

Fireside-Chat-AI-day-Session-13-1

In the last session, we are running about 10 minutes late from schedule. We're happy to do how long or short you want. So, it's an open agenda. No, it's for you. Whatever questions you want, three of us are here to answer. And we'll pass some mics around. If you just put your hand up, somebody will get you a mic. I thought we all would just go home.

Yeah, hi, Keech. We're from Nuvama. So, Keech, there was the most interesting part of the presentation that you mentioned, what was the Zerovity, the suite of applications that we have. So, you mentioned there are six of them which were kind of green and the new term that we want to explore, two of them being red, which is probably deflation and one being both. So, in the green ones, which I'm sure most of us are interested in, what stage do you think we or the industry are in? Are these mostly at POC stage that we're just going to clients and talking to them about it? Have some of them already materialized? And what is the path that you're seeing for these pockets to kind of start generating revenue for us and for the industry? And the related question would be, if I can get your take on that, where do you think we are in most of these markets vis-a-vis competitors? Because I'm sure most of our competitors are also kind of analysing these opportunities. They're also going behind it. Do you think we have a head start in terms of what we are doing here? Or there are other players also who are kind of catching up?

Thank you. Let me address the second question first. I actually do think we have a head start, more than a head start, on the offerings. Now, I think if you think about in three parts, identifying a market opportunity and rallying and the entire organization putting everything behind it. Building platforms that can deliver to that value. And third, just being intensely focused on going after it without worry about cannibalization or, in some cases, potentially rubbing some other people in the industry in the wrong. We're doing all of these.

You know, zero license, I think, is the best, most easily understandable of this. It's a \$900 billion industry. You know, have we identified all the pockets that would be rich veins? No. We identified some. We are working hard to figure out what are exact, more than archetype, names of software platforms that we think will be good targets. That's work in progress. But clearly, we are ahead in the market there. Zero tech debt, the predecessor was legacy modernization. Jan last year, we launched a legacy modernization service.

Now, of course, people like TCS have had it forever. We said AI platform-based leg mod service, we launched in Jan last year. Now, zero vulnerability, I don't think anybody else has launched. So, that's the newest. We don't have a client yet. Zero license, we launched in Jan. We showed four clients that we've executed, finished already. There are more. And you heard Vivi say, it is the most exciting conversation generator right now. So, we are definitely ahead, but we are early stages. I think the important task ahead of us is if we can pick five or six names of software companies from the patterns. Sunsetting products, double licensed products. We think and we really focus on that. We certainly continue to be opportunistic. Anything clients ask to do, we will do. But we will do like real deep focus on a handful. I think that's the journey we are in for this year. On zero tech debt, the progression has been that, you know, if you think of two different lanes, functional and non-functional, you heard Sanjay

say. Non-functional, we'll have like over 20 examples of won deals executed, maybe even more. On functional is the more complex, larger programs. I think we were in the course of last year, a handful of small, many POCs, a handful of 1 million, 2 million type deals. This year, more 1 million, 2 million deals. In the first quarter, we had our first double digit million deal. Second quarter, we had our second double digit million deal. I'm reasonably sure we will have more double digit million deals this year. And one of them, you heard Sanjay, that client has allocated \$150 million. Right now, we have a chosen partner for all their legacy modernization.

I'm going to go to the bottom. Infinite trust layers, those are all the green layers. That's all early. Agentverse is the governance aspect of it. That, we launched in April. We probably have three clients, four clients. You know, we should, right now, our pricing and entry strategy is very simple. There are three modules in that. We say 150 capable modules, we'll implement in four weeks, six weeks. So, we have a handful of clients with that. But for us, what that gives is basically being at the centre of their agentic AI world. Because that's the place in which agents get built, agents get tested, and then agents get monitored, governed, and run. And we will add token economics capability to the same platform. So, currently, the revenue stream is small, but it allows us to get into the middle of that world. Getting data ready for AI, I think, is still an early stage for us. So, that's kind of how I would split each of these. At least in two or three of these, we are definitely way ahead of the market. Zero license, zero tech debt, and zero vulnerability.

Yeah. Just one last part on the zero license fee. So, that, to be honest, I think, at least to me, that appeared to be the most lucrative and the biggest opportunity, and the one which probably comes very intuitively to the mind. But if it is so very obvious to us, I'm sure it's also obvious to the product companies, the SaaS companies. Wouldn't they be trying to defend their turf? What can they do which can probably basically prevent us from kind of capitalizing this opportunity? I know I'm thinking maybe two steps ahead.

No, no. It's an absolutely valid question. We had, by the way, we invited an HBS prof for a strategy session, and we spent a lot of time discussing zero license. By the way, among the external validation, HBS has published two articles. HBR has published two articles talking about how SaaS will get replaced by agentic AI, and he's the co-author on one of them. So, we invited him for a discussion. He consults a lot with Salesforce. So, we did this role play, exactly what you're asking. He said, hey, you know, here is what the things that I will do to defend. I'm already the, you know, controlling. I'm doing the orchestration layer, not just for what I do, but for tokens for other applications as well. So, for sure, you know, the bigger companies will defend. You know, can Salesforce defend? Yes. Can ServiceNow defend? Yes. Will the ERPs defend? Yes. But we're not even going after the ERPs. But, you know, there are companies like in the examples you gave. There's a company called Intex. They're not doing anything with the product. Kindle has publicly announced the example you gave, that they don't want to, they're going to sunset it. Are they going to defend it? No. So, in that example, where the client, the product company said, I'm going to sunset this product.

What are the choices for the client? Find another SaaS company to replace that with, or we have another option now. So, \$900 billion, we need \$2 billion to work, \$3 billion to work. Yes, some people will defend.

Thanks a lot.

So, I don't know how many of you got a chance to see the platform in the walkthroughs. It's, you know, literally, that's a huge differentiator. Even if you have the intent, as an organization, you desire it, you want to do it. The platform takes work. It's real time. You put in the name of a platform you want to replace, we'll tell you what it takes to do it, in real time. That's the platform we showed in the booth. So, again, like Shantanu said, if you want to go back, if you have time, you're welcome to go back and take another look at it.

Yeah, hi. Sula from Morgan Stanley. So, first question is on a point that we mentioned last time, which is on trying to fix the large deals, as well as the hunting engine. So, we heard the last session. I'm just trying to understand, what is the problem that we are trying to solve? In the changes that....