MARKET NOTE

Tackling COVID-19 in Australia — The Infosys Way

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Tackling COVID-19 in Australia — The Infosys Way

Infosys aims to further its Scaled Agile Digital activities in its APAC market to aid client's transformation with skills, culture and leadership as it seeks to do so with its own organization. When the pandemic hit, 98% of its workforce was forced to work remotely which tested its service delivery mechanisms operations and also security and privacy measures. While this is not unique to Infosys, the industry has recovered from the initial wave of workforce transformation that has seen it recover with employee safety, empathy and client centricity as its core tenants.

Key Takeaways

- Infosys continues to invest in Australia and the region, with its 2020 goals of jobs and innovation centers halfway met

- This year, Infosys is taking on more risk in client engagements with much more stake in aligning to business outcomes

- Infosys Live Enterprise is expected to help in accelerating business outcomes for its customers based on a set of platforms, solutions and digital service

- Infosys has taken on more work in the government sectors in APAC, due to long term investments and as a result have more opportunities in compliance and transformation supporting activities, in addition to strong growth observed in FSI and Telecom sectors

Source: IDC, 2020

IN THIS MARKET NOTE

This IDC Market Note starts with the changes that Infosys made during the COVID-19 pandemic amid the backdrop growth and signings in the market in the past year. The rest of this IDC Market Note will cover highlights from its last conference held in-person before the start of the pandemic.

Across the region, before the pandemic began to hit, Australia had experienced one of the largest natural disasters to hit the region, which was the bushfires in the summer season. This had the impact of priming agile and business recovery mechanisms for most service providers in support of its clients. For Infosys, when the pandemic hit, 98% of its workforce was able to work remotely, which depended on its service delivery mechanisms operations and also security and privacy measures. While this is not unique to Infosys, the industry has recovered from the initial wave of workforce transformation that has seen it recover with employee safety, empathy, and client centricity as its core tenants.

Enterprises today are grappling with strategic business resiliency and cost optimisation issues. In countries like China, Australia, and New Zealand where we are starting to see some opening up of business activity again such as in the transportation and leisure sectors, other countries are still very much at 'lockdown' stage. Enterprises that have embraced agile methodologies and cultural transformation are better placed to deal with changes in client behaviour, product, and service reimagination as well as workforce changes. Discretionary spending on projects are now scrutinised closely to ensure that they have impact in reducing cost and offering better outcomes for the business. For many businesses here in Australia and New Zealand, a return to work also means a higher focus on employee and customer safety and wellness. Infosys recently launched its Return to Workplace offerings to assist enterprises build safer and resilient workplaces.

Infosys is continuing to focus on its local talent strategy, which has shifted to online methods in Australia, combined with globally accessible teams. In our conversations with Andrew Groth (Senior Vice President, Region Head – Australia & New Zealand, Industry Head – Financial Services, Asia/Pacific), the government, telecoms, and financial sectors are accelerating digital (DX) transformation journeys especially leveraging cloud and cybersecurity services..

Infosys' investment intent in Australia includes the creation of three innovation hubs and 1,200 jobs by 2020 (of which it has opened a 5G Living Lab in Melbourne and hired 900 additional staff of the 1,200 jobs of which 30% are graduates). This is still short of the target it had set itself for 40% of hires from local universities highlighting the supply problem in Australia. Infosys also remains focused on reskilling its 10,000 strong employees in Asia/Pacific through mechanisms such as digital learning experiences.

Infosys is attributing 40% of revenues to its Scaled Agile Digital offerings, up from 30% last year. At this rate, only half of Infosys' revenues will be traditional professional and managed services in the following year as clients gain confidence in its ability to execute digital projects.

This year at Confluence 2020, prominent customers included Westpac, Telstra, Toll Group, Temasek, and Services Australia in discussion around co-innovation, the changing role of the CIO, partnership with Infosys, industry transformation, and cyber security.

Executing on Infosys Client's Digital Strategy with Live Enterprise

As enterprises focus on reconfiguring their businesses, Infosys is helping them embrace the change in this digital era by partnering with clients to co-create and co-innovate and steer them successfully

through this journey. Infosys helps clients embrace and navigate transformation and deliver purposeful business impact. Part of this transformation is the introduction of its thinking around Live Enterprise which is a set of platforms, solutions, and digital services to help clients transform their organisations to become a thriving Live Enterprise by augmenting their core digital capabilities, advancing their operating models, and transforming their talent. Its own usage of Live Enterprise has increased the employee experience for its employees in the areas of productivity (12x gains in project IT setup time), learning and onboarding (50% effort reduction), a more responsive value chain in its operations, and faster decision making through knowledge graph technologies in the areas of skills matching and customer intelligence. Infosys emphasizes it is not a product and says the intent of the Live Enterprise Suite is that it is focused on experience outcomes, interactions (not functions), and 'digital runways' to speed value realization.

As examples, it cited a consumer packaged goods (CPG) company, which achieved its goal of near real-time traceability and remediation in hours in their supply chain by using Graph technology starting with its China region before a global rollout. Another example cited was a healthcare insurer improving responsiveness in its value chain to service 250,000 claims per day, an 85% improvement over its previous business processes through analysis of its value chain activities in real time and employing self-healing capabilities. Lastly using predictive analytics, sensing what auto part retailers needed by analysing customer needs and circumstances to achieve same day fulfilment for a wholesale supplier.

Live Enterprise Suite is based on a microservices architecture that is open for innovation and as such is a continuous 'living' platform open for discovery, development, and deployment. Its next steps are to invest in a bot factory, a service store (aimed at both IT and business outcomes), and what it calls 'automation central' (where scripts can be developed and enhanced for varying use cases). Figure 2 shows Infosys' take on what the Suite does in way of a set of platforms, solutions, and digital services.

FIGURE 2

Infosys' Live Enterprise Suite Services and Capabilities
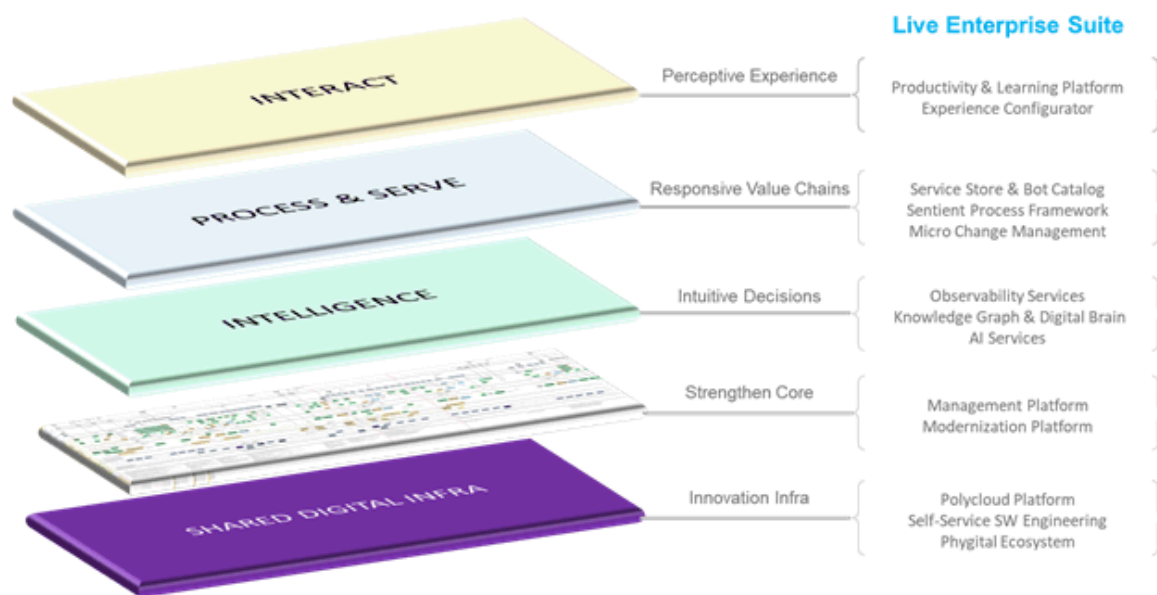
Source: IDC, 2020

Developing Industry Depth and Focus

Infosys is demonstrating its increased presence in industries outside financial services and telecommunications, particularly in utilities and government. These industries have traditionally formed a smaller part of Infosys' Australia/New Zealand (ANZ) business but are becoming increasingly important. The priority Infosys has placed on employment of local people who can support client engagement with sophisticated skills connecting the Live Enterprise strategy with Infosys' horizontal technology capabilities and this new industry expertise has enabled Infosys to support solutions deep within industry process. This strategy has been working well for Infosys in the Australian market, as companies move to create value deep within their lines of business through digital transformations.

Infosys' Senior Vice President, Region Head - Australia & New Zealand, Industry Head - Financial Services, Asia/Pacific, Andrew Groth, spoke about the following focus areas:

- **Government:** Targeted strategy within the ANZ business with a focus on back office transformation to driving opportunities across the states.
- **Public sector:** The public sector focus is also on helping them deliver high-quality digital services with agility and scale.
- **Utilities and energy:** Build on success with energy utilities, focus on 5G and IoT enablement for key challenges such cost containment in foliage management.
- **Consumer, retail, and logistics**: Big bets on customer experience focused initiatives, and supply chain digitization, including applying AI to planning, warehousing and transportation.
- **Manufacturing:** Modernization of back office and front office and enterprise resource planning (ERP) transformation as part of DX agenda. Industry 4.0-related priorities for manufacturing, aerospace, and defence.

Driving the Transformation of Its Customers' Operations

Live Enterprise has the capacity to enable agility and real-time insight across organisations to deliver increased operational flexibility and to control the organization and its processes. For one consumer goods customer, Infosys referred to the 'intuitive decision making' that the application of Live Enterprise had enabled, which increased visibility across their supply chain and the ability to make deterministic decisions. This allowed the company to trace individual products across their supply chain within four hours, decide on whether to hold or recall a particular product and identify where it is.

IDC's research supporting organisations in the transformation of their operations – the Future of Operations – is centred on two key concepts: (1) building capabilities that build resilience, and (2) building capabilities that deliver market driven customization and customer experiences. To achieve this, architectural design must be simple at the core so that it is flexible and critical feedback mechanisms need to be in place that enable insight across the environment, enabling businesses to respond rapidly. It is this active, informed and dynamically responsive environment that Infosys is seeking to move its customers towards through its Live Enterprise strategy, helping them build powerful, value-unlocking capabilities, and applications beyond the core of IT automation.

An executive of a leading transportation and logistics company spoke about the development of their Supply and Transport Optimisation platform with Infosys to move to a 'just in time' supply chain and a fourth-party logistics model. The solution provides the Australian Defence Force with a private marketplace to source from the best suppliers, while also leveraging existing marketplaces like eBay

for spot buying. The platform is built on AWS and brings together capabilities from Oracle (transport management), ServiceNow (service management), Edgeverve (Analytics), MuleSoft (integration), SAP Ariba (Procurement), ForgeRock (identity management) delivering:

- Cost reduction for commodity purchases across the Defence Force
- Visibility through reporting, data-driven performance analysis
- Control through system-driven workflows and compliance with well-defined specifications
- Ability to respond to new requirements and greater flexibility in the supply of required goods

IDC'S POINT OF VIEW

Infosys hasn't changed the goal post. The goal in FY19 was to stabilise the business. The FY20 year goal is to build momentum and the FY21 goal is to accelerate the business. As a strategic partner for agile, automation, and innovation, Infosys is proving to its customers that it is happy to take on the challenges by continuing to build for these capabilities (its partnerships are evidence of this – e.g., Pega in a project for the Australian Government, and the systems integrator (SI) partner of year award from Microsoft for Azure). It is also expanding its ability to work with enterprise application vendors, analytics, and security vendors that have become more widely adopted in Australia. Infosys now has a strong ServiceNow and Salesforce practice and presence. It recently acquired Simplus leading Salesforce consulting and platinum partner in U.S.A. and Australia.

As we return to the 'next normal', even amidst a looming second wave, IDC expects that Infosys will continue to co-innovate with customers in the region to create new solutions. Infosys recently launched a cloud-based 'Return to Workplace' solutions to help clients ensure the safety and wellness of their employees as they adapt to new ways of working. The cloud and edge-based solutions offer a framework that enables enterprises to implement Elevated Body Temperature (EBT) screening, contact tracing, mask compliance/social distancing compliance, COVID-19 chatbot, contactless biometrics, and occupancy and workspace analytics.

LEARN MORE

Related Research

- *Digital Strategy and Consulting Perspectives in Asia/Pacific* (IDC #AP44700319, November 2019)
- *1H19 Country Report on IT Services – Australia* (IDC #AP45650519, November 2019)
- *Australia and New Zealand Enterprise IT and Business Services Sourcing Landscape, 2020* (IDC #AP45233520, February 2020)
- *IDC FutureScape: Worldwide Digital Transformation 2020 Predictions – Australia Implications* (IDC #US45569118, January 2020)

Synopsis

This IDC Market Note includes management commentary, analyst opinion, and customer references from Infosys Asia/Pacific with particular reference to its second-largest country market today, Australia.

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