

## **INTERVIEW: Hexaware CEO sees tech spend for touch-less experience**

Tuesday, May 5

By Nikita Periwal

**MUMBAI** – Spending on technology to enable a 'touch-less' experience for consumers and helping set up an ecosystem where employees can work from anywhere will be among the biggest takeaways from the COVID-19 pandemic, believes R. Srikrishna, chief executive officer and executive director of Hexaware Technologies Ltd.

The outbreak of the virus will also lead to digital 'leapfrogging', where likely spending on automation over the next five years could happen in a year itself, he said.

While the pace of recovery will vary from industry to industry, there could be some normalcy in about three to four quarters, he said in an exclusive interaction with Cogencis.

Following are edited excerpts from the interview:

### **Q. Any visibility on when things could start looking normal?**

A. The worst impact will be in the June quarter, and the September quarter will see some recovery. Different industries will see a different pace of recovery. It will take three-four quarters for us to get back to normal.

### **Q. Do you see any shift in the way companies will spend on technology going forward? What do you think will be the shift in trend because of the pandemic?**

A. There are likely to be four shifts. The first and most important will be technology spend to deliver touch-less, and yet immersive customer experiences. It will no longer be a pet project or something that is good to have, but become a business imperative.

The second theme will be that this has to be enabled by a digital enterprise and it has to be on cloud, because that is the quickest way to get there.

The third is that there will be a new category of workers that will emerge which will be 'the anywhere worker'. It is a far broader concept where you are identifying, evaluating, and hiring talent, all of it remotely. Being able to deliver complex outcomes with a very distributed workforce will be the third imperative.

And finally, automation. People who have been sleeping on it will accelerate it because that is the most sustainable way of taking costs out. As much as five years of automation could happen in a year.

### **Q. Could the biggest takeaway from the pandemic be the fact that consumers do not want to touch?**

A. I think so, and then enabling a very large 'work from anywhere' workforce. It seems sustainable because the majority of our customers are 100% work-from-home today, and they are seeing it working nicely. So why spend on real estate, which is the second-largest cost for most businesses after manpower, when you don't need to?

### **Q. How much does a technology company typically spend on real estate as a percentage of its sales?**

A. We don't spend a lot, and it certainly does not show on our income statement because all of us end up owning a lot of property that we bought in the past. It is not about our business models, more about the customer's business models. We think every customer is going to make this shift.



**Q. What are your other measures to control costs?**

A. We clearly have to be conservative. We already had a salary increment cycle earlier this year that we paid out. The next major cycle is in the September quarter, and there is unlikely to be a salary increase if things are the way they are.

Utilisation will dip in the current quarter, before coming back up in the September and December quarters.

**Q. There is an expectation that banks will increase their spending on technology. What is the scope for Indian technology companies here?**

A. So, the initial requirement will be for laptops, and network and security equipment. But that's short-lived, and once that is done, there is going to be an enormous amount of work required. The spending will shift to higher-value work where Indian software companies can benefit.

**Q. Your deal wins were pretty strong this quarter. What was the major driver and what does the deal pipeline look like?**

A. The major driver was the fact that we had rejigged investments and the quality of team in the US. We were in the early stages of it showing results in January and February, before it paused in March.

**Q. So, is there a pipeline or does it all depend on how and when lockdowns are lifted globally?**

A. We have a fabulous pipeline, but I think at this time, the decision-making is very slow. So, pipeline doesn't necessarily mean a lot. End

Edited by Ramya J.S. D'Rozario

Cogencis Tel +91 (22) 6619-0000

Send comments to [feedback@cogencis.com](mailto:feedback@cogencis.com)

This copy was first published on the Cogencis WorkStation

© Cogencis Information Services Ltd. 2020. All rights reserved.