

Tata Consultancy Services Japan, Ltd.

Tata Consultancy Services Japan, Ltd. is looking to transform Japan's digital landscape, partnering with Japanese enterprises and foreign-affiliated companies to create business solutions powered by increasingly popular digital technologies like IoT and AI. Mr. Amur S. Lakshminarayanan, Representative Director, President and CEO of the company, talks about the current state of the company's business in Japan and its initiatives.

Headquartered in Mumbai, Maharashtra, Tata Consultancy Services (TCS) is India's largest IT services company, and a part of the Tata Group, which includes Tata Motors and Tata Steel. Since its establishment in 1968, TCS has been providing application development and operation services, IT system development and consulting services. The Tata Group consists of more than 100 companies across seven industries including telecommunications and energy. The group conducts its business in more than 100 countries worldwide, with more than 690,000 employees.



TCS first entered the Japanese market in 1987. In that year, as the first Indian IT services company to operate in Japan, established its sales office in Tokyo. Afterwards, the company established its Japanese subsidiary, Tata Consultancy Services Japan Limited in 2004. In 2012, it established Nippon TCS Solution Center Limited (a nearshore delivery center), in partnership with Mitsubishi Corporation. In July 2014, the new Tata Consultancy Services Japan, Ltd. (TCS Japan) was established through a merger of three companies, namely Mitsubishi Corporation subsidiary IT Frontier Corporation (established in 2001 with the integration of



Mr. Amur S. Lakshminarayanan
Representative Director, President & CEO
Tata Consultancy Services Japan, Ltd.

five IT-related companies), Tata Consultancy Services Japan Limited and Nippon TCS Solution Center Limited.

TCS Japan, which was established with the aim of meeting the needs of Japanese companies, has about 2,700 employees (as of April 1, 2018). A total of 7,000 employees worldwide work for TCS Japan focused on the Japanese market. As Mr. Amur S. Lakshminarayanan (Lakshmi – as he commonly known) describes, the company's sales performance is strong, the 2017 sales having reached approximately 62 billion yen (about 560 million USD). He explains the company's current initiatives for the Japanese market saying, "We are trying to find business opportunities in new ways as we are now a merged company with an integrated corporate culture."

Utilizing IoT and AI technologies

Lakshmi regards TCS Japan as a "hybrid company," that has combined the strength of the Japanese subsidiary of TCS, with its

international knowhow, and the IT subsidiary of Mitsubishi Corporation, with its extensive domestic business expertise. TCS Japan is currently focusing on business that utilizes IoT and AI technologies in this digital era of the Fourth Industrial Revolution. Lakshmi explains, “In the Japanese market, interest in digital technologies, such as IoT and AI, increased sharply in 2016, and business opportunities have been increasing.” The Ministry of Internal Affairs and Communications estimates that IoT and AI technologies will contribute to an increase in Japan’s real GDP of 132 trillion yen by 2030 (2017 White Paper on Information and Communications in Japan), and TCS Japan will play a certain role in this growth.

As a pioneer in the digital era, TCS Japan is working on developing new business models in collaboration with Japanese companies. One of the models is the use of IoT and AI technologies in the operation of thermal power plants. By introducing AI and IT, the operation of thermal power plants can be optimized and the associated nitrogen dioxide (NOx) emissions controlled, which would result in a reduction of the environmental impacts.

TCS has developed a system that enables the application of IoT and AI technologies across all industries. The system is the world’s first neural automation system with AI for enterprises and was named “ignio™”. The system makes accurate operational predictions and can take prompt and autonomous actions by collecting information and learning like a human brain. This makes it applicable to various operations within a company where it can improve efficiency by identifying the root causes of system failures.

Training facilities in India to specifically meet the needs of Japanese companies

“What is important in this digital era is, first,

‘mass customization’ or ‘extreme personalization’; second, creating exponential value not only for customers but also for employees and society as a whole; third, utilizing business ecosystems to provide customers with more attractive products and services; and, fourth, embrace risks,” says Mr. Lakshmi.

He describes the present IT era with these requirements as “Business 4.0,” and proposes it as a framework for use by companies trying to survive in the digital era. On mass personalization, Mr. Lakshmi emphasizes: “Personalization used to be for each individual, but in this digital era, when an individual makes multiple transactions, personalization is required in each transaction. This type of customization should be made not only in B-to-C but also in B-to-B business.”

TCS Japan opened a Japan-centric Delivery Center (JDC) in September 2015, within TCS Sahyadri Park in Pune, India. This was to strengthen the company’s ability to provide services to Japanese customers. It also opened a training facility called “Hikari Academy” for learning Japanese business practices and the Japanese language to enhance the provision of attentive services that customers in Japan expect. The academy provides TCS employees training to deepen their understanding of Japan.

Lakshmi explains: “We provide customers with services by combining our expertise,



Japan-centric Delivery Center (JDC)

global talent and knowledge about the Japanese market in an optimal manner. This is our hybrid solution. The JDC plays an important role in such customer service delivery. We also opened another JDC in Nagpur and already placed 300 to 400 employees there. We second employees from the JDCs to Japan and vice versa.”

Supporting Japanese companies to digitalize and globalize their business

At its headquarters in India, TCS focuses on co-innovation with other companies and academia, as seen in the establishment of the India Innovation Center in April 2017 in Bengaluru in collaboration with Panasonic India Pvt. Ltd. TCS Japan is also focusing on co-innovation with other companies as evidenced in the launch of the Co-Innovation Network (COIN™) in Japan. Lakshmi emphasizes: "Co-innovation can be achieved by bringing together a network of universities, start-ups, client companies, and our own company. It is easier to achieve positive outcomes if we can utilize the knowledge of other companies, develop and create things jointly than by trying to make innovation on our own. COIN™ is a network for co-innovation and our clients are at the center of that network.”

TCS Japan is also focused on enhancing its brand perception in Japan. As one part of this effort, the company has sponsored a team in the Japanese Super Formula Championship since 2017. In order to increase the popularity of motorsports in Japan, TCS has become the title sponsor of TCS NAKAJIMA RACING led by Satoru Nakajima, the first Japanese full-time F1 driver. TCS is also working with the team on improving the efficiency and accuracy of race and machine data analysis.

On the company's future business aspirations, Mr. Lakshmi says: "We want to

become a catalyst for digital innovation.” He continues that many Japanese firms are “seeking opportunities for overseas expansion as the domestic market shrinks due to the declining population, while also facing the challenges of digitalization in Japan. This is a chance for us to help Japanese companies to digitalize and globalize their business. Additionally, the digitalization of Japanese society itself also presents another opportunity for us to grow our business.”

Support from JETRO

JETRO provided temporary office space as well as information on office locations as the company was preparing to open its office in Osaka. Mr. Lakshminarayanan thanked JETRO for its support on the occasion. He said that “in addition to providing the necessary support for companies establishing or expanding a foothold in Japan, JETRO also plays a crucial role in encouraging them to do so.”

(Interviewed June 2018)

Company history

1968	Establishment of Tata Consultancy Services in Mumbai, India
1987	Entry into the Japanese market, as the first by an Indian IT services company
2004	Establishment of Japanese subsidiary, Tata Consultancy Services Japan Limited
2012	Establishment of Nippon TCS Solution Center Limited (a nearshore delivery center) with Mitsubishi Corporation
July 2014	Establishment of Tata Consultancy Services Japan, Ltd. Through merger of three companies; IT Frontier Corporation (established in 2001), Tata Consultancy Services Japan Limited, and Nippon TCS Solution Center Limited

Tata Consultancy Services Japan, Ltd.

Establishment:	July 2014
Business overview:	IT services, consulting, and business solutions
Parent company:	Tata Consultancy Services
Address:	4-1-4 Shibakoen Minato-ku, Tokyo, 105-8508
URL:	https://www.tcs.com/jp-ja/home

Support from JETRO

- Provision of a temporary office space
- Introduction of a real estate agency
- Support for job matching