- Title: Who are Infosys?

- Aim: To form a CASE STUDY of a TNC to illustrate the globalisation of services in a 'flat world’

- Starter: Can you remember the 10 flatteners without looking?

1: Collapse of Berlin Wall

2: Netscape

3: Workflow software

4: Uploading: [Link to last lesson. Remember:](http://www.youtube.com/watch?v=i7I1Cljh7xY) The spec requires you to think about the effect of TNCs on the country of origin as well as the host country. The clip above illustrates one such impact e.g. loss of jobs as TNCs strive for lower production costs.

5: Outsourcing

6: Offshoring

7: Supply-chaining

8: Insourcing

9: In-forming:

10: "The Steroids"
Development and globalisation

- Development – economic, demographic, social, political and cultural changes associated with development; the development continuum.
- Globalisation – factors and dimensions: flows of capital, labour, products and services; global marketing; patterns of production, distribution and consumption.

Done

Today

Patterns and processes

- Newly industrialised countries (NICs): their initial growth, with particular reference to the ‘Asian Tiger’ economies.
- Further growth of NICs, with particular reference to China, India.
- Growth in the 21st century – the impact of new markets and new technologies (for example in Brazil, Russia and oil-producing countries).

Countries at very low levels of economic development

- Characteristics and issues – quality of life, debt, social problems.

Global social and economic groupings

- The concept of the North/South divide, and its relationship to the development continuum.
- Reasons for the social and economic groupings of nations, with particular reference to the European Union.
- The consequences of the groupings of nations.

Aspects of globalisation

- Transnational corporations (TNCs): characteristics and spatial organisation.
- Reasons for the growth and the spatial organisation of transnational corporations (TNCs).
- Case study of one TNC should be undertaken.
- Social, economic and environmental impacts of TNCs on their host countries, and their countries of origin.

Development issues within the world (each to be studied with reference to contrasting areas of the world)

- ‘Trade versus aid’.
- ‘Economic sustainability versus environmental sustainability’.
- ‘Sustainable tourism, myth or reality’.
Activities: The Globalisation of Services AQA pg 187

1. Define Service Sector and Offshore Outsourcing

2. Give 5 advantages of locating in India for firms involved in the international service sector

3. Why has Karnataka State, India (capital city of which is Bangalore) developed into India's leading centre for ICT? Give 3 reasons
Task: Who are Infosys and what do they do?

You have 15 minutes to go and do some research and report back on your findings.

Fill the white board in Y2...it's a case study after all. NEAT please.
Infosys according to Anstey

Infosys is basically an outsourcing company (Business Process Outsourcing or BPO to be fancy). Company's 'outsource' tasks to Infosys so they don't have to do it themselves. Infosys can offer greater expertise, value and efficiency. It draws on a highly educated, skilled workforce, who are willing to work for much less than people in MEDCs. It has access to state of the art technology and through the internet can provide services for people anywhere in the world. It exploits the Global Division of Labour and takes Specialisation to another level. It specialises across multiple spaces.

It is a 'Globally Integrated Enterprise'; fashioning its whole strategy, management and operations in pursuit better value delivery worldwide, rather than just locally or nationally. State boundaries don't matter to Infosys. Its corporate thinking transcends them. In a globalised world, work moves to where it is done best and in terms of IT, it seems to be done best by Infosys.
This data is well old! You need to update it!

What We Do
Infosys was started in 1981 by seven people with US$ 250. Today, we are a global leader in consulting, technology and outsourcing with revenues of US$ 7.075 billion (LTM Q1 FY13). Many of the world’s most successful organizations rely on Infosys to deliver measurable business value. Infosys provides business consulting, technology, engineering and outsourcing services to help clients in over 30 countries build tomorrow’s enterprise.

Infosys pioneered the Global Delivery Model (GDM), based on the principle of taking work to the location where the best talent is available, where it makes the best economic sense, with the least amount of acceptable risk. Continued leadership around GDM enables Infosys to drive extraordinary efficiencies and free up clients’ resources for strategic transformation or innovation initiatives.

Infosys has a global footprint with 68 offices and 70 development centers in US, India, China, Australia, Japan, Middle East, UK, Germany, France, Switzerland, Netherlands, Poland, Canada and many other countries. Infosys and its subsidiaries have 151,151 employees as on June 30, 2012.

How we do it
Infosys helps companies derive the measurable business value that they have always been looking for from business and IT investments. We deliver measurable business value in 3 ways:

Transform
We can transform the fundamental shape of your business P&L. Regardless of which team you engage with, we have a best-practice process for delivering value. We call it IMPACT - to ensure a clear line of sight from process change to bottom-line impact, ensuring that you receive the business value you were promised.

Optimize
Beyond transformation and innovation, it boils down to execution - delivering on time, on budget and "on value". We can optimize your core operations to drive best-in-class efficiency and help fund the transformation and innovation.

Innovate
We can inject a level of product and service innovation into your business to create new revenue opportunities through collaboration and co-creation. We keep abreast of the latest technology and how it applies to your business issues. What you get from us is best-of-breed solutions.
Infosys' IT solutions, Technology and Business Process Outsourcing services help you accelerate innovation and maximize value from your IT investments.

**Industry**
Our business solutions and services help accelerate innovation, increase productivity, reduce costs, and optimize asset utilization.

[View all Industries](#)

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**IT Services**
We create IT-enabled business solutions for our clients by leveraging our domain and business expertise along with a complete range of services.

[View all IT Services](#)

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**Consulting Services**
Our consulting services ensure that you become stronger, more competitive and capable of managing global business.

[View all Service Areas](#)

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**BPO Services**
Infosys BPO combines domain expertise, process skills and technology to deliver world-class process outsourcing.

[View all Offerings and Solutions](#)

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**Engineering Services**
We provide concept-to-market R&D and engineering services to improve your product operations. Our services address the complete engineering value chain spanning various industry verticals.

[View all Products and Platforms](#)

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Pranav, I read through this whole discussion and find that what all crap can people come up with, without any knowledge regarding what they are talking about. The bottom line is hard work. If you work hard, it is easy to be recognised and get the work of your choice. If you want to make easy money, you'll not prosper in both the companies. I work for Infosys, joined as a fresher, two years ago - and I am currently posted in London - with a work of my choice and working on latest technologies. My client is one of the biggest telecom providers in Europe, and has a few projects where part of work is done by Acenture and a part done by Infosys. I have worked with people for Accenture (US). This is where the difference is - "which part"! Infosys is service oriented company and hence takes up work with volumes. Accenture is consulting oriented company and hence takes up work with specialization - like designs. But please be aware, there is a BIG difference between Accenture abroad and in India. Most of the MNCs have opened Indian facilities to get the SAME cost advantages that Indian companies offer; so while you work in India, you won't see much of a difference in the work you do - whether in Accenture or in Infy! Tough choice huh?! You'll really be lucky if you can make it from Acenture India to Accenture U.S. - but it is worth trying. I have given you a few points to think about. Mail me at chanchal.mall@yahoo.com for more. Regards, Chaz.
a.) optimize cost to fuel growth = lower costs so products/services are affordable for populations in developing countries

b.) think faster innovation = Good service is no longer enough. Customer loyalty comes from innovation

c.) Think money from information = harvesting information for creating profit. Using info to improve efficiency and identify new revenue opportunities

d.) Think winning in the turns = Have a strategy to still make money in economic down turns
Infosys in the news

Video on the challenges Infosys faces due to the strengthening of the Rupee

http://news.bbc.co.uk/1/hi/business/8617910.stm

Infosys sees 4% rise in profits

India's second biggest IT outsourcer, Infosys, has reported a 4% rise in its full year net profit.

The firm says it has noticed a recent upswing in business from its European and manufacturing clients.

Ben Richardson reports from Mumbai.
Infosys in the news

http://www.bbc.co.uk/news/technology-23931499

Bangalore: India's IT hub readies for the digital future

By Shilpa Kannan
BBC News, Bangalore

Bangalore's Electronics City campus is home to millions of engineers, as Shilpa Kannan reports.
Infosys shares surge as firm maintains revenue forecast

Shares of Infosys, India’s second-largest software firm, have surged by as much as 12% after it reported a jump in profits and left its yearly revenue growth outlook unchanged.

It made a net profit of $1.05bn rupees ($18bn; £9bn) in the April to June quarter, a 3.7% jump from a year ago.

Infosys has struggled in recent months to maintain its growth rate amid a slowdown in key markets such as the US.

Last month, it asked its co-founder Narayana Murthy to return as chairman.

“This is far better than what some people in the market were expecting,” said Tanmoy Sengupta, who works at Chanakya Niti Pvt. Limited in Mumbai.

“The earnings have been pretty volatile in the last few quarters and this time around the expectations were muted given what has happened in the company recently.”

The company maintained its forecast of 6-10% revenue growth in the current financial year.

Murthy magic?

India’s software firms, including Infosys, have seen their growth rates slow in recent years.

They have been hurt by an economic slowdown in key markets such as the US and Europe, which has affected demand.

Earlier this year, Infosys had warned that its profit margins may remain under pressure amid the challenging global economic environment, triggering concerns about the firm’s health.

Prompted by the slowdown, the company asked its co-founder, the 66-year-old Mr Murthy, to return to the helm.

Mr Murthy, who had retired two years ago, took charge of the firm on 1 June for a period of five years.

Analysts said that investors were betting that his return would help the firm achieve higher growth rates than it has seen in recent months.

“You can ascribe it to Murthy magic,” said Phani Sekhar, a fund manager with Angel Broking in Mumbai.

“Generally you can conclude that the worst is over for them but it remains to be seen how quickly they can recover from here.”

Phani Sekhar
Angel Broking
Infosys Video Notes

Infosys Mysore (up to 3:20 or so)
1. Where is Infosys’ HQ? ..........................................................
2. How far is the Mysore Development Centre located from Bangalore?
       ............km
3. The Mysore Development Centre houses a Software Development Facility,
   the Infosys leadership Institute and the Global ................. Centre
4. Workers are called ......scions

Infosys Presentation
1. You get the best ......................... to work for you
2. Their passion is to create ..................... advantage for their clients
3. They combine the best of the .......... world with the best of the ..............world
4. Delivery centres in Australia, ................., China, Czech Republic, .............,
   Japan,Mauritius, ......, USA
5. Infosys Predictability is the ability to manage large IT projects, when 70% of
   it is .......... miles away across multiple ............

BBC News - see next slide for link
1. How does recruiting graduates in the UK help Infosys?
   - Builds its image as a truly ............. business
2. It hires and trains new staff to expand its business ............
3. Competition for workers at home has meant salaries in India’s
   Technology sector have risen by ...... Venturing overseas to
   find new ............. is one solution to this.
4. Infosys believe that hiring young people who are ........ residents
   will have a positive impact on the business because and will demonstrate
   their commitment to the local ...........
5. For Indian Technology firms to stay competitive they must head
   out of......... to find new ............
BBC News Link

http://news.bbc.co.uk/player/nol/newsid_7030000/newsid_7034400/7034465.stm?bw=bb&mp=wm&news=1&nol_storyid=7034465&bbcws=1

Tuesday, 9 October 2007

about uk student in India
Homework: Due

Research one thing/product/service that Infosys offers/does. Write a paragraph/bullet points on what is it, where, for who, figures etc etc.

This will give you some specific detail to write in the exam that will impress the examiner. Essay Q next lesson!
AQA Activities

1. What is Infosys?
2. When was it founded?
3. Where was its first overseas sales office and when?
4. How many people does it employ?
5. How many offices does it have worldwide?
6. What was Infosys' revenue between 2007-2008?
7. In what way is it a truly Transnational Company?
8. What has Infosys become aware of?
9. What has it done about it?
10. Give three industries Infosys provides ICT services for
11. How does Infosys use education as a tool?
12. In addition to some low level call centre jobs, what other services do Infosys provide? (pink box)

Extension
1. Read the info booklet and take further notes
2. What is the International Technology Park - Bangalore?
Group Task

How could you use Infosys here?

4. ‘The global economy has moved on from the Asian Tigers; the present and the future of the global economy now lie elsewhere.’

To what extent do you agree with this statement? (40 marks)

5. Discuss the roles and relative importance of transnational corporations (TNCs) and newly industrialising countries (NICs) in the changing global economy. (40 marks)
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Why Think Flat

The world is getting flattened by forces of globalization, changing demographics, ubiquity of technology and regulatory compliance. The Pulitzer Prize-winning author and columnist Thomas Friedman, in his unique way of putting things, says “The World is Flat.”

At Infosys, we have had the privilege of looking at these changes from a different perspective - from the other side of the world.

We call our perspective “Think Flat”, because we believe this change is as much about changing the business mindset as it is about changing our strategies and operations.

Companies must grasp the impact of the evolving business environment, respond to challenges and harness opportunities to succeed. To win, companies must address the shifts of the Flat World:
Think Winning in the Turns
Companies must have a strategy to remain competitive during an industry downturn and respond effectively when the industry cycle turns.

Optimize Cost to Fuel Growth
In the flat world, you need to lower the cost structure so that products and services become affordable for populations even in developing countries.

Think Faster Innovation
Good service is necessary but not sufficient to drive retention. Creating customer loyalty requires companies to innovate faster by exploring new models of innovation such as co-creation with customers and partners and focus on customer experience.

Think Money from Information
Companies have spent large budgets on building enterprise systems and generating information. They should now harvest information for profit. They must leverage information to identify new revenue opportunities.

What is Making Money from Information?
Wal-Mart fine-tunes its stocks by identifying customer purchase patterns through data mining and predictive technology. A telecom company captured US $60 million in revenue leakage by investing in data analysis across disparate systems. Barclay’s increased revenue per active account by 25% through an analysis-intensive customer management strategy.

In a world of too much information, it is no longer access to information that determines winners and losers, but rather the application of information to business problems and goals.

Despite substantial investments over the last few years, businesses are still not fully leveraging information they are already collecting. The “people, process, technology” way of looking at business has caused many companies to overlook information. And the high cost of analytics performed by a highly skilled workforce acts as an additional deterrent.

What if information was free? What if analytics was free? How would you use information? For what decisions?

Winning in a Flat World requires harvesting information for creating profit - using information to work effectively across the globe, continuously improving efficiency and proactively identifying new revenue opportunities (pricing, new markets, cross-selling / up-selling).

In essence, companies should shift their operational priority:
These phenomena are not limited to a particular age group, nationality, or industry. Even established companies focused on domestic markets and established customers are under threat from newer more innovative and/or lower cost competitors. In the global economy, access to something cheaper and/or better is just a mouse click away.

"CUSTOMER LOYALTY IS WEAKENING"

According to the president of a medium-sized ($1-5B) US bank, “Customer loyalty is weakening...and the only way to maintain it, ultimately, is through good service.” We agree, though only in part. Good service is the traditional foundation of customer loyalty. In fact, several research reports on 2007 IT spending plans indicate that customer service technologies rank among most companies’ top priorities.

However, with the balance of power having shifted to consumers, the question is whether or not companies can rely solely on good service as a differentiator to keep customers from straying. Apparently, many executives don’t think so (Exhibit 3).

PRODUCTS THAT PEOPLE CAN AFFORD

Even before China emerged as a force in the global economy, companies in the developed world relied on low-wage countries to reduce manufacturing and service delivery costs. However, due to rising incomes and other economic and demographic changes, the developing world is no longer just a source of cheap labor; it is the home of more than 2.5 billion potential customers.

Penetrating emerging markets means competing with local producers that have significant cost and local knowledge advantages over outsiders. As the chief regional European procurement officer of a global confectionary company noted, it means developing new products “...that people can afford.”

In addition, success in new markets (both internationally and locally), is not just about having the lowest price; it means lowering cost structures and investing the savings in R&D. It is also about leveraging global operations to differentiate products and services and creating new ones for new markets, not only in developing countries, but under-served and newly addressable ones at home.

This requires continually evaluating every task, process, and product for identifying opportunities to automate and constantly re-evaluating best-cost locations and vendors to maximize savings. It also means resource globalization to employ talent where customers are located, developing differentiated products for different markets, and creating management structures to enable efficiency and collaboration across geographic and cultural borders.
Plenary

1. Name that fact!

1. Infosys was founded in
2. in 2008 Infosys employed
3. Infosys' revenue between 2007-2008 was
4. Infosys is an Business Process (BPO) company
5. The Mysore development centre is located near
6. Infosys adapts to and exploits the
7. Infosys's motto is 'Powered by__, Driven by__.'

2. What is meant by the following:
   a.) Think winning in the turns
   b.) Optimize cost to fuel growth
   c.) Think faster innovation (why Apple have been so successful)