress made in 18 months, we are optimistic for the company and its potential.

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