

BPM not a low-margin biz: Capgemini CEO



Paris-headquartered information technology services and consulting major Capgemini recently completed one of the largest acquisitions in the business process management (BPM) space — of WNS for \$3.3 billion. This marks the firm's fourth acquisition in India. During his visit to the country as the deal closed, **Aiman Ezzat**, chief executive officer (CEO) of Capgemini, speaks with **Shivani Shinde** at the company's Hyderabad campus about the WNS acquisition, why artificial intelligence (AI) is still not delivering meaningful value, and why India continues to see strong hiring momentum. Edited excerpts:

What was the rationale behind the \$3 billion acquisition of BPM firm WNS?

■ For us, the big showcase will be the complete transformation of end-to-end processes. Take, for instance, the claims process in insurance — transforming that process completely allows us to embed AI, generative AI (GenAI), and agentic AI. But this kind of end-to-end business transformation is complex because you need to define processes at a very granular level. WNS gives us that operational expertise.

We have credibility in driving transformational projects around Cloud and AI, but we also need operational depth. WNS gives us scale and expands our reach into new processes, enabling us to take on large, complex transformation programmes where we assume part of the operations and underwrite the transformation for the client. Many assume BPM margins are low, but that's not the case — this business delivers healthy margins. More importantly, it's currently growing the fastest. It's interesting that a business many thought would eventually fade is, in fact, the one growing the fastest.

What is the scope for cross-selling services within the existing client base after this acquisition?

■ We can now bring all our technology expertise into these accounts. There are several clients in the financial services segment where we previously didn't have a



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Aiman Ezzat, Capgemini CEO

vertical business process outsourcing presence, and our teams are already working on joint opportunities. These will form the first set of engagements we're targeting. Over time, we expect larger and more complex deals around intelligent operations to follow. Some of the deal sizes we're pursuing under this segment range between \$50 million and \$100 million in annual contract value.

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Capgemini has also acquired Cloud4C — a very different kind of acquisition. How does that fit in?

■ We're looking for capabilities. Cloud4C is a small jewel — they've built a highly automated environment leveraging an open-source stack. It addresses a key market opportunity around private and sovereign Cloud. With this, we can now offer fully sovereign Cloud solutions. The acquisition also complements our Cloud infrastructure biz.

This will be your fourth acquisition in India. How have the earlier ones worked out?

■ Yes, this is our fourth acquisition, and all of them happen to be in India. Most of these businesses have a high level of offshoring — and naturally, if you're acquiring a BPM firm, it's likely to be in India.

We always prioritise cultural fit in our acquisitions; it's a crucial factor during due diligence. With WNS, we were very

comfortable — we spent just three days on a road trip together. We also recently held our post-merger integration board meeting, and things are progressing well.

We've seen widespread layoffs in the sector. What is Capgemini's hiring outlook?

■ We continue to hire at scale. This year, we plan to hire around 58,000 people in India. While attrition exists, we're seeing healthy growth and will keep expanding our workforce. Fundamentally, nothing changes for us. Productivity may improve over time, but as long as we're growing, we'll continue to add people.

Capgemini's recent quarterly numbers look better than the previous quarter. How is client sentiment on global technology spending?

■ I don't think the market has changed much in the past few months. While the appetite for AI and GenAI is very

high, the value coming from these deals remains limited. A lot of investment is going into setting up large language models, data centres, and acquiring graphics processing units. While all this is necessary to make AI functional, the value enterprises extract from it is still limited.

There are many use cases, but the scale-up needed to realise meaningful returns isn't happening yet. I was recently in a meeting with several CEOs, and when I asked them about the biggest barrier to scaling AI, the answer was unanimous: data. Many enterprises still lack the right datasets or structure. Data remains a critical piece of the AI journey — and for many, it's still not ready.

If AI had delivered the expected benefits, we'd have seen the impact by now. All my peers are adding a bit to the top line and increasing headcount. If anyone had achieved productivity at scale, costs would be coming down — and they're not.