

A Futurewerk Perspective

**BEYOND THE NARRATIVE:**

THE MODEL THAT  
BUILT INDIAN IT  
**WON'T DRIVE  
ITS NEXT PHASE  
OF GROWTH**

THE NEXT PHASE  
OF GROWTH  
DEMANDS

**AN OPERATING  
MODEL DESIGNED FOR  
TRANSFORMATION,  
NOT DELIVERY.**

# The model that built the industry

Over the past three decades, the Indian IT services industry has built one of the most successful global business models.

What began with offshore delivery was systematised into a disciplined operating model that enabled global enterprises to scale technology delivery at low cost.

**At its core, this was an execution-led model, built to scale repeatable work. Work that could be broken down, distributed, and delivered efficiently.**

Clients gained access to skilled talent at a fraction of onshore cost, with the flexibility to scale as demand required.

Providers grew by adding capacity, converting cost advantage into margin, and scale into sustained growth.

**It worked exceptionally well. Over time, the model's success eroded its own advantage.**

**The first pressure was this: what once differentiated Indian IT became the industry norm.**

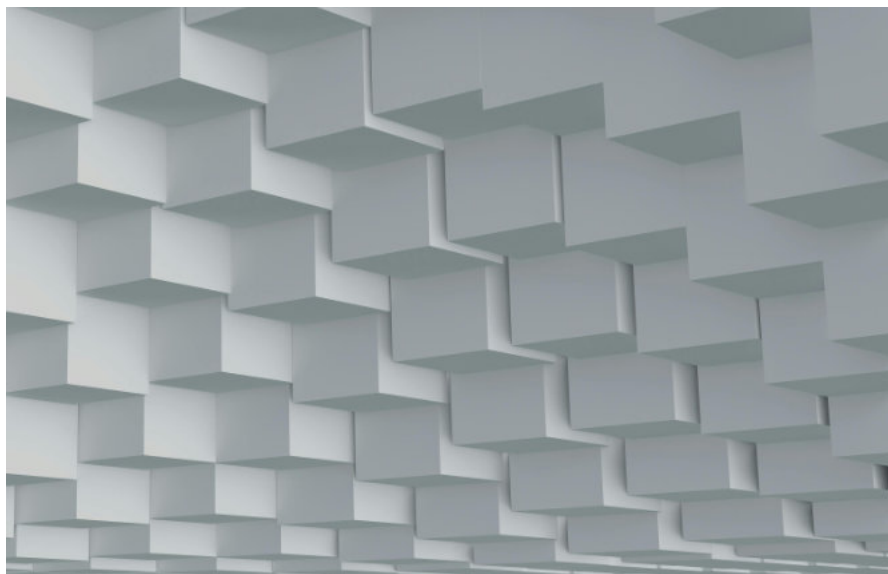
The model did not remain proprietary. It spread across geographies, competitors, and the industry.

Cost advantage became table stakes. Competition intensified, pricing pressure increased, and margins compressed.

**A second pressure is now intensifying. Automation, and increasingly AI, is reducing the volume of the very work the model was built to monetise.**

Large, labour-intensive programmes are contracting, not disappearing, putting pressure on both growth and existing revenues. Growth can no longer be driven by scaling effort alone.

The model continues to run the business. It no longer defines its future.





# The new growth frontier

As the execution model comes under pressure, the next phase of growth is being defined by transformation-led work.

## **The first came with digital transformation.**

Technology moved beyond IT and operations into the core of the business shaping products, client experience, supply chains, and business models.

As this happened, enterprises began to expect more from their technology partners: not just execution, but problem definition, solution design, and ownership of outcomes.

The nature of demand began to expand to include transformation-led work.

## **The second transformation wave is now accelerating with AI.**

Enterprises are adopting artificial intelligence as a means of redesigning how the business operates, competes, and creates value.

The questions they are asking are strategic: how to reorganise around AI, how to embed it into the business, and how to capture its value at scale.

These are not execution questions. They are transformation questions.

**Together, digital transformation and AI represent a sustained and expanding opportunity. The industry recognised this shift early and has actively repositioned around it.**

**As enterprises adopt AI across both business and operational domains, they increasingly expect partners to commit to outcomes and take accountability for how that value is realised.**

In sourcing discussions, this shift is becoming tangible. Enterprises are no longer satisfied with capability alone.

They are pushing for clarity on how AI will translate into operational outcomes.

This is increasingly reflected in how deals are structured.

Organisations are looking to move beyond effort-based models and embed expected benefits, including productivity, automation, and efficiency, directly into contracts.

This changes the nature of the relationship. It is no longer just about delivering services, but It is about committing to outcomes and standing behind the results delivered.



**Ali Touré**

Ali works with enterprises across Europe on sourcing transformation initiatives. With over two decades of experience, he has advised organisations on sourcing, and led partner selection initiatives, with roles at Futurewerk, ISG, Equaterra, and Olympus.



---

## The response is visible. The impact isn't.

The industry has responded decisively.

Companies have expanded into consulting, design, and new service areas across digital, cloud, data, and AI building capabilities through hiring, acquisitions, and partnerships.

Innovation labs and experience centres have been established to engage clients and explore new possibilities.

At the same time, narratives have shifted and positioning has been refreshed.

Organisations now position themselves as AI-led transformation partners, platform-led businesses, and AI-driven enterprises.

Sales effort has intensified to support this shift expanding coverage, deepening engagement, and developing more targeted propositions.

This is not a lack of effort. The investment is real, the intent is genuine, and in some areas, the results are already visible.

**And yet, despite the clarity of the opportunity and the scale of the response, growth has not followed in proportion. Revenues have not expanded at the scale expected.**

**Although enterprises are investing heavily in transformation, Indian IT providers are not capturing a proportional share of that growth.**

**Clients hear the narrative and the positioning, but do not consistently experience it in how organisations engage, solve problems, or deliver outcomes.**

---

## The real problem

The industry's response has not translated into growth. There is a disconnect between what is being said and what customers actually experience.

Customer perception does not shift because the experience does not change.

It reinforces the provider's role as an execution partner, not a transformation partner.

### **The answer lies beneath the surface: the operating model has not changed.**

Everything remains anchored in an operating model built for execution at scale.

Culture, leadership, structures, metrics, and incentives were designed for that purpose.

That model is deeply embedded and continues to absorb what is meant to change it.

Acquisitions make this visible.

Digital agencies, AI specialists, design firms, and consulting practices are brought in with different ways of working.

Over time, they are standardised into the existing operating model, losing the ways of working that made them valuable.

The people who created that value leave. The capabilities become standardised into delivery frameworks designed for a different kind of work.

The investment creates capability on paper but not in practice.

### **The narrative is absorbed into the operating model. The client experience remains unchanged.**

The same pattern plays out across the organisation.

New practices and transformation-focused teams are established, but operate within the gravitational pull of the broader organisation, including its culture, incentives, and definition of performance.

Over time, they conform, folding back into existing sales and delivery cycles.

### **That operating model does not just shape delivery, it shapes how organisations think, behave, and solve problems.**

**The culture that built the industry, process-driven, hierarchical, optimised for utilisation and margin, is not wrong. But it is not designed for transformation-led work.**



**That mismatch is increasingly visible in the talent required for the next phase.**

The new opportunities require professionals comfortable with ambiguity, focused on outcomes, and able to engage clients as advisors rather than vendors.

Many join these organisations expecting to do this kind of work but the system does not support it.

The result is self-reinforcing.

The operating model resists change. Culture reinforces the model. Leadership sustains the culture. And the talent required to accelerate the shift does not stay.

## The context has changed for IT services companies, the era of input person hour based engagements is over, and the operating model needs to evolve to demonstrate value in outcomes. The question is how soon can they transform.

The market is evolving in ways that are fundamentally reshaping how value is created.

As AI reduces coding effort, tech services providers must reconfigure their talent profile.

The traditional pyramid structure may give way to a diamond structure where dependence on an army of developers would shift to increasing higher level skills around domain expertise, work flow design, and architecture, with mid management roles moving away from "people management" to "technical oversight".

These professionals act as Human-in-the-Loop, providing the domain context, ethical judgement, and verification.

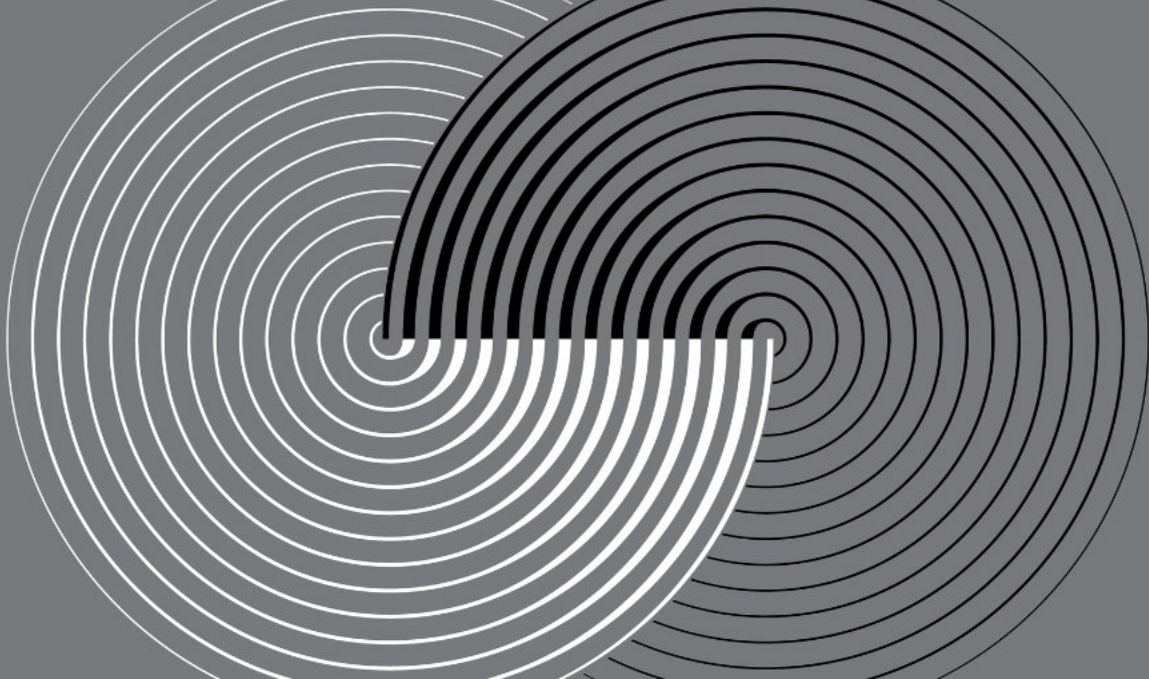
Longevity now depends on the willingness to rethink the foundations of the business that has served the industry well for decades.

If that evolution is delayed, the risk is not just slower growth, but structural irrelevance over time.



### Arvind Thakur

**Former CEO of NIIT Technologies (now Coforge)**, Arvind Thakur led the company through a period of sustained growth and repositioning. He currently chairs the board of JK Technosoft Ltd, overseeing its transition to an AI first organisation, including the launch of cutting-edge AI platforms.



---

## What actually has to change

The response needs to be anchored in three areas.

### **The first requirement is clarity on where to play.**

This is not a positioning exercise. It is a strategic choice that shapes how the organisation will compete.

It requires clarity on where the organisation can credibly create value, based on its existing capabilities, evolving customer needs, and the dynamics of the categories it seeks to operate in.

This means going beyond defining service lines.

It involves understanding how these categories work in practice: how clients buy, what they value, how competitors position themselves, and what differentiates meaningful outcomes from commoditised delivery.

It also requires clarity on the experiences the organisation intends to deliver, and the perception it seeks to build in the market.

**For organisations choosing to operate across both efficiency-led and transformation-led work, this distinction must be explicit. These are not adjacent extensions of the same model. They represent fundamentally different types of work, with different expectations, buying behaviours, and measures of success.**



## The next phase requires a clear choice: reshape the existing operating model, or build a distinct one for transformation-led work.

**Transformation work demands something different: comfort with ambiguity, ownership of problem definition, cross-functional integration, and accountability for outcomes.**

Engagement models need to move upstream, with organisations participating earlier in defining the problem, not just executing against defined requirements.

Talent models need to evolve, with greater emphasis on domain expertise, architecture, design, and the ability to work with business stakeholders, rather than large pyramids optimised for execution.

Commercial models need to move beyond effort-based structures, with increasing alignment to outcomes, value, and productivity.

Governance models need to reflect joint ownership, with deeper integration into business decision-making rather than operating as delivery oversight structures.

The result is an organisation that engages earlier, defines problems more clearly, and is accountable for delivering outcomes.

**This cannot be achieved by stretching the existing model. It requires building something fundamentally different.**

This requires a distinct operating model for transformation-led work, alongside the current model for efficiency-led delivery.

Where organisations attempt to blend the two without clear separation, the existing model dominates, and transformation work is forced into execution-led structures. Losing what made it valuable in the first place.

**The second requirement is to design the operating model around the chosen areas of play.**

Transformation-led work cannot be delivered through a model designed for efficiency.

The traditional operating model is optimised for scale, predictability, and cost efficiency.

### **The third requirement is disciplined execution.**

This is where the model breaks down in practice. Organisations recognise the opportunity and respond by investing in capabilities, hiring talent, and launching transformation-focused initiatives.

Without alignment to the operating model, these efforts remain fragmented and fail to scale.

**Transformation capability cannot be built through isolated programmes layered onto the existing model. It requires sustained and coordinated investment across sales, talent, training, proposition development, and delivery capability.**

This is not a one-time transformation effort. It requires sustained, coordinated investment and reinforcement over time.

Execution must be coordinated across the system. Sales, talent, propositions, and delivery cannot evolve independently.

Each must be aligned to the same intent and reinforced through how the organisation operates and measures success.

**What gets measured determines what scales. Traditional metrics optimised for utilisation and margin do not capture the value created in transformation-led work.**

Execution must be anchored in the intent defined upfront and evaluated against clearly articulated outcomes.

Without that discipline, transformation remains a narrative. The organisation signals change, but the experience remains unchanged.

# What is changing, and why it is not working

The shift is being attempted by providers across multiple dimensions, but often in isolation.

**At the enterprise level**, some providers, particularly in areas such as infrastructure monitoring, testing, and service desk support, are being directly impacted by automation and AI.



In response, they are attempting to reposition themselves. They can identify where to play and reshape their narrative accordingly.

**But many move straight to execution without first changing the operating model.**

As a result, repositioning does not translate into organisational transformation.

Instead, it drives a disproportionate focus on sales, intensifying activity to deliver on positioning without fundamentally changing how work is delivered.

**At the portfolio level**, some companies are building more focused positions in areas such as AI, data, industry platforms, or specific industry verticals.

These are more grounded attempts to define where to win.

However, translating this into client influence and engagement remains difficult.

**Engagement, from pitches to consultative sales, continues to be shaped by the existing operating model.**

These initiatives are often measured on immediate revenue outcomes, rather than being allowed time to resonate with clients.

As a result, positioning evolves, but client perception does not shift at the same pace.

**At the account level**, providers are attempting to expand their role within existing client relationships.

They understand client needs and the competitive landscape.

In many cases, clients are willing to engage them in transformation initiatives.

But providers struggle to fully leverage this opportunity because how they engage, define problems, and develop solutions remains anchored in the existing model.

**Engagement remains sales-led, and solution development remains mechanistic, limiting flexibility, customisation, and deeper interaction.**

The underlying operating model still shapes how the organisation shows up.

This results in partial influence. Clients explore possibilities, but often choose other partners to deliver transformation work.

**At the functional level,** particularly in sales, organisations are reshaping how they engage clients through training, new roles, enhanced client engagement, and deeper integration of technical and commercial capabilities.

These changes open doors and initiate conversations.

**Those conversations cannot be sustained if sales, solutioning, delivery, and marketing are not aligned. What follows does not match what was promised.**

**Sales amplifies the narrative, but the experience required to support it is not created.**

**At the talent level,** organisations are also attempting to reposition themselves to attract talent aligned to transformation work.

Employer branding is refreshed, value propositions are redefined, and organisations are positioned as AI-led and innovation-driven.

But compensation structures, performance metrics, and a culture optimised for efficiency remain unchanged.

As a result, the perception associated with these organisations persists.

**The talent required for transformation-led work does not see these organisations as environments where that work can be done, and chooses to go elsewhere.**

The pattern is consistent: change at the edges, alignment in parts. But until positioning, operating model, and client experience move together, effort will increase without scale.

## Trust is built when what you say, do, and deliver align consistently.

The Indian IT services industry has earned a powerful reputation over decades, defined by delivery, reliability, and scale.

That reputation runs deep, influencing how clients decide, how teams operate, and how organisations are perceived in the marketplace.

Today, the industry seeks to reposition itself around business transformation, but the shift in positioning has yet to translate into a change in customer perception.

This is because transformation is not defined by a change in positioning alone. It is defined by how organisations interact internally and with their clients, address challenges, and create meaningful outcomes.

Transformation also demands something more enduring, a clear, unifying narrative that acts as the organisation's guiding star, shaping direction and intent.

It becomes the foundation on which the brand is built, the business is structured, and outcomes are consistently delivered.

Therefore, the question to rebuild perception is simple: what changes in real terms? What guides how decisions shift, how teams behave differently and how outcomes redefined? And ultimately, what needs to change in the way a brand shows up, in order to clearly signal this shift?

For organisations aiming to reposition around transformation, this creates a clear imperative.

**What is promised, what is demonstrated, and what is delivered must stay aligned, consistently and with clarity.**

Without that consistency, perception does not shift, regardless of how compelling the narrative.



### Geet Nazir

As **Managing Director at Landor India**, Geet works at the intersection of brand and transformation focusing on how strategy is translated into consistent experience, and how that experience builds trust at scale.



---

## The path forward

The industry does not need a new strategy. The direction is clear. The opportunity is visible.

What is required is the harder work of making the organisation match its ambition.

**The execution model took decades to build. The transformation model will take years to establish alongside it.**

It means building distinct ways of operating for different types of work, rather than forcing both through a single model.

**It means treating client experience, not narrative or capability, as the true measure of change.**

That change must be made visible through consistent behaviour, not statements.

And creating an environment where the talent required for transformation can thrive.

This will take time.

**Organisations that make this shift will find their role with clients changing, not because they position differently, but because they operate differently.**

How they engage, structure solutions, and deliver outcomes begins to reflect a different kind of capability, one clients can recognise and rely on.

As that happens, the nature of the relationship changes. Clients begin to bring them problems they would previously have taken elsewhere.

The conversation shifts, from execution to ownership, from delivery to outcomes. Growth follows that shift in role.

The industry has spent years building a compelling story about where it is going.

But a story, however well told, does not change perception on its own.

**Perception changes when experience changes.**

The work now is to make that story real, in how organisations operate, and in what clients consistently experience.



**Futurewerk**

Accelerating  
Enterprise  
Innovation

LONDON | HYDERABAD

**CONTACT US**

[info@futurewerk.com](mailto:info@futurewerk.com)

© 2026 Futurewerk.

ALL RIGHTS RESERVED