

THE TECH WIZARD

Tata Elxsi, led by CEO & MD Manoj Raghavan, has been delivering cutting-edge tech services to global OEMs, all the while maintaining a steady growth path

By **Bluu Paul**

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► **WITHIN THE TATA ELXSI** universe, each customer conversation revolves around the compelling concept of “design as a differentiator,” crafting a business narrative that goes beyond the ordinary. With each passing shift in design, the company has been consistently reinventing itself, always staying ahead of the curve to embrace emerging trends long before they become mainstream.

“We have been building our industrial design business for almost 12-13 years; that’s a strong differentiator when it comes to leading conversations with customers using design as a distinguishing factor. Increasingly, now we’re talking of ‘design digital’ as a differentiator as the world moves more and more towards the digital side,” Manoj Raghavan, CEO and Managing Director of Tata Elxsi, says.

The Bengaluru-based design and technology services company has been at the forefront of leveraging artificial intelligence (AI) capabilities, spearheading projects in driverless cars, media and broadcast recommendation engines, and cutting-edge smart advertising long before the AI phenomenon became a buzzword.

“As technology evolves, we have also been evolving—both in the way we’ve structured ourselves and the way we focus on some of these new technology trends. We’ve always been ahead [of the curve] by 5-6 years. We’ve made investments in some of these technologies prior to their market release. It really helped us to have that differentiation with respect to our competition as well as to be more meaningful for our customers,” he says.

The 52-year-old IIT Madras graduate is in his 27th year with the company. Many credit Tata Elxsi’s robust and steady growth to its stable top management, which includes Raghavan. In the quarter ended December 31, 2023, the company reported ₹206.4 crore in net profit—an increase of 6% over the corresponding period in the previous year.

“They hardly had any churn at the top level. Their attrition level also generally is lower than industry standards. They have been able to attract a lot of talent because of the highly appealing quality of their work. Despite not offering any ESOPs, they are good pay masters. Their entire HR policy and the Tata name and the TCS association—all that create a positive and virtuous circle,” says Dipan Mehta, Director of financial services holding company Elixir Capital.

Raghavan highlights the company’s focus on fostering internal talents for leadership positions, along with a series of developmental activities designed to cultivate leadership skills among the staff, which he credits for the longevity of key talent. According to Raghavan, retaining key talent has helped the company build enduring relationships with clients. “We are in the engineering R&D space. The way we do our business is because of the core capabilities and skills that we bring to the

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MANOJ RAGHAVAN

CEO AND MANAGING DIRECTOR, TATA ELXSI

Revenue from operations	FY23	3,144.7
	9MFY24	2,646.2
Profit before tax	FY23	937.5
	9MFY24	786.3
Profit after tax	FY23	755.2
	9MFY24	595.3
	FY23 RoE (%)	40.97
	Market Cap	48,650.3

● Data is on a standalone basis; all figures in ₹ crore except RoE; 9MFY24: April-December 2023

● M-cap as of February 23, 2024

● Source ACE Equity, BSE

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KEY DIFFERENTIATOR Manoj Raghavan, CEO and Managing Director, Tata Elxsi

➤ High Tech

- ❶ Tata Elxsi's stable leadership drives consistent growth and fosters enduring online client relationships
- ❷ CEO & MD Manoj Raghavan keeps the company focussed on key verticals and uses GenAI and digital to enhance consumer value
- ❸ Tata Elxsi has always been at the right place at the right time, developing expertise in key sectors with rising tech spend
- ❹ It is now looking at certain adjacencies within its core industry verticals to avoid over-dependence on prime segments

PHOTO BY HEMANT MISHRA

table. Our customers primarily engage with either the engineering department or the R&D department. What really matters to them is—did the partner really bring in value additions in terms of technical capabilities and stability of engagement? If you have attrition at the top level, it can disrupt the bonds and relationships that have been built over many years," he explains. Also, the technical know-how gets disrupted over time, he says.

Raghavan's inclusive leadership style, characterised by attentiveness, mirrors the company's DNA, which is customer-focussed and employee-centric. "I talk less, and I hear more," he says.

Since the early 2010s, when the company decided to establish domain competencies and focus on three key industries—media and communications, transportation, and healthcare—growth has remained consistent. "The company will continue to focus on these key core sectors and leverage the powers of emerging technologies such as GenAI and digital to deliver even greater value to its customers," a pleased Raghavan says.

"They have been at the right place at the right time. They have good execution skills. The sectors in which they are present require solid domain knowledge and experience to provide cutting-edge technology services to global OEMs. These skill sets have been nurtured and cultivated by Tata Elxsi over several decades," says Elixir Capital's Mehta.

"Now we are seeing massive disruption taking place in all of these segments—auto, media and entertainment and healthcare—providing a lot of opportunities for Tata Elxsi to offer their specialised services. That's why they have seen good growth rates for the past several years," he adds.

However, Raghavan shows no signs of slowing down. Under his guidance, the company is now looking at certain adjacencies within its core industry verticals, such as commercial vehicles, farm and agricultural equipment space, and working on building its own products, solutions and intellectual property that can be licensed to customers.

"A great success for us is the connected car platform that we have developed and licensed to a number of customers. This achievement gives us a lot of confidence that we can not only build a world-class product but also establish effective business models around it. There are a few more products in the pipeline that we are looking to license to our customers. Incrementally, every year we will be launching new products to take on the market," says an upbeat Raghavan.

The company will continue to keep its gaze fixed on the three key industries, while also working on gradually introducing new products within these, he says. "Opportunities are plenty. Every few years a disruption happens in the industry; we love these disruptions as they give us an opportunity to reinvent ourselves. So, we will continue to be at the cutting edge of some of these innovations," he says. **BT**

@binu_t_paul