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INFOSYS
GLOBAL CONSULTING POWERHOUSE

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Abstract

Infosys is a global IT services powerhouse that is transforming the world of professional services, systems integration, and global outsourced IT development and management. Their growth has been unimpeded, even through the difficult post dot-com boom years, mainly due to their innovative Global Delivery Model (GDM) approach.

Web Services and SOA factor into their growth story by providing the technical underpinnings for achieving even greater amounts of efficiency and business value for their customers. This ZapNote explores Infosys's overall business and one of the implementation frameworks they have developed to bootstrap Web Services implementations by providing an infrastructure for implementing SOA.

Perfecting the Global Delivery Model

Infosys, a Bangalore-based IT professional services and systems integration firm, is one of the fastest rising stars in the global IT services industry. The company, started in the early 1980's with just a handful of employees, now has over 30,000 employees worldwide with revenues exceeding $1 billion US annually. What makes the firm even more amazing is that while most professional services firms saw dramatic reductions in revenue or even disappeared entirely in the days following the dot-com crash, Infosys' business continued to grow at an amazing 30% a year. For some, this Wall Street darling seems almost recession-proof.

However, the secret to their success is not simply luck. They attribute their success to two main factors: their business model called the *Global Delivery Model* (GDM), and the increasing trend of enterprises to seek outsourced and offshore resources for their IT service needs. The key to their Global Delivery Model is a focus on getting the best talent, wherever it is located, and applying that talent to their customers' needs. Often, Infosys can obtain more skilled labor at more effective cost than their customer might be able to in their own local region. As such, the firm aims for "customer delight" through a high-value model that optimizes skills and minimizes cost.

Yet, among Indian firms, Infosys isn't the lowest cost – since they don't provide a body shop offering that simply off-shores existing IT projects. Rather, the company focuses on becoming a global service provider that leverages the benefits of resources available in all geographies. In fact, they they offer consulting, sourcing, and project-based work, and they routinely expect to provide their clients with a series of such engagements.

As a result of their rapid growth, the company has gone through a number of reorganizations to deal with their expanded size and scope of implementation project. At first, Infosys organized itself by geography, but now the company is organized by industry. Those industries include energy and utilities, financial services, healthcare, life sciences, manufacturing, retail and distribution, technology, telecommunications, aerospace and defense, automotive, media and entertainment, and transportation.

In addition to these vertical industry business units, the company recently launched a management consulting practice called *Infosys Consulting*, and provides business units focused on horizontal technologies and services that are matrixed across the industry business units. Those horizontal business units include:

> *Independent Validation Services (IVS)* – Services for quality testing and verification of corporate IT implementations. Services also include independent Quality & Testing Process consulting. This service can also be undertaken for projects where Infosys is doing the development work. In such cases, there is an enforced separation between the Development team & the Validation team.

> *Infrastructure Management Services (IMS)* – Outsourced Data center management, network management, application management and monitoring services.

> *Enterprise Solutions* – Packaged applications implementation (SAP, CRM, etc.)

> *System Integration (SI)* – End-to-end application integration, security, and architecture services

It is in this latter group, the System Integration business unit, that Infosys is developing a practice around Web Services and Service-Oriented Architecture (SOA). In addition to the technology and architectural underpinnings for Web Services and SOA, Infosys has been pioneering a new model for outsourced IT called *Modular Global Sourcing* (MGS). The methodology calls for staging the outsourcing of different modules of a company's IT infrastructure rather than excising and outsourcing the entire IT infrastructure at once. This approach, they claim, is more successful than other IT outsourcing approaches since it reduces the risk of outsourcing for all parties.

Advancing the State-of-the-Art with Web Services and SOA

In addition to this new methodology, Infosys has a research and development arm called *the Software Engineering & Technology Labs (SETLabs)*, based in Bangalore, India. SETLabs sets the technology direction and identifies the trends for the rest of the company. The research might not be directly tied to customer engagements, but educates the rest of the Infosys organization and provides prototypes to help guide their customers' implementations. In particular, the group has developed their own SOA implementation frameworks built on top of .NET and J2EE for accelerating application and service delivery.

The technology-focused groups at Infosys operate around three main centers of excellence: J2EE, .NET, and Web Services. It is important to note that the Web Services group is not focused on SOAP-based technology only, but is in reality an SOA area of excellence. Each of these centers of excellence has developed implementation roadmaps and frameworks on top of their core technology to guide their delivery to end-users. Their resulting work in the Web Services excellence area is a set of industry best practices, their own concept of the Enterprise Service Bus, as well as a lifecycle model for delivering and developing Web Services and SOA.

One of the implementation frameworks they have developed is a project called *Syndeo* that helps to bootstrap Web Services implementations by providing an infrastructure for implementing SOAs. This framework includes all the necessary runtime and design time infrastructure to reliably implement an SOA for their clients, including aspects of messaging, reliability, security, and process. While Syndeo hasn't yet been implemented in any of their customer projects, Infosys has been implementing Web Services and SOA for a few years. They claim that many of their solutions have been implemented from a Service-oriented approach over the past year or two. Going forward, the Web Services and SOA excellence center plans to focus on three key goals for helping their customers:

➢ *Rationalization* – They plan to help their customers transition to a Service-oriented approach over multiple years by focusing on leveraging and rationalizing the existing systems and applications in an enterprise. The main goal of this focus is application reduction, application re-architecting, analyzing the IT ecosystem of the organization, and preparation of a roadmap for how an enterprise must modify its application landscape.

➢ *Integration* – In addition to rationalization, Infosys plans to deliver Web Services and SOA by focusing on integration scenarios, technologies, protocols, and the implementation of their ESB vision to help reduce the cost of long-term maintenance and development of IT systems.

➢ *Management* – Finally, the company acknowledges that rationalization and integration are not sufficient to deliver on the business requirements of IT. Rather, they also plan to provide major elements of business process management, business activity monitoring, and other key management approaches and technologies that provide companies a way to gain complete visibility into the runtime and design time aspects of IT. This focus area doesn't include just instrumentation, but also policies, governance, procedures, budgets, and IT financing.

The ZapThink Take

Infosys is one of the leading global service firms that bear watching. Their GDM approach makes them competitive in a market that operates primarily on one of margins over employee costs and employee productivity. Web Services and SOA factor into this picture by providing the technical underpinnings by which they can achieve even greater amounts of efficiency and business value.

While Infosys is still in the early phases of implementing SOA and Web Services for their clients, their rapid rate of growth, deep knowledge of SOA and Web Services technologies and approaches, and their successful Global Delivery Model will surely make them a challenging competitor and valued service provider for the foreseeable future.

Profile: Infosys	October 2004
Date Founded: 1981	
Funding: Publicly-held - NASDAQ (INFY)	
Chairman of the Board and Chief Mentor: Narayana N. R. Murthy	
Managing Director, President and CEO: Nandan M. Nilekani	
Employees: 32,949 as of September 30, 2004	
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Related Research

➢ *Service Orientation Market Trends* Foundation Report (ZTR-WS110)

➢ *Service-Oriented Architecture Consulting* Foundation Report (ZTR-WS109)

➢ *Accenture* ZapNote (ZTZN-1155)

➢ *EDS* ZapNote (ZTZN-1154)

➢ *MphasiS* ZapNote (ZTZN-1151)

➢ *SAIC* ZapNote (ZTZN-1160)

About ZapThink, LLC

ZapThink is an IT market intelligence firm that provides trusted advice and critical insight into XML, Web Services, and Service Orientation. We provide our target audience of IT vendors, service providers and end-users a clear roadmap for standards-based, loosely coupled distributed computing – a vision of IT meeting the needs of the agile business.

ZapThink's role is to help companies understand these IT products and services in the context of SOAs and the vision of Service Orientation. ZapThink provides *market intelligence* to IT vendors who offer XML and Web Services-based products to help them understand their competitive landscape and how to communicate their value proposition to their customers within the context of Service Orientation, and lay out their product roadmaps for the coming wave of Service Orientation. ZapThink also provides *implementation intelligence* to IT users who are seeking guidance and clarity into how to assemble the available products and services into a coherent roadmap to Service Orientation. Finally, ZapThink provides *demand intelligence* to IT vendors and service providers who must understand the needs of IT users as they follow the roadmap to Service Orientation.

ZapThink's senior analysts are widely regarded as the "go to analysts" for XML, Web Services, and SOAs by vendors, end-users, and the press. They are in great demand as speakers, and have presented at conferences and industry events around the world. They are among the most quoted industry analysts in the IT industry.

ZapThink was founded in October 2000 and is headquartered in Waltham, Massachusetts. Its customers include Global 1000 firms, public sector organizations around the world, and many emerging businesses. ZapThink Analysts have years of experience in IT as well as research and analysis. Its analysts have previously been with such firms as IDC and ChannelWave, and have sat on the working group committees for standards bodies such as RosettaNet, UDDI, CPExchange, ebXML, EIDX, and CompTIA.

Call, email, or visit the ZapThink Web site to learn more about how ZapThink can help you to better understand how XML and Web Services impact your business or organization.

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