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October 4, 2016

Mr. Girish Joshi : **BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Mr. Avinash Kharkar : **National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Subject: "ISVs Can Bring Down Product Support Costs by 40%"

Dear Sirs,

Enclosed please find a release on the captioned subject being issued by the Company today.

This is for your information and records.

Thanking you,

Yours faithfully,
For **HCL Technologies Limited**

M Anand

Manish Anand
Company Secretary

Encl:a/a

ISVs Can Bring Down Product Support Costs by 40%

- **Says research on cognitive product support**
- **Research constituted by HCL and HfS Research**

Noida, India – 4th October 2016 – HCL Technologies (HCL), in collaboration with HfS Research, The Services Research Company™, facilitated a study on software product support to illustrate the challenges and opportunities faced by enterprises to re–architect their operations in the age of digital disruption, while grappling with an increasingly complex global business environment. The report is titled "Cognitive Software Product Support – Rethinking Software Product Support in the As-A-Service Economy".

Key Findings from the Report:

1. Moving into the 'As-a-Service-Economy' means changing the nature and focus among enterprise buyers, service providers and advisors, and also unleashing people talent to drive new value through smarter combinations of talent and technology focused on business results beyond cost reduction.

2. There is a guiding framework of eight ideals that can help service buyers and hi–tech product vendors become an 'As-a-Service Enterprise' to achieve the solution ideals of Intelligent Automation, Accessible and Actionable Data, Holistic Security and Plug and Play Digital Business Services. These eight ideals include – Write-off Legacy, Design Thinking, Brokers of Capability, Collaborative Engagement, Intelligent Automation, Accessible & Actionable Data, Holistic Security and Plug-And-Play Digital Services.

3. The current product support process is linear and most of the times outsourced to different organizations with very little collaboration. Also, the current contracts encourage focus on the number of seats, costs and legacy approach rather than customer satisfaction, intelligence and outcomes. This process can be made cognitive or intelligent by leveraging analytics, automation, and engineering approach.

4. The biggest obstacle for software and high–tech firms in achieving cognitive or intelligent operations is their existing outsourcing relationship. For instance, it was identified that **52%** of the respondents from software and high-tech firms are unconvinced that primary service provider can derive real value beyond operational efficiency and rate it as one of the top 3 obstacles. Similarly, **44%** of the respondents believed that their current outsourcing engagements do not have scope for innovation.

5. **Software and high-tech companies can save about 40% of total product support cost by moving to cognitive product support**. Hence, it's the business outcome and productivity gains committed in the contract that will drive the adoption around cognitive product support levers.



6. Apart from reduction in product support cost, cognitive product support increases customer satisfaction by reducing MTTR (Mean Time to Repair), by increasing resolution accuracy through reduction in invalid escalations to backline/frontline, increasing Self Service to maximum extent and improving forecasting accuracy.

"The emerging 'As-a-Service Economy' will be more agile and dynamic, featuring on–demand plug–and–play services targeted at impacting what matters to consumers as well as businesses. The two are increasingly intertwined because consumer insights, decisions and loyalty carry increasing weight in the success or failure of an enterprise in any industry. In light of this, Cognitive Product Support offers a compelling value proposition for software and high–tech product companies to not only reduce product support costs by upto 40%, but also realize productivity gains," said **GH Rao, President and Global Head, Engineering and R&D Services, HCL Technologies. "**Further, Cognitive Product Support promises increased customer satisfaction by reducing the mean time to repair, increasing resolution accuracy, enabling self–service and improving forecasting accuracy."

"In our research, we found out that software and high-tech enterprises want to improve their software product support process but are not clear about true path to value. This study shows the way of cognitive product support," **said Pareekh Jain, Research Vice President, HfS Research.** "The enterprises should work collaboratively with service providers which are ready to disrupt legacy product support model and contractually commit to cognitive product support and its benefits by leveraging analytics, automation, and engineering approach."

In conclusion, the report suggested that in today's age, cognitive product support can act as a catalyst in increasing customer satisfaction while decreasing cost and time in a collaborative manner. Progressive software and high-tech product companies will not hesitate to become part of this type of collaboration and future–proof their value-driven product operations.

About HCL Technologies

HCL Technologies is a leading global IT services company working with clients to impact and redefine the core of their businesses. Since its emergence on the global landscape after its IPO in 1999 and listing in 2000, HCL Technologies, along with its subsidiaries, today operates out of 32 countries and has consolidated revenues of US$ 6.4 billion, for 12 Months ended 30th June, 2016. For the 21st Century Enterprise, HCL focuses on business model transformation, underlined by innovation and value creation, offering an integrated portfolio of services including BEYONDigital™, IoT WoRKS™, Engineering Services Outsourcing and Next–Generation ITO that focuses on integrated infrastructure services, applications services and business services. HCL leverages DRYiCE™, its third generation autonomics and orchestration platform, global network of integrated innovation labs, and global delivery capabilities to provide holistic multi–service delivery in key industry verticals including Financial Services, Manufacturing, Telecommunications, Media, Publishing & Entertainment, Retail & CPG, Life Sciences & Healthcare, Oil & Gas, Energy & Utilities, Travel, Transportation & Logistics and Government. With 107,968 professionals from diverse nationalities, HCL Technologies focuses on creating real value for customers by taking 'Relationships Beyond the Contract'. For more information, please visit www.hcltech.com



Forward–looking Statements

Certain statements in this release are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward–looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, fluctuations in earnings, our ability to manage growth, intense competition in IT services, business process outsourcing and consulting services including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and fee structures, our ability to attract and retain highly skilled professionals, our ability to integrate acquired assets in a cost-effective and timely manner, time and cost overruns on fixed-price, fixed-timeframe contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, the success of our brand development efforts, liability for damages on our service contracts, the success of the companies /entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property, other risks, uncertainties and general economic conditions affecting our industry. There can be no assurance that the forward-looking statements made herein will prove to be accurate, and issuance of such forward-looking statements should not be regarded as a representation by the Company, or any other person, that the objective and plans of the Company will be achieved. All forward-looking statements made herein are based on information presently available to the Management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

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