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WIPRO:

Building a Global B-2-B Brand

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This case was written by Ayesha Kohli, Research Associate, under the supervision of Amitava Chattopadhyay, the L'Oréal Chaired Professor of Marketing Innovation and Creativity at INSEAD. It is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. The support of Jessie Paul, CMO, WIPRO Technologies, Karthik Nagendra, Strategic Marketing, and Rajasekharan Unnikrishnan, Strategic Marketing, is gratefully acknowledged.

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I. Introduction

Jessie Paul, Chief Marketing Officer at WIPRO Technologies, was poring over the results of the latest brand tracking survey. The results were not particularly good: even though WIPRO commanded top-of-mind recall among leading Indian IT service providers, global awareness and image were well below what she would have liked to see. Among key non-clients, awareness of WIPRO was 35%, whereas its leading Indian competitor, Infosys, had achieved 50%. International competitors such as IBM and Accenture were way ahead, with near-perfect awareness scores (see Exhibit 1). It was clear that if WIPRO wanted to be recognised among the top five global IT companies, it would need to take its branding efforts to a whole new level.

Jessie Paul would have to present a comprehensive proposal to WIPRO's Chairman, Azim Premji, as to how she planned to position WIPRO, increase awareness in the minds of CXOs of Fortune 1000 companies, and do so with a marketing communication budget of just \$1.3 million. To develop a plan to address the issues she needed to identify the attributes that global customers looked for when evaluating companies for various projects, select a key theme that WIPRO could focus on and project as a key differentiator, and identify a set of low-cost, high-impact 'touch points' to communicate this.¹

II. A Brief History of WIPRO

When Azim Premji took over Western India Vegetable Products (WIPRO) after his father passed away in 1966, it was a loss-making business with 350 employees and revenues of just \$3 million. Premji dived right in and set about establishing a management style and corporate culture that would form the foundation for everything that would come later, including a zero-tolerance policy towards bribery and any form of corruption and corner-cutting. By the 1970s, the company, re-named WIPRO Ltd., had become a diversified and profitable enterprise, generating revenues of \$30 million.

From Vegetable Oil to Bits and Bytes²

The introduction of government restrictions in 1979 had forced IBM, the worlds' biggest computer company, to close down its operations in India. Sensing a business opportunity in the vacuum left by IBM's departure, Premji and his lieutenants moved into the information technology sector and launched a hardware division, WIPRO Infotech. Using technology licensed from Sentinel Computers in the United States, WIPRO started building India's first mini-computers, thereby entering the PC and software categories. By the late 1980s and early 1990s, WIPRO had become the leading computer company in India. Its USP was leading-edge technologies and after-sales services – both virtually non-existent among Indian computer companies at the time.

By 1995, however, a crisis was looming. The domestic hardware market was shrinking and there was new competition from multinational technology giants Compaq, Hewlett Packard and IBM, who had entered India following the liberalisation of business regulations in 1993.

1 Source: Interview with Jessie Paul

2 Bangalore Tiger, Ch. 2, by Steve Hamm

WIPRO knew it could not compete with these giants, who had vast R&D resources and financial clout, and decided instead to sell its engineering expertise to the world's top technology companies – essentially becoming an engineering lab for hire.³ It began with software programming, designing embedded applications for telecom equipment and computers, and then embarked upon hardware and chip design.

Quality and Credibility

WIPRO's leaders realised that it could provide quality programming not just to technology companies but also to a wide range of Western firms. However, these organisations were unlikely to entrust an unknown Indian outfit with strategic work, so Premji and his colleagues strove to gain credibility by aggressively pursuing international quality standards. In 1995, WIPRO was awarded the ISO 9000 quality standard and in 1999 it became the first software services company in the world to achieve the Carnegie Mellon University's Software Engineering Institute's top certification – Capability Maturity Model (CMM). Soon thereafter, WIPRO applied Motorola's Six Sigma programme and Toyota's Lean Manufacturing techniques to its software programming and business process outsourcing (BPO) operations.

The Growth Years

With its sights set on the global stage WIPRO debuted on the NYSE on 18 October 2000. The focus for the next five years was to accelerate growth. Vivek Paul, Vice Chairman and President of WIPRO Technologies, the software division of WIPRO Ltd., came up with a bold “4 in 4” plan: to be a \$4 billion company by the end of 2004. Half of the growth was expected to be organic and half via acquisitions.

Vivek Paul created strong central corporate functions to support the various businesses. WIPRO ramped up its consulting, systems integration and computing data centre management divisions, and became a major player in BPO. By 2005, WIPRO Ltd. was a \$1.9 billion company with more than 40,000 employees in four divisions: WIPRO Technologies, the software division; WIPRO Infotech, the hardware division; consumer care and lighting; and healthcare systems and services. Although the US\$4 billion goal was not achieved by 2005, Vivek Paul succeeded in waking WIPRO up to the possibility that its aims were within reach (see Exhibit 2).

Quantum Innovation

When Vivek Paul left the company in 2005, Azim Premji decided that the years of restructuring and growth had left WIPRO in a position to be more aggressive with its acquisitions and to focus on “quantum” innovations rather than the incremental innovations it had pursued in the past. His vision was to develop a combination of technology and services that could create new businesses worth \$100 million to \$200 million within a matter of years.

WIPRO in 2006

By 2006 WIPRO was a leading provider of information technology, business process outsourcing, R&D and product engineering services, to customers worldwide. The \$3.5

3 Bangalore Tiger, Ch. 2, by Steve Hamm

billion company had operations in 29 countries, 36 development centres and 75,000 employees of 40 nationalities. It provided comprehensive IT solutions and services, including systems integration, information outsourcing, package implementation, software application development and maintenance, and R&D services, to corporations⁴ via a global delivery platform (see Exhibit 3).

III. Industry Analysis – Facts and Figures

Global technology and related services spending exceeded \$1.5 trillion in 2006, an increase of 7.7% over 2005.⁵ Outsourcing⁶ was the primary growth driver, with the global delivery system forming an integral part of most sourcing strategies. The biggest IT service providers worldwide were IBM, EDS and Accenture.

IBM Global Services

IBM Global Services, the technology services and consulting division of International Business Machines (IBM) was the largest provider of systems integration and technology consulting in the world. In 2006, with over 190,000 employees worldwide, the company recorded revenues of \$48 billion, making it over 10 times the size of WIPRO.

IBM Global Services operated through two divisions: Global Technology Services (GTS) and Global Business Services (GBS), accounting for 67% and 33% of revenues respectively in 2006.⁷ GTS consisted of infrastructure services, including business transformation outsourcing and strategic outsourcing services, integrated technology services and maintenance, while GBS provided professional services such as consulting, systems integration and application management services.

Since 2003, IBM Global Services' India operations had grown considerably. IBM India had a headcount of over 50,000 in 2006 – about 50% of the number of employees in the US. It serviced 250 clients across the world from its global delivery centre in Bangalore. Revenues from its Indian operations were growing at nearly 37% annually, with IBM Global Services retaining the number one position in the Indian domestic IT services market.

An ITSMA Brand Survey conducted in 2006 among 400 US-based IT CEOs and decision makers showed that IBM Global Services had the strongest mindshare among all IT companies globally. It commanded the highest unaided awareness at 27.5%, whereas second-in-line Accenture had only 8.3% (see Exhibit 4). It was also the only company that had a 100% aided awareness rating.

4 Datamonitor 2007 – WIPRO Profile

5 Nasscom 2007, Strategic Review

6 Outsourcing means that a company contracts work previously done in-house to a third party. The outsourced work could be done either within the customer's home country or off shore in another country.

7 Datamonitor 2007, IBM company profile

In 2006, IBM repositioned itself as an innovation company. A marketing and communications campaign around the theme “What makes you special?” focused on the customer and how unique solutions provided by IBM could unleash innovative potential (see Exhibit 5).⁸

Electronic Data Systems

Electronic Data Systems (EDS), a global technology services company, offered infrastructure services, application services and business process outsourcing services. Its clients represented a diversity of industries spanning manufacturing, financial services, healthcare, communications, energy, transportation and consumer retail industries, as well as governments around the world.⁹

With a workforce of over 130,000, EDS achieved revenues of \$21.28 billion in 2006. Infrastructure services formed the bulk, almost 55%, of EDS’s revenues, with application services ranking second with a 30% share, followed by business process outsourcing. The Americas accounted for almost 50% of its revenues, followed by EMEA at 30%, and Asia-Pacific at 8.5%. This vast geographical footprint enabled EDS to bid for large, complex projects.

EDS positioned itself as “the firm that keeps clients’ systems and processes up and running.”¹⁰ The 2006 campaign themed “Delivering Results Now” focused on EDS’s goal of being a “valued part of the client management team, rather than just a vendor”.¹¹

Accenture

Accenture was the second-largest integrated consulting, technology and outsourcing service provider in the world, with over 175,000 employees worldwide, although in terms of revenues it lagged behind EDS. In 2006, it had revenues of \$18.2 billion. The company had a global delivery network of over 40 centres and some of the broadest offerings in the software industry which were often bundled and sold to clients.¹²

The 2006 ITSMA Brand Survey ranked Accenture second on unaided awareness (see Exhibit 4), highlighting the company’s brand familiarity, a significant fact given that it was launched only five years before, when it split from Andersen Consulting in 2001. The essence of Accenture could be summarized in three words: “High performance. Delivered”, a phrase coined to brand the type of success it achieved for its clients. The “We know what it takes to be a Tiger” campaign was its most successful communications programme to date (see Exhibit 5).¹³ It was positioned as an “integrator of clients’ business and technology priorities.”¹⁴

8 IBM 2006 Annual Report

9 Datamonitor EDS Company Report.

10 ITSMA, Leaders and Contenders: 2006 Professional Services and Solutions Brand Tracking Survey

11 EDS Annual Reports 2004, 2005, 2006

12 Datamonitor Accenture Company Report

13 http://www.itsma.com/News/mea/recent_winners.htm.

14 ITSMA, Leaders and Contenders: 2006 Professional Services and Solutions Brand Tracking Survey

The Indian IT Landscape

The growth of India's IT services and offshore business was attributed to the opening up of the economy in the 1990s. The Indian IT industry was classified into IT services,¹⁵ business process outsourcing, engineering services, R&D and software products,¹⁶ and hardware. Revenues grew tenfold in the decade from 1997 to 2007, from \$4.8 billion to \$47.8 billion.¹⁷

According to a NASSCOM-McKinsey Report in 2005, offshore IT services and BPO¹⁸ were said to be worth over US\$300 billion globally, of which 10% was outsourced to India. The report forecast Indian revenues from this sector to grow to \$60 billion by 2010, with a further \$20 billion revenue potential by extending leadership through a targeted expansion of the offshore market.¹⁹

India's Value Proposition

The key advantages that India offered as an offshore destination were:²⁰

- **A vast talent pool** of young, educated and English-speaking talent, complemented by a large academic infrastructure.
- **Cost advantage:** This was the biggest advantage. Clients regularly reported savings of 25%-50% on the original cost base.
- **Focus on quality and information security:** Process quality and expertise in service delivery.
- **Growth in business infrastructure:** Rapid growth in availability of high-quality telecom connectivity across the country was a key enabler in driving the IT-BPO sector in India, leading to reduced costs and improved quality levels.
- **Favourable business policy and regulatory environment:** Policy makers in India had encouraged foreign participation in the IT-BPO sector, recognising its importance not only as a source of investment and revenues but also as an important channel of knowledge and technology transfer.

WIPRO's Indian Competitors

WIPRO's main competitors in India were Infosys and TCS.

Infosys

Infosys Technologies, headquartered in Bangalore, provided IT solutions through the entire business value chain, including "technical consulting, design, development, software re-engineering, maintenance, systems integration, package evaluation, test and implementation, and infrastructure management services". The company also developed, marketed and

15 IT services include consulting, systems integration, IT outsourcing/managed services/hosting services, training and support/maintenance. (Source: Nasscom IT-BPO Overview 2008).

16 Key engineering services include embedded solutions development, product design and prototyping.

17 Nasscom 2007 Strategic Review

18 Offshore IT Services and BPO refer to work that is done by a client in a country outside its home base.

19 WIPRO Annual Report 2006-2007

20 Nasscom 2007 Strategic Review

licensed proprietary solutions for the banking industry under the brand Finacle.²¹ It also provided business process management services, including offshore customer relationship management, finance and accounting, administration, and sales order processing through Infosys BPO.

Infosys employed 72,000 people and operated in North America, Europe and Asia-Pacific. Its key business segments were banking and financial services, telecommunications, manufacturing, retail, energy and utilities, and transportation. Within these segments the verticals of banking and financial services, manufacturing and telecommunications were most strategic.

For the fiscal year 2006-2007, Infosys recorded revenues of \$3 billion, an increase of 43.6% over the previous year. Growth came from the size and number of projects executed for existing and new clients, as well as an expansion in its product offering.

In 2005-2006, when Infosys had hit the \$2 billion mark, a global branding campaign was launched around the theme “Winning in the flat world” (see Exhibit 5). Nandan M. Nilekani, CEO and Managing Director of Infosys Technologies Ltd., identified four trends that were changing the business environment: the emergence of developing economies creating new markets and accessible talent pools; a global shift in demographics, driving companies to tap young and skilled talent pools outside industrialised countries; the ongoing adoption of technology which was changing how consumers and companies used technology, and the new regulatory environment which was driving greater accountability and transparency.²² He viewed these as disruptive forces ‘flattening’ the business world. The Infosys mission was to win on the new level playing field. Rather than being simply another offshore service provider, the company’s goal was to build a reputation as a trusted transformation partner that could help businesses compete in a global market.²³

Tata Consultancy Services

Tata Consultancy Services (TCS), the largest Indian IT service provider, offered a range of services in business consulting, information technology, business process outsourcing, infrastructure and engineering. The company had over 110,000 employees, and with revenues of \$4.3 billion for 2006-2007, was ranked 11th globally. Since its public listing in 2001, its market capitalisation was reported to have more than tripled from \$8 billion at IPO to \$28 billion by early 2007.²⁴ The company had a vast global footprint, operating 148 offices in 39 countries. It had delivery centres in Hungary, Brazil, Chile, Uruguay and China, although India remained the strategic delivery centre.

Among its competitive advantages, TCS saw employee management skills as key. The company had one of the lowest employee attrition rates compared with its rivals in the Indian market: Infosys, Satyam Computers, WIPRO and Accenture.^{25,26} One area of weakness was TCS’s exposure to the financial services segment. Banking, financial services and insurance

21 Datamonitor-Infosys Company Profile, October 2007

22 Infosys 2006-2007 Annual Report

23 www.hindustantimes.com, February 2008

24 TCS Annual Report, 2006-2007

25 <http://retention.naukrihub.com/attrition-rates.html>

26 TCS Datamonitor Report, 2008

markets contributed around 44% of its overall revenues. Any global financial turmoil would thus impact TCS's overall revenues significantly.

In 2006, TCS launched its "Experience certainty" campaign (see Exhibit 5), a comprehensive, multi-year branding initiative focused on differentiating TCS as an organisation that delivered results to global businesses, ensuring a level of certainty that no other firm could match. Awareness of TCS increased 200% after the launch of the initiative.²⁷

IV. Customer Analysis

Users of IT services came from a broad range of industries which could be grouped into eight major industry segments: communications, manufacturing, transportation, public sector, life sciences, financial services, retail and healthcare. Customers that opted for IT offshoring tended to have operating budgets ranging from \$200 million to more than \$20 billion. Decision makers were typically senior IT and business leaders (CEOs, vice-presidents and directors). Most clients who had outsourced business to cheaper, high quality locations were from the US, Europe and Japan.

Customer Expectations

According to the ITSMA Brand Equity Study conducted in 2006 (see Exhibits 6a-6f), the IT service provider selection process revealed six important considerations:

1. The IT firm must have the ability to deliver results, collaborate with clients and meet quality expectations.
2. The firm must help the client to fulfil multiple organisational goals: (a) finding growth opportunities and boosting competitive advantage, (b) agility to adapt business processes, integrate business and IT strategy, and adapt IT infrastructure to changing market requirements, and (c) mitigation of risk and cost by following quality processes.
3. Clients used multiple service providers as they wanted to spread risk by working with several vendors.
4. Some clients were willing to pay a premium for exceeding service level agreements.
5. Clients did not require IT service providers to support only their own specific products. The latter could not derive competitive advantage from insisting that they knew the product offering or technology the best when other firms made the same claim.
6. Clients were increasingly willing to offshore non-mission-critical activities in pursuit of cost savings.

The above selection criteria required that bidding firms needed to:

- Have a variety of marketing tactics such as reference programmes, word-of-mouth marketing and industry analyst relations that help in validating their claims
- Understand the goals of their clients and create communications that resonated with senior management of a prospective client.

²⁷ http://www.itsma.com/News/mea/recent_winners.htm

- Deliver on their promises or risk losing business. Also, IT service providers needed to demonstrate their ability to collaborate with their clients as well as other firms working with the client, and contribute to common or complementary solutions.
- Position terms as “win-win” when negotiating service level agreements (SLAs) such that if service providers outperformed the SLA both the client and the IT firm won.
- Understand that marketing in-house technology was not a competitive advantage, as clients were willing to purchase similar services from providers who did not create the technology. A broader marketing strategy was necessary to win contracts.
- Beef up their resources, either directly or with partners, to offer customers more choice, as offshoring became mainstream.

V. Building the WIPRO Brand

The WIPRO brand had been built around the values that formed the core of the company. As it grew from a 600 employee company in the mid-1970s to a 75,000-plus multinational, Azim Premji ensured the establishment of a strong value system that was imparted to every employee and customer. Every few years he would re-examine the company’s credo and, along with management and employees, take stock of what the company stood for and where it wanted to go. The first exercise took place in the mid-1970s, when six WIPRO values were laid out (see Table 1).

Table 1: Evolution of WIPRO Values and Brand

Mid-1970s	Late 1990s: “Applying Thought”	Late 2005-2006: “Spirit of WIPRO”
<p>6 WIPRO Beliefs</p> <ol style="list-style-type: none"> 1. Respect the individual. 2. Be a business leader. 3. Accomplish all tasks in a superior manner. 4. Maintain the highest ethical standards. 5. Serve customers well. 6. Measure performance based on long-term profitability. 	<p>4 WIPRO Values</p> <ol style="list-style-type: none"> 1. Human values: We respect the unique needs of customers and employees. We are sensitive to their differing needs in our interactions with them. 2. Integrity: We deliver what we commit with honesty, fairness, reliability and uprightness. 3. Innovative solutions: We constantly offer novel and superior solutions to satisfy customer needs. 4. Value for money: We deliver higher value to the customer through continuous improvement in quality, cost and speed. 	<p>Spirit of WIPRO</p> <ol style="list-style-type: none"> 1. Intensity to win <ul style="list-style-type: none"> • Make customers successful. • Excel through innovation and teamwork. 2. Act with sensitivity <ul style="list-style-type: none"> • Respect the individual • Be thoughtful and responsible. 3. Unyielding integrity <ul style="list-style-type: none"> • Deliver on commitments. • Be honest and fair in action. • Conduct an unwavering search for truth.

The need to brand

In the late 1990s, WIPRO had to deal with the legacy of early outsourcing work of Indian companies involved in “body shopping”, i.e., supplying low-paid engineers to fix bugs, do general maintenance and clean-up work, and write labour-intensive programmes. The general perception was that Indian services were cheap.

“Applying Thought” Campaign (1996-1998)

The first major focus on WIPRO as a brand came about in the late 1990s. The emphasis was on building brand awareness and achieving a quality and leadership positioning. From the outset the challenge was to build a brand that would compete with Accenture and IBM, but with a fraction of their marketing budget.²⁸

Shining Strategic Design (SSD), a French-based consulting firm was brought on board to carry out a complete brand makeover. Research commissioned by SSD revealed that “WIPRO had diligent, hardworking, and sincere employees. But end-users felt WIPRO had unfocused, multifaceted businesses. The company was seen as cold and process-oriented, yet WIPRO delivered on its commitment.”²⁹

28 Interview with Jessie Paul

29 “What’s behind WIPRO’s flower logo?”, Shombit Sengupta and Renee Jhala, www.rediff.com/money/2005/aug.

Based on focus groups with clients and internal discussions, SSD identified four values that provided the most important benefits to end users: human values, integrity, innovative solutions, and value for money. This led to the core concept “Applying Thought”, which combined the notions that WIPRO was process oriented and did the thinking for the client (signifying being ahead of time), with the rainbow flower logo to signify the notion of caring.

Validation research into the dual elements of the logo – the rainbow flower and the “Applying Thought” tagline – undertaken in 1997 had shown that SSD had been on the right track. The flower was considered to be warm, caring, innovative, flamboyant and appealing to the heart. The slogan appealed to the brain and signified thinking for the customer, providing innovative solutions and a commitment to continuous solutions. The values were later articulated into “The WIPRO Promise” printed on the back of business cards: “With utmost respect for Human Values, we promise to serve our customer with Integrity, through Innovative, Value for Money solutions, by Applying Thought, day after day.”



In 1998, WIPRO formally adopted the “Applying Thought” logo as part of its corporate identity, summed up in the statement: “The WIPRO brand stands for a trustworthy partner, a partner who delivers on commitments. The WIPRO rainbow flower symbolises the energy of our diversity, the dynamism of Team WIPRO, and the Yin-Yang balance that we strive for. The slogan “Applying Thought” that accompanies the rainbow flower holds the promise of innovation, quality and superior value for all our stakeholders.”

Branding and Marketing Activities (1998-2006)

The key business challenge that WIPRO faced was one of building trust among potential clients. The nature of IT services was such that WIPRO had no ready-made product to sell as every client problem was different and no solution could be bought off-the-shelf. For prospective clients to take that leap of faith, WIPRO went about amassing proxies for trust in the form of quality certifications.

In its efforts to build a leadership position on quality, WIPRO focused on achieving a slew of quality certifications, adopting Lean Manufacturing and Six Sigma principles in the late 90s. Getting listed on the NYSE in 2000 was another way to showcase itself as a quality provider that had arrived on the global stage. To distance itself from the “low-quality, cheap price” image, there was a 15% hike in prices across the board and additional fees were charged if the project was more technical or if a required skill was in short supply.

Meanwhile, the marketing department ensured that WIPRO participated in major trade shows abroad and spoke at public forums. To create a local presence abroad, WIPRO recruited an overseas sales force: as of 2000, it had between 70 and 80 sales staff living in 18 different locations. In an effort to shed the low-quality, cheap price image, the sales force was instructed to change its mindset, stop underselling itself, and was trained to be more knowledgeable about the technical aspects of WIPRO products.

Other marketing efforts included setting up a website and creating a public relations network with business magazines such as BusinessWeek and Forbes, and with analysts that featured the IT industry, in addition to working with educational institutions on case studies and working papers. By 2001, with the spread of more positive PR about the affluent lifestyle

changes that the Indian IT sector was bringing about, the body-shopping image finally started to fade. Indian IT firms, including WIPRO, strategically built modern, shiny campus-like work environments to show visiting clients that they were not running sweatshops but high-tech firms with the latest expertise (see Exhibit 6).

In 2003-2004, WIPRO introduced its “Strategem” event, aimed at getting prospective and current clients to interface with the company on a regular basis. At these sessions WIPRO would showcase technology and services to show that it was not just limited to routine development and maintenance work dictated by clients but developing new solutions on its own initiative. Initially, clients were reluctant to attend, given the unknown WIPRO brand, but participation gathered momentum once they heard about WIPRO’s sizzling stock price after its NYSE debut and Azim Premji being named the “richest Indian”.

Another key step adopted by WIPRO to enhance its local presence abroad was to acquire local firms in key markets that would complement its technologies and provide access to a wider local client base. Between 2000 and 2006 WIPRO made significant acquisitions: Spectramind and Northwest Switches in India, mPower, cMango and Quantech Global Services in the US and New Logic, Enabler, Saraware and Hydroauto in Europe. It also entered the Middle East market, setting up an office in Saudi Arabia and acquiring the Middle East operations (along with its India and SAARC segment) of 3D Networks and Planet PSG.

The customer-centric values of the “Applying Thought” campaign were adopted throughout the company and permeated every aspect of the business. The eight years from 1998 to 2006 saw the company grow from 6,000 employees and revenues worth US\$444 million to a 60,000 strong workforce with US\$2.4 billion in revenues.

“Spirit of WIPRO” Campaign (2005-2006)

Despite this enormous success, Premji was not one to rest on his laurels and embarked on a third values exercise in late 2005. More than 28,000 employees were surveyed along two lines of questioning. The first involved current values: whether they were being practiced and if they were relevant. The second focused on what the company’s values should be in the future. In addition, 80 focus groups involving 1,100 employees and a series of shorter, one-to-one interviews were conducted. Finally, in January 2006, the firm adopted a new values statement – the “Spirit of WIPRO” (see Table 1).

The new statement of values was rooted in the values of the past. Respect for employees and customers remained integral to it, along with sensitivity to society and the environment. But the new focus was on “Intensity to Win”, reflecting WIPRO’s aspiration to play a larger role on the global stage. In the 2005-2006 Annual Report, Premji commented: “Spirit of WIPRO is the core of WIPRO. It is rooted and it is aspirational, thus making it *future active*.” With specific reference to the “Intensity to Win” value, he added: “Playing to win brings out the best in us, in our teams, and in WIPRO. It is about innovating all the time.” By the time the “Spirit of WIPRO” values were adopted in 2005-2006, the company’s ambitions on the global stage were apparent. The message was loud and clear: WIPRO was a collaborative and reliable partner with a clear focus on delivering profit-generating solutions for its clients.

Brand Benefits and Core Competencies

WIPRO drew its competitive advantage vis-à-vis other Indian IT service providers from five differentiators:

- **Technological Excellence**

WIPRO's biggest differentiator was that it had entered IT services through the engineering route, starting with hardware in the 1980s and then positioning itself as an engineering lab for hire to the IT multinationals that entered India in the 1990s. The "Lab-on-Hire" business was eventually scaled up and accounted for one-third of WIPRO's revenues, making it the world's largest third-party R&D provider.

The Lab-on-Hire business worked with telecom equipment manufacturers, designing chips, semiconductor and prefabs, and was involved in co-innovation with clients. As the company was willing to take risks in creating intellectual property (IP) in return for a percentage of the revenue stream, it invested heavily in the acquisition of IP. It currently holds the largest number of patents in semiconductor design globally. Some insight into WIPRO's expertise in hardware can be gained from its involvement in the telecom sector. While most IT firms focused on providing services to their telecom clients, WIPRO also manufactured the equipment it supplied to them. As a result it was present in every part of the value chain for cell phones, from base-stations to billing, and a leader by market share in semiconductor IP such as Bluetooth, wireless LAN, UWB and IEEE 1394.

- **Innovative Solutions**

WIPRO prided itself on being a centre for innovation excellence and offered its clients customised innovative technological and process solutions. In 2000, it set up an "Innovation Initiative" with an internal innovation council that worked like an internal venture capital fund. Employees were encouraged to come up with ideas and approach the council for funding and resources. The process followed a three-year path. After the first 18 months, if an idea still had promise it continued to be developed – otherwise it was scrapped. At the end of two years, the idea was fully developed and adopted by a business vertical to be marketed. Finally, after three years, if the idea was successful it would be fully absorbed into the P/L of the relevant vertical.

This internal venture fund approach, coupled with the R&D DNA of WIPRO's employees, led to a steady stream of innovative ideas; at any one point, there could be 800 people working on such ideas. One of its commercial successes, developed through the Innovation Initiative, was its "Flow-briX" software, a highly customisable product with business process management/workflow services that simplified a complicated network of activities.³⁰ Used by clients across several industries, including telecommunications, financial services and publishing, it generated US\$4 million in revenues annually.³¹

WIPRO's "Quantum Innovation" programme launched in 2005, aimed to set up four "mission" projects in its first year with the potential to generate \$40-\$50 million in revenues over the next five years. While existing programmes were delivering incremental

30 Business Wire, September 2005 "WIPRO's proprietary workflow framework Flow Brix finds new markets for growth"

31 Bangalore Tiger, Ch. 13

innovations, the Quantum Innovation effort was to come up with new processes that would enable larger-scale innovation cutting across business lines.

WIPRO's main focus was to combine technological innovation with process innovation solutions to deliver value to clients. This involved taking over a client's processes such as accounting, billing, refunding travel expenses and so on, and making them more efficient using not just the latest technological products but also ironing out the flaws in the processes themselves by applying all the process expertise that WIPRO had built up over the years. This approach helped the company position itself as an innovator rather than simply a provider of technological products.

- **Operational Excellence**

Over time, WIPRO had come to stand for operational excellence. Its commitment to quality had been a critical part of its product offering. WIPRO employees acknowledged that Six Sigma was big across the company, whether in BPO, IT Services or R&D. The company was highly process oriented and focused on operational excellence.

WIPRO's pursuit of operational excellence had begun in the 1990s with the quest for quality certification. In the absence of a well-developed brand or significant testimonials, the company required a differentiator that was a proxy for trust and credibility. It turned to CMM, Carnegie Mellon University's software programming standards. WIPRO was awarded CMM Level 3 in 1997, certifying that it had documented processes for developing software with low defect rates. It achieved the highest CMM Level 5 in 1998, PCMM (People Capability Maturity Model) Level 5 in 2001, relating to people management, and in 2002 it became the world's first company to achieve Level 5 CMMI (Capability Maturity Model Integration) version 1.1, which pertains to high-level management of software projects.

The company next focused on Six Sigma, which involved identifying problems, analysing them with mathematical tools and fixing them. While it took time to adapt Six Sigma to WIPRO's businesses, by 2002 all of its business units had adopted the method.

One of its initial challenges was that first-time clients overseas were doubtful as to how the firm could work on their business processes and seamlessly transition them to new technologies and solutions from far-away India. The application of Six Sigma to WIPRO's businesses allowed clients to obtain detailed mapping of all the processes required to make a smooth transition. This was a tremendous incentive for the client to take the required leap of faith and entrust their business to WIPRO, while enabling WIPRO to build up its reputation and credibility as being a stickler for process excellence. Delivering on quality commitments thus became a key brand benefit.

- **A Global Footprint with Emerging Market Knowledge**

Among its Indian rivals, WIPRO's global footprint was another important differentiator, especially given its portfolio split in favour of emerging markets. The Asia-Pacific region contributed US\$1 billion in revenues and was considered a key differentiator vis-à-vis Infosys.

Many emerging market clients, especially in India, the Middle-East and South Africa, looked to WIPRO not just for developing technological solutions but also for bringing their developed market knowledge into retail, finance and telecommunications to manage their business processes better. In the light of the booming telecom markets in Asia-

Pacific, especially in India, WIPRO's European clients hoped to learn from its emerging market experience. American clients such as Cisco and Microsoft publicly affirmed that they would prefer to work with WIPRO given its 60-year presence in India and the Middle East.

Apart from its global footprint, WIPRO also offered knowledge from a wide range of industries. Being a large consumer player in Asia-Pacific, retail clients especially were attracted to work with WIPRO as they benefited not only from its technical expertise but also from WIPRO's in-house market knowledge of the consumer sector, thanks to its consultancy services.

Another key benefit of WIPRO's global footprint was its know-how in managing a globally diverse workforce (75,000 employees worldwide). Clients that were newly globalising came to WIPRO for IT solutions as well as training and change-management processes. This led to a broader engagement across functions such as HR and Marketing – rather than only the IT department – ultimately creating a deeper and more beneficial relationship for the client.

- **A Company Culture of Linking Values to Business Performance**

WIPRO's cultural fit with its clients was also important in the selection process. The company culture was “less flashy and less aggressive”³² than some of its Indian rivals. This resonated with clients in the manufacturing and retail sectors who preferred a more discreet approach to building a relationship. The company's cultural tone came from the top – Chairman Premji liked to say that the brand WIPRO was all about “humility”.

Priti Rajora, GM of Talent Acquisition, affirmed that the mainstay of the WIPRO brand, integrity and emphasis on human capital, had been built up over time. While the media picked up on the concept of “integrity” being paramount to WIPRO's leadership, internally WIPRO's recruitment process and subsequent training sessions ensured that employees remained in touch with the company's values. Workshops were held for employees to demonstrate how the central values affected different business units and the corresponding behaviour that needed to be encouraged. Each business unit was regularly judged on its performance in terms of company values, and this formed an important component of its scorecard.

The core driver “Intensity to Win”, which put the emphasis on making customers successful, was deeply ingrained in the company culture. The idea was to improve business outcomes for customers by constantly introducing new ideas and new ways of doing things. Ultimately, the WIPRO culture drove the WIPRO values deep into the organisation so that every employee was inspired by two mantras: innovative solutions and focus on the customer.

VI. The Problem at Hand

WIPRO had set itself the goal of being among the top five global IT players within the next five years. However, despite its tremendous business successes in the recent past, the Brand Perception Survey conducted in 2006 had shown that awareness levels of WIPRO were much lower than those of its Indian rivals (see Exhibit 1). On the other hand, between 2005 and

32 Interview with Jessie Paul.

2006 its 'favourability' scores had increased dramatically. In other words, those who knew about WIPRO now had a far more favourable impression of the company (see Exhibit 1). The key was to develop a distinct positioning to help increase awareness levels in target geographies and audiences. As Jessie Paul mulled over the brand perception data, she could see three core areas which could be leveraged to develop a differentiated brand position.

First, WIPRO could play up the area of operational excellence. With a number of CMM certificates under its belt and the adoption of Six Sigma processes throughout the firm, it was in a position to build a brand position around quality leadership. But was this advantage exclusive to WIPRO? How easily could it be replicated?

The second area was linked to the notion of customer centricity. The "Intensity to Win" value had been instilled throughout the company, but keeping customers happy once they had benefited from WIPRO's services was easier than actually getting a customer to take on WIPRO as its IT services partner for the first time. Customer centricity alone would not rope in new customers.

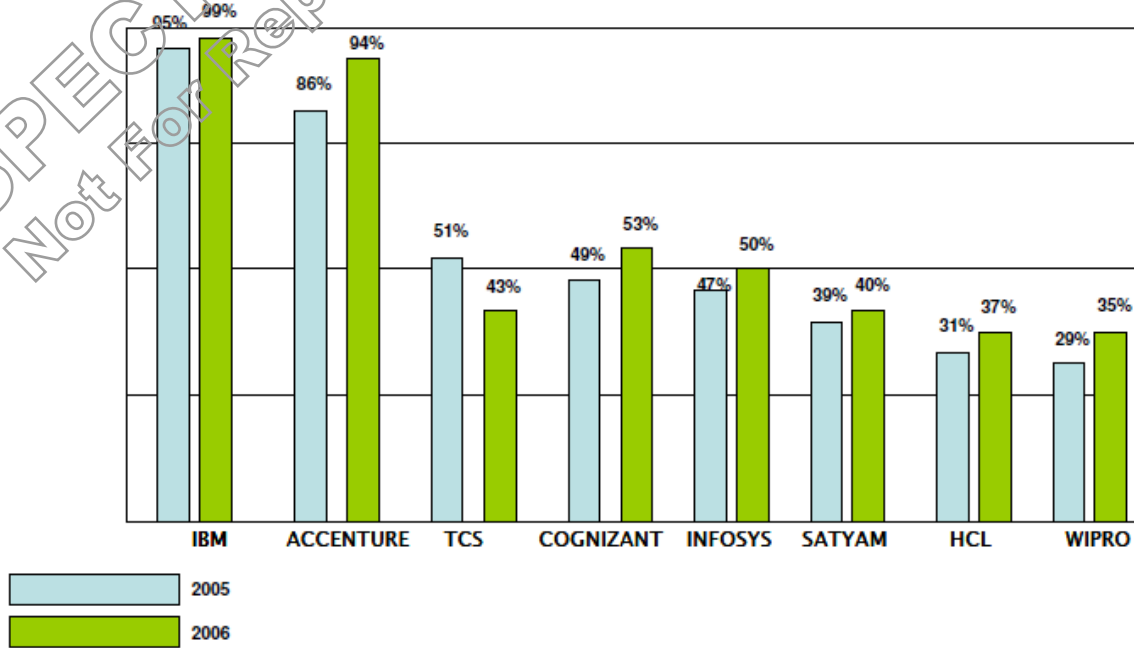
The final area that showed promise was innovation. After "Intensity to Win", "Excelling through Innovation and Teamwork" was the second component of the drive to make customers successful. Could the concept of innovation be taken beyond the customary realm of technology? If other IT service providers were working on new technologies, would this be a differentiator?

Another issue was obviously one of budgetary resources. WIPRO wanted to compete with the likes of IBM and Accenture but did not have the financial clout to advertise and build awareness on the same scale. With \$1.3 million for marketing communications directed at building awareness and a differentiated image, WIPRO's budget was a barely a tenth of that of its main international competitors. How could it use its communication dollars in the best possible way? Ultimately, the campaign would have to improve awareness levels and define WIPRO's position more clearly in the minds of existing clients and potential customers (i.e., the members of the C-suite of Fortune 1000 companies). The challenge was how to make the campaign stand out to this target audience compared with its big-spending rivals. WIPRO needed to carefully evaluate all the 'touch points' where decision makers could be reached and receptive to WIPRO's message. The challenge was to reach as many of these people as possible with limited resources.

Finally, Jessie Paul had to consider the geographical scope of the marketing campaign: it had to span the US, Europe and Japan. The budget to produce communications collateral in these different locations simply did not exist. The challenge would be to distil customer knowledge from all of them into a central communication production base and then find location-specific channels that could be leveraged effectively. She wondered whether the global delivery model used so effectively to manage WIPRO's operations could be leveraged to view marketing activities in a new light in order to increase their cost effectiveness. Developing and implementing the marketing campaign would involve myriad activities, from market research and the development of targeted creative ideas – and their execution as print ads, billboards etc. – to the production of collateral materials, event management, website management, and so on. Was there a way to think about these activities so that costs could be minimized without compromising quality?

Exhibit 1
*Awareness and Perception of WIPRO and Competitors
among Fortune 1000 Decision Makers*

Awareness



Favourability

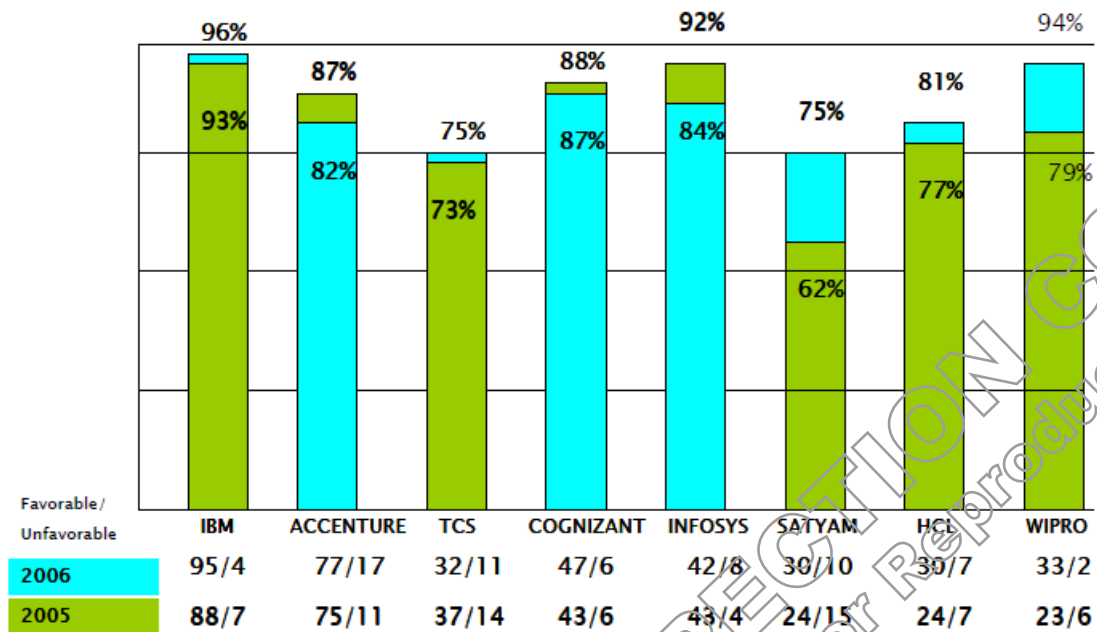


Exhibit 1 (cont'd)

*Awareness and Perception of WIPRO and Competitors
among Fortune 1000 Decision Makers*

Favourability by Service

IF AWARE WIPRO OFFERS SERVICE: Based on what you know, compared to other companies, how would you rate Wipro on this service, where 1 means it is the market leader and 4 means that it is not a factor in the marketplace? (1+2 / 3+4)	2005	2006
	All	All
IT Services	63/17	
Infrastructure Management Services	45/36	
Business Process Outsourcing	70/20	51/28
R&D Outsourcing/ Engineering Services	55/22	63/19
Consulting Services	57/19	42/21
Application Outsourcing or Application Development		55/22
Infrastructure Management Services / IT Services		49/19

Information Source

What is your primary resource for information on business trends?	Non-Clients		
	All	CXO	Tier 1&2
Technology Analyst Firms	10	5	12
Trade publications	13	8	16
Colleagues	23	33	17
Internet	21	18	23
Conferences/Meetings	6	5	7
Sourcing advisors (like TPI, Everest, Bain, Booz Allen Hamilton)	6	5	7
Other	4	8	3
Don't know	1	0	1

N = 115 Non Clients.

Source: WIPRO Brand Audit; Penn, Schoen and Berland (2006).

Exhibit 2
WIPRO Financials

(Rs. Millions) except share data

Particulars	Year ended 31st March				
	2007	2006	2005	2004	2003
Segment Revenue					
Global IT Services and Products	110,945	80,660	60,753	43,575	30,487
India & Asia-Pacific IT Services and Products	24,835	17,048	13,964	9,762	8,395
Consumer Care and Lighting	8,182	6,008	4,723	3,649	2,991
Others	6,046	2,542	2,258	1,826	1,468
TOTAL	150,008	106,258	81,698	58,812	43,341
Profit before Interest and Tax – PBIT					
Global IT Services and Products	26,939	19,854	16,041	9,539	8,451
India & Asia-Pacific IT Services and Products	2,139	1,459	1,042	792	557
Consumer Care and Lighting	1,006	805	672	551	436
Others	322	388	397	277	240
TOTAL	30,406	22,506	18,152	11,159	9,684
Interest (net) and other income	2,582	1,272	796	873	634
Profit Before Tax	32,988	23,778	18,948	12,032	10,318
Income Tax expense including Fringe Benefit Tax	-3,868	-3,391	-2,750	-1,681	-1,343
Profit for the period	29,120	20,387	16,198	10,351	8,975
Net Loss on discontinuance of ISP Business	-	-	-	-	-378
Profit Before Share in earnings of affiliates and minority interest	29,120	20,387	16,198	10,351	8,597
Share in earnings of affiliates	295	288	175	23	-355
Minority interest	6	-1	-88	-59	-37
PROFIT AFTER TAX	29,421	20,674	16,285	10,315	8,205
Earning per share – EPS					
Basic (in Rs)	20.62	14.70	11.70	7.44	5.92
Diluted (in Rs)	20.41	14.48	11.60	7.43	5.91
Outstanding Shares Count (in Millions)					
No of Shares at the year-end	1,459	1,426	1,407	1,397	1,395
No of Shares used to calculate the Basic EPS	1,427	1,407	1,392	1,388	1,387
No of Shares used to calculate the Diluted EPS	1,441	1,428	1,404	1,389	1,389

Exhibit 2 (cont'd)

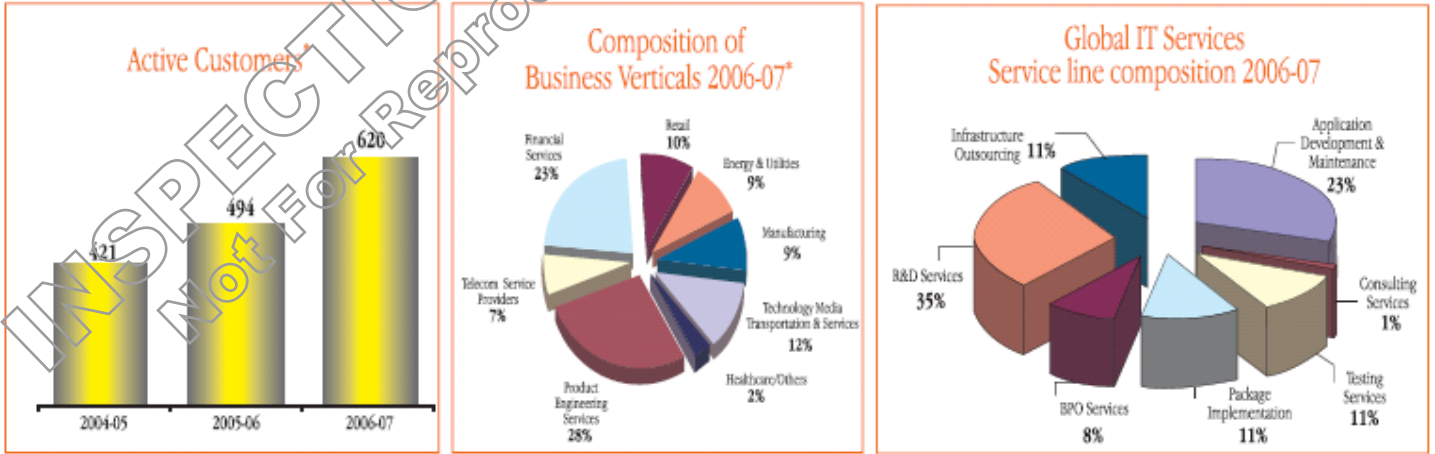
WIPRO Financials

Operating Margin					
Global IT Services and Products	24%	25%	26%	22%	28%
India & Asia-Pacific IT Services and Products	9%	9%	7%	8%	7%
Consumer Care and Lighting	12%	13%	14%	15%	15%
TOTAL	20%	21%	22%	19%	22%
Return on Average Capital Employed					
Global IT Services and Products	63%	59%	62%	47%	62%
India & Asia-Pacific IT Services and Products	55%	77%	63%	53%	54%
Consumer Care and Lighting	48%	76%	89%	86%	60%
TOTAL	36%	37%	39%	30%	31%

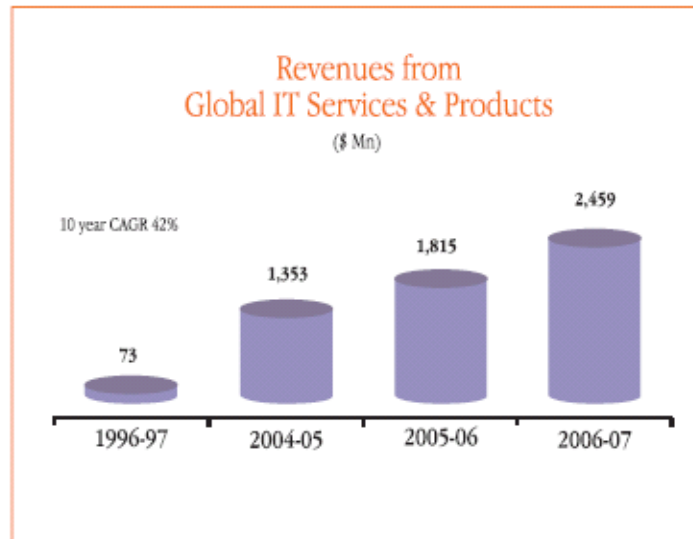
#Note: Outstanding Share count and EPS have been adjusted for Stock dividend and bonus issue.

Source: WIPRO Technologies.

Exhibit 3
WIPRO Today



*For IT Services only



92% of WIPRO's revenues come from IT products and services. Consumer care, Lighting and Others contribute the rest. Among the IT revenues, 60% is sourced from the Americas, 29% from Europe, 3% from Japan and 8% from India and the Rest of the world.

Among business verticals, the top revenue contributors for IT services are product engineering services (28%), financial services (23%), technology, media, transportation and services (12%), retail (10%), energy and utilities (9%), telecom service providers (7%) (see Exhibit 2).

Among the global IT services, the revenue contribution by service line is as follows: R&D Services (35%), Application, Development and Maintenance (23%), Package Implementation (11%), Testing (11%), Infrastructure Outsourcing (11%), BPO Services (8%) and Consulting Services (1%).

Source: WIPRO Annual Report 2006-2007.

Exhibit 4
*Unaided Awareness of IT Professional Services and Solution Firms
by Respondent Perspective*

	All Respondents (N=400)		IT (N=200)		Business Unit (N=200)	
	Count	%	Count	%	Count	%
IBM Global Services	110	27.5	70	35.0	40	20.0
Accenture	33	8.3	17	8.5	16	8.0
Hewlett-Packard	19	4.8	13	6.5	6	3.0
EDS	16	4.0	10	5.0	6	3.0
Deloitte Consulting	12	3.0	8	4.0	4	2.0
Computer Sciences Corporation	11	2.8	8	4.0	3	1.5
SAP	10	2.5	9	4.5	1	0.5
Capgemini	9	2.3	6	3.0	3	1.5
Oracle	9	2.3	5	2.5	4	2.0
Gartner	8	2.0	6	3.0	2	1.0
Microsoft	8	2.0	3	1.5	5	2.5
Internal staff	8	2.0	4	2.0	4	2.0
BearingPoint	6	1.5	3	1.5	3	1.5
Other	152	38.0	91	45.5	61	30.5
Don't know	137	34.3	49	24.5	88	44.0

Source: ITSMA, Leaders and Contenders: 2006 Professional Services and Solutions Brand Tracking Survey.

Exhibit 5
Competitive Branding Campaigns



Exhibit 5 (cont'd)
Competitive Branding Campaigns

**Flat world business
secrets from a
flat world company.**

**(4 word summary:
shift your operational priorities)**

The world is flattening: Is your business adapting to compete and win? Are you dreading the China Price or are you becoming the China Price? Are you spending money on information or are you making money from information? Are you trying to increase customer loyalty through good customer service or through faster innovation? Are you focusing your resources on

competing in the straightaway or are you preparing to overtake the competition on the turns?

We have been a flat world company since our birth. We can help you shift your operational priorities and win in the flat world. To know more, visit <http://thinkflat.infosys.com>

Infosys®
POWERED BY INTELLECT
DRIVEN BY VALUES

Exhibit 5 (cont'd)
Competitive Branding Campaigns

1,389



TATA

Providing innovative solutions
to enable split-second decisions
at 300 kmph for Ferrari. That's
certainty

TATA CONSULTANCY SERVICES
Experience certainty.
IT Services • Business Solutions • Outsourcing
tcs.com

The Ferrari one racing car is the most complex and advanced car in the world, pushing research in aerodynamics, engine technology, chassis, gears and handling. It has more in common with a jet plane than it does with a high performance car. Tata Consultancy Services (TCS) works with 3 of the world's fastest growing technology and business solutions providers, TCS ensures that all mechanical and electronic systems perform at their optimum under levels of extreme stress. Managing pressure and troubleshooting in a 1000th of a second where every 10th advantage makes a huge difference. Kind of genius, enabling Ferrari to experience certainty.

Source: WIPRO Technologies.

Exhibit 6a

Mean Importance Ratings of IT Professional Services Firms' Attributes

When you and your company are selecting an IT professional services provider, how important is it that this firm ___?
Mean Rating (N=376)



Notes: Mean importance is based on a five-point scale in which 1=not at all important and 5=very important. Attributes above the horizontal line are statistically more important to respondents than the others.

Exhibit 6b

Organisation's Highest Priority

Which of the following would you consider to be your organisation's highest priority?
% of Respondents (N=400)

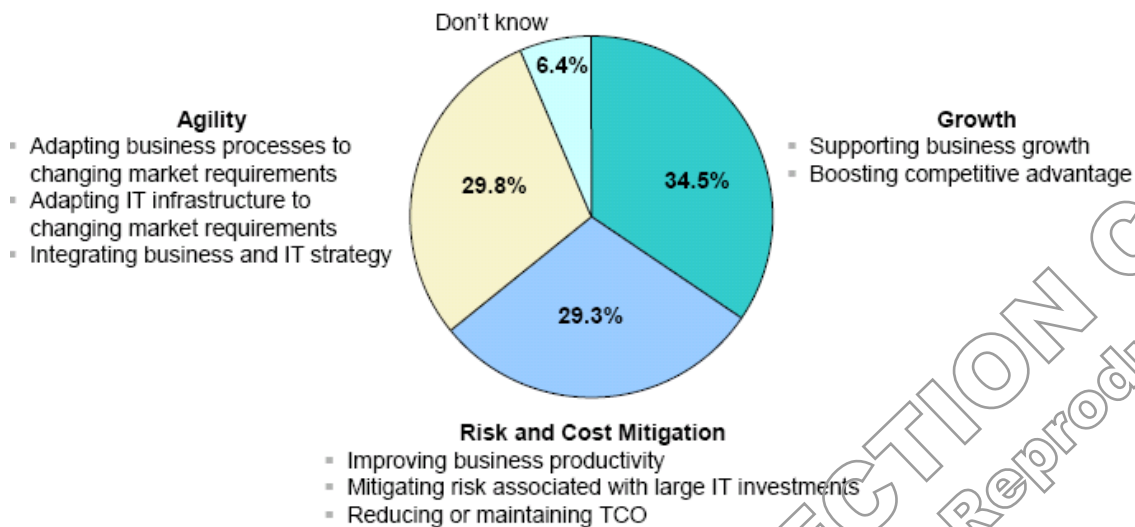


Exhibit 6c

*Inclination to Use Multiple Sourcing of Professional Services Contracts
Compared with Two Years Ago*

Compared with two years ago, are you less inclined, equally inclined, or more inclined to use multiple vendors in sourcing professional services contracts instead of a single vendor to cover all IT services?
% of Respondents (N=400)

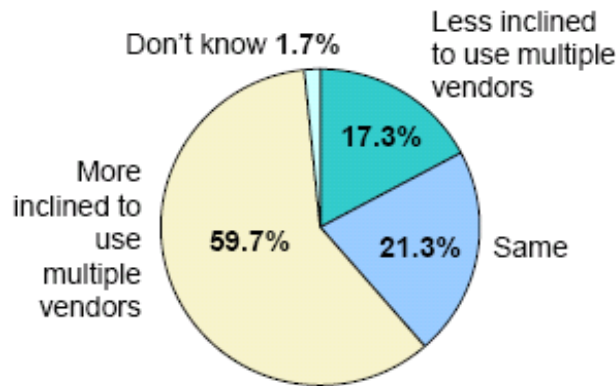


Exhibit 6d

Willingness to Pay Premium for Exceeding Service Level Agreements

Are you willing to pay a premium when your professional services firm exceeds its service-level agreements?
% of Respondents (N=400)

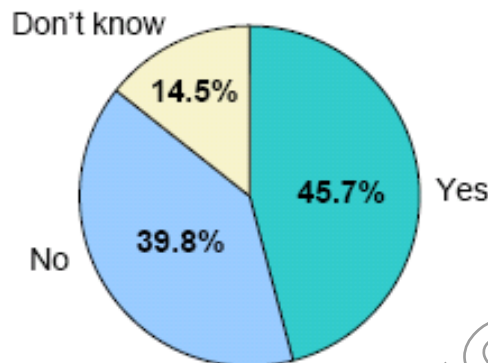
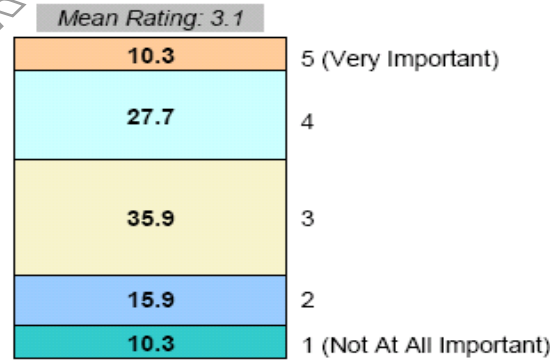


Exhibit 6e

Mean Importance Ratings of Issues Related to Professional Services Offered by Technology Firms

When thinking about professional services firms that also develop hardware or software products, how important is it that the firm ___?
% of Respondents (N=390)



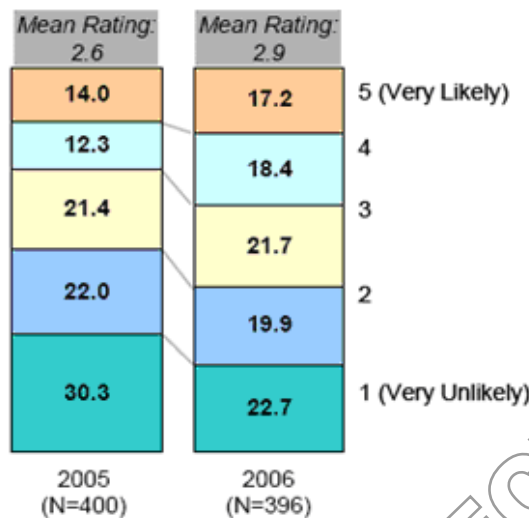
Focuses on complementing its own technology rather than others'

Note: Mean ratings are based on a five-point scale in which 1=not at all important and 5=very important.

Exhibit 6f

Consideration of Firms Using Significant Offshore Resources, 2005 and 2006

How likely are you to consider an IT professional Services firm that utilises a significant amount Of offshore resources to support you?
% of Respondents



Note: Mean ratings are based on a five-point scale in which 1=very unlikely and 5=very likely.

Source: ITSMA Brand Equity study (2006).

Exhibit 7
WIPRO Campus



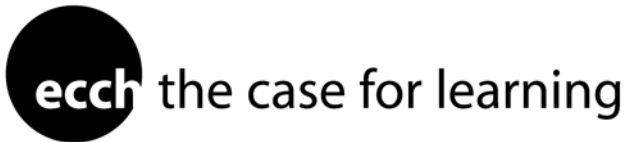
Source: WIPRO Technologies.

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