Technology and Job Creation

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

EDITORS' NOTE *Sajan Pillai is the CEO of UST Global and a member of the company's board of directors. He provides strategic direction on the company's growth in locations across the Americas, Asia, and Europe. 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 boards of multiple nonprofit organizations including the Global Virus Network and PEACE One Day Corporate Coalition. 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. Pillai was recently chosen as one of the elite 100 CEO leaders in STEM by STEMConnector. 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.*

Sajan Pillai

COMPANY BRIEF *UST Global® (ustglobal.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, quality assurance and testing, e-commerce, business intelligence, data management, social media solutions, and BPO services. It serves 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.*

What were the origins of the vision for creating UST Global and how has the company evolved?

When we started in the late 1990s, the economic, social, and technology landscape of the world was different from what it is today. The Internet had just come into full effect and a lot of businesses were being redefined.

We thought that one of the fundamental disruptions that would happen because of the Internet was the distribution of intellectual property produced anywhere in the world for anywhere else in the world – freely and in a personalized fashion.

The development of ships and trains and planes allowed for the global production of goods that could then be consumed anywhere in the world without a lot of added cost. The Internet allows us to do the same thing for intellectual products and services. One can now work with, for example, software programmers, architects, or health care professionals sitting anywhere in the world, and we knew this was going to change the way corporations were producing and consuming services in profound ways.

Information technology was the impetus of this shift.

We knew there would be a need for skilled information technology professionals with the ability to service customers well and quickly. Amazon had just been around for a few years, and Google was a small company beginning to make a play along with Yahoo. We saw the trend of technology not just becoming the forefront of the services, but that things were changing and technology was moving to the front and center as a competitive differentiator for companies.

As we defined the concept for our business, we were guided by the principle that we would never break the trust that we have with our customers under any conditions. This led to the strategy of having fewer clients that each get more attention, going deep and wide for the select clients that we have. This defined the way we looked at the business and became our starting point.

Another important realization we had as we started was based on knowing that as important as the competition for customers, market share, and technology projects and revenue would be, the bigger war would be for talent. We knew that we would have to be innovative in the way we attract, hire, train, and engage the talent we needed.

At our level, these are folks who could go anywhere in the world and be successful, so we challenged our potential recruits with the question: Do you want to be successful or do you want to be significant? We created an ecosystem within UST where the employees could truly be significant to their clients, to the communities in which they operate, and to the global community.

We evolved as the years went by, starting industry-leading groups year after year, and we began seeing some incredible achievements. The first was the rapid consumerization of technology. The costs and complexity of deploying technology far and wide has dropped profoundly over the past 10 years, which has led to a number of things being done with technology growing by an order of magnitude. This has enabled the rise of Google, Facebook, Twitter, and LinkedIn, as well as areas like consumerized computing, consumerized storage, and consumerized memory.

This profound drop in cost also created a whole new cadre of clients. Many years ago, only the biggest companies could afford to utilize top technology; now, the smaller players can do the same. The drop in price and the agility of technology has created a whole series of opportunities within our business.

The post-9/11 reaction, the Arab Spring, the rise of Africa and Latin America as foreign economies, and the development of Asia have all also caused profound shifts in the way technology is produced and consumed.

This new set of factors pointed to the fact that we needed to be more global. We were initially U.S. or Western Europe-centric. Over the past few years, Latin America has developed as a leading world economy so we created the strategies to be relevant there, particularly in Mexico, Costa Rica, and Panama, and then in Brazil.

This was significant. We believe that one of the largest areas for growth will be Latin America for the next 5 to 10 years. We also can't ignore the serious growth occurring in Asia so we opened offices in Shanghai this year. We also made acquisitions in Abu Dhabi to get into the Middle East markets.

We began operating in Africa this year because we think Africa is going to be great for companies that understand how to serve those markets. There is tremendous opportunity to supply technology talent there.

What criteria do you evaluate as you look to launch your business in new regions?

One can go to any country and create a technology business today but, first, we need to have buy-in right from the top – the President and administrators – in the countries in which we deal.

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The second criteria that has to be met is having an academic university network of enough scale to provide the talent and support we need.

The third criteria involves the whole ecosystem. The local business leaders and institutions have to support our partnership in their country. In Mexico, for instance, we created a circle of trust so we could then go to other countries around the world and show them what that had allowed us to achieve. We have replicated our work in Spain, Costa Rica, and Panama, but the criteria remains the same.

Are the services you're providing specific to certain industries or do they apply across all industry?

Technology is now being utilized in almost every industry, but we have strategically focused on health care, financial services, telecom, insurance, and retail, in particular. These appear to be the largest consumers of technology.

But government is also becoming more of a consumer of technology, as are the education and entertainment industries.

From an overall strategic perspective, we have six or seven major verticals we focus on.

Is there still strong opportunity in the U.S. and is it going to be your largest market?

Very much so. The overall U.S. economy may not be growing as fast as some of the emerging economies, but it is beginning to register growth and this will continue over several years to come.

What is unique about the U.S. is the nature of the growth, which requires a tremendous amount of technological innovation. So if you look at where the maximum buying of technology and technology services will happen over the next decade, the U.S. market leads the rest of the world by a wide margin.

The absolute amount of money that is going to be spent at U.S. companies dwarfs the rest of the world because U.S. companies have a strong desire to be increasingly productive and innovative. U.S. companies, in general, spend a higher percentage of their revenue on information technology than almost any other country.

This means the U.S. will continue to be the leading consumer of technology for the next decade.

You have advocated technology as a key to positively impacting the job shortage at a time when many say technology is causing the shortage because it's replacing so many jobs. Is there truth to both views?

There is truth in both. Technology can eliminate some jobs as it increases productivity. But the jobs that are created are strong because information technology is, first and foremost, science, technology, engineering, and math, and these are producing about 70 percent of all the new jobs in the world today. So it's also a huge job creator.

Many personal assistants may have had to change what they were doing after computers came about. However, they didn't lose their jobs – they had to just train themselves to do new things so they could be more productive.

However, if there is no proper educational or vocational training, even with new technology there will be unemployment. But if there are new techniques of rapidly retraining the workforce in new ways of doing things, more jobs will be created. It depends on how well we institutionalize looking at and applying technology to redefine the jobs people do.

Are the universities and those guiding the next generation adapting and changing their areas of focus to teach the skills needed to fill those jobs?

No. There is a tremendous gap between the needs and what is being taught.

Instructional design, which looks at what needs to be taught and how it is taught, changes once every 10 years or so. The jobs are changing at a much faster rate than that because of technology.

Academic institutions are not reacting fast enough in creating the curriculums necessary to meet the competencies required by the new types of jobs. This is creating a huge chasm of people who are "educated" but aren't able to work in today's industries.

This means industry is left to the task of educating and training people in large numbers, which incurs a lot of cost and lost productivity in the workforce.

Many countries are now beginning to appoint stewards of human capital and development right at the top. This is a new trend.

This is a major issue that requires some serious consideration at the national and industry levels.

What was your vision behind Step IT Up America and are you happy with how the program is progressing?

As we looked at the overall global employment landscape and saw the power of creating high-paid jobs using technology, we recognized that we can be an agent for improving the plight of some underserved populations by training people to create new knowledge-economy information-technology jobs.

When we attempted this in Mexico, many of those we worked with came from significantly troubled backgrounds. We offered the vocational training and found that, what they lacked in educational aspects, they made up for in spirit – they were willing to work very hard and they were competitive.

We then applied this in Southern Europe, trying to bring in jobs to Spain, and we applied this in Africa. We then realized we could do this in the inner cities of America. We decided to start by selecting and training 100 minority women from each city and finding local jobs for them after giving them an information technology proficiency. Following 90 training days, we were able to get them employed at Fortune 500 companies.

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When I started this program, most folks said it was impossible and too risky. Since then, we've started programs in Philadelphia, Detroit, L.A., and we recently launched in Chicago. The local communities have come together and embraced this program. We're extremely happy.

It takes a little time, but the leaders of these cities have quickly understood that this is critical to their local development. We are able to bring jobs back to the inner cities where there is a great need for a renaissance in workforce development.

We can shift the economics, we can be more responsible and, at the same time, corporations can find much-needed local workforce to serve their needs. So it's a win-win-win for all parties involved. ●