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## **2023 TCS Summit Report:** **3 Factors for Building Enterprise Fitness**

This report is based on CxO insights from the TCS Thought Leadership Institute and identifies what it means for a business to embrace enterprise fitness in today's world, similar to how athletes train.



**Suresh Muthuswami**  
Chairman, TCS North America

# Strengthen your (digital) core

A strong core is the foundation for success, whether in athletics or business. Starting with a strong core is what allows an athlete to perform at their best, stay healthy, and win. For a business, a strong digital core is the engine for pursuing true transformation; it's vital for improving every aspect of the organization and is powered by a data-driven foundation. In fact, the TCS Future of Operations survey shows that 89% of the C-suite say this is the most essential enabler to achieve their business priorities.<sup>2</sup>

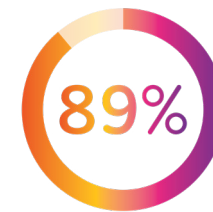


In 2023, businesses are turning uncertainty about the future into confidence about their opportunities. Like a well-trained athlete, fit enterprises can embrace this challenge and capitalize on new ways to achieve growth.

As the title sponsor and technology consulting partner for the world's top marathons, we know firsthand the power of fitness to change lives – whether that means empowering people to achieve big goals or equipping businesses to embrace 'Enterprise Fitness.'

At TCS Summit North America 2023, TCS leaders and our customers are exploring regimens for the fit enterprise, focused on strength, endurance, and adaptability. Training for enterprise fitness means using technology and new ways of thinking to prepare for modern challenges and the changing competitive landscape.

These executives strength-train their businesses to power true transformations; they move past plateaus of cloud ROI to see real business impact; they react quickly to adapt to new business models and consumer preferences.



*89% of the C-suite say a data-driven foundation is the most essential enabler to achieve business priorities, according to the newly released Future of Operations survey.*

The same is true for marathon runners. Many months of preparation lead to the triumphant moment when they cross the finish line. Along the way, they've identified their optimal pace, learned how to adapt to unavoidable and unforeseen conditions, and discovered just how far they can push and when risk necessitates pulling back. For many runners, these transformational insights come not from guesswork, but from data. Heart-rate monitoring, stride length, energy expenditure – collectively, these data points can lead to insights that add up to better performance.





“ Fortune 500 companies are like world-class athletes. They inspire us with their efforts to build their businesses and grow in any environment. But it doesn't happen by chance. As the world continues to change, they embrace the values of strength, endurance, and adaptability to keep their businesses fit and scale change in their organizations. ”

Amit Bajaj  
President, TCS North America

In business, true transformation is more than the adoption of digital technologies. Instead, it is a top-down shift in business strategy, philosophy, and operations, using advanced technology as a business advantage rather than merely as a solution to a business problem. In an enterprise with a strong digital core, leaders share the same vision of success, they collaborate with transparency, and use technology to execute the business at speeds and scales that were previously impossible. For example, the TCS Risk & Cybersecurity Study found that C-suite cyber executives — CISOs and CROs — at companies with higher revenue and profit growth were more likely to collaborate and coordinate their departments' work than were their peers at lower performing companies.<sup>3</sup>

There is a clear need for businesses to pay more attention to their digital core, especially when it comes to cloud and cybersecurity strategies. Despite the accelerated pace of transformation in the past few years, 73% of businesses are not fully cloud mature<sup>1</sup> — and 54% of CISOs say they're currently unable to defend against the most sophisticated cyber threats.<sup>3</sup>



*of CISOs say they are currently unable to defend against the most sophisticated cyber threats, according to the TCS Risk & Cybersecurity Study.*

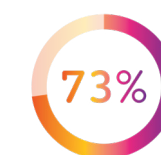


In addition, Chief Risk Officers — a role that grew out of the finance function — today rank cybercrime as a higher concern in the current environment than even global or domestic economic factors.<sup>3</sup>



## Findings from the TCS Cloud Study:

*Despite the accelerated pace of transformation in the past few years,*



*of businesses are not fully cloud mature.*

Cloud and cybersecurity are challenges in their own right, but many hurdles can be avoided by building a strong digital core that optimizes data-driven decisions and actions for a company's people, processes, and systems. An integrated structure for operations that eliminates organizational silos is crucial for a strong digital core. In fact, 83% of CxOs rank an integrated structure for operations that eliminates silos as moderately or significantly important for the success of their business.<sup>2</sup>



# Push through plateaus to achieve ROI



Digital transformation generates growth for a business – but like an athlete in training, an enterprise’s performance may plateau, especially when moving to the cloud. Conquering plateaus to unlock the full value of the cloud is key.

A strong digital core is just the first step to digital transformation. As the journey continues, many enterprises migrate data and workloads to the cloud to reduce costs and achieve new efficiencies. Yet this is easier said than done, with many cloud projects landing in, “cloud purgatory,” causing the overall digital transformation to plateau.



“ Many organizations have undergone tremendous transformation in the recent years. In the current environment, businesses must focus on ongoing transformation to deliver rapid ROI to the business...and open pathways to new revenue opportunities via AI and cloud. ”

**Sushant Tripathi**  
Vice President & North America Lead, Technology Transformation, Cyber Security, and M&A Services, TCS

Building the endurance required to push past a plateau means keeping the effort and motivation up, confident that benefits will come. When a plateau occurs, it may be that business-critical applications (mainframe workloads, ERP, and others) have been migrated to the cloud but aren’t operating as intended. This can lead to the misperception that the cloud is not creating appropriate ROI for the business.

In fact, some organizations report encountering bumps and bruises from the rapid pace of change. In the Future of Operations Study, cloud is the top planned technology investment for the next 6 to 12 months. Yet, according to the TCS Cloud Study, nearly a third say they’ve hit unexpected technical stumbling blocks with cloud implementations, while nearly half have reported that right-sizing their cloud investments is challenging. Twenty-five percent have even changed or are changing their cloud strategy due to insufficient ROI.<sup>1</sup>

*According to the TCS Cloud Study, nearly a third of executives surveyed say they’ve hit unexpected technical stumbling blocks with cloud implementations.*

Companies also plateau in their commitment to face rising cyber threats and geopolitical instability. Nearly a third of CISOs (32%) and over half of corporate CROs (52%) saw flat or even declining budgets over the last two years.<sup>3</sup>

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Continuous innovation and scaling of change cannot happen without enterprise endurance. Companies that can navigate the initial challenges of cloud are able to grow more quickly and deliver measurable business results from their digital transformation initiatives.<sup>1</sup>

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# Adaptability to change course



Like an elite runner, the enterprise at peak fitness runs with maximum efficiency and focuses energy on projects that will bring them the most value over the long term. Great athletes are adaptive – their training prepares them to be agile, and quickly change their strategy in response to what the competition is doing or to try something new to succeed. With the disruptions of the 2020s, adaptability is essential for a fit enterprise: leaders have been called upon to help their businesses navigate everything from global pandemics to geopolitical events to natural disasters, climate change, and more. At the same time, the proliferation of AI and data-driven technologies have meant new opportunities for revenue and efficiency, but also bring about new regulations and ethical questions.

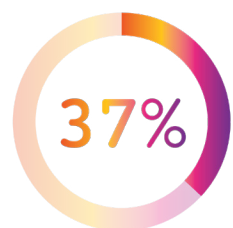


Getting products and services to market fast is imperative in this highly dynamic environment. CEOs with a strategic focus on accelerated delivery of new products and services to the marketplace said “adaptability to business needs” was a top enabler in achieving this business priority.<sup>2</sup>

*Adaptability to business needs is a top enabler for CEOs with a strategic focus on accelerated delivery of new products and services to the marketplace.*

An adaptive enterprise is one that can seamlessly integrate a new application to its technology stack or rearchitect its organization to obtain strategic capabilities through partnerships. Adaptability means recognizing skills gaps and finding creative and timely ways to address them. Many companies are struggling to find or develop cloud skills and experience in critical cloud areas. In fact, only 37% of companies can leverage Agile practices and methods in cloud environments without any issues, according to the TCS Global Cloud Study, and more than half of those making FinOps and DevOps a cloud-platform priority said they still had gaps in their skills and capabilities.<sup>1</sup>

*In fact, only*



*of companies can leverage Agile practices and methods in cloud environments without any issues, according to the TCS Global Cloud Study, and more than half of those making FinOps and DevOps a cloud-platform priority said they still had gaps in their skills and capabilities.*

Additionally, companies are increasingly adopting industry clouds with pre-built tools, compliance, governance, and subject matter expertise, enabling them to rapidly scale capabilities in a specific industry. Nearly three-quarters of companies surveyed in the TCS Global Cloud Study are assessing, adopting, or have already adopted industry clouds.<sup>1</sup>

*Nearly **3/4** of companies surveyed in the TCS Global Cloud Study are assessing, adopting, or have already adopted industry clouds.*

When companies finally and fully embrace cloud for their data and processes, they become more attractive to top talent. For example, cyber risk and security departments enjoy a five-point advantage in recruiting and retaining over their more cloud-hesitant competitors.<sup>3</sup>

In addition to recruiting, training, and retraining for skills gaps, adaptive organizations are increasingly looking to horizontal ecosystems to solve business problems. In a horizontal ecosystem model, jobs increasingly require cross-sector stakeholders to deliver value propositions. This represents a critical shift in mindset that allows an organization to unbundle itself and view various functions as composable building blocks. Composability bundles internal assets with ecosystem assets. Internal assets can be customer-facing products and services as well as pieces of a common service platform (HR, Finance, Legal, and similar). Ecosystem assets fill the gaps, which may include capabilities traditionally delivered by internal portfolios.

Ecosystem collaboration is also the most essential factor for successful technology deployments, according to Pacesetter CxOs in the Future of Operations survey.<sup>2</sup>

*“The future of business centers around horizontal ecosystems. Organizations must view themselves as composable building blocks that can be organized and reorganized around emerging disruptors and opportunities. In every industry, the winners will be those who can be more adaptable to new situations and agile to put new plans, processes, and people in place.”*

**Frank Diana**  
Principal Futurist, TCS

Adaptability also speaks to streamlining the maintenance of enterprise systems. For example, because of new functionality or requirements, almost half of all firms must customize their ERP systems quarterly; over a third must do so monthly or even weekly.<sup>1</sup>

The post-pandemic proliferation of applications most workers depend on can mean extreme complexity in the IT environment and business ramifications in the event of downtime. Streamlining access and management via automation and AIOps enable the business to be more adaptive to IT needs.





# Enterprise fitness training program



Based on insights from across the C-suite, an effective enterprise fitness training program that will ensure a strong digital core, endurance to continue transformation projects, and adaptability to react to unexpected challenges and opportunities should include the following efforts:

- 1 Empower people.** Train and retrain your workforce, appoint transformation evangelists, develop clear lines of communication about what's working and what's not.
- 2 Simplify processes.** Achieve observability across your enterprise and identify inefficient processes to eliminate or replace.
- 3 Remove system silos.** Centralize data storage and analytics and make data insights available democratically across the business.
- 4 Protect your core.** Prioritize ongoing cybersecurity modernization and backup capabilities to stay strong and keep the business running.
- 5 Next-level skills.** Identify skill gaps around strategic cloud capabilities like architecture, platform engineering, and skilling and obtain focused on managing cloud environments and associated costs.
- 6 Adopt industry clouds.** Ensure success in a specific industry by adopting industry clouds with pre-built tools, compliance, governance, and subject matter expertise.
- 7 Partner across ecosystems.** Stay ahead of the curve by working across ecosystems to provide the best value and experience to customers and employees.
- 8 Automate for efficiency.** Take advantage of advancements in AI technology to streamline common issues and enhance the productivity of the IT team.

# Sources & Executive Champions

## 1. TCS Global Cloud Study [on.tcs.com/2023-global-cloud-study](https://on.tcs.com/2023-global-cloud-study)

**Krishna Mohan**  
Vice President & Global Head,  
Amazon Web Services Business Unit

**Prashant Shirgur**  
Global Head,  
Enterprise Application Services Unit

**Nidhi Srivastava**  
Vice President & Global Head,  
Google Cloud Business Unit

**Satishchandra Doreswamy**  
Vice President & Global Head,  
TCS Cloud Enterprise Unit

**Parthiv Shah**  
Global Managing Partner,  
Cloud Strategy & Transformation

**Siva Ganesan**  
Global Head,  
Microsoft Business Unit

## 2. TCS Future of Operations Survey [on.tcs.com/future-of-operations](https://on.tcs.com/future-of-operations)

**Ashok Pai**  
Vice President & Global Head,  
Cognitive Business Operations

## 3. TCS Risk & Cybersecurity Study [on.tcs.com/risk-cybersecurity](https://on.tcs.com/risk-cybersecurity)

**Santha Subramoni**  
Global Head,  
Cyber Security Services

**Margareta Petrovic**  
Managing Partner,  
Risk & Cyber Strategy

## About the Thought Leadership Institute

Since 2009, the TCS Thought Leadership Institute has initiated conversations by and for executives to advance the purpose-driven enterprise. Through primary research, we deliver forward-looking and practical insights around key business issues to help organizations achieve long-term, sustainable growth.

For more information, visit [www.tcs.com/insights/globalstudies](http://www.tcs.com/insights/globalstudies)

## About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 50 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 614,000 of the world's best-trained consultants in 55 countries. The company generated consolidated revenues of US \$27.9 billion in the fiscal year ended March 31, 2023, and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index.

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