



Sajan Pillai

EDITORS' NOTE Sajan Pillai is the Chief Executive Officer of UST Global and a member of the company's board of directors. He provides strategic direction to the company's growth in locations across North America, Asia, and Europe. He has market-proven expertise in the IT industry. He co-founded Softek Systems, which designs products and offers project management services. Pillai has been an engineer in India's largest software exporter, Tata Consultancy Services. He also created software systems for U.S. telecom giant MCI Telecommunications and held senior management positions in Tanning Systems, a U.S.-based software solutions company. Pillai belongs to the circle of tech luminaries who believe society needs more scientists, researchers, and engineers. He is on the board of the California Science Center, which makes science learning fun for young people. Pillai also serves on the board of the Global Virus Network. In 2012, former Mexican president Vicente Fox appointed Pillai to the board of Centro Fox, a presidential library and learning center committed to leadership development. The arc of Pillai's successful rise in the tech world was shaped by an early interest in computers and a degree in computer science and engineering from the College of Engineering, Trivandrum, India.

COMPANY BRIEF UST Global® (www.ust-global.com) provides information technology and business process outsourcing (BPO) services for Global 1000 enterprises. It delivers business value through a combination of process excellence, quality frameworks, and service delivery innovation. Its client-centric Global Engagement Model (GEM) ensures 24/7 delivery of services through onshore, nearshore, and offshore centers. It offers consulting, tech build, application development and maintenance, infrastructure, QA and testing, e-commerce, business intelligence, data management, social media solutions, and BPO services. It serves

Jobs, Technology, and Training

An Interview with
Sajan Pillai, Chief Executive Officer, UST Global

clients in the health care, insurance, retail, financial services, manufacturing, media, utility, and energy industries. Headquartered in Aliso Viejo, California, UST Global and its offices in the United States, United Kingdom, India, Malaysia, Philippines, and Mexico foster global innovation.

Are you focused on building a better awareness for the UST Global brand?

When we started out a decade ago, our mission was to transform the companies we worked for by helping them build better products and services. Part of our mission was to “run silent, run deep” with large clients as we helped them with sensitive operations. We prided ourselves on cutting production time in half and helping companies act swiftly to move into new areas of growth.

Instead of doing a hard sell, we let our work speak for itself and started building a quality brand. Clients gravitated towards us because of how seriously we took our corporate responsibility and social entrepreneurship goals.

We quietly worked our way to the top, ending up with 118 clients over a period of 13 years, a majority of them Fortune 100 companies. We're now going into different industries and theaters globally, so it is imperative for us to build the awareness around the training we impart, technology we bring, and jobs we create in different countries.

What was the differentiator that enabled you to attract Fortune 100 clients?

We started during the cusp of the private equity/venture capital flow into dot-coms – money was plentiful but value was scarce. We decided we weren't going to chase venture money and go to the dot-coms – we didn't find a sustainable value proposition there.

Instead, we focused on the Fortune 100 companies. This was counter-intuitive as people often told me that if you're entering a market, go after the mid-sized and small players versus the large ones. But if you have one of the best execution models, why not work with the best?

While the market was swarming with tech players that were primarily offering traditional outsourcing services, we positioned ourselves as a visionary company. We spurred innovation by striking major product development partnerships. Every year, we helped clients take products and services from concept to the marketplace.

We were willing to take the capital risk for our clients in exchange for a share of the gains once the new services and products entered the market. Due to our consistent delivery, we built our client base to nearly all of the Fortune 100 companies. UST Global is known for going above and beyond to meet customer satisfaction. It's a move that has paid off handsomely and enabled us to position ourselves in the industry.

How do you execute your growth plans?

In the services business, particularly within technology, most companies are fairly operationally focused. There are some companies that do R&D and innovation and spend a lot of money, but there are few companies in our space that focus on customer intimacy.

From day one, we wanted to offer that intimate customer experience. I had a simple mandate: within five years, we have to be the partner of choice for 70 percent of our clients.

If I don't see a path to that, it's not a model that fits my business. This has been our mantra for growth and success.

How have the service offerings evolved?

Our services have evolved from being predominantly technology based to being driven by business outcomes. In the process, our contractual models have evolved from being Time & Material based to Outcome-Based Pricing. I can share an example to illustrate my point:

We provided services to one of the largest U.S. health insurance customers for their claims system on a technology resource basis. In this case, we provided resources that maintained their in-house application. We were paid based on the number of billable hours. Now, that service is provided based on the level of auto adjudication that the application provides. For example, we are paid for improving the auto adjudication rate from 70 to 75 percent. This ties in to specific business benefits for the client in terms of more satisfied customers and reduced workforce.

Is much of your growth coming from outside the U.S.?

For the first 12 years, we focused on U.S. markets and Western Europe. But after the financial meltdown, we started looking at where significant economic growth could be expected and where the talent was going to be. It has shifted profoundly, particularly over the past four years. A lot of factors have contributed to that. Latin America is clearly going to be

an engine of growth for the next 20 years and we have established a footprint in countries like Brazil, Mexico, Uruguay, and Chile.

When we entered Mexico last year, I pointed out how that country has spent almost \$50 billion in security costs to land some hard punches on the drug cartels. But Mexico's war on drugs can't only be fought by the military and the police; the lack of social and economic security that feeds people into the drug trade must also be addressed.

I considered making Mexico into an information technology hub and creating a \$100-billion industry. It could transform the country.

I was so convinced it could be done that we agreed to train 30,000 people in Mexico on our dime. By imparting the right training, in less than three years, Mexico can become one of the largest IT centers in the western hemisphere. Our investment in Mexico is endorsed by the government. We don't see Mexico just as a transaction but rather as a source of long-term growth.

In the Middle East, 1.2 million Saudi women graduate every year but there isn't the right work environment or opportunities for them. We agreed to employ 10,000 women because having more women in the workforce creates dramatic social change and economic empowerment of women.

I also traveled to Greece, where there are 12 million educated people who have not been trained in IT. They have \$150 billion in loans that have to be paid back. My proposition was that the only way you're going to pay that back is if you create jobs. So we proposed to enter Greece as a technology partner and train 10,000 Greek citizens.

How do you scale up to meet the demand?

It's not just a war for business but a war for talent.

We need to have global talent because we are a global organization servicing customers across the world. How do you go from having human resources to spotting global talent? To keep the pipeline full of talented people, we use nontraditional means of recruiting and training people from different parts of the world. We have senior executives who manage the hiring and gating process. We know that having technologically literate, globally astute, and operationally agile workers in different parts of the world is our most important corporate resource.

At UST Global, we have the expertise to train people in information technology and gainfully employ them in high-salary jobs in less than 120 days. We scale up to meet demand by finding hidden talent in unexplored geographies.

I thought global expansion for talent would be much tougher. I worried about U.S. corporations being unwilling to get IT work done in Mexico. But I have gotten the top companies to interact with these graduates through video conferences and their passion sells Mexico. Earlier, there was the notion of countries with financial capital succeeding. Over the past 50 years, it switched to intellectual capital. But the companies truly winning out now are those with social capital – the trend is so profound and building that it is another part of scale.

Do you look at others in the IT industry as competitors or do you take a different view?

There are some powerful and well-respected competitors around the world, but we do things differently. The customer experience for services is key and building social capital is extraordinarily important, as is human capital – jobs, technology, and training. In simple terms, it helps sustainable development in a country and creates a big difference in people's lives.

When we do business with a Fortune 100 company that wants to be in a particular country, they co-brand with us with the goal of creating jobs in that country.

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Does it surprise you that other companies have not engaged in this kind of activity?

If you're asking me why others haven't done it, I could not tell you. But it requires the ability to take risk, to see things a bit differently, and to have an ecosystem of partners to help – these are things we bring to the table.

You also need a reputable way of doing business. When we go into an emerging market as a U.S. corporation, we are very sensitive to the local customs and culture.

With such a diverse clientele, how critical is it to mirror that diversity within the workforce?

Roughly one-third of our buyers – consumers of our services – are women so we need to reflect the people we serve. Again, 90 percent of our clients are global so we need to hire

globally. Most of our competitors are globally focused on a few countries like China or India. I have nothing against that strategy but ours is reflective of our business model.

Some companies play the game of scale – they go to one place and ramp up; we play the game of spread. We'll see who wins.

How did corporate responsibility become such a key focus for you?

When we started the company, we knew we had to attract some of the brightest people. But how you attract them is important. What we did was form a company with a purpose beyond itself. We continuously strive to make a positive impact on the lives of our customers, employees, shareholders, and in the communities where we live and work. If you are a technologist and you want to make a lot of money, you can work for a lot of companies. But if you want to make a difference, you have to work with someone like us. Our sustained investment in responsible business practices takes many forms – from ethical governance to our commitment to diversity and inclusion. We try to hire leaders that believe in our social purpose. It sounds altruistic, but it's also good for business.

What is your purpose, as defined outside of IT?

We create jobs, we train and invest in human capital development, and we spur technology and innovation. We transform the societies in which we operate. Along with our clients, we become the catalyst for jobs, training, and technology. Wealth is not new. Neither is charity. But the idea of using private wealth imaginatively, constructively, and systematically to attack the fundamental problems of mankind is new. We believe strongly in social entrepreneurship.

In those areas, do you have clear metrics?

Yes, we created a system which is UST's way of living our values.

There are five values and five levels, so 25 in all. For a leader to reach Level 3 in value, he has to demonstrate particular traits. We use UST HandPrint, a behavior based framework, to measure, monitor, and grow our people. The core competencies in this framework include – 1. Live the Values 2. Put the Client First 3. Inspire People 4. Passionate Entrepreneurship and 5. Execution Mindset.

We follow the framework even when doing business. We constantly ask ourselves if we are really doing what we say we are doing. We entered the Latin American market a few years ago where we didn't think we could sustain what we are truly about, so we wound the operation down even though it was commercially viable.

Do you take time to appreciate the impact you have had?

In 2000, we started operations in the southern Indian state of Kerala. It was a state of 30 million people with no major corporations and very few jobs. Four years later, we became the largest company in Kerala. As the years went by, parents would tell their kids to study and get better grades in school so that they could get a job at UST. In the U.S., we created more than 3,200 jobs during the toughest economic period, when unemployment was at its peak.

These are profound impacts. ●