Evaluation of the MindTree 5*50 Plan

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Executive Summary

- MindTree vision is $1B revenue by 2014

- Key consideration of Knowledge Management's (KM) capability to drive "5*50" initiative to reach $1B goal

- AUXESIS analysis of 5*50 strategy concludes that MindTree $1B goal is achievable by:

  - Maintaining company culture
  - Expand and empower KM capability to lead 5*50
  - Expand and empower communities of practice and gardener initiatives

Knowledge Management and Leadership Engagement are Critical Areas of Focus for MindTree to reach the $1B Revenue Target.

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On the Road to a $1 Billion Enterprise

WITH AUXESIS

UNDERSTANDING CURRENT REALITY

An analysis and evaluation of what is at MindTree:
Leadership, Culture and Values, and Knowledge Management

AN ACTION PLAN FOR THE 5*50 INITIATIVE

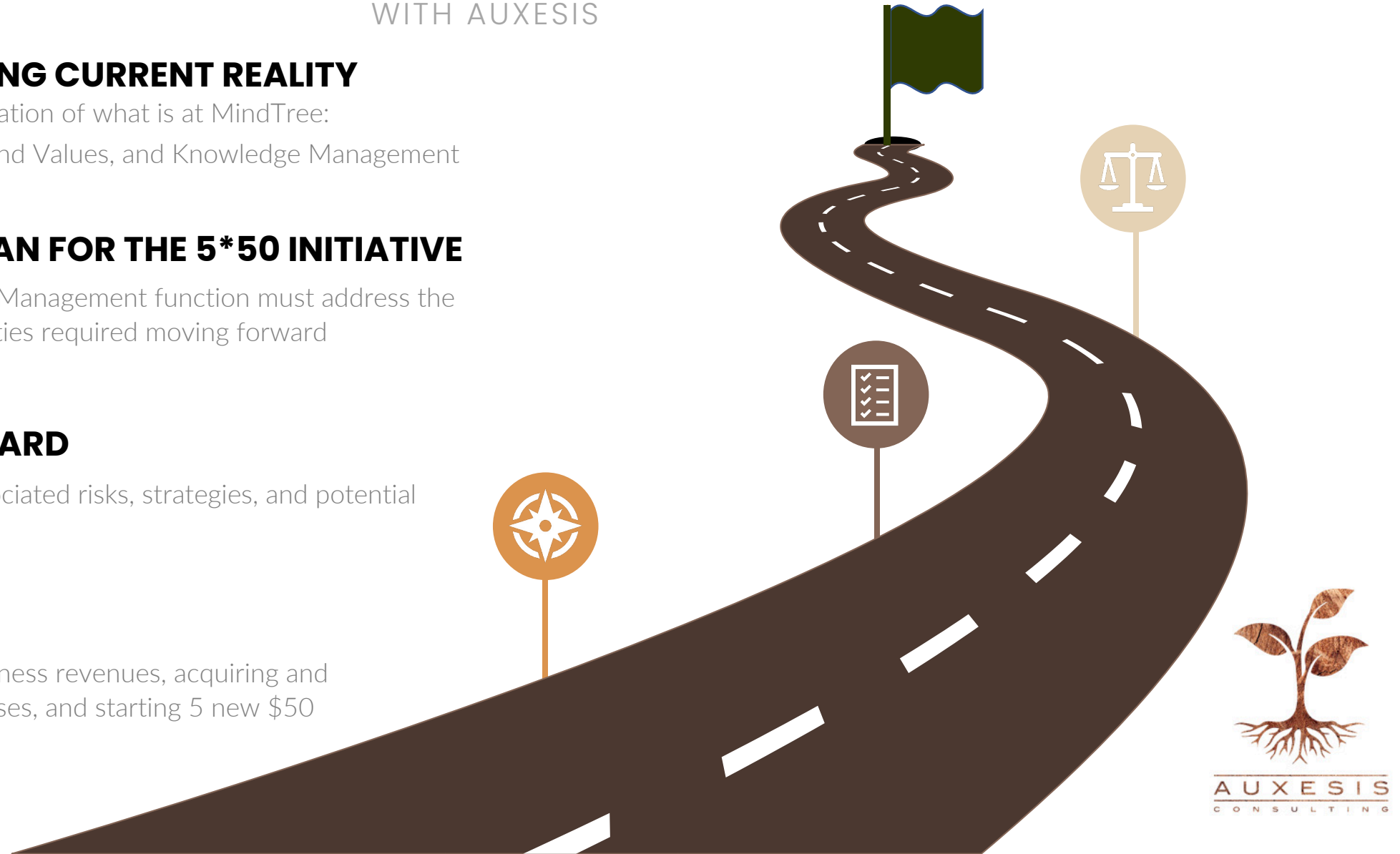How the Knowledge Management function must address the roles and responsibilities required moving forward

RISK AND REWARD

Consideration of associated risks, strategies, and potential outcomes

VISION 2014

Growing current business revenues, acquiring and growing new businesses, and starting 5 new $50 million businesses

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MindTree and Market Conditions
UNDERSTANDING CURRENT REALITY

THE COMPANY — 7 BUSINESSES 300 EMPLOYEES → MindTree is a mid-sized IT Services organization known for its approach to knowledge management.

THE INDUSTRY — 3 TIERS OF BUSINESS → **Low End:** voice-based services, knowledge process outsourcing, and "body shopping" **Mid-Tier:** focus on end-to-end BPO **High End:** consulting and R&D

THE COMPETITION — SWITCH COMPANIES → Six companies currently dominate the industry and attract the best talent and win the largest deals due to scale and reputation.

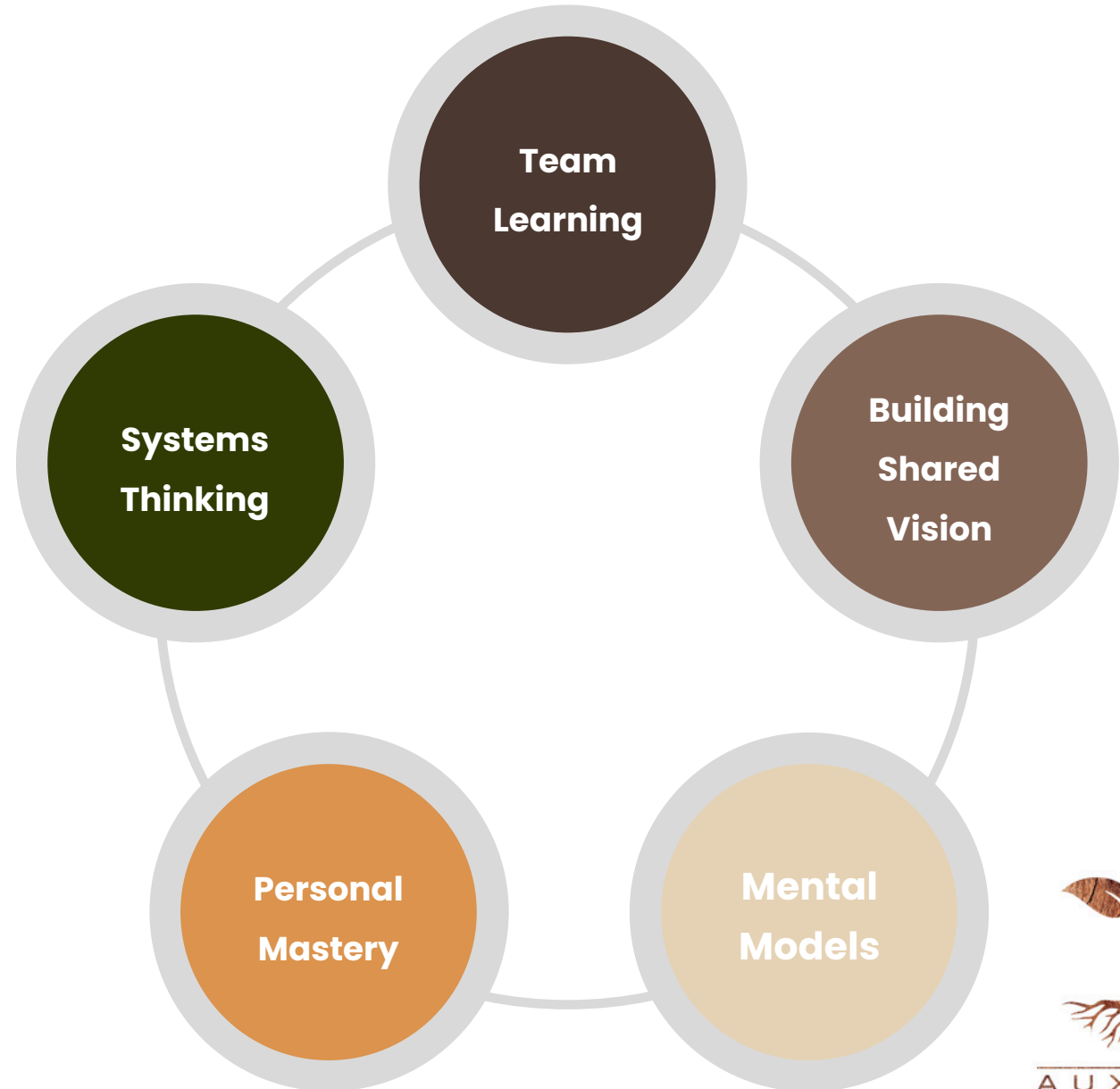**THE GOAL** — $1 BILLION ENTERPRISE → Grow MindTree's revenues from $278 million to over $1 billion by 2014.
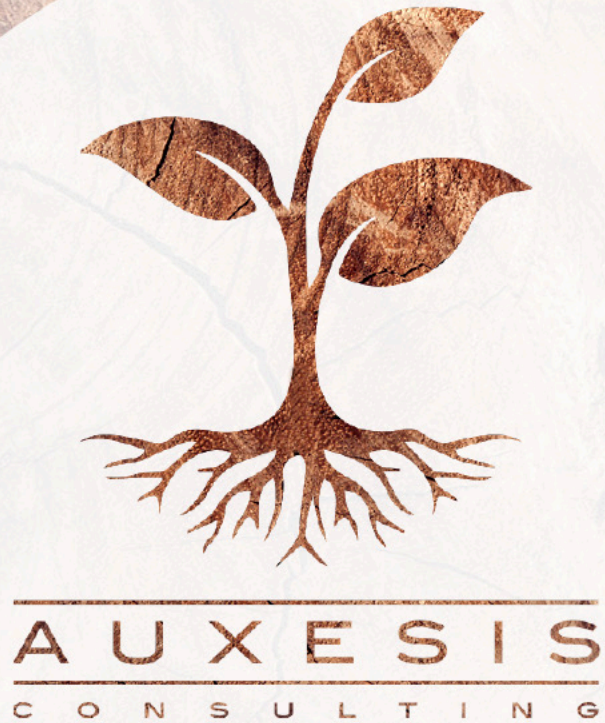
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5 Components of a Learning Organization

As defined in the Peter M. Senge book
The Fifth Discipline: The Art & Practice of the Learning Organization

Team Learning

Building Shared Vision

Systems Thinking

Personal Mastery

Mental Models

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MindTree Analysis and Evaluation

Strengths and Gaps on the Road to 5*50

Understanding Current Reality

AN ANALYSIS OF WHAT "IS" AT MINDTREE

Culture & Values

A high-caring, high-achieving organization with a values-driven, collaborative approach to doing business

Leadership

Reinforcing culture and values and developing leaders of the future with a heightened self-awareness and expanded leadership capacity

5*50 Initiative

$250 million in revenues generated from 5 great ideas that will produce $50 million dollar businesses in 5 years

KM Implications

Improved performance and personal/professional development
People-to People, People-to-Knowledge, and Knowledge-to-Knowledge

Communities of Practice

An organic result of knowledge sharing and collaboration offering venues to brainstorm, solve problems, share techniques, compare successes/failures, and not industry trends

"Everything we do is tied together by our values and our DNA"

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Is KM Ready to Lead 5*50?

5*50 is a strategy for growth

KM has a track record of success and is tasked to champion the 5*50 Initiative

KM is part of the identity and culture of MindTree
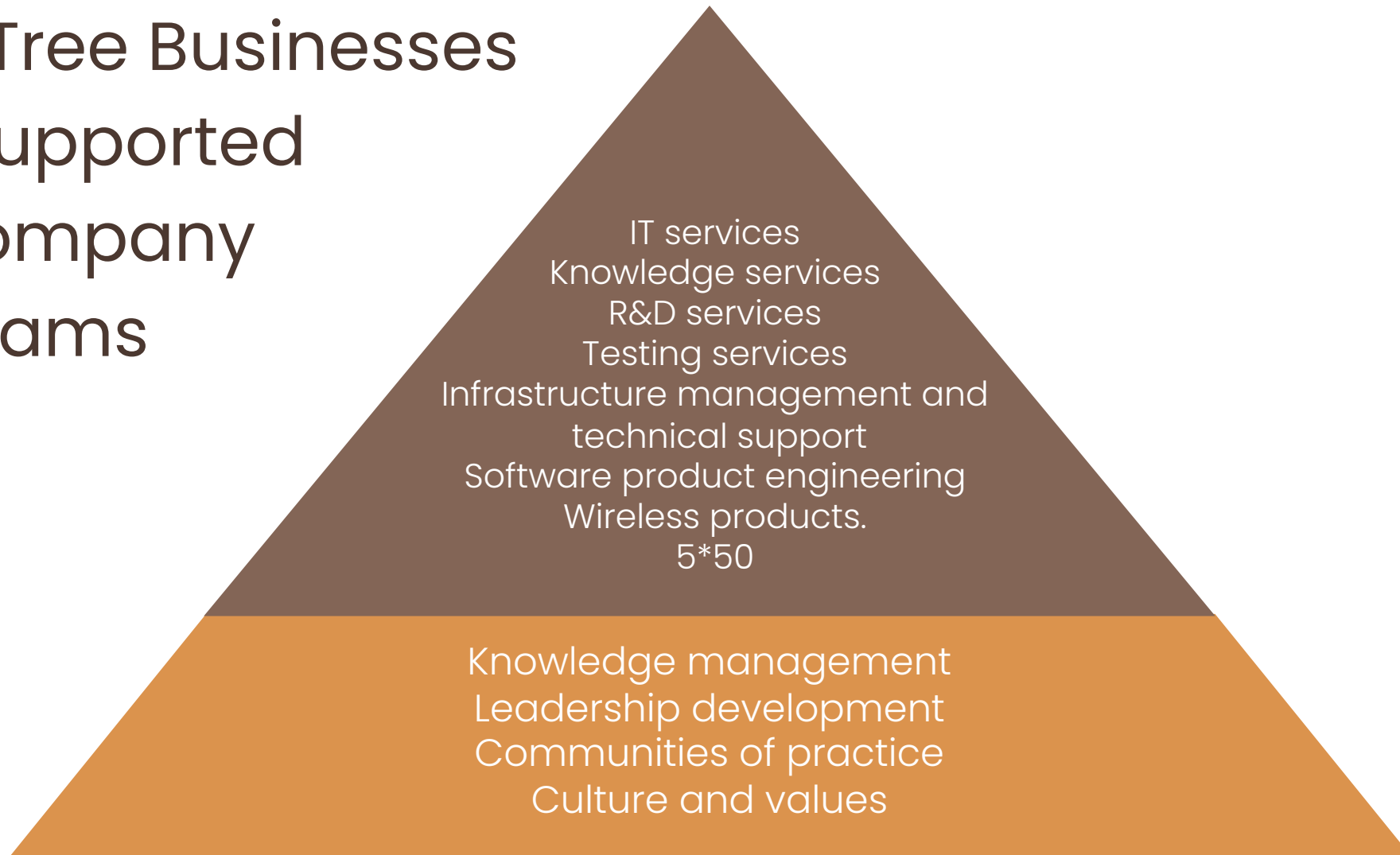
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Potential Gaps of the 5*50 Plan

- Shifts in KM

- Impacts on existing capabilities

- Risks of workforce growth

- Communication upgrade

5*50 is an effective way for expanding skills to support business growth.
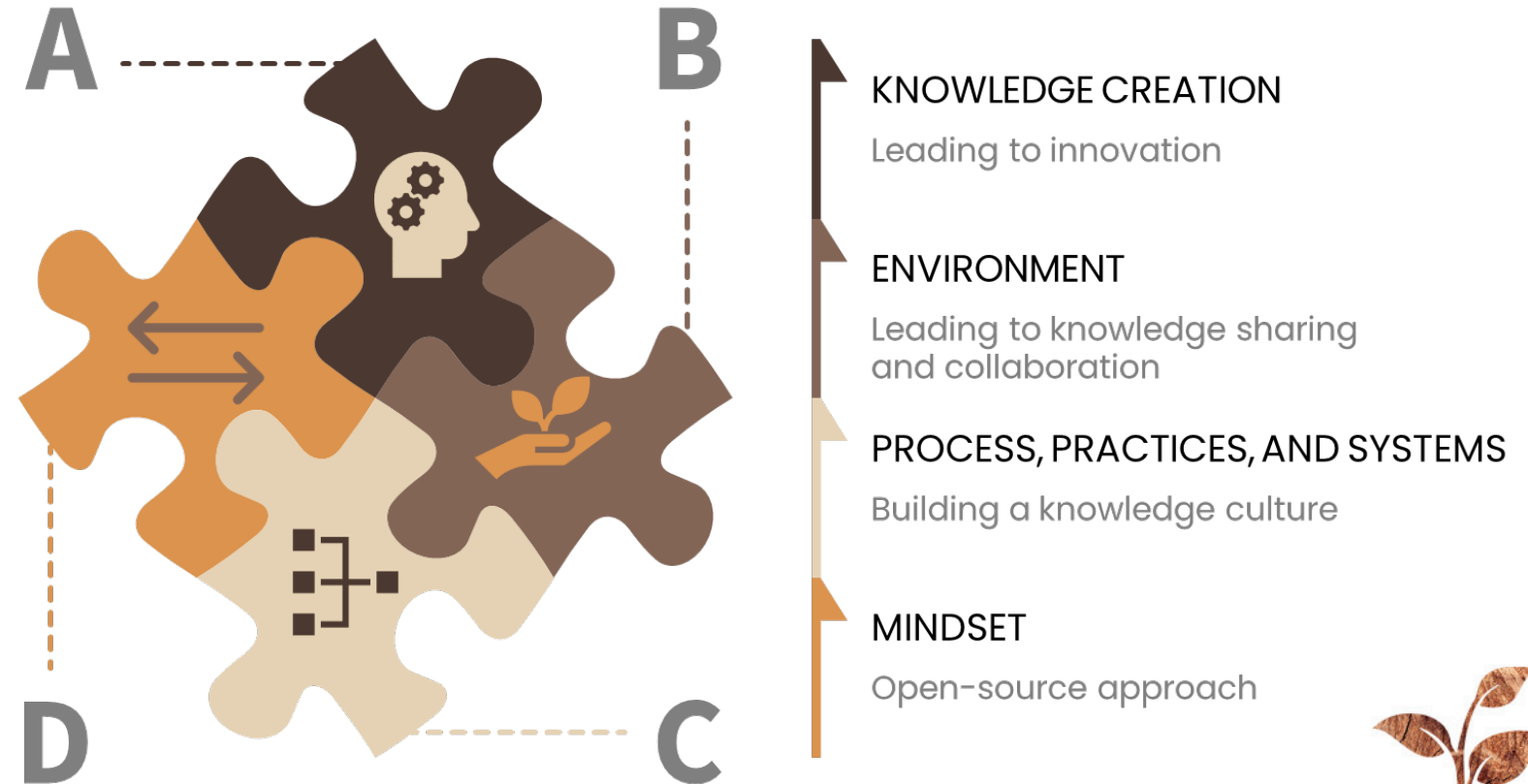
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MindTree Businesses Are Supported By Company Programs

IT services
Knowledge services
R&D services
Testing services
Infrastructure management and technical support
Software product engineering
Wireless products.
5*50

Knowledge management
Leadership development
Communities of practice
Culture and values

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Knowledge Management at MindTree

- Innovative collective knowledge approach
- Enables global collaboration
- Backed by scalable solutions

A

B

D

C

KNOWLEDGE CREATION
Leading to innovation

ENVIRONMENT
Leading to knowledge sharing and collaboration

PROCESS, PRACTICES, AND SYSTEMS
Building a knowledge culture

MINDSET
Open-source approach

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Impact of Knowledge Management

Observations:

- Renews employee knowledge
- Enhances organizational results
- Reinforces CLASS

Potential Gaps of Knowledge Management

- Growth in KM's involvement in strategy
  - Increased capability in customer acquisition, sales, and other aspects of the business.

KM is an effective group for capturing and sharing knowledge.
There is opportunity for expanding skills to support business growth.

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Leadership Development at MindTree

- Gardener program is the centerpiece of leadership development
- Week-long mini-MBA to support 5*50

Mini-MBA Program

Selection Committee

Market Validation

INNOVATION

BUSINESS OF BUSINESS

FINANCE

BUSINESS PLAN
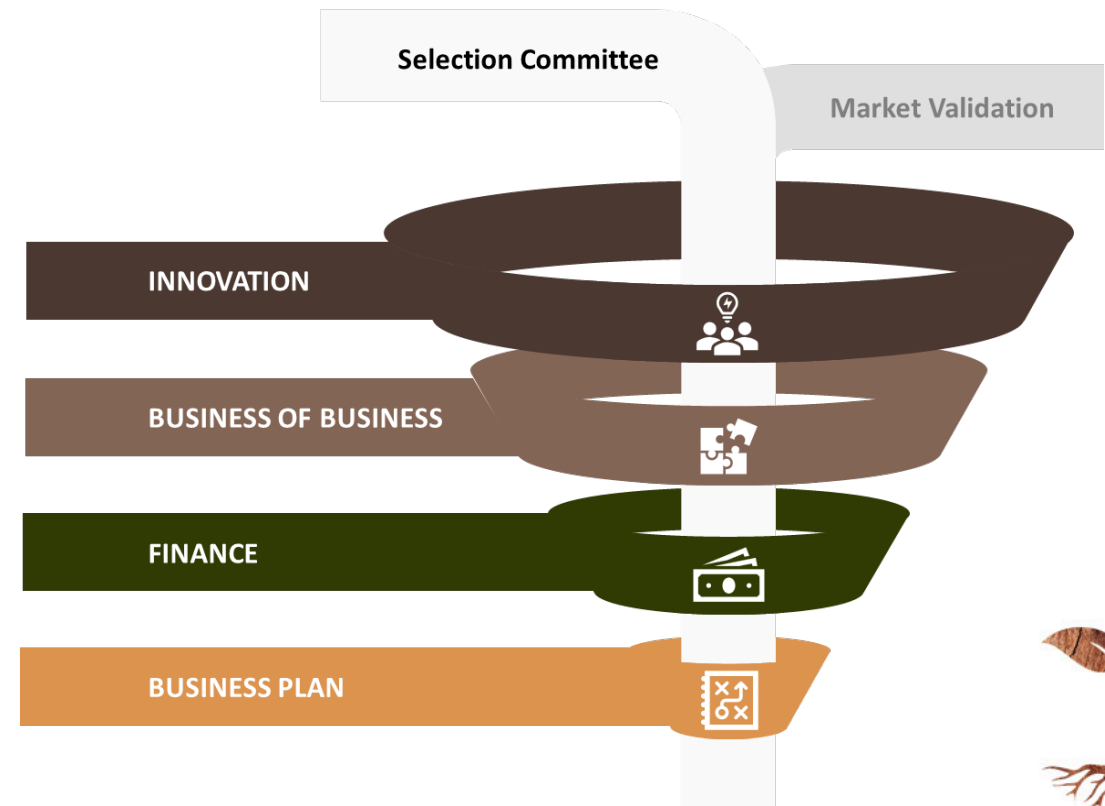
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Impact of Leadership Development at MindTree

Observations

- Supports MindTree's viability
- Demonstrates commitment to internal development
- Reinforces CLASS

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Potential Gaps of Leadership Development

- Shortfall in available talent
- Scalability of leadership development programs

With the desired business growth, the current leadership program will need to scale.

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Communities of Practice (CoP) at MindTree

- Non-directive programs to support passion projects which benefit the company

- Create venues to communicate and collaborate

Impact Of Communities of Practice

Observations:

- Involvement supports communication
- Enhances relationships between peers and communities
- Supports learning culture

Potential Gaps of CoP

- Scope and scale to support future need
- Immediate community integration by new recruits

New businesses generate new problems. CoP should be used to anticipate and mediate new challenges.

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Culture and Values at MindTree

THE ETERNAL SOURCE OF DIFFERENTIATION

LEARNING
Personal development and innovation

SHARING
Teamwork and knowledge creation

C L A S S

CARING
for each other, for our clients, and for our stakeholders

ACHIEVING
Aspiration, accountability, and action orientation

SOCIAL RESPONSIBILITY
Corporate citizenship and integrity
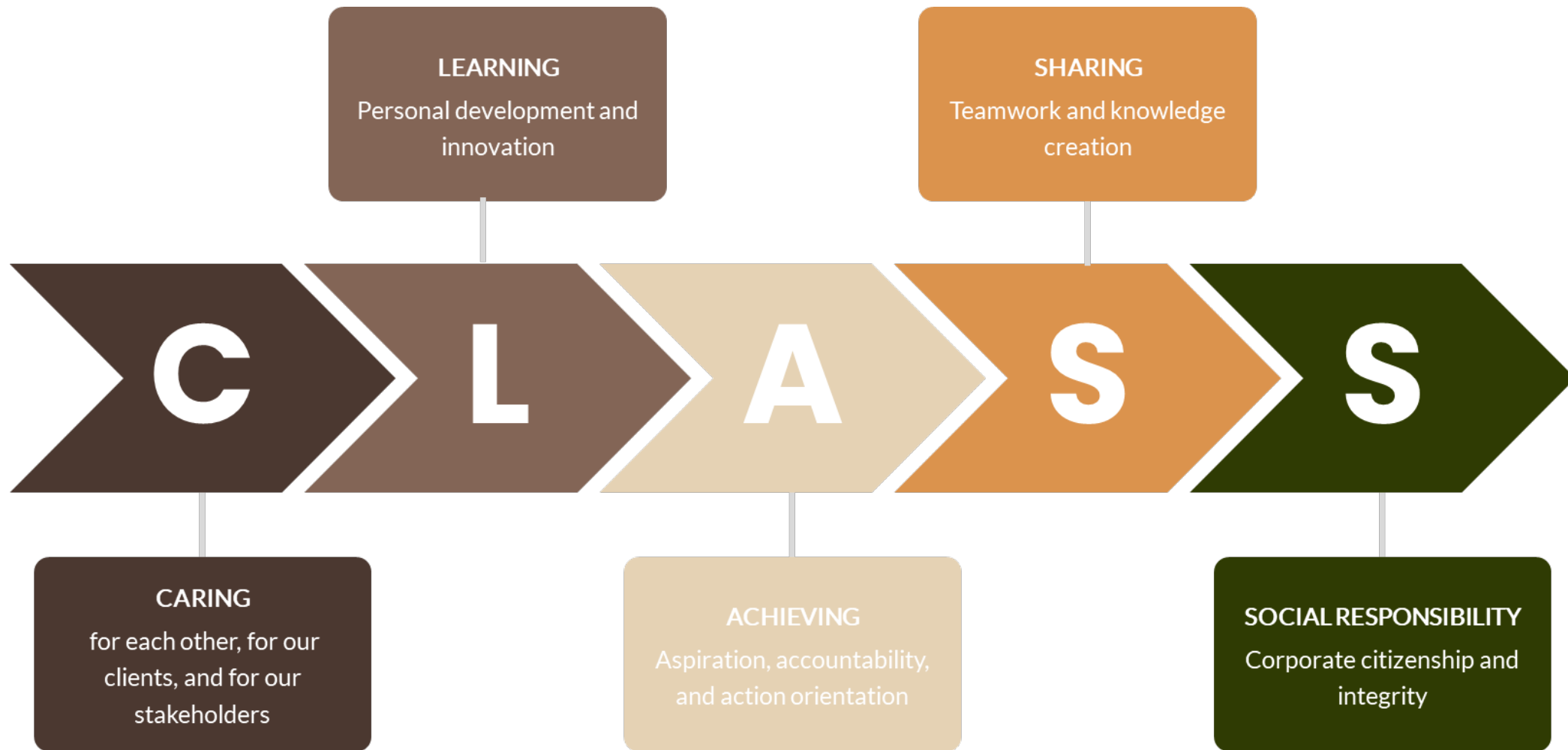
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MindTree's Culture and Values

Observations:

- Human-centered principles

- High-care/high-achievement environment

- Emphasis on Knowledge sharing
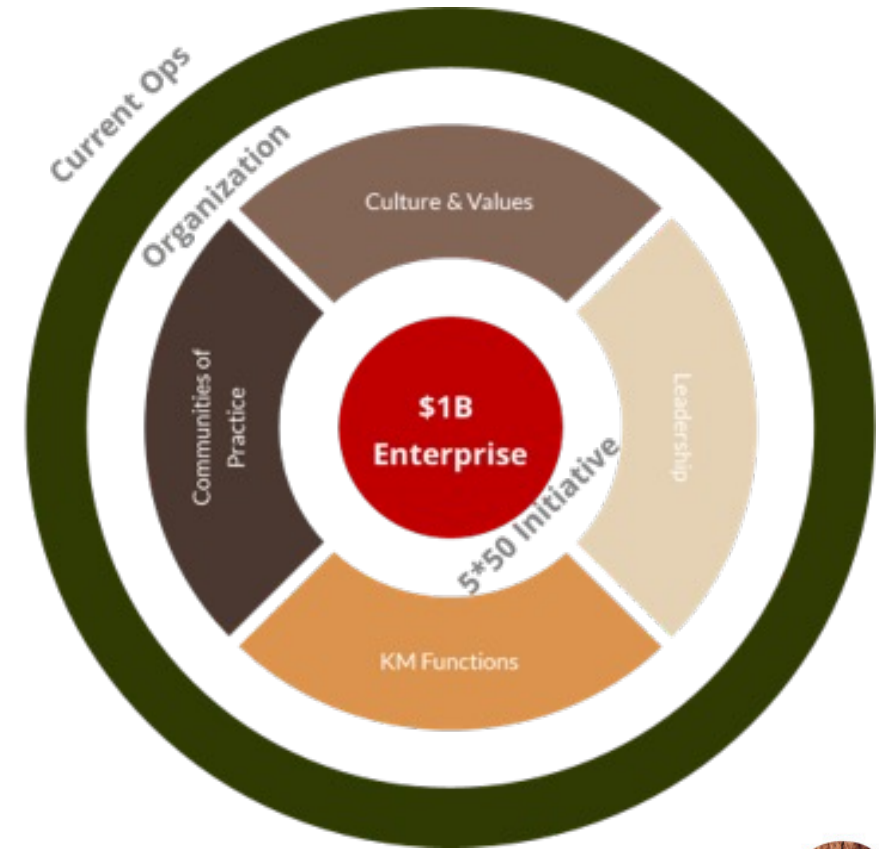
Potential Gaps of CLASS

- Growth impact on current culture
- Scaling of CLASS support

VALUES

Caring, Learning, Achieving, Sharing, and Social Responsibility.

CULTURE

Knowledge sharing and collaboration.

5*50 INITIATIVE

5 great ideas that will produce $50 million businesses in 5 years.

GROWTH

Rapid growth can have an impact on MindTree's onboarding process, creating a substantial risk to company culture and values.

$1 BILLION ENTERPRISE
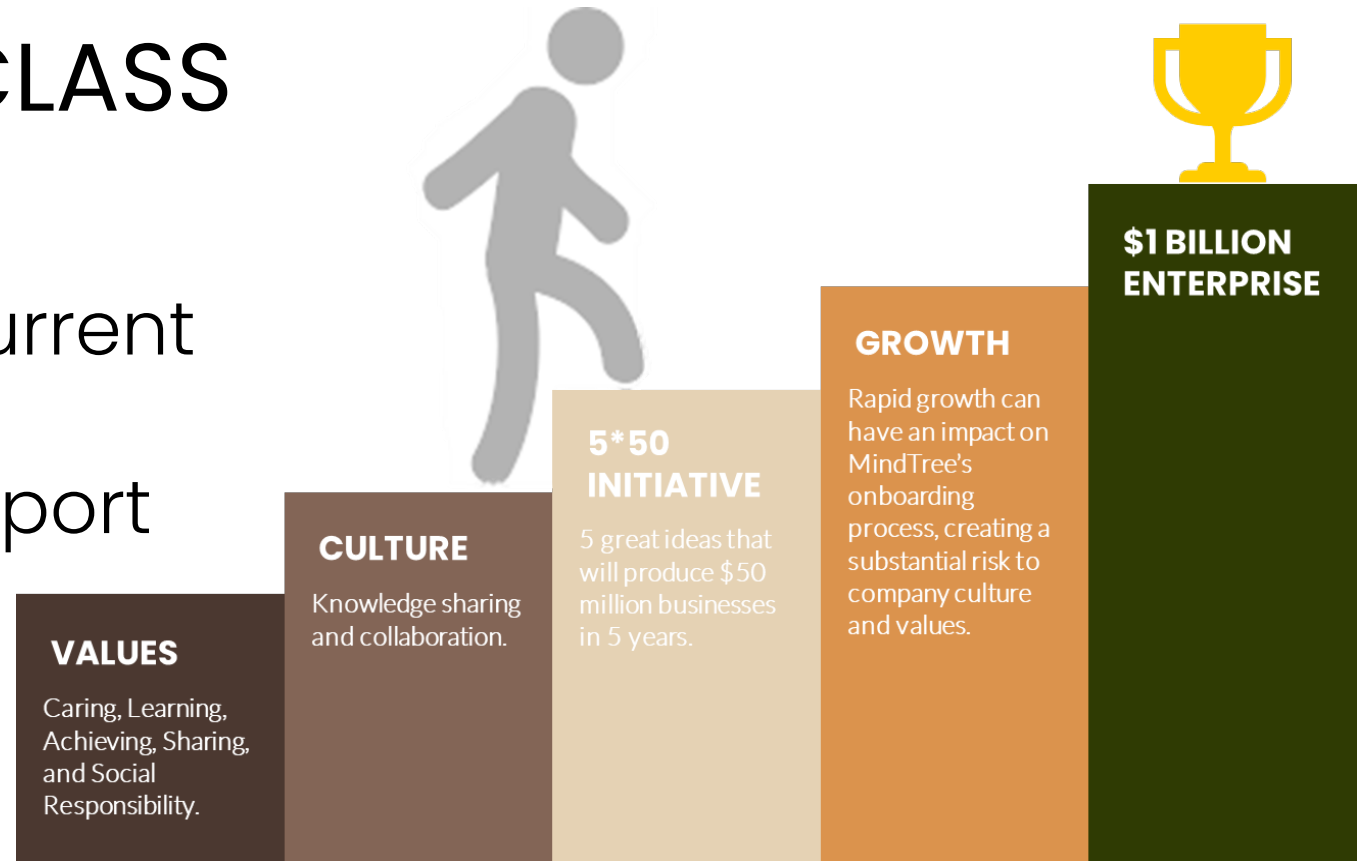
MindTree's culture is core to its success and should be maintained while growing.

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Analysis of Existing Relationship Between Growth and CLASS

Current

Growth to $1B (with 5*50 plan)
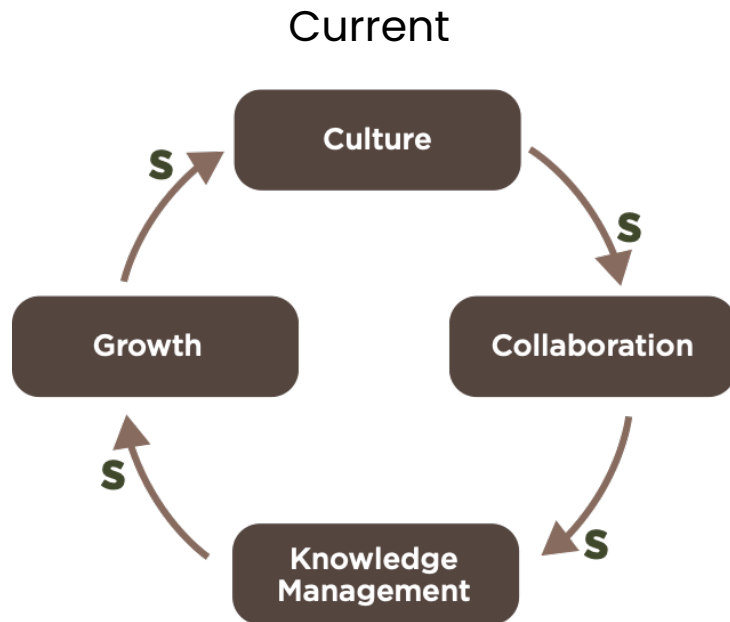
Current relationship between business and culture is a **reinforced** loop allowing for slow growth

S = Supporting Objective O = Opposing Objective

Increase culture risk as growth accelerates. Potential for **balanced** or **negative reinforced** loop to form

To overcome the potential risk to the culture and reaching the $1B revenue, AUXESIS recommends our 3 Step plan.

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3 Step Action Plan

Core actions to enable growth and preemptively address risk to culture

KM FOCUS FACTOR

01 Form a dedicated group for the 5*50 Initiative

GROW THE GARDENER

02 Expand and modify the Gardener program

CARE FOR CULTURE

03 Create a Community of Practice to enhance onboarding

KM Focus Factor

STEP 1

Form a dedicated group for the 5*50 initiative

independent from the existing KM team

- o AUXESIS named it "KM550" as a sample brand
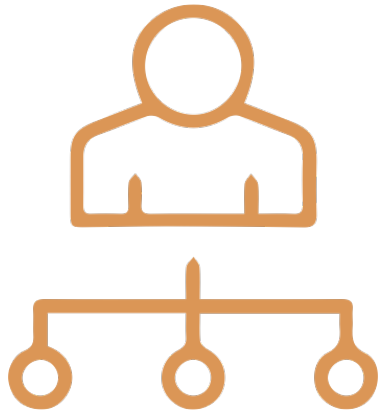
Strategic method for expanding the team and assimilating existing culture into new projects, and enhancing the existing culture with new ideas.

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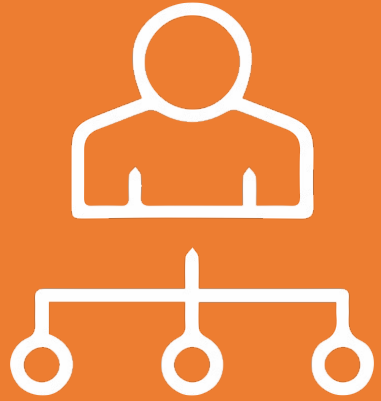
Dedicated KM550 Team

Items of consideration:

Culture

- Preserve KM culture foundation with empowerment to innovate new enhancement to culture that addresses KM550 mission

Team Performance

- Based on KM legacy methods reinforced by Model II Theory-in-use practices*

Communication

- Create community advisory board where Datta, Bagchi, KM550 team leaders, and the CEO's of the 5*50 are members

*See notes reference

STEP 2

Grow the Gardener

Scale the Gardener program to keep pace with leadership demand

More growth requires more leaders rooted in your culture.
Developing more leaders will support all aspects of your growth.

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Expanded Gardener Program

Items of consideration:

Skillsets

- Program to duplicate Bagchi capabilities

Community

- Leadership community creation championed by Gardener future leaders

Volume

- Scale resources to proportionally expand the leader pool.

STEP 3

Care for Culture

Create a community of practice committed to supporting CLASS during recruitment and onboarding

The faster "Minds" can onboard, the quicker they can contribute to the company's mission.

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Community of Practice – Recruitment & Onboarding

Items of consideration:

People Management

- Idea integration with onboarding and mentoring community
  - How can people management communicate feedback within the community to unify cross-company efforts?

Efficiency

- Onboarding process to adapt efficiently as the pace of hiring changes

Recruitment

- Fast-track champions for the community

- Identify skill gaps and adjust recruitment requirements

Mitigating risk to CLASS by executing 3 Step Action Plan
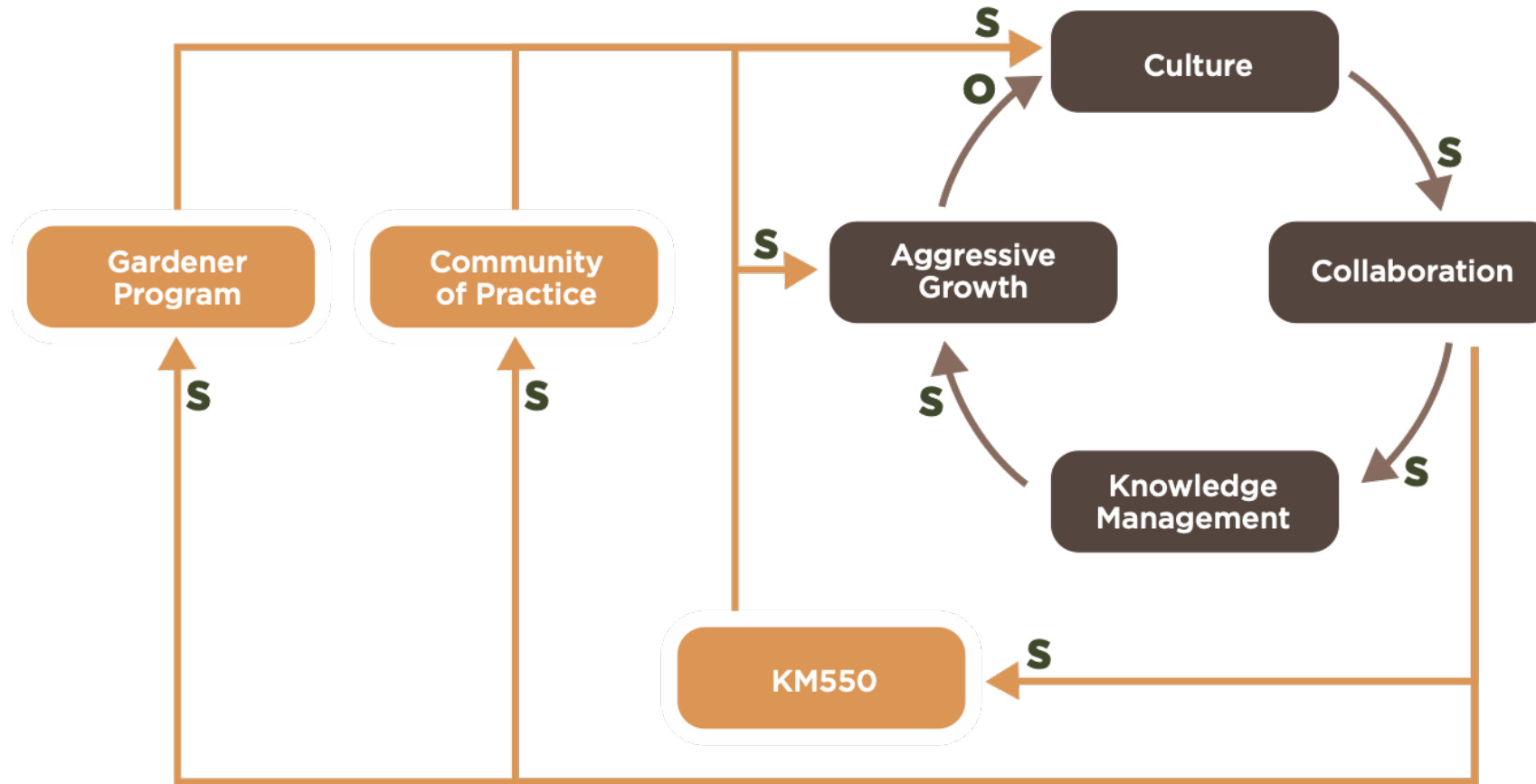
Aggressive growth still presents a risk, but the overall risk to culture is mitigated by the 3 Step Action Plan.
This returns the company to growth overall in a reinforced CLD.

Evaluation of Proposed Action Consequences

Risk	Mitigation Strategy	Desired Outcome
• MindTree Losing Culture and Identity as "people-first" company	• Leadership communicate CLASS priority • 5*50 must reflect CLASS elements	• MindTree maintains CLASS as it scales up and operates as a larger company
• Lack of leadership to scale growth	• Develop "gardener strategy" for the top leaders • Key external hires/partnerships needed for growth	• MindTree duplicates leadership model to expanding business
• Not scaling recruiting/mentorship for expanding workforce and mid-level leaders	• Target candidates that fit CLASS • Communicate messaging of expanding workforce through existing communities	• MindTree organizational structure supports $1B

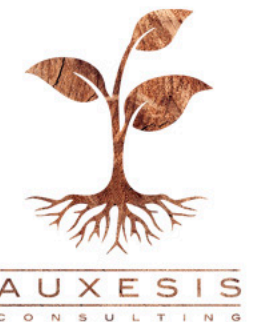*See reference Argyris and Staw/Ross

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Evaluation of Proposed Action Consequences - continued

Risk	Mitigation Strategy	Desired Outcome
• Loses competitive advantage by diluting KM (knowledge management)	• Maintain KM – technology, processes • Empower communities relationship connection to business lines	• MindTree maintains and fuels expansion of KM capability
• Dedicated KM550 team working the 5*50 initiative fail to embrace psychological safe, collaborative and accountable systems thinking	• Teach Model II theory-in-use values and behavior • Challenge KM550 team to solve a key problem to establish their own culture	• KM550 to cultivate new culture • KM550 to capitalize on new capability to find and launch 5*50's • KM550 to lead MindTree's chosen 5*50 in ongoing strategy

MindTree should reinforce its strengths of culture and knowledge management while looking for new ideas and strategic partners to help accelerate its growth.

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Evaluation of Alternative Action Consequences

Risk	Consequences	Possible Benefit
• MindTree chooses a different method (not KM) to grow its business to $1B revenue	• MindTree culture rejects the new method • MindTree current customers and markets discontinue KM service • MindTree loses its innovation	• MindTree discovers new and more effective methodology
• MindTree redirects Bagchi leadership duties and fails to backfill him	• No gardener or different style gardening depletes future leader pool • MindTree loses its people first culture advantage	• Bagchi's skills grows a potential successful business line within MindTree

MindTree may find other benefits by taking alternative actions, but significant and potentially detrimental changes to the culture is likely.

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Measures and Metrics

MEASURABLE REVENUE TARGETS FOR EACH OF THE 5*50 INITIATIVES

Develop and communicate a revenue metric the team can meet while driving the needed aggressive growth.

METRICS FOR PERSONNEL GROWTH

Develop and communicate personnel growth metric to support 2014 Revenue Target

5*50 EXECUTIVE REVIEWS

Maintains the Executives aligned with 5*50 plans and allows for independent measure of success

Establishing metrics ensures team alignment is maintained during aggressive growth.

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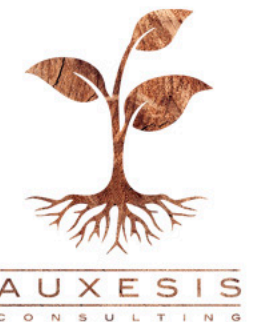
Conclusion

- MindTree is deeply-rooted. Ongoing cultivation as a learning organization enhanced by KM's current and future capability uniquely position the organization as a leader in the IT services market place.

- Auxesis takes the position that by reinforcing company culture, promoting KM to lead future growth and expanding the communities of practice and gardener initiatives, MindTree stands firmly positioned to capitalize on its greatest resource, it's culturally rich people.

Knowledge Management and Leadership Engagement are Critical Areas of Focus for MindTree to reach the $1B Revenue Target.

Questions and Discussion
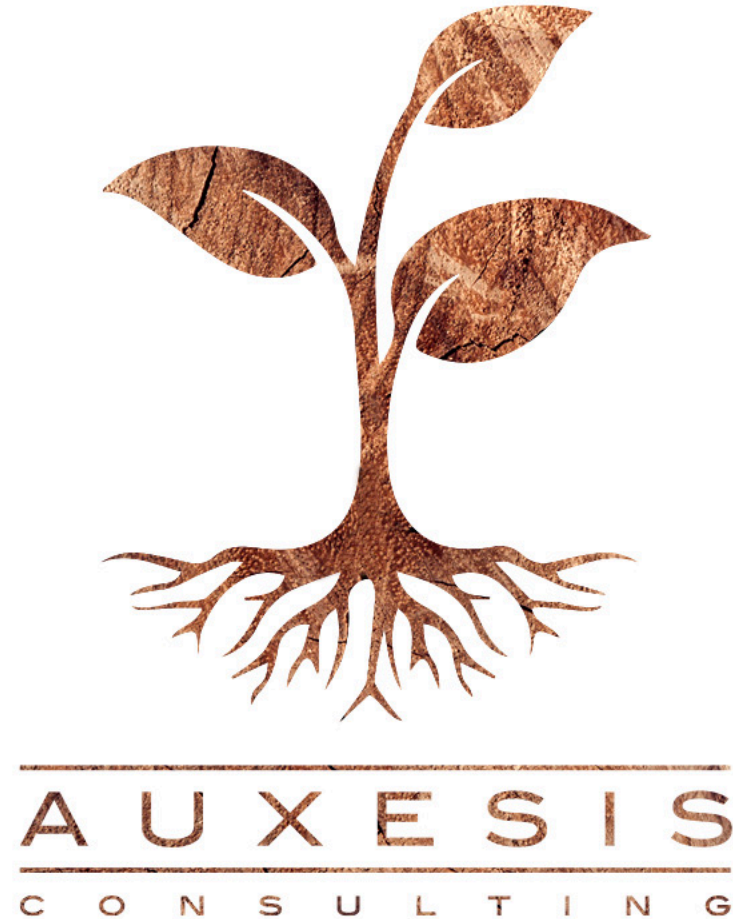
Team Members
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