

INTERVIEW: TK KURIEN

CHIEF EXECUTIVE OFFICER, WIPRO

Deal pipeline in this quarter is good

Wipro's next big thrust will be in the area of investing in new-age start-ups globally and creating a new band of technologists within the company. TK Kurien, CEO, Wipro, said the company is preparing itself for delivering the next-generation services in an interview with FE's PP Thimmaya and Prabhu Mallikarjunan. Edited excerpts:

How is Wipro's strategy of picking up stakes in tech start-ups playing out?

We pick up minority stakes and deploy the technology in our business. In FY16, Wipro made an investment early-stage companies — Talena and Vicarious. We are using Vicarious as part of our AI engine. So, it's a classy example of use the investment we have made in and help them scale up. They are funded for the next 10 years.

Will Wipro invest in Indian start-ups?

Wherever there is great technology, we will invest in. We have found some very interesting companies in India. I can't say when we'll invest, but we will invest.

Will Wipro increase the fund size of



start-up investments?

We would replenish the \$100 million set aside and then invest again. We are confident that based on the returns we have got till now is quite reasonable. I don't think we are particularly worried about investing.

How do you see the overall business environment?

We see North America is being bullish. Our y-o-y growth in North America is over 10%. This quarter, it is 2.8% sequentially. So that's positive sign. Europe, for one more

quarter, will be muted, but based upon the deals we've done, once the billing starts, we will see it picking up.

How does the deal pipeline look?

The pipeline from the last quarter to this quarter is good. The pipeline is strong. The question is how much do we pick up in terms of deals and at what price and how much risk do we take from pricing perspective. There is very little differentiation on the run side of the business. So, I believe the pricing pressure would continue.

Is there pressure on margins?

From the margin perspective, there may be band 1% where we may get affected. As we reduce cost using automation, the headspace that it gives will bolster our margins to the extent that pricing might take it down.

How is the COO model working?

Having Abid has freed up my bandwidth and it's been a great help having him here. He has been taking care of the entire operations where I used to get pulled in continuously, in that sense it has really helped.