

# ‘This recession was anticipated’

The country's largest IT services firm, Tata Consultancy Services (TCS), put in a strong performance with a total contract value (TCV) of \$8.1 billion in the second quarter of financial year 2022-23 (Q2FY23). Moreover, it crossed ₹10,000 crore in profits. In an interview, TCS Managing Director and Chief Executive Officer **RAJESH GOPINATHAN** talks to Shivani Shinde about how the recent rejig of the company is helping it tap into demand. Edited excerpts:

**There appears to be a mismatch between management commentary, company performance, and the real macroeconomic environment. What is different this time when compared to previous slowdown cycles?**

I don't think there's any mismatch between what we are saying and what you're hearing. We can talk about what we're seeing inside our client universe. Our clients are dealing with the environment and they will, depending on whether it is an up or down cycle, invest in growth, con-

solidation, or optimisation. We have the breadth of service portfolio to be able to stay relevant. We hear caution from our customers, but they are neither cancelling any of our current projects, nor saying that they will be pulling back massively.

The previous two slowdowns in the last 10 years—the financial crisis and then the pandemic—were both dramatic collapses. They occurred unannounced and very quickly. The difference this time is that the recession was heralded. It was predicted and anticipated.

Besides, there is a difference in how it is playing out in the US and in Europe.

But one fact is that tech is at the core of both the growth transformation as well as optimisation agenda.

**How is the new organisation structure evolving?**

It's too early to quantify, but it is a huge help. The reorganisation was about aligning the company to focus on customers at different points of their journey. One of the ideas behind the reorganisation was to give customers a direct line of sight, irrespective of the deal size. This increases the focus, urgency, and immediacy of that relationship and also gives customers the comfort that we value them for who they can potentially be. The pieces are slowly starting to fall into place... but it will take time to be able to measure outcomes. Turn to Page 2 ▶

**▶ TALENT CLOUD WILL ADDRESS MOONLIGHTING, SAYS TCS P2**



**RAJESH GOPINATHAN**  
MD and CEO, TCS



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