

The Pillars of Ecology, Education, and Innovation

An Interview with Azim H. Premji,
Chairman, Wipro Limited

EDITORS' NOTE Azim Premji has led Wipro since 1966. He has received many honors and accolades throughout his career: BusinessWeek listed him among the top 30 entrepreneurs in world history in July 2007; in April 2004, Time listed him as one among the 100 most influential people in the world; he was named by Fortune as one of the 25 most powerful business leaders outside the U.S. in August 2003; Forbes listed him as one of 10 people globally



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who have the most "power to effect change" in March 2003; and he was adjudged as the Business Leader of the Year 2004 by The Economic Times. He is a non-executive Director on the Board of the Reserve Bank of India. He is also a member of the Prime Minister's Council on Trade and Industry in India. Premji established the Azim Premji Foundation, which in October 2006, was recognized as the Corporate Citizen of the Year by The Economic Times. Premji has a degree in Electrical Engineering from Stanford University.

COMPANY BRIEF Formerly a \$2-million hydrogenated cooking fat company, Wipro Technologies Limited (www.wipro.com) is today a \$5-billion revenue IT, BPO, and R&D Services organization with presence in over 50 countries. Headquartered in Bangalore, India, Wipro is the first CMMi-Level 5 certified software services company and the first outside the U.S. to receive the IEEE Software Process Award. Wipro is the third-largest IT services company in India, and has various interests including information technology, consumer care, lighting, engineering, and health care businesses.

How much of an impact has the global economic crisis had on the India market, and have you seen the market stabilize in recent months?

The Indian economy has withstood rumblings of a downturn. With a projected growth from 6 percent to 7 percent and ramp up to 9 percent in the near future, India offers good opportunities across a variety of business segments. The macro environment is stabilizing and the business landscape is improving.

How has Wipro been affected by the economic crisis, and what is your outlook for growth for 2010?

Wipro has used the current tough business environment effectively for driving efficiency and maximizing productivity across the organization. We consistently performed well over the past couple of quarters. We decided to focus on being closer to our customers and help them navigate the crisis with specific solutions to reduce cost and conserve capital. The goal was to help our customers win.

The stimulus packages of governments are having their intended effect, arresting asset price decline and bringing confidence back into the system. Corporations are more active in the capital markets and there is a surge in M&A activity. As I talk to CEOs across the globe, the general sentiment is more upbeat than before. At Wipro, we are also starting to see this improving, which results in better demand visibility and more stability in volumes and pricing. While there is a good dose of positive news, the macro picture remains cautious and our clients continue to focus their spending on cost transformation and capital conservation.

In a competitive market like India, how do you differentiate Wipro from its competitors and define what makes the brand unique?

Our leadership comes from a very broad service portfolio, covering IT Service, BPO, R&D Services, System Integration, and Consulting. We have forged key alliances with technology majors and are together taking technology solutions to the market. Our differentiation comes from our strong presence in the emerging markets, and more so in our home base of India. We have pioneered the quality and process excellence journey, which have become the pillars of the global delivery model.

We do realize the power of the brand as an intangible asset. Our brand stands on the pillars of ecology, education, and innovation – this is what makes our brand unique.

Would you highlight the key markets where you operate and where you see the greatest opportunities for growth?

Wipro is a global company with offices and operational set-ups around the world. We have a significant presence in North America, South America, Europe, Africa, Asia-Pacific, and the Middle East. To strengthen our global delivery capabilities, Wipro also has 54 development centers across the globe

including Atlanta in the U.S., Brazil, Eastern and Western Europe, China, Mexico, and Canada.

Going forward, we see opportunities in emerging markets such as India, the Middle East, and Africa. These markets are growing much faster now and likely to continue to do so for the next 10 to 15 years. We continue to stay focused on North America and Europe.

Wipro has been a leader in corporate responsibility. How critical is this to the culture of the company, and would you highlight some of Wipro's initiatives in this regard?

Businesses focusing solely on profits reduce their chance of long-term survival by ignoring the ecological and social costs – this is the popular view.

We have always felt and believed that we must act responsibly towards everything. This notion of being responsible has manifested itself in many ways at Wipro: in conducting business with fairness and integrity, in corporate governance and transparency, and in operating practices. The operating practices of our businesses have continuously evolved because of this belief, from increasing usage of environmentally friendly furnace fuels in our consumer Care Business to our latest initiatives in managing e-waste through our PC Business. Our view is that fundamental ecological and social change does not happen overnight, nor can it happen merely through policy changes. While policies are essential and do facilitate change, they are not adequate in kick-starting change.

Real change begins with small groups of committed people who take the lead in action and ignite the change process. We have been doing substantial work on water and energy conservation and waste management for more than a decade. About two years ago, we started feeling the need for an even deeper and more ambitious initiative. These thoughts led to eco-eye – our ecological sustainability initiative – in April 2008. Eco-eye is the way we see ourselves transform and engage with our stakeholders as we evolve towards a more sustainable business. We see this as a vital need of a thoughtful and responsible company going beyond statutory compliance.

What are your key priorities for Wipro for the coming year in order to retain your leadership position in the market?

Our priority is to continuously reinvent Wipro to create value for its customers. We want to innovate continuously and set the agenda for the industry. ●