

ATTRITION TO COME BACK TO COMFORTABLE LEVELS

TCS bets big on generative AI

The IT major would use the help of its 65,000 domain experts

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IT BELLWETHER TATA Consultancy Services (TCS) is betting big on generative artificial intelligence (Gen AI), an emerging technology, as it already has got more than 100 offers from clients.

Further, the Tata Group company is also working to define and enforce "guardrails" to leverage and implement Gen AI.

TCS would use the help of its 65,000 domain experts, which the IT major has across different industries, and its pool of about 20,000 technology solutions and enterprise architecture.

K Krithivasan, MD & CEO of TCS, said, "There has been a lot of interest in Gen AI. It promises to transform by assisting and augmenting people and improving their efficiency and effectiveness. We are currently engaged in over 50 Proof of Concepts and pilots on Gen AI and we have more than 100 offers in the pipeline".

"Our experience in building several Gen AI-powered use cases has shown that the full potential of the technology is better realised through an enterprise-wide initiative rather than isolated use cases, requiring deep partnership between business, legal, risk and compliance and data technologies.

"So, we are starting to engage with many of our customers in helping them in defining their Gen AI transformation strategy and to

HUGE POTENTIAL

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■ It has already filed 710 patents for AI innovations in the past five years, of which 282 have been granted

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define appropriate data strategy and platforms," he added.

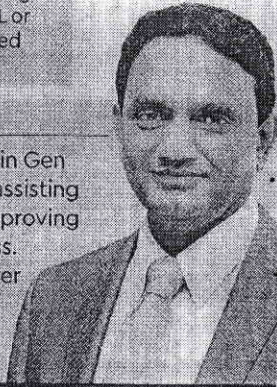
TCS' corporate R&D group has already filed 710 patents for AI innovations in the past five years, of which 282 have already been granted. The firm also has 50,000 associates trained in Artificial Intelligence-Machine Learning (AI-ML) building skills, with top external certifications.

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1.4 million hours of learning on AI-ML or related skills. The Mumbai-headquartered company has also started large-scale internal talent development across multiple Gen AI solutions, even as it is partnering with all hyperscalers.

"We are looking at Gen AI holistically and at enterprise level," Krithivasan said, adding, TCS plans to create a talent pool of over 100,000 Gen AI associates, but did

not provide a timeframe.

On the technology spend, TCS said it is going to be strong in the long-term, and the company's pipeline of deals also continues to be strong.

"This gives us the confidence that our clients are continuing to look for investing in tech. But there is a near term surplus because of the uncertainty and this is across some projects with low return on investments or not so business critical programmes," the TCS MD & CEO added.

Krithivasan, however, declined to comment on the recent bribes-to-job scam that rocked TCS, after a couple of whistleblowers blew the lid off.

N. Ganapathy Subramaniam, the firm's chief operating officer and executive director, said: "We will improve the processes so as these incidents are not repeated.

TCS chief human resources officer Milind Lakkad said that the company will pay 70% of its employees their full variable pay, while that for the remaining 30% would be based on business performance.

He also said that attrition will come back to comfortable levels.

The company, which had offered to take 40,000 personnel this year, will honour it.

However, it would be spread out over the years. "We are working towards it," Lakkad added.

Its total contract value for the first quarter was up by 24.39% on a year-on-year (YoY) basis, compared to \$8.2 billion in Q1FY23, driven mainly by the UK market (16.1% YoY in constant currency terms). Among its major markets, North America grew 4.6% and Continental Europe grew 3.4%.