

Girish-Ravindran-Executive-Vice-President-and-Global-Head-of-Sales-and-Solutions-for-Digital-IT-Operations-AI-day-Session-5

My name is Girish. I represent the DITO services for Hexaware. And DITO service includes all IT operations aspects is basically part of this portfolio of service. So you look at it as infrastructure, cloud, network and security, application support and maintenance, testing services, just a portfolio that we carry. What I'm going to do in the next 18, 20 minutes is to take you through two scenarios of our areas. First is actually to look at how are we in IT operations infusing AI into our solutions and how are we taking it to market. Second part is all around how are the new lanes of revenues coming into our line of services because of AI. And obviously we'll walk through a couple of examples as kind of the placeholders in the discussion itself. If it's okay, then kind of now we'll start.

This is what DITO is actually. So think of us as a service line, which has operations in nature over the last 10 years, grown 7.8x or 8x in business revenue for us. And over the period of 2015 to 2026, as we stand today, we have gone through cloud, we have gone through automation, we have gone through near-shoring, offshoring, multiple shorings. All through this life cycle, what we have been able to do is actually release multiple versions of the platforms, which today what Sid said is Zerovity, but over the course of time, automation has helped us drive, win, and grow revenue in the area of IT ops, primarily by cannibalizing the revenue from our competitions. So this is a unit which runs on small deals, large deals, big deals, all ops deals, fight our solutions with automation as the base. It used to be scripts, it used to be ML, now we are getting into AI-based solutions. And why do we believe we are different? Might be everybody has automation, you have seen enough number of automation presentations to kind of take you to sleep, but for us, what Thinkable does, all service providers, any service provider in the market that is there today would have gone through the phase one of this automation, which is roughly from here to here, year one kind of a play. What it means is everything that is easier to automate, everything that is repetitive in nature, everything that is scripted in environments, everything that is siloed environments, you can automate that out. Fabulous, everybody's there, or most of them are there. What it means is coverage of automation in any environment will be in the range of 30, 40%, not more than that, it can't be more than that. Challenges, in year one, the ROI looks brilliant, but then after year one, you put more money, more time, more tools, your coverage doesn't increase, because there is no more ways to automate that in that old ways of doing it. Primarily because of two things. One, the scripts that we are using to automate in the old times are actually rigid in nature, so it doesn't have context. It doesn't understand the reason. It doesn't adapt to the environment, hence every ticket which is beyond the 30, 40% almost starts acting as a new incident which actually requests a reinvented fix.

It's almost like starting from scratch again for the remaining 60%.

What could have solved the problem is the knowledge. And the problem with the knowledge is it either remains with people's head, it remains undocumented, or it remains in wiki or any other static databases. So we have a situation where we are almost maxed out from what is the art of possible in the automation using a service now, for example, or any other script-

based automation that any of the partners have. With Zerovity, what happens is it breaks that barrier of automation. Now, every ticket I have that comes into my environment, we are able to understand the context of the ticket. Why is the ticket coming? What is the historical reason why the ticket is there? Has it happened before? How do I use that knowledge? How do I resolve that faster? So, for me, and operations in nature, the solution that we are building, we call it reasoning ops and tensile Zerovity, it helps us quicker, faster resolution, and in other context, time and effort required to run the services comes down dramatically for us. This is the loop we are building. We speak in parts, but think of it as a continuum for us. Continuum is, we started with unifying the signals. Now, what is the monitoring? What is the alerts we are getting? How do we understand that? How do we break the silos of all these alerts that are coming in from the various tools? We unify the alerts, we unify the signals, and we call it understanding of the environment. Once we have understood the environment, we take it to reason, which is why it is happening.

What are the possible reasons it can be happening in the environment? How it can be solved? How I enable my agents to solve that environment? Third is if I know how it can be solved, can I put solutions to solve it themselves and not have humans involved in the solution itself? We are at a stage where we're entering the world of act, which is a lot of tickets we believe can be now solved with agents, but we have humans in the loop at right now. But the target we have, or the North Star for zero tickets, and that's why we call it zero tickets, is we enter the prevent stage where we don't have humans acting as interloops for resolving the tickets itself. Looks fancy to say zero tickets. In operations world, zero tickets is a dream that all of us carry, but it's a directional thinking we are carrying such that we know things will break, but when we break, we know why it's breaking, how it can be quickly fixed, and how we can move forward with that. And hence we say, for us, it's not about, tomorrow's not about reduction, it's all about not baselining SLAs, how quickly do I resolve? It's all about how quickly I don't have those tickets in this environment. It's all about demand elimination. That's what we are driving towards.

Now, in the world of IT that we run, which is apps, infra, operations, all of that, there's always been a legend which says that either you can have a cheap service, which is very low quality of service, at which point of time, you actually have a better cost benefit, but performance is very, very poor, experience is absolutely poor, or vice versa. You can have a very nice quality of experience and very nice service, but then you have to pay the cost of the service by people putting onsite, people putting all the solutions, et cetera.

If you look at the solution that is being enabled with Zerovity, we're actually breaking that layer. What it allows us to do is actually the two worlds that we have is actually we are able to deliver value by having faster resolutions, avoidance of tickets, lesser number of people, et cetera, while at the same time, even drive experience as well. Fundamentally, what it means is lesser tickets, faster resolution, lesser number of people, more availability of this environment, and most importantly, actually, also allow us to do the shift left for us.

While a lot of the world that we spoke about is the infrastructure and the cloud world, we believe the AMS world is absolutely ripe for disruption. When I say ripe for disruption, when VB spoke about that, when Sid spoke about that, you would have heard about worlds like blueprinting. You would have heard about worlds like blast radius. You would have heard about worlds like, for example, knowledge graphs. The world of AMS, for Hexaware right now, it's a very, very small piece of revenue for us, but a lot of AMS world remains with tier one

providers because of the history of them being the developer of those applications. It's a natural progression for them to continue to support those applications. We believe in that world, with Zerovity, we are able to do a couple of things. One is we get the knowledge of the application. We are not dependent on the people. We also are able to do the change in the environment with confidence. We are not fearful of the impact of the change. If the change happens, is it going to succeed? Is it going to fail? How do I measure the impact of the change? We're able to get that right. We're also able to understand optimization feasibility that is there in the environment. So, for us, from where we stand today, we believe the next frontier for us from the ops part is actually to drive maximum amount of automation into the AMS world, which we believe is subserved right now, if I can use the word subserved.

I'm going to talk through two case studies, and both of the case studies are contextual in nature. Case study number one is an infrastructure customer, which is infrastructure and cloud, and what we call the traditional server, cloud, network, EUC, DC kind of a customer. If you really look at this customer, this is actually a global customer. This is a customer who has been with us for the last seven years. There's nine billion organizations, not a small organization, a fairly large chunk of revenue for us. The customer actually is one of the earliest adopters of reasoning ops with Hexaware. So, it's like one of the first, or actually fourth customer adopted reasoning ops for us. When we now sit down and look back at what have we achieved with the customer, and sorry, this is an environment in the business they are in. It's an EPC customer, so they have actually onshore rigs, offshore vessels, they have oil platforms all over the world, and they work anywhere from Australia all the way up to actually Brazil. So it's like you name the country, they have it in operations. What we have been able to do is actually, right now as we stand today is, and they've actually gone through acquisitions as well. So actually the last acquisition has increased the size by almost 3x, or 2x actually, the user population for support from where we started. So today, we actually have almost one third the number of tickets in the environment. Even if they have grown twice over, we are actually handling half the tickets. So that's point number one. Second point is, most important is all that at this 10 minute spot, which is, what took us three, three and a half hours of average resolution. If you look at any service provider, they will tell you that P1 is four hours, P2 is eight hours, P3 is 16 hours, P4 is 24 hours or next business day. That's how the world of IT, or the traditional world of IT is running. What we are able to get is an average cycle time of ticket at 10 minutes. What it means is, we avoid tickets, we resolve tickets, we don't have human intervention for tickets on an average. We still have our tickets which are outliers, but vast majority of them gives us an average rate of 10 minutes as a ticket, so resolution time. So, people don't wait for 10, four hours for the tickets to be resolved. So think about the productivity the business gets from doing that. Doing all of these, while these are parameters we measure, what do the customer get? We actually have almost 60% reduction in the headcount supporting them. The number of people we have in the account has gone down by 60%.

While we have gone down by 60%, we actually also, because the cost of the platform is with us, we do all the token, et cetera, from the service solutions point of view, we're actually almost 41% of the savings that we're generating for the customer for this scope of services. On this SOW, we were able to drop the price of SOW by 22%. Going back to the point I think Keech and Sid made, which is, we are cannibalizing our own revenue here. So we have given back 1 5th of our revenue back to the customer. While we have given 1 5th back to the

customer, what customer has done is actually, they have given us two more SOWs. Now we are also the global networks partner, and also global security partner for them. The beauty is, the platform we've implemented is able to span across all aspects of, started with infrastructure, now we are using the same platform for network services and for security as well. So, we are now having, in theory, we gave 20% or one 5th of our revenue back, but as a business we are running 31% more revenue because of the additional SOWs from them. While this one, the infrastructure part of it, if I pivot the story to applications, which is actually slightly more interesting because this is a world, this is a customer who's actually in the financial services, and the customer has a bunch of COTS, SAS, and custom applications.

So, they are not short of any application type that they need in the environment. They have all lots that is there. While they have it, the interesting part is, almost 40, 45% of the applications are undocumented. These are legacy applications that are running in the environment. Somebody has built it, somebody had maintained it, and it is running okay, but nobody knows what is behind it. We don't know what application dependency is between the applications, what is the data flow set that is there in the environment, and most importantly, we are not able to establish that fact of what is the impact of change or outages in those application environments. This customer, we actually onboarded them into our platform almost less than a year. So, data is not as attractive as the last slide, customer, if I can say so, but on a period of one year cycle, we are able to get across optimizations of close to 26% for them. We have reduced the headcounts. Most importantly, in the apps world, it's not like the infrastructure world where you have lesser time to resolve. Application takes a lot of time to resolve, and we are able to get average ticket time to almost 14 minutes. For us, where we stand today, we're actually expanding the work for this customer from the current 42 applications to 100 plus applications today.

And again, the same logic applies. The platform is convincing enough for the customers for the first 52 applications. They're willing to take it to the complete ecosystem. And remember, as IT operations, we run managed services. So managed service means my ability to staff up and staff down, and the cost reduction, et cetera, is a function of what I and my team and my management decides is what I save. It's not like a TNM engagement where every automation means I need to give one more person back to the customer.

So, it actually drives revenue, it drives margin, and it allows me to kind of continuously grow my business with most existing customers that we have on the existing portfolio.

While that's an existing portfolio, this is a new portfolio. This is a market. If I take IDC, if I take Gartner, and if I take what I call a TAM, or the target account that I'm going after in the world that is there, which is primarily North America. We are not doing LATAM, we're not doing a lot of Africa. Just on these, if you look at it, there's 163 billion worth of renewals coming in the next one year. We're not talking about five years down. In the three-year cycle, we're talking about 300 billion worth of renewals that are happening in this market. And with the solutions we have, and with the customers we have garnered, and with the references we have got, and the outputs we have been able to drive, we have a fair bit of confidence that we will be able to positively impact the market.

We spoke about all the great things we are doing with AI in our solution. I also want to bring us all back to what is AI generating as new revenue for me? All of you would have read in newspapers, this data centre is getting set up, that data centre is getting set up. In the last six

months, there are more data centres that are getting created in this world than what has happened in the last 10 years. Think about that. That means infrastructure, cabling, racking, stacking, all data, what we call a digital data centre, it's making a massive comeback. You overlay that with compliance, what we call a sovereign cloud. Every country wants their data centres in their country. It is not like Amazons can be used by every part of the world. So now we've got sovereign countries, sovereign clouds being created on top of the data centre AI rush that is going on. With that, now overlay that with the volume of applications that are getting created, volume of agents these guys are creating. Now, all agents, while we call it that they will do their work, they have to be onboarded, they have to be permissioned, they have to be monitored, they have to be governed. That's, again, a scope of work which is a bigger scope of work for us. While we do all of that, think about security. Is the AI behaving the way it's supposed to behave? Who's managing and monitoring all the aspects of PROM? How are we managing all optimization aspect of it? In the cloud world, we used to have cloud FinOps. We are actually talking about token maxing now. How are you measuring the tokens? How are you providing performance for those environments? So, you look at that world, operations, there is massive volumes of work that is coming our way which AI is driving or AI is generating for us. So, there's this one side of the world, we have platforms which make life easy for us, which are better for us. On the other side, actually, there's a lot of revenue streams we are able to capture. And for that matter, actually, if I look at point number one, infrastructure. Already, we actually got the first two customers we have contracted with us for setting up their data centres and partnership with them. And one of them is actually the top five.

That's kind of the work we are doing in this market. And that's why we feel confident that while we have our headwinds on some aspects of IT, what we get with reasoning ops and ZeroVity on the other side, and with the new revenue streams, we are fairly comfortable with where we are and our growth prospects. That's what I had, Girish.

Sorry, this is Girish Ravindran. I'm inviting Girish Pai to us.