



Tech Mahindra Application Management

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Application Outsourcing Vendor Assessment for Tech Mahindra is a comprehensive assessment of Tech Mahindra's application outsourcing offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for application outsourcing services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the application services, application support and maintenance sectors.

Key Findings & Highlights

Tech Mahindra was founded in 1986 and is headquartered in Mumbai, India. A major shareholder is Mahindra Group (~26.3% of shares).

In June 2013, Tech Mahindra (TM) announced the finalization of its merger with Mahindra Satyam (MS); the merged entity is now called Tech Mahindra. Tech Mahindra and Mahindra Satyam had a largely complementary client base in terms of geographical and vertical presence; Tech Mahindra had targeted telecom service providers with an IT and BPO services portfolio, and Mahindra Satyam had focused on a wide range of enterprise clients, including telecom.

Tech Mahindra has several priorities:

- Telecoms: to expand its client base beyond its traditional BT and AT&T accounts to other telecom services providers, and to expand its share of wallet with current clients
- Enterprise: the majority of clients and verticals have a background with Mahindra Satyam. Recently, Tech Mahindra announced that it is focusing, in its enterprise client segment, on new logos and new opportunities, as opposed to increasing share of wallet, as with its telecom segment

Tech Mahindra has announced that by FY 2015 it wants to reach revenues of ~\$5bn and an EBITDA margin similar to its competition (up from ~23.2% in FY Q3 2014). Some of the growth is to come from acquisitions; Tech Mahindra management has shared with financial analysts that the majority of acquisitions are intended to fill "portfolio gaps" in its enterprise segment, particularly in financial services, as well as in product engineering services.

Tech Mahindra recently launched its 'Power of One' strategy, a cross-selling initiative across its different businesses, including Telecom and Enterprise; there are 20 examples of Power of One offerings in different verticals. An underlying principle is that Tech Mahindra's core strength in telecom can be utilized to help clients to become digital enterprises, through an emphasis on networks, mobile, analytics, Cloud and security services.

In the enterprise space, Tech Mahindra has seen its growth come from renewals of IT outsourcing contracts; both IT infrastructure and application management. The company also set up a large deal team in

FY Q4 2013, focusing initially on mobility and network services as an entry point to enterprise clients.

Scope of the Report

The report provides a comprehensive and objective analysis of Tech Mahindra's application outsourcing offerings, capabilities, and market and financial strength, including:

- Analysis of the company's offerings and key service components
- Revenue estimates
- Identification of the company's strategy, emphasis and new developments
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.



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