We see positive traction for all our service lines: Wipro CEO

‘Despite wage hikes, currency volatility margins are good’

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Wipro, which has reported quarterly numbers in line with market expectations, believes that the rest of the year will be stronger for the company. In conversation with BusinessLine, CEO TK Kurien discusses the strategy of the company in new areas like Digital and is confident that the company will perform strongly in the remaining quarters, as its past strategies around client mining, partnerships with start-ups, and strategic investments, will soon start to yield results. Excerpts:

Historically, the first quarter has been a bugbear of sorts and it seems to continue. What is your take?

Overall, we saw some unexpected headwinds. Our margins are fairly good, despite wage hikes, currency volatility and some client-specific issues. It’s not an outstanding but an average quarter. The good news is that going forward, we see positive traction for all our service lines.

Are unexpected headwinds the new normal?

No, it has to do more with us. We won a couple of deals but have not yet closed them.

When you look at business from traditional tech services (such as legacy maintenance), how does it look for the rest of the year?

Legacy technology business will continue to be under pressure. It is a fact that the run side of the business for every technology head in global companies is under pressure. However, as they are looking to use tech to change their business, that is where a lot of spends are going.

The industry is undergoing changes, which requires a different kind of operational efficiency. In the area where companies are looking to run their business by using tech, deals are getting very competitive, while in areas where they are using tech to change their business, the way tech is consumed is changing.

Some of your peers are talking about using IP software, along with engineers, as the new way of delivering projects. What about you?

It still does not take away from the fact that delivery has to be efficient. How fast you can do it and add value, are key factors in our business.

Do you think ‘Digital’ can follow the traditional definition of the Global Delivery Model (GDM)?

I don’t think so, and there are few reasons for that. First, we have to look at what is the strength of our Indian engineers. A large part of ‘Digital’ is around design. We factored these things and that is the reason we bought Designit, a Denmark-based company, which has presence in Israel, San Francisco, among others.

Second, Digital is all about intuitiveness. We believe that the opportunity is in transforming the back office — either through technology or business process.

However, this needs a very different kind of thinking. It is about right brain versus left brain thinking and we are good at the left.