

# The Times of India: Growth is Our DNA, Nobody Wakes Up Motivated by Margins: Cognizant CEO Humphries



"In a nearly hour-long chat with TOI, Humphries spoke about how he sees the IT services industry and Cognizant's future. Excerpts:

**Some believe things went out of whack for Cognizant when, partly under pressure from Elliott Management (investor), the company tried to move to a high-margin strategy. Was the margin obsession a big distraction? Would you go back to Francisco D'Souza's earlier strategy of focusing on growth?**

I feel I'm standing on the shoulders of giants. I think what Frank has achieved is second to none, really. I believe that Cognizant is a growth company. That's our DNA. That's our heritage. That's how people wake up and get motivated in the morning. Nobody wakes up and gets motivated by the increasing margins. If you work in a company, you tend to celebrate gaining share, beating the competition, getting a new logo. And the higher the employee satisfaction, the higher the customer satisfaction.

**Are you saying investors too don't care as much about margins as about growth?**

What I find is investors want balance. They certainly, in my mind, prioritise growth. But of course, it's not growth at all costs. We have a history of exceeding client expectations, strong delivery, which leads to more opportunities. So as I think about every deal that we have an opportunity to compete on, I think not just about the value of that deal, I think about the economic value of that customer over a life cycle.

**From where we sit, it almost looks like you brought a bulldozer to Cognizant. On metrics like revenue per employee and the growth in it, Cognizant is much higher than its Indian peers. Yet you felt the need to let go of hundreds of people. Is your cost structure really bloated? You have been talking of embracing a fit-for-growth approach, while cutting fat in the organisation.**

This is a media story. First, my strategy is not to get fit for growth. My strategy is to protect and optimise the traditional businesses, and winning in four key digital battlegrounds – cloud, IoT, digital engineering and data. Fit-for-growth is not a strategy, like M&A is not. Being fit for growth and driving cost-efficiency are enablers of our strategy."

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