

Vaibhav-Bhatnagar-Senior-Vice-President-Head-of-AI-GTM-Session-3

Good morning, folks. Welcome. My name is Vaibhav Bhatnagar. Everybody calls me VB. When we engage the rest of the day, please feel free to call me VB. I run all the GTM motions for all the AI offerings that we launch in the company. Keech mentioned that we will launch one new offering every month. We've launched a little more than eight of them. A large number of them, fairly a decent number of them, are already revenue-bearing opportunities. And our pipeline across all these opportunities are growing at a very fast pace. Now, one of the early offerings that we had launched was Zero License. And since the time we started talking to customers to as recently as last night, when we pitched this offering to our customer, the first reaction from a customer is disbelief. As we go on through the conversations, we show them the mechanics on how Zero License works, that disbelief moves into scepticism. And then we showed them proof cases, we showed them what we've done for other customers, and suddenly we found ourselves some believers. Now, in the next 10 or 12 minutes, you're going to go through a similar motion, right? You will not be believing that we can replace a SaaS platform today. But there is a reason why we can replace a SaaS platform. See, customers bought SaaS platforms with speed to market. But in exchange, what they did, they customized these platforms to the hilt.

They took their business processes, they took their intelligence, they put them on these SaaS platforms, and then they rented it back from a SaaS provider to run this. And if they stop being a SaaS provider, what happens to that intelligence? They've lost it, they have to recreate it. And that's the sole purpose of launching Zero License.

It's a very simple concept. Mr. Customer, outside of your core platforms, which are your ERP platforms, we've seen a tremendous amount of SaaS fall in your environment. We will come and understand the processes embedded in that environment, the rules embedded in that environment, and we'll help you regain control over it. We'll help you redevelop these in your environment, in your cloud, owned by your people. And while you do this, you can control at what time you launch what feature and when. One of our customers, and I'll talk to you about later about that, one of our customers was facing tremendous issues with compliances. The platform name was Appian. Appian has a release cycle of quarterly fixes. They've since changed. But our customer had to fix a compliance issue or a CVE or a vulnerability issue within 30 days. So, our customer was constantly non-compliant. We went in over there, we understood their code, we recreated their entire environment in a cloud-native environment. Some of them were built agentic where possible, and we were able to help them regain control over this. So now you don't have any dependence on any partner. You'll have a marginal cost increase because you'll build software, you'll have to maintain software. But in practically every case that we saw, we had a business case. So why did we come across this now? Why couldn't we have done this two years back? Because the power of AI had not come in. See, ever since AI came in, we realized that we can leverage the power of AI agents, contextualize it to the customer's environment, harness it to the customer's functional requirements. We'll be able to generate code much faster, maybe at the speed of light. So that tilted the decision in favor of build rather than buy. So that was the number one reason. Number two, what happened was over a period of time, businesses went and bought their own SaaS. So when you look at a customer today, they have multiple SaaS platforms. A lot of

these platforms have duplication functionality. A lot of these platforms have functionality that the customers don't need, but the customers are paying for it. So, there's a tremendous amount of cost, which I believe in your industry, someone told me in our finance team, is called an angry budget. So, customers got an opportunity to address the angry budget. But most importantly, what happened was, in any SaaS platform, you wrote a workflow, but humans followed a workflow. But today, you can not only build agents to write the workflow, but you can have agents to execute the workflow. I'm going to give you an example in the next slide of how that is possible.

So, we took these offers to a customer, we had some conversations, and we said we need to have some more vectors of validation. We need to look at, we know we are speaking to our customers, let's look at the market, are there any instances happening over there? Let's look at the analysts who address the market if there's something happening. Let's see the investor community, what's happening. So the three vectors of validation were, Klarna made an announcement a couple of months back that they're going to get rid of Workday and Salesforce. There was a lot of, if you go Google, there'll be a lot of pros and cons around it, but in the most recent quarterly filing that Klarna filed, they landed up saving \$60 million by doing that in their journey. They were able to absorb 824 FDEs worth of work into AI agents. About a month back, Salesforce, Starbucks announced the same thing. They said we're going to replace Microsoft and IBM products and we're going to land up saving \$400 million. That's one enterprise, and these are not our customers. Then look at the advisory community. HFS came up with this term and patented it called Service as a Software. And what they're saying is, the labour market is going to get impacted because of AI and outcome-driven models. In fact, they recently launched an award category for SaaS, and there are two categories, services replacing software and software replacing services. Earlier in the week, we participated in the award. Earlier in the week, we got to know we're in the finalist in a category which is services replacing software.

Now, HFS's point is simple. They said instead of customers buying software, they'll buy agents. They'll buy agents and compose multiple agents into one agent or a workflow, or they will come to partners and us and buy the entire workflow. Then you have Gartner, which says Gartner made a statement that of all the softwares which are there in the enterprise software market, they categorized, they said about \$234 billion of enterprise software market is at risk. And lastly, I'm sure everybody knows about SaaS, that's about \$2 trillion that got lost, \$2 trillion, the market has since recovered, but the loss is still there. We tried really hard to go to a website of each and every competitor of ours, midsize, large, US-based, India-based. We were not able to find one competitor who's launched a similar offering. So not only was this offering first in the market, it's been eight months that this offering has been in market, our teams have been talking about it, but none of our competitors has been able to replace it. And the reason is what Sid talked about, our Zerovity platform.

We have the ability to ingest existing workflows and processes. More importantly, we have a blueprinting agent which can ingest those workflows, processes, and identify candidates which should be an agent, which should be a workflow agent, or which should be just an automation agent. Because at the end of the day, you want to manage a balance between tokens and agents. You don't want to just keep spending money on tokens. So, our blueprinting capabilities is what's another thing which differentiates us. Right after me, Sanjay will come and talk to you a little about high-velocity forward engineering, how we have been

able to build AI agents across SDLC, but those agents are in context of customers' guardrails and security standards, and they're harnessed to the customers' requirements.

So, we'll talk about that. So, when we started this entire offering and go-to-market, we said, we're just going to focus on two lanes. We categorized the two lanes as, let's help customers which are easy to execute, which are low-code, low-code platforms, point-and-click platforms. And we said, let's focus on platform lock-ins, which are ETL pipelines, so the Alteryx, the Cognos, the Informaticos of the world. But as we started engaging more with the customers, the customers started demanding something else. So, we were pushing for low-code, no-code, and platform lock-ins, but we were engaging with customers on platforms which are a double whammy for them, which is, for example, if you know Encino, Encino sits on top of Salesforce, so when a consumer or a customer is paying the money, they're not only paying for Salesforce licenses, they're also paying for Encino licenses.

And we also realized that our customers are very angry with ITSM and CRM providers, and they want to exit it. They've got this functionality, they've never been able to deploy it. I haven't come across, I've met many sales guys, I've evaluated a lot of CRM tools, I've not come across one person who's happy with a CRM tool. Right? So, the customers wanted to start replacing that. Now, what we've captured in this slide is a brand-new market. We participated in this market, but we participated in this market as a partner. Right? My question to mind is, if you are going against your partners, then how will you work for your partners? So, if you look at the first two lanes, which are a proactive go-to market, less than 2% of our revenue comes from that category of partners. So, it's not really impact to us. So, this is a net new market which opened up to us. We took this market size, we said not every workflow is a candidate for this, we discounted it for regulatory requirements, and then we said, what's an addressable market space? There was another motion which happens. You're seeing four lanes over here, but in the next slide, we'll talk to you about four case studies. The first one I spoke to you about, where we were able to help customer exit out of an Appian 22 environment. It's also an example of us cannibalizing our own revenue. Guess who was managing the Appian environment? 22 environments, who was managing it? Was Hexaware managing it? We cannibalized our own revenue. Now if you take the cost of building the software, the incremental cost of AWS, because that's where the new software got hosted, and you remove that from the business case, we are projecting to save the customer \$7 million.

Out of the \$7 million, about 750K customers already realized. Similarly, you have other use cases, like Alteryx to PySpark, which we did for a Canadian bank. We came across a new lane. When we engaged with customers, customers realized there are deeply embedded vertical platforms. For example, Intex is one of them. In the quick serve restaurant business, there are some very deeply embedded platforms. The deeply embedded platforms take data from a customer, use certain amount of intelligence, and provide PDFs and reports back to a customer. But the data never comes back. So, we were able to help one of our customers who was leveraging this for bond pricing, bond management, and we were able to replace them with a cloud native environment. And that led to a savings of about \$4 million.

The last category, which is again a new market opening, which we were not there in our original plan, was a lot of products have been marked for sunset. And now we can go understand what these products are doing and build it again back for the customer at a cloud

native agent. One example of that is a product from Kindle called Resiliency Orchestrator. It activates a DR environment. Kindle decided not to invest in it anymore.

We went, we understood what's happening, we understood the code. We were able to build a cloud native environment with them based on Ansible, and we were able to give them about \$2.5 million of savings. But just not the savings, it's also the feature enhancements we gave them. And we gave the control of feature development back into their hands. The one last thing I want to say on this slide is these are just the start of our engagements. As we are showing these business cases to customers, customers are giving us their list of all their SaaS products. And they're telling us, can you address these SaaS spends? That's almost 40% of a CIO's budget is today going into either paying for SaaS licenses, deploying those licenses, or maintaining those licenses. So, they're giving us a list. Now when you do a lab walkthrough with us, we'll show you two things. We'll show you a platform called No Guru. You can put the name of any platform that you want. And we've got about eight to nine agents running in the background in real time, which will take the name of a platform, what is the target environment you want to do, give you a feedback right there, can I extract the information, can I understand the business flows, can I decompose the processes, can I build it back? And if I have to build it back, should I build it as an automation, as an agent, or an agentic workflow? We'll show you that demo when you visit us in the booth over there. The second thing that we'll show you is what Sid mentioned. We'll show you how we can ingest a double whammy software, which is a combination of Salesforce code and IP built on top of it, and how very quickly we can understand everything that's happening in the code. And we'll also show you examples of how we can do blueprinting.

So having said that, I'd like to thank you for your time. I'd like to invite Sanjay and get us talking about high-velocity forward engineering.