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Prepared for: Global CIO Project of the Year

LTIM's Digital Transformation Program

October 30, 2023

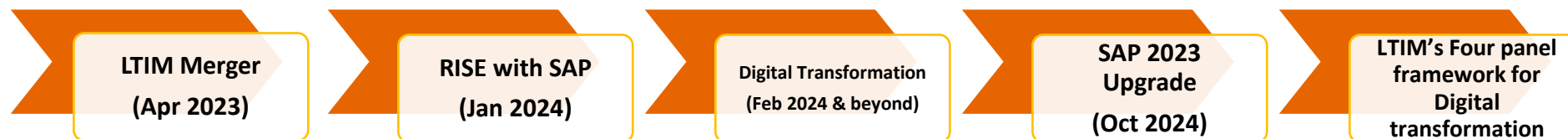


LTIM's Digital Transformation Program for \$10 Billion Vision (1 of 3)

LTIMindtree is the fifth largest IT services firm in Indian IT industry by market capitalization and aspires to achieve a revenue of \$10 billion in the next six years(2030). To achieve this target, LTIM has sketched out the following Simple, Smart, Scale and Secure strategy along with its action plan and initiatives.

- ✓ LTIMindtree Merger – Merged Mindtree Ltd.(a USD 1.8+ bn with global workforce of 35,000+) with L&T Infotech (a USD 2.2+ bn with a global workforce of 55,000+) and become \$4 billion company which is a 2X increase in revenue.
- ✓ RISE with SAP – Partnership with SAP for an innovation ready platform with its intelligent and sustainable ERP solution to meet the dynamic business requirements and the IT infrastructure needs – Implemented in record 100 days with flawless execution.
- ✓ SAP S/4 HANA 2023 – Upgrading to S/4 HANA 2023 to unlock the potential of Artificial Intelligence (AI) and Machine Learning (ML) capabilities together with SAP BTP and for simplifying the automation journey of complex business processes.
- ✓ Digital Transformation – Partnership with SAP on the digital transformation initiatives such as SAP Signavio for process transformation, SAP Analytics Cloud for Financial planning and real-time reporting, ICCM for clean core initiative and SAP BTP for Automation.

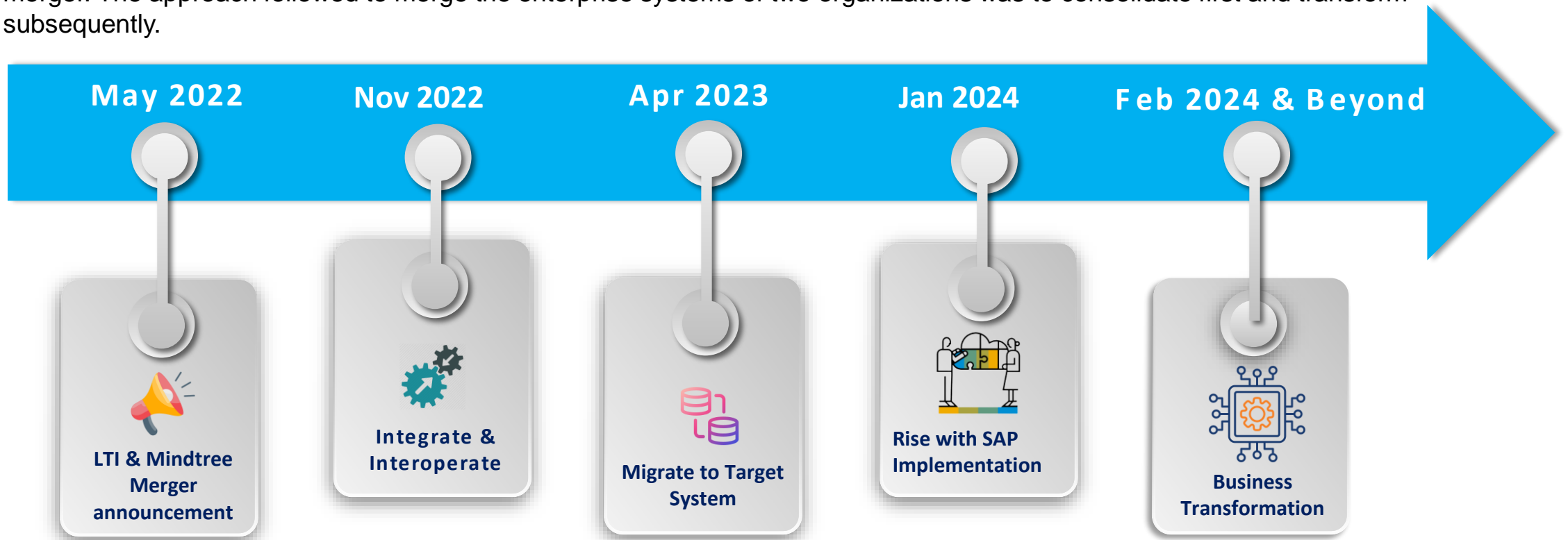
With the aforesaid program, LTIM has prepared the foundation by enabling the latest technological advancements from SAP to scale and realize its vision of USD \$10 billion by 2030.



LTIM's Digital Transformation Program for \$10 Billion Vision (2 of 3)

The primary business objective of the LTIMindtree merger is to drive revenue synergies through cross-sell and up-sell capabilities and achieve industry-leading profitable growth.

The merger was critical to provide the right foundation for LTIMindtree's next journey of growth. Some of the key processes of erstwhile Mindtree and L&T Infotech such as Order to Cash, Hire to Retire, Procure to Pay, and Record to Report built on the enterprise system (SAP S/4 HANA) in both organizations had to be migrated to one unified system to leverage the full potential of the merger. The approach followed to merge the enterprise systems of two organizations was to consolidate first and transform subsequently.

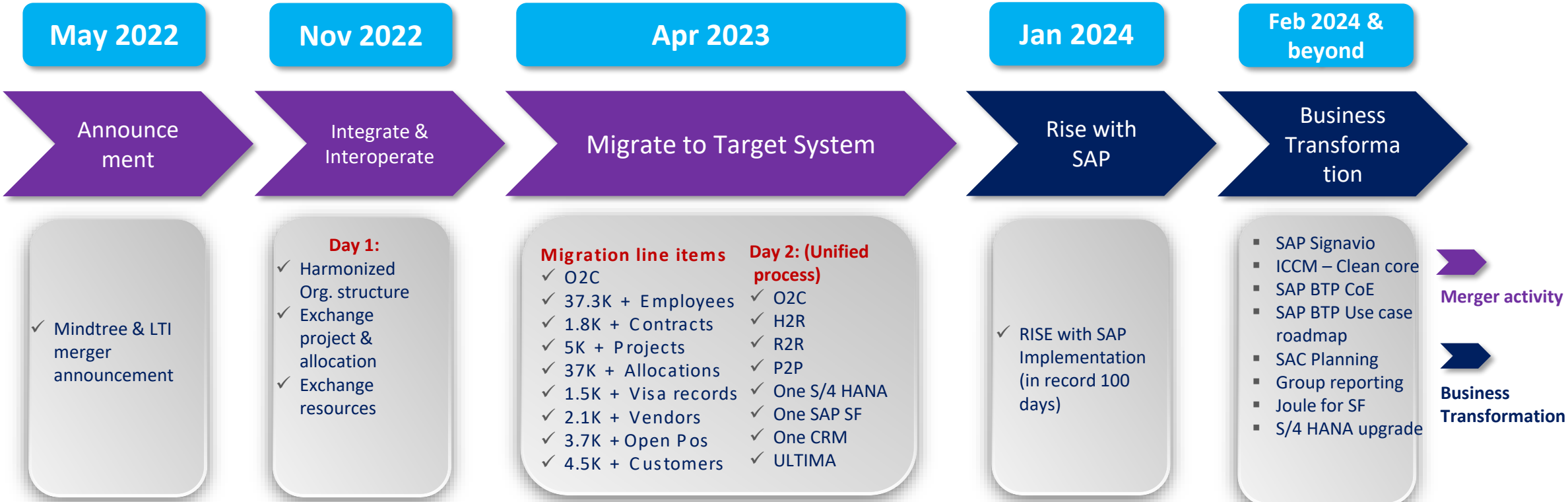


LTIM's Digital Transformation Program for \$10 Billion Vision (3 of 3)

LTIMindtree's digital transformation journey began with the implementation of RISE with SAP, a private cloud solution designed to scale infrastructure needs and achieve the following objectives:

- ✓ SAP Reference Architecture to manage LTIMindtree's SAP Landscape
- ✓ SAP Managed services and Cloud security framework
- ✓ Innovation-ready platform

Subsequently, the business transformation commenced in collaboration with the SAP team, guided by LTIMindtree's values creation framework, which emphasizes process simplification, investment in innovation, and business transformation using SAP's suite of products such as **SAP Signavio, Business AI, SAP BTP, SAP Analytics cloud, ICCM, Group reporting** to name a few.



Project Title - Project 1 - LTIMindtree, The Merger Story



Challenge

The merger of Mindtree Ltd. (a USD 1.8+ bn with 320+ clients and a global workforce of 35,000+) with L&T Infotech (a USD 2.2+ bn with 400+ clients and a global workforce of 55,000+) was announced in May 2022 to create a new entity, LTIMindtree. Below are the challenges in merging the enterprise systems of the two organizations.

- Target system finalization
- Strategy and approach for movement to the target landscape
- Technology and application consolidation
- Recalibration of application infrastructure around increasing licenses and budget.
- OEM and vendor management
- Common organization structure
- Harmonized policies
- Unified employee experience and engagement
- Country-specific compliances
- Customer-specific compliances
- Challenging timelines
- Change management

Solution

- Consolidation of ERP (SAP) instances
- Interoperability Model - to maximize the resource advantages between two organizations with parallel IT system
- Implementation of CRM (SFDC)
- HRMS consolidation (SuccessFactors)
- Consolidation of SoEs (140+ Systems of Engagement)
- Retire redundant procure-to-pay systems (Coupa, NewGen)

Outcome

- Single Go-To-Market Brand (LTIMindtree)
- Unified business models
- Unified global processes, policies, and platform
- Cross-selling and strategic account management
- Wider talent pool for choosing the right talent
- Breadth of offerings to customers
- Manage Pipeline and forecast
- Effective reports and dashboards for internal and external reporting
- Systems enabling unified execution
- Reduction in procurement cycle and better compliance
- Enhanced employee experience

100% Increase in revenue

2X Increase in employee strength
brings in wider talent pool

Business Challenges and Project Objectives - LTIM, The Merger Story

Business Challenges

The merger of Mindtree Ltd. (a USD 1.8+ bn with 320+ clients and a global workforce of 35,000+) with L&T Infotech (a USD 2.2+ bn with 400+ clients and a global workforce of 55,000+) was announced in May 2022 to create a new entity, LTIMindtree. Merging the enterprise systems of two organizations was a major challenge. It was fundamental for the success of new entity to merge the existing systems to realize the full potential of the merger. Following were the challenges faced,

- Target system finalization
- Strategy and approach for movement to Target landscape
- Technology and Application consolidation
- Recalibration of application infrastructure around increased scales for license, budget and computing
- OEM and Vendor management
- Common Organization structure
- Harmonized Policies
- Unified Employee Experience & Engagement
- Country specific compliances
- Customer specific compliances
- Challenging timelines
- Change Management
- Finalizing the processes across all functions
- Harmonized accounting and audit requirements
- Data Migration and Transformation across functions and processes

Project Objectives

Based on the challenges faced as part of the merger activity, the following project objectives were chalked out to overcome the challenges.

- **Zero business disruption and no growth impact**
- Increase the breadth of offerings to customers
- Access to a wider talent pool
- Enhanced employee experience
- Financial statement as a single entity
- Unified global processes, policies, and platform
- Joint Go-To-Market offerings
- Leveraging assets across the organization
- Centralized hiring and offer management
- Efficient use of employee talent
- Unified organization structure
- Unified customer management
- Harmonized financials and operations

Project or Use Case Details - LTIMindtree, The Merger Story

The LTIMindtree merger project seamlessly integrated two leading IT service providers, creating a powerhouse of innovation and efficiency. This strategic merger combined complementary strengths, resulting in enhanced service offerings and expanded global reach. The project focused on maintaining client satisfaction while achieving operational excellence. Completed ahead of schedule, it set a new industry benchmark for successful mergers. The following approach was used for the merger project,

Day 1 (Nov 2022) focuses on the immediate actions and changes that need to be implemented as soon as the merger is officially completed. The goal is to ensure a smooth transition and minimize any disruptions to business operation, while the IT systems continue to operate independently.

This includes tasks such as,

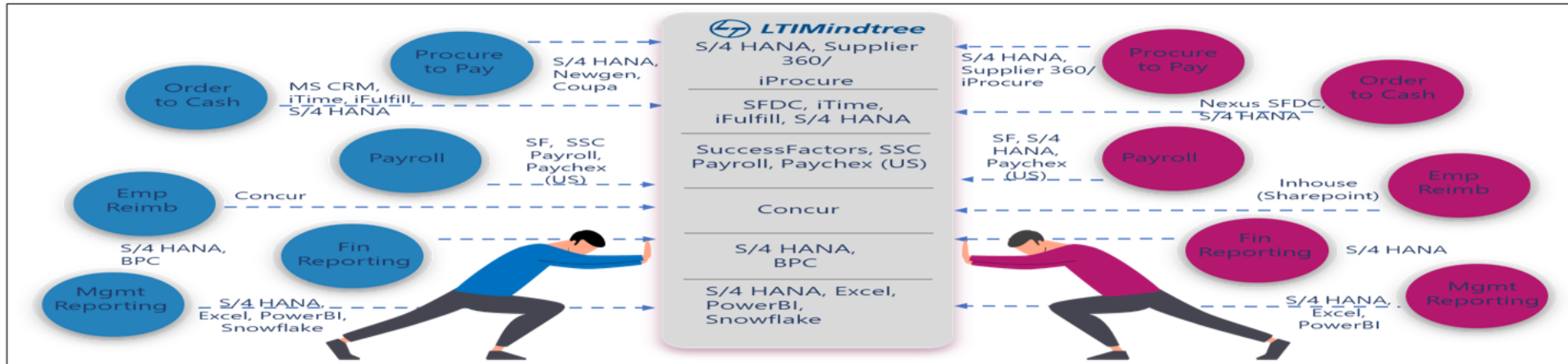
- ✓ Common Onboarding process
- ✓ Aligning organizational structures
- ✓ Seamless employee exchange for both entities (staffing/project allocation across systems)

Day 2 (Apr 2023) involves the longer-term integration activities that are planned and executed after the initial transition period. This phase includes more comprehensive changes such as system integrations, process optimizations, and cultural alignment. The objective is to fully realize the synergies and benefits of the merger, driving continuous improvement and achieving strategic goals. This includes tasks such as,

- ✓ Filling in data requirement template for contract creation by IT & Business basis the requirement of the target system
- ✓ Manual contract approvals and one-off programs creations for project release
- ✓ Creation/execution of one-off programs for allocation (Billable/Non-billable)
- ✓ Updating Rate ids for migrated TNM contracts and POs for TNM and FMB projects
- ✓ Updating open balances in the target system.
- ✓ Creation of E-Invoicing & PDF templates.
- ✓ Conducting extensive training sessions and preparing user guides to educate users on the target system.
- ✓ Providing Hypercare support through both online and offline war rooms.

Solution Details - LTIMindtree, The Merger Story

The target system and technology stack were finalized based on the advice from our in-house experts and insights from the McKinney report. We selected the optimal processes and systems from both organizations to create a streamlined process for the target system. The integration of enterprise systems is depicted below.



Process Before

- Both LTI and Mindtree were operating on parallel systems of records and systems of engagement after the merger approval. Common reporting was achieved through non-systematic (manual) methods.

Process After

- A single enterprise system enabling all policies, compliances, and key processes such as Order to Cash, Hire to Retire, Procure to Pay, and Record to Report for the merged entity of LTIMindtree.

The strategic merger of LTI and Mindtree has brought opportunities for the combined organization. LTIMindtree is leveraging the complementary strengths of the two companies to drive revenue growth and has already achieved operational excellence by simplifying and optimizing internal processes, IT systems, and policies as a part of this merger.

Reference from LTIM Annual report FY 2023-24

Project Title - Project 2 - RISE with SAP in 100 days



Challenge

LTIM's SAP S/4HANA system which predominantly supports the Order-to-Cash functionality was hosted on AWS platform (On-premises Cloud) and the server was in Mumbai, owned and self-managed by LTIM. LTIM decided to migrate to RISE with SAP, SAP's Private Cloud solution. Following were the challenges during the implementation,

- Migration of custom Fiori applications to Embedded Fiori
- Lack of dual stack (ABAP & Java) support for Solution manager
- Migration of Solution Manager to RISE environment
- Huge Database size
- DNS change in 250+ interfaces for 25 downstream systems.
- IP address and host name changes for interface applications.
- SSO changes
- Lack of DMS support in RISE environment
- Bank Interface modifications

Solution

- Installed additional components on the Core ERP landscape and migrated custom Fiori code to Embedded Fiori
- Split the ABAP and Java landscape to overcome the lack of dual stack support
- Designed dual CHARM to overcome Solution manager issue
- Bulk data transfer using Site-to-Site VPN & incremental data using MPLS connection
- Isolate ABAP and Java landscape to reduce DB size
- Multiple mocks with downstream/upstream systems to establish successful interface connectivity
- Migrated documents to OpenText
- Additional application layer introduced to overcome Bank interface issue.

Outcome

- ✓ SAP Reference Architecture & Services
- ✓ Drastic reduction in cycle time for book closing
- ✓ Ability to implement Gen AI capabilities.
- ✓ SAP BTP - application development and automation, data and analytics, integration, and AI capabilities in one unified environment
- ✓ High Availability with auto-healing and auto-restarting capabilities.
- ✓ Scalable platform & Capex to Opex subscription
- ✓ End-to-End Security (Defense in Depth)
- ✓ Innovation Roadmap
- ✓ High availability (99.7%)
- ✓ Near and Far Disaster Recovery options
- ✓ Resilience architecture
- ✓ On demand Self-Services
- ✓ Full-stack failover
- ✓ Subscription based revenue model to reduce cost
- ✓ About 30% to 40% reduction in generating accrual reports
- ✓ SAP CAS services for continuous monitoring

70% Reduction in P&L refresh time

100 Days RISE Implementation record 100 days with flawless execution

60 % Improvement in complex allocation cycles

Business Challenges and Project Objectives - RISE with SAP

Business Challenges

- Existing ERP system leading to increase in cycle time for closing books
- Complex processes leading to longer DSO
- Platform not scalable for LTIM's vision
- No Gen-AI capabilities in the current ERP landscape
- Capex model leads to more cost and effort
- Threats due to the unsecure environment

Project Objectives

The objective was to migrate LTIM's SAP S/4HANA system hosted on AWS platform to RISE with SAP, SAP's private cloud solution, to reap the following benefits,

- ✓ SAP reference architecture
- ✓ Managed services
- ✓ Cloud security
- ✓ Innovation platform

Following tasks were carried out to accomplish this objective,

- ✓ Transitioning from hub Fiori to embedded Fiori landscape with HANA DB to prevent future rework and performance issues
- ✓ Separating the Solution manager into ABAP and Java stacks
- ✓ Updating the UI5 version and modifying code for embedded Fiori
- ✓ Setting up network connectivity and bandwidth between AWS and Azure platforms, and resolving network drops and symmetric routing issues
- ✓ Replicating the DB from on-premises to RISE environment using site-to-site VPN and MPLS links
- ✓ Changing the transport routes
- ✓ Repointing the interfaces for inbound and outbound systems and testing the RFC, web service connections
- ✓ Exchanging the metadata files for SSO configuration
- ✓ Migration to HTTPS from HTTP

Result achieved by implementing this project is multifold,

- ✓ DSO reduced from 91 to 80 days
- ✓ Drastic reduction in cycle time for book closing
- ✓ About 30% to 40% reduction in generating accrual reports
- ✓ 60% improvement in complex allocation cycles
- ✓ Ability to implement Gen AI capabilities.
- ✓ SAP BTP - application development and automation, data and analytics, integration, and AI capabilities
- ✓ Scalable platform, Capex to Opex subscription
- ✓ Subscription based revenue model to reduce cost

Reference from LTIM Annual report FY 2023-24

► Our trade receivables and unbilled revenue decreased by INR 5,882 Million from INR 85,637 Million as on March 31, 2023, to INR 79,755 Million as on March 31, 2024. Days Sales Outstanding (DSO) (billed and unbilled) decreased from 91 days as on March 31, 2023, to 80 days as on March 31, 2024.

Project or Use Case Details - RISE with SAP

The "RISE with SAP" project undertaken by LTIMindtree Limited (LTIM) represents a significant transformation in the company's digital landscape. This initiative aimed to migrate LTIM's existing SAP S/4 HANA system, which predominantly supports the Order-to-Cash, from an on-premises AWS platform to SAP's Private Cloud solution, RISE with SAP. This transition will enable us to leverage the latest innovations effectively and will establish a **Future Ready Platform** in alignment with LTIM's goal of **achieving \$10 billion in the next 6 years**.

The preparation phase involved a comprehensive analysis of LTIM's SAP S/4HANA landscape by the SAP team, which included data size assessment and SAPs requirements. Following were some of the solutions addressed during the implementation phase,

- ✓ Installed additional components on the Core ERP landscape and migrated custom Fiori code to Embedded Fiori
- ✓ Split the ABAP and Java landscape to overcome the lack of dual stack support
- ✓ Designed dual CHARM to overcome SOLMAN issue
- ✓ Bulk data transfer using Site-to-Site VPN & incremental data using MPLS connection
- ✓ Isolate ABAP and Java landscape to reduce DB size
- ✓ Multiple mocks with downstream/upstream systems to establish successful interface connectivity
- ✓ Migrated documents to OpenText
- ✓ Additional application layer introduced to overcome Bank interface issue.

Post-migration, LTIM observed significant performance improvements. Major time-consuming jobs showed a reduction in processing time by more than 50%. A couple of examples as below,

- 70% reduction in P&L refresh time
- About 30% to 40% reduction in generating accrual reports
- 60% improvement in complex allocation cycles

The "RISE with SAP" project exemplifies LTIM's commitment to innovation and excellence. By successfully migrating to SAP's Private Cloud solution, LTIM has positioned itself for future growth and transformation, ensuring a robust and scalable digital infrastructure

Business Impact – Benefits and Outcomes - RISE with SAP

Benefits

- ✓ Quicker turnaround time
- ✓ Automation and Innovation capabilities
- ✓ Scalable platform
- ✓ Market leading multi-experience app dev platform with single code multichannel deployment capabilities for increased developer efficiency
- ✓ Generative AI built in the systems that power organization's most critical processes.
- ✓ Simplified Licensing & Fungibility and thereby - Predictable TCO

Outcomes

- ✓ Drastic reduction in cycle time for book closing
- ✓ About 30% to 40% reduction in generating accrual reports
- ✓ 60% improvement in complex allocation cycles
- ✓ Ability to implement Gen AI capabilities.
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Business Impact – Benefits and Outcomes - RISE with SAP

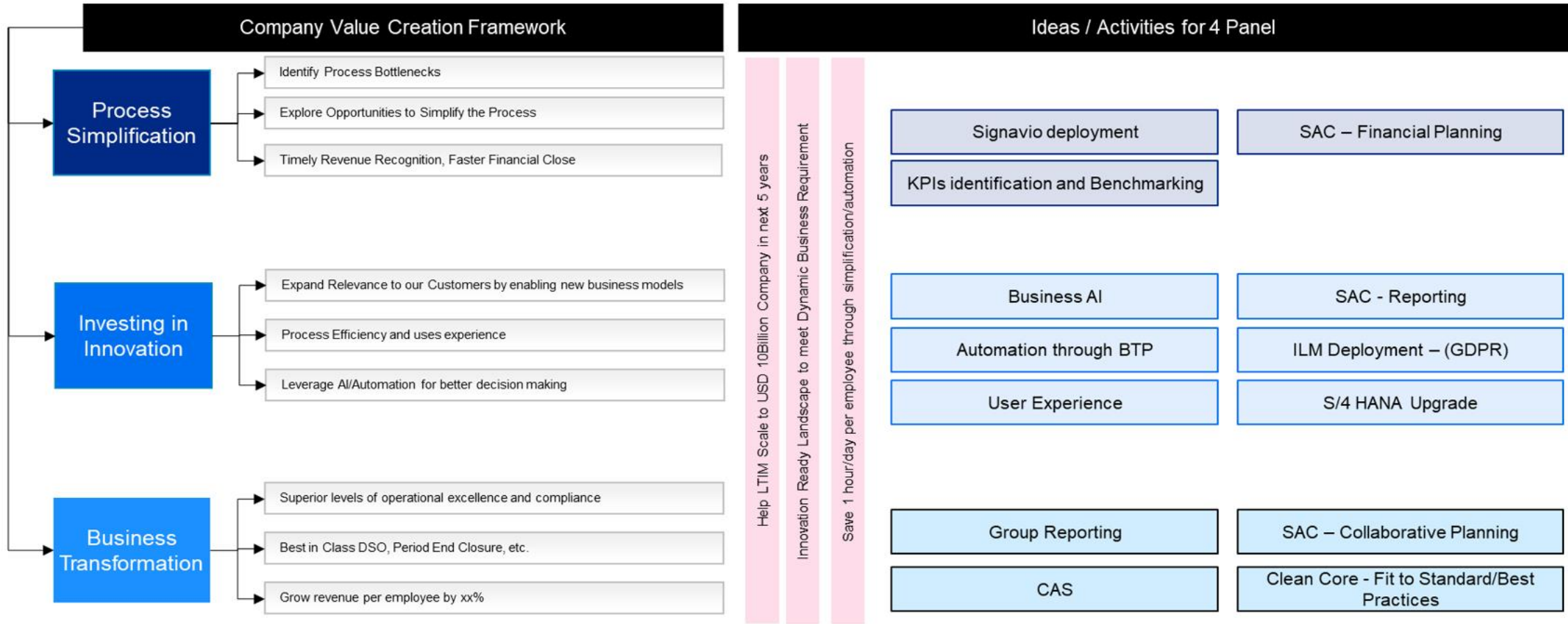
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LTIMindtree's Strategies for Business Transformation - LTIM's Four Panel Strategy



System Stabilization – SF, Concur, BTP, RISE with S/4HANA

RISE with SAP in 100 days



I am thrilled to hear this wonderful news. Congratulations to you and the entire team at LTIMindtree on the **remarkable achievement of RISE LTIMindtree Go Live in record time**. The dedication and collaborative spirit displayed by both LTIMindtree, and SAP teams have been fantastic and deserves commendations. Thank You!

Here's to more milestones and successes on our shared journey. I am confident our partnership will continue to grow from strength to strength.

-Scott Russell, Chief Revenue Officer, SAP

My heartfelt appreciation goes to the SAP team for the outstanding execution of moving our SAP instance to RISE with SAP. We have successfully completed our accounting for the past month on the newly migrated instance. This was a remarkable demonstration of effective cooperation and excellent teamwork. We have been receiving many accolades from the business team about the performance of the instance post migration to RISE. Here are few examples:

- 70% reduction in P&L refresh time
- About 30% to 40% reduction in generating accrual reports
- 60% improvement in complex allocation cycles

- Rajesh Kumar R, CIO, LTIMindtree



Thank you