Vendor Profile of:

Infosys
Learning Services

1   Background

Infosys began delivering HR Outsourcing (HRO) services in 2005 and established an HR BPO unit in 2006.

More recently, Infosys has been developing a platform-based BPO offering, which it launched in November 2009 with three foundation clients in Australia, New Zealand and the United States, including a large retail client in the United States.

The new platform-based offering, which is based on Oracle's PeopleSoft Enterprise Capital Management Suite, includes:

- ❑   HR administration

- ❑   Payroll, time and labor

- ❑   Benefits administration

- ❑   Integrated talent management; recruitment, performance management, succession planning, learning and compensation

- ❑   Employee and Manager Self-Service

- ❑   Employee helpdesk services.

Infosys had been providing HRO services to clients with their own ERP systems and now adds a hosted option which was selected for its functionality, allowing client's to start with an initial set of services and add-on other modules and services over time.

This profile focuses on the learning business process outsourcing (LBPO) services, offered by Infosys' Learning Services practice, which Infosys began delivering in 2007. This profile also covers the broader Infosys learning services provided through Infosys Technologies.

Where the term learning services is used, it applies to total Infosys. Where LBPO is used it applies to Infosys learning as part of HR BPO.

2   Financial Summary

In its FY 2010, (ended March 31, 2010) Infosys overall BPO revenue was $293m.

NelsonHall estimates Infosys total company learning services revenue for FY 2010 to be c. $22m, of which c. 90% is standalone learning or c. $20m.

- ❑   10% or $2m of which is LBPO attributed to Infosys HRO, as part of Infosys BPO

- ❑   90% or $18m of which is attributed to ITO as part of Infosys Technologies.

Total learning services revenues are estimated by Nelson Hall to be generated from clients headquartered in:

- ❑   U.S.   c. 84%

- ❑   Europe   c.   2% (90% of Europe revenues from U.K.)

- ❑   Rest of World c. 14% (including Australia which is c. 35% of RoW and c. 5% of overall revenues).

3 Organization Structure

Infosys has over 114,000 personnel of which an estimated c. 2,300 FTE's provide talent management services and ~ 276 are in learning services across the total company, of which 80 are in HRO providing LBPO services. Most learning services employees are located in Bangalore and Pune.

Most learning services are performed offshore, including all employee call center support for tier 1 and 2 services. However, Infosys has the ability to provide learning services from multiple nearshore locations as well as at client locations.

4 Target Markets

All learning services are targeted to existing large global Infosys clients in:

❑ North America, primarily U.S.

❑ Europe, primarily U.K. and Switzerland, with some interest in Germany and France

❑ Asia Pacific, primarily Australia.

Global clients are targeted as Infosys finds they are under more pressure to evolve their learning services than single country organizations.

Client targets are typically 5,000-10,000 employees and above in the private sector, although Infosys will target smaller size employers. Additional geographies are targeted as well, but clients are generally in English speaking countries, which have been the trend and not necessarily the intent.

Infosys is providing LBPO services to Rio Tinto, or whom Infosys provides learning administration in support of 35,000 client employees in the U.S., U.K. and Asia Pacific, including Australia, New Zealand, India, Singapore and Malaysia.

Client benefits obtained include: improved workflow with email notification & approvals on course bookings, etc. and integration of skill profiles with performance management.

Infosys also provides non LBPO services for c. 30+ learning clients.

Samples are in Exhibit 1 overleaf, with the services provided.

Exhibit 1
Representative Infosys Learning Clients, Services & Benefits

Client	Geography	Services Provided	Client Benefits Obtained
Major oil & natural gas provider	U.S.	Set up a global competency development center (GCDC) Developed e-learning & instructor led content, for all divisions, deployed on client portals	Content conforming Faster development times Cost savings with combined off & onshore delivery
Major consumer goods manufacturer	U.S.	Developed e-learning and ILT collaborative learning such as Wiki's and Ask The Expert Established user adoption group	Faster end user adoption Increased operational efficiency
Neptune Orient Lines	U.S.	Managed knowledge transfer Developed a knowledge management website, to host content Conducted training of the applications using the website	Reduced people dependency for knowledge transfer Improved organizational collaboration Reduced redundant applications & cost maint.
Major oil company	U.S.	Global HRMS implementation of PeopleSoft HCM8.9 which includes LMS	Consolidation of 43 disparate HR systems Saving $3m in year 1
Learning Technology			
Major Australian Insurer	Australia	Implemented integrated IT & BPO PeopleSoft platform supporting HRIS, global payroll and learning	Reduced costs and improved operational efficiency
Major Pharma in Japan	U.S. subsidiary	Developed business and technology roadmap to align learning and performance management processes	Helped improve investment by recommending the process mapping and technology roadmap
Major consumer electronics manufacturer	U.S.	Vendor selection for LMS and LCMS (content) LMS implementation and systems integration	Enabled better alignment of learning strategy to business goals Improved learning administration and tracking

5   Key Offerings

Infosys offers the following learning and LBPO services:

❑   Strategy

❑   Content

❑   Delivery

  –   Provided by Infosys personnel and vendor management of 3rd party trainers

❑   Technology

❑   Administration.

Detail of Infosys learning services are provided in Exhibit 2:

Exhibit 2

Infosys Learning Services Offerings

Strategy	Content	Delivery	Administration	Technology
Business alignment Budgeting & prioritization Functional & technical requirements	Strategy Content development and maintenance Content sourcing Instructor-led, e-learning, simulations, serious gaming, blended learning	Delivery planning Delivery execution Technology infrastructure	Learning set-up Course catalog management Tracking Help desk	In addition to custom built platforms, implements all major LCMS, LMS & HCM vendors including: Moodle, Saba, SAP, Plateau, SumTotal, PeopleSoft, Kronos, Workbrain, etc.

Administration is typically bundled in and not provided as a standalone service. Training provided typically includes technology. Training in soft skills, such as leadership, are not normally provided.

Though Infosys does not go to market selling individual learning services, clients can purchase any combination of learning services independently or bundled with other Infosys services. Infosys offers blended learning solutions integrating instructor-led training and e-learning with technologies and applications including:

❑   Web 2.0 social networking

❑   Collaboration tools

❑   Assessments

❑   Simulations

❑   Serious gaming.

Infosys PeopleSoft learning platform can be used where broader MPHRO services are provided and can be used separately where only learning services are provided. Infosys also has alliances for HCM and LMS implementations with SAP, Oracle, and Kronos.

Teaming agreements are used on a contract deal basis with major LCMS and LMS vendors.

Infosys is technology agnostic and will work with existing client LMS's and help to consolidate and integrate existing technology where clients are using multiple technologies, file servers and products. Content is then aggregated for learners.

Pricing is flexible using traditional models such as:

- ❑ Fixed price
- ❑ Time and material
- ❑ Per trainer per day
- ❑ FTE-based.

Additional models are also used such as unit of work transaction-based pricing.

Client contracts average 3 years.

6 Summary

Infosys is finding that its biggest demand for learning services is for development of custom content, followed by learning technology implementations and integration with end user learners. It is seeing more blended delivery requests, including social learning.

Overall Infosys plans to grow revenue c. 18% in 2010 and for learning services to double growth this year. Infosys believes organizations will look to outsource learning because:

- ❑ Investments in learning were put on hold during the recession and investments have not been made to upgrade and integrate disparate learning technologies
- ❑ Need to reduce the administrative burden and inconsistency of having too many content and delivery vendors.

6.1 Strengths:

- ❑ Flexible pricing models
- ❑ Ability to leverage existing clients, including ITO & BPO clients
- ❑ Ability to offer clients a low price by using a predominantly offshore model
- ❑ Ability to provide various methods of learning including:
  - – Informal learning, learning portals, mobile content delivery and e-learning
- ❑ Comprehensive content development methodology
- ❑ Global delivery capability
- ❑ Ability to provide HR services alongside learning, for clients wanting 1 provider.

6.2 Challenges

- ❑ Infosys does not normally provide training of soft skills
- ❑ Competition from learning specialists as well as MPHRO providers who also provide learning
- ❑ Some clients may be reluctant to offshoring of learning services administration o content devlopment.