

Analyst Meet 2020

November 11, 2020

TOWARDS GREATER OPERATIONAL RESILIENCE

Pravin Rao

Chief Operating Officer and Whole-time Director

Hello, good day to everyone. Hope you're all doing good, safe and healthy.

We are very proud of the speed and agility with which we responded to the pandemic, ensuring business continuity for our clients without compromising on safety and security of our employees. This has been very well appreciated by all the stakeholders. In my presentation, I'll be talking about various steps taken in this regard, and continuing efforts to build on the same.

This is the standard safe harbor clause.

Having addressed the immediate priorities of the pandemic, our focus is now on embedding resilience in every aspect of our operations, to deal with the post-COVID world. This includes remote and hybrid working models, driving productivity improvements, focus on employee engagement and well-being, enhancing capability build, de-risking through localization.

Today, 99% of our 240,000+ workforce are working from home globally. Percentages vary across geos. In continental Europe, we have seen a gradual return to office, with about 10% of people working out of offices. We are seeing similar trends in New Zealand, Middle East and parts of Asia. In China, on the other hand, we have had over 92% working from office. In India, in May, when the lockdown was partially lifted, we had up to 5% of the workforce coming back to office. However, after a couple of months, with increasing number of cases, majority of those switched to work from home. Likewise, with parts of Europe now facing second wave, we are seeing some movements back to work from home. We've been able to switch between work from home and work from office seamlessly without any loss of productivity, while ensuring that planned deliverables were met.

With over 90% work from home, the risk due to cyber-attack has dramatically increased as home offices rarely have the same firewalls, network-based intrusion detection and other defenses integral to office spaces. Hackers are exploiting the situation with increased phishing attacks. We have invested significantly to strengthen our cybersecurity infrastructure. These include secure VPN, 100% multi-factor authentication, endpoint controls, encryption, minimizing USB and admin access, strengthening our SOC teams, 24/7 monitoring with visibility and control over the entire IT infrastructure, including server networks and endpoints. We have also done tabletop simulations and implemented load proxy for internet access from home and cloud security controls to secure all Infosys cloud

workloads. We have also invested in threat intelligent platforms, advanced threat protection and data leak prevention tools. Real-time detection of vulnerabilities and automatic patch management as well as automatic configuration compliance is in place. Security awareness campaigns on risk, the company's privacy and security policies and best practices to avoid falling prey to phishing attacks have been implemented. All these without compromising on user experience or productivity.

Given how far we have moved into digital spaces, it is hard to imagine people will return fully to brick-and-mortar alternatives. We have also seen remote working does not necessarily hit productivity levels and at the same time, help deliver added benefits, such as reducing travel hours, business expenses and carbon footprint. As such, companies will look at embracing this hybrid model going forward. Future will be a hybrid model, with people having flexibility to work from home and work from office and switch between the two in a seamless manner. Today, they are technologically enabled to transition between any of the nodes on the screen. However, there are benefits to work from office, including building social capital, etc. My guess is that the post-COVID world will mostly operate between hybrid remote and remote-first nodes, deriving benefits of both work from home and work from office.

For our employees working in office, we have ensured a safe working environment through temperature checks, self-declaration, usage of masks, frequent sanitation of workplace and practicing social distancing during commute, in workplace, as well as in common areas. We also have well defined SOPs to deal with any positive cases. We have used technology like AI, Edge, IoT, etc. to enable safety at a workplace, and the same is now being offered to our clients as "Infosys Return to Workplace Solution", in a platform-as-a-service model. We are moving away from conventional workplace management, to one with hoteling or hot-desk features. Instead of dedicated seats, employees will have the ability to work from any location in the office by reserving space through a mobile app and enabled through new connectivity models. They've also introduced safe huddle spaces in each of our locations in India. These are meeting spaces with connectivity for limited set of people to meet in a safe and secure environment. These collaboration spaces can be pre-booked, and can be used for activities ranging from brainstorming, project meetings, other project activities, onboarding new people, as well as team building.

Overall, both our quality and productivity have sustained or improved in work from home. We have been able to meet all our service levels and have not had any client escalations in this regard. While a vast majority of projects have sustained productivity levels, we have also seen a good percentage of projects improve on them as well. Agile projects lend themselves well to work from home, and we are reaping the benefits of accelerated agile adoption in the past 24 months.

We have done detailed analysis of over 2,500+ projects on what is enabling or hurting productivity in the remote world. In the work-from-home world, two things clearly help in productivity. Number one, lack of commute time and number two, flexibility teams display to organize their times. Teams have reorganized their workday to maximize the overlap between client and onsite teams and offshore teams and eliminate wait times for decisions and clarifications. Some of the inhibitors to productivity include starting new projects remotely, or onboarding new people in project teams, as it takes longer to get them to bond, create social capital and get used to ways of working remotely. We have also seen lower productivity in some of the support projects due to reduced number of tickets.

We have created comprehensive playbooks for each type of work we do, which guide teams on how to adapt to new ways of working, tools to use, people practices, and so on, in order to maximize productivity. These playbooks are constantly enhanced based on learning from all the projects. We have also invested in collaboration tools, and in Meridian, our homegrown digital workplace platform.

Along with the support measures extended to every COVID-diagnosed employee and family, we have also launched multiple employee wellness measures. Given the unique situation, we have gone the extra mile in employee engagement with specific focus on health and wellness. In the past six months, we have had over 200+ interventions around physical and emotional wellness, including podcasts, awareness campaigns, yoga and meditation sessions, leisure activities, external talks, counselling support and so on. We have involved families as well.

Our focus on reskilling continues. It's one of the four pillars of our “Navigate Your Next” strategy, and one of the critical success factors in the huge growth of our digital revenues. Over 80% of our digital needs have been fulfilled either through internal reskilling efforts, or through hiring adjacent skills, and then training them on digital.

Our investment in digital-first, cloud-native, anytime-anywhere learning platform, Lex, has paid dividends. Over 90% of Infosysians use Lex. The platform houses over 1,200 structured courses, and 270,000+ artifacts. On any working day, over 19,000 unique learners spend an average 40 minutes on Lex. Our client-facing learning platform, Wingspan, is being leveraged by over 30+ clients.

InfyTQ has gained a significant foothold. It's a free platform open to all engineering students in their third and fourth year across India, offering the best learning and engagement experience and helping them become industry ready. InfyTQ certification assessment for the graduating class of 2021 was conducted recently, and this witnessed over 1.57 lakh students appearing for the same.

Our strategy to build digital readiness over that individual and enterprise level is through focused and purposeful learning. This is driven through three principles. The WHY – designing a learning model that is purposeful, engaging and motivating enough for individuals to take charge of their development and move forward. The WHAT – focusing on a comprehensive skill starter that is relevant today and for the future, a combination of technical, functional and cognitive skills that build a digital-first mindset for business. And finally, The HOW – Infosys' learning approach is a learn-by-doing method that also gauges effectiveness of learning. And through this approach, we ensure that learners are gradually guided from conceptual knowledge to impact and eventually creating value for clients and businesses alike.

We continue to see challenges to mobility of talent. New proposed immigration regulations in USA could impact onsite wage costs, granting of visas, tenure of visas, and overall costs of compliance. Our localization program across USA, Europe and Australia, launched three years ago, mitigates many of these. Today, we have eight innovation hubs across US and EU. Nine global Digital Studios, including a 5G lab in Melbourne, and seven global cyber defense centers. We are close to 63% visa-independent in the US and over 50% in Europe and ANZ.

We have been intensely focused on creating jobs in the US for the past three years. And our new commitment to hire 12,000 American workers by 2022 to expand on the previous initiative. Through our academia partnerships with Purdue, Trinity, RISD, and eCornell, we have trained a large number of employees as well. We will also leverage the training and reskilling programs that we have built with partners. We recently launched reskill and restart platform, which will play a crucial role in hiring local talent. We will bring a specific focus on building pathways for those that have been impacted by the economic downturn and look forward to bringing on board individuals without traditional four-year degrees. We will also expand our presence in nearshore locations like Mexico and Canada.

The outcome of our efforts are clearly visible. We have had a stable operational performance in spite of the pandemic. This has contributed to an industry-leading performance this year.

We have made excellent progress in the past six months and rated as leaders in many of the industry analyst ratings across multiple dimensions. These are ratings from Gartner, Forrester, NelsonHall, IDC, HFS etc. We have been ranked No. 2 in the overall leadership ratings, and No. 3 in digital leadership ratings. This is a clear reflection of the significant efforts that have been put in towards capability building and value delivery.

We have received very positive feedback from our clients and analysts on resilience demonstrated during the pandemic, and of course, our performance. Sharing a few of the accolades. In addition, that result from our recently-concluded client feedback survey has also been very positive. This is conducted annually by an independent agency. We had the highest ever ratings on overall experience since the survey started about 15 years back. We saw significant improvement in ratings across several dimensions.

That's all for now. Look forward to engaging with you during the Q&A session. Thank you.